



HOSPITALITY
ADVISORS

March 2026

What is a great experience worth to you? All-inclusive dissected



Dan Voellm, *MRICS*

CEO & Founder

Decisions that matter.

History

It is not clear how far the origins of the all-inclusive concept date back in history. Traditional Ryokans in Japan offer meals, 'Onsen' hot springs, basic entertainment, and, of course, lodging – a form of all-inclusive accommodation that dates back more than 1300 years.



Photo from Vogue

In more recent times, the UK saw the all-inclusive concept introduced in the form of Butlin's holiday camps in the 1930s. The founder Billy Butlin's background in theme parks and entertainment seems like a natural progression into hospitality. Adding red coat entertainers, however, was a novelty and huge success building on elements of entertainment and community. Butlin's footprint expanded from England's eastern shore at Lincolnshire, Essex, and Yorkshire, to Scotland, Wales, Ireland and on to the Bahamas in 1948. The concept remained one of camps with hotels added in some locations but was eventually disrupted by cheaper international travel by the 1980s.

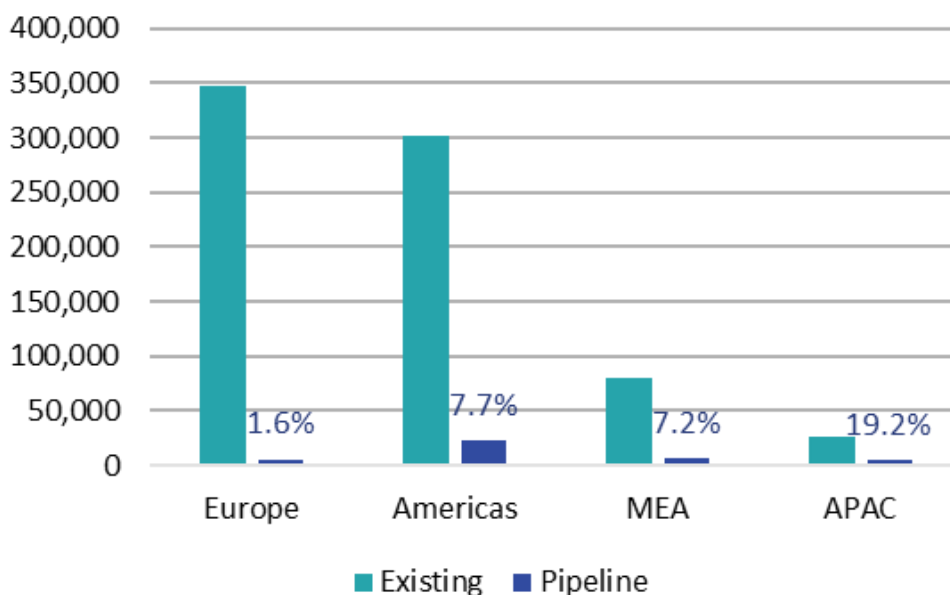
Hardcoding sunshine into the concept saw a newcomer emerge in Majorca in 1950: Club Med founded by Gérard Blitz. While the first villages featured army tents without water or electricity as accommodation, the essence of freedom and sports was front and center. Over time, entertainment and 'Gentle Organisers' became a cornerstone of the experience, as facilities were gradually upgraded to feature more robust accommodation and exotic locations were embraced. First a small bungalow village at Tahiti in 1955 which required extensive boat travel, then a ski resort in Switzerland in 1956, and later two resorts in the French Caribbean. And the rest is history as they say.

An interesting shift that occurred in the industry is that in the past the market was mostly oriented towards a mass market product characterized by value offerings, larger inventories, and in low-cost destinations (North Africa, Turkey, Carribeans). Over the last 10 years, there has been a gradual shift towards the luxury segment, with new players, such as Ikos, targeting very high-end destinations. This trend is still building momentum and opening up new opportunities.

Global Supply Landscape

True to its origins, of the total all-inclusive supply of approximately 745,000 keys, 45% are in Europe followed by the Americas at 40%. Predominant regions are the Mediterranean and the Caribbean. On a national level, this has Turkey at 134,000 keys ahead of Mexico with 121,000 keys, Spain at 85,000 keys is in third spot and the Dominican Republic at 63,000 keys comes in fourth. Other major markets include Greece (51,000), Cuba (42,000), Egypt (36,000), Bulgaria (25,000), and Jamaica (19,000). Middle East & Africa and APAC are far behind at less than 80,000 (Egypt, Tunisia, and Morocco represent 76% thereof) and 30,000 keys, respectively.

Figure 1: Pipeline to Existing Supply Ratio by Region

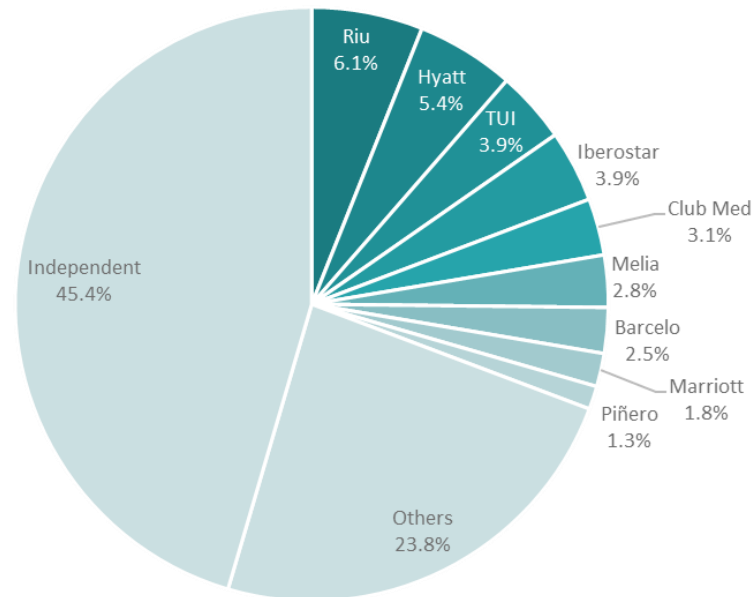


Source: CoStar

However, in terms of pipeline, a more compelling picture emerges. Clearly, the most dynamic growth in the sector is in APAC where new supply represents 17.3% of existing supply. Nevertheless, the Americas leads with the strongest total pipeline at more than 20,000 keys. Countries with the largest pipeline include the Dominican Republic, Mexico, and Jamaica.

The operator landscape is highly fragmented, whereby the largest nine operators command less than 22% market share.

Figure 2: Top 10 Global Operators by Existing Rooms



Source: CoStar

The traditionalist incumbents were vertically integrated travel enterprises owning travel agencies, (charter) airlines, destination management companies (DMCs), and all-inclusive resorts such as TUI. However, the stalwarts of industry can all trace their origins back to the Mediterranean island of Majorca in the 1950s. Aforementioned Club Med, Riu (with approximately 45,000 keys), Iberostar, TUI, Melia, and Barcelo all launched on this island where the post-war travel boom was unleashed most ferociously in the form of package holiday makers just when the island became a luxury destination. Visits by Liza Minelli and Frank Sinatra made for unbeatable publicity back then.

Hyatt's name emerged on the scene more recently after first launching their own two brands in 2013 and then doubling down by acquiring Apple Leisure Group in 2021 and Playa Hotels & Resorts in 2025. Both acquired groups had large existing room counts across the Caribbean and Mexico at around 29,000 and 9,000 keys, respectively. In December 2024, Hyatt also signed a strategic joint venture with Grupo Piñero of, which brings 22 of their resorts with 12,000 keys to Hyatt's Inclusive Collection.

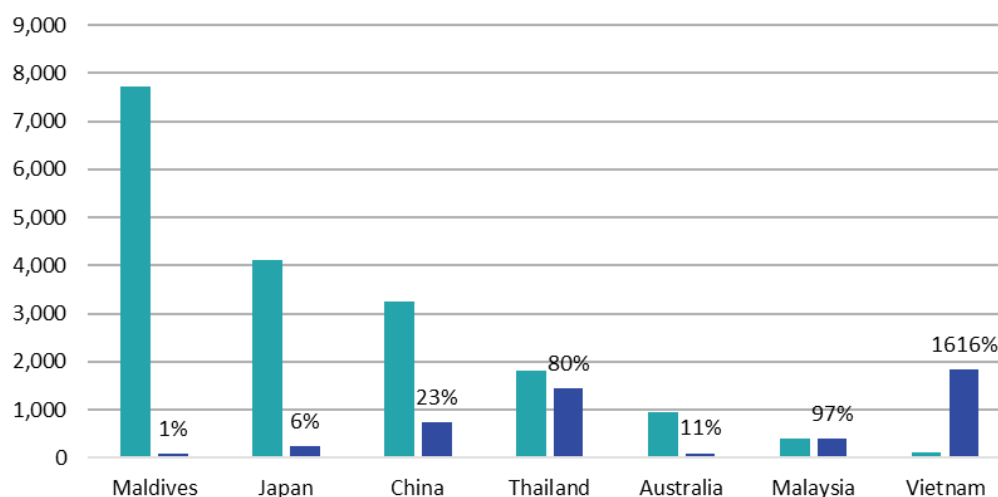
Notably, Accor has been active in the space and took market share in 2017 through its 50-50 joint-venture with all-inclusive operator Rixos, followed by the launch of the 'All-Inclusive Collection' in 2021. In April 2025 Accor entered negotiations for the acquisition of Royal Holiday Group's management contracts with 3,200 keys – which should be concluded very soon.

In APAC, the Maldives registers the largest all-inclusive supply inventory tracing back to the island nations very roots in tourism in the 1970s. The ‘one island, one resort’ mantra is conducive to the all-inclusive business model given the captive audience. In general, all-inclusive resorts have first thrived in less developed locations. Similarly, with island resorts in Okinawa, ski and hot spring resorts, Japan looks at a sizeable inventory rooted in its Ryokan history. The giant nations of China and India are neck-to-neck, right behind Japan. However, in other parts of Asia, the business model has not caught on to the same extent as in Europe and the Caribbean, attributable to the evolution of travel and distance to high-spending source markets across various stages of tourism development.

APAC Pipeline

The most dynamic pipeline growth in APAC is in the most active hotel development market in Southeast Asia: Vietnam - though coming off a very low base. Given the abundance of affordable options for dining and entertainment proximate to most resorts mixed with the omnipresence of major hotel chains and their loyalty programs vis-à-vis fragmented source markets, the all-inclusive model struggles to gain traction.

Figure 3: APAC Pipeline to Existing Supply Ratio by Country

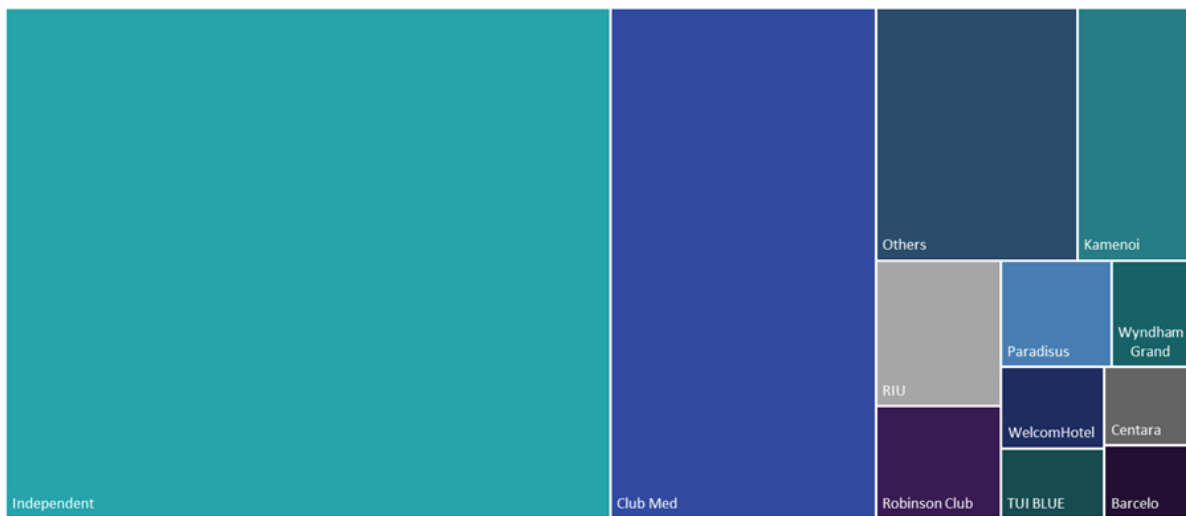


Source: CoStar

The overall pipeline for all-inclusive resorts stands just shy of 5,000 keys, which is a fraction of the close to 1 million keys of branded supply pipeline.

Due to the above factors, the number of pure all-inclusive operators in APAC is limited. In most cases, certain owners and operators choose to run a specific property all-inclusive given certain operational constraints or limitations. They may well maintain a ‘regular’ resort brand for marketing purposes.

Figure 4: APAC Existing Room Supply by Brand

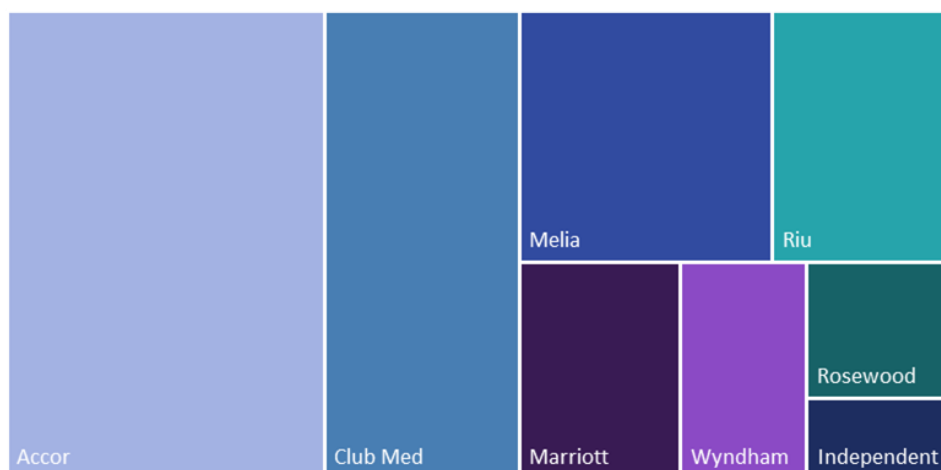


Source: CoStar

Given its legacy in the industry that includes a long presence in the region, Club Med has the largest footprint in APAC with approximately 22% of the existing all-inclusive supply. Second largest in APAC is Japanese Iconia Hospitality's Kamenoi brand (under Fortress Investment Group) at roughly 5% of the total existing supply.

As traditional operators gain more experience with the all-inclusive business model in the region, it gets deployed more frequently. The mix of operators with strong pipelines shows that having the right expertise and focus is critical in scaling up.

Figure 4: APAC Existing Room Supply by Brand



Source: CoStar

Accor, Melia, and Club Med dominate the pipeline in APAC, yet only account for some 3,300 rooms combined.

Business Model Review

As shown above, the success of the all-inclusive business model in terms of roll-out varies greatly by region. Across APAC, the relative recent emergence of an affluent middle-class (with exceptions for Japan and Korea) can be attributed to the delayed pace. After all, the upfront 'sticker price' of an all-inclusive holiday tends to be higher than a comparable resort (often includes breakfast only). The consumer learning curve and (in-)ability to independently make travel choices further complicates access to market. After all, communicating what's included is key. The audience is usually families with children from infants to teenagers in tow. As cross-border holiday travel in the region was usually reserved for a higher-spending clientele, cost considerations rarely came to the fore. One early example was on the islands of Guam and later Saipan have had a good run starting with the Japanese market in the 1980s and the Korean market starting around 2005. We reviewed the traditional all-inclusive business model across a number of aspects and highlight how they resonate with guests and investors.



Photo by Author

Appeal

The bottom-line appeal of an all-inclusive resort for guests is in the predictability in terms of the offering and spending of the holiday experience. Knowing what is included in your holiday i.e. the benefit of complimentary access to a wider range of facilities and often flights and transportation as well reduces uncertainties. Investors on the other hand are compelled by the stability of operations. A well-run all-inclusive resort in the right market can attain occupancy levels well above 90%. Notably, resorts may close on a seasonal basis, in particular for ski resorts but also certain beach destination during winter or rainy seasons. While prices may vary across seasons, the constant resort population makes staffing far easier, freeing up time for management to focus on other areas. At the same time, there are rarely or no

walk-ins and guests arrive on predetermined transportation. This allows for reduced front desk staffing, freeing up labor for other ways to engage with guests.

Value

Guests who do not want to conduct at-length research prior to their making their travel decisions may find comfort in what the resort offers, which is usually a greater choice of complimentary activities and amenities, hence the term 'all-inclusive'. Properties can be anchored by water parks or include ski lifts to reinforce and differentiate their positioning and create an easier buy-in for tourists. Yet the greater choice also comes in other areas, such as Food & Beverage, activities, wellness, entertainment, and amenities. To the investor, this translates to price bundling whereby managing one revenue stream (upselling aside) can be more focused than driving income across multiple selling points. Yes, the offering and expenses still need to be managed, though the maze of Minor Operated Departments and questions how to yield better – in case anyone still asks – falls away.

Challenges

To the consumer, the main challenge is the above-mentioned learning curve. Calibrating expectations when making their purchase decisions is difficult. The fear of being stuck in a boring yet expensive resort is real. That's where anchor attractions or a well-defined Unique Selling Points (USPs) can help to tip the scale. For the investor, high fixed costs need getting used to. The high resort population requires operating and maintaining facilities for the months they are open or even year-round, making for an overall more intensive operating environment. While sales & marketing is unlikely to have a heavy presence on site and often has offices or representatives (and agents) in key feeder markets. In short, while regular resorts spend more time on managing various revenue streams, all-inclusive resorts are focused on operational readiness.

Requirements

Beyond the basic aspects of quality and service, name recognition is key. Guests will seek out popular destinations and brands they can trust given the larger investment they make upfront compared to a regular resort holiday. This 'curb appeal' is also important when communicating with their peers for essential bragging rights; after all, a holiday is often also about status. Investors will be looking for distribution power. Unlike regular resorts, which can run around 70% occupancy, all-inclusive resorts need to operate at higher occupancy levels to be fully efficient. This makes the scale of distribution more important. As a premium-mass market experience, creating awareness to drive bookings is a foremost priority. Historically, the vertically integrated tour operator model ensured end-to-end customer care. In a time of direct bookings and OTAs, it has become more difficult to

educate consumers and provide those easy buy-in options. Being plugged in to feeder markets is critical. Starting with one feeder market may do for efficiency, however, over time, diversification has shown to be key, lest all eggs are in one basket. A comment on hardware: it may not be substantially different from a regular resort. Individual brands have their specific requirements, such as lodging for international staff onsite, larger kid's clubs, wine cellars, or a larger spa. This is not unlike regular resort brands differentiating themselves.



Photo by Author

Benefit

Guests, particularly families, can enjoy a hassle-free vacation and can spend more time in the resort, maximizing their time's worth across facilities. To make use of the greater offerings, all-inclusive guests tend to stay longer than guests in regular resorts. As a result, to the investor, the guest experience and overall operation become less transactional and commercialized, allowing a focus on delivering quality hospitality. In addition, tapping undeveloped destinations can be de-risked with the right all-inclusive brand.

Spending

The predetermined budget of the holiday, while elevated, is among the strongest selling points to guests. Savings and disposable income can be matched with the right experience, reducing potential causes of anxiety and stress. The investor in turn gets a higher total spend per guest across the board. This gives more flexibility in managing operations and cash flow.

Upselling

Still a common feature across all-inclusive resorts are packages for premium beverages (mostly about alcohol) as well as certain signature restaurants, wellness offerings, motorized activities, sport lessons, and certainly excursions. Not all guests perceive the same value

from these opportunities to spend more, and some may feel alienated or discriminated for not forking out money on the spot – being very much against the all-inclusive ethos. However, investors seem to cannot help themselves and do manage to drive incremental revenues. It is noteworthy to mention here that even among all-inclusive resorts there is a wide range of price points and offerings. Getting the mix right, as so often in hospitality, is key.



Photo by Author

Touch points

As the property is less commercialized, labor is freed up to provide more guest interaction and enhance their experience. Particularly for longer stays, building relations with certain team members is key to most resorts. All-inclusive properties across their amenities and activities provide more such opportunities and can be more genuine in doing so. Given the more intense operation, investors would be most concerned how this translates to higher staffing ratios and the resultant costs. Quantifying what team size is required in any specific outlet, how they can or cannot rotate, and how this may impact quality and guest reviews is difficult. In particular for investors not familiar with the business model.

Distribution

Mentioned above as a requirement, guests tend to fall back to traditional channels including tour operators. While this space is not seeing much growth, the business model does attract a certain type of traveler seeking out the right type of distribution. Investors meanwhile are more focused on brand awareness and visibility in key feeder markets where the shift towards independent travel is underway. In particular smaller or independent properties will be challenged here unless they have a targeted value proposition and adequate distribution

channels. This corresponds with increased brand diversification and differentiation, for example, some resorts target families and others are adult-only.

Loyalty

All-inclusive resorts did not invent loyalty programs. Loyalty is the natural response of a guest for an experience well received. In some instances, this can be extreme going onto the fanatic when expectations are exceeded. Having more touch points and genuine guest interactions can help to move the needle again and again. To the investor, there is no direct cost associated with a loyalty program, but calls for capable management ensuring consistent quality, constant updating, and a highly trained team. This is by no means an easy feat and more than a few travel stories are testament to instances gone wrong.

Ringfencing

More challenging than in days past. Today's travelers are increasingly keen to explore and see new things and places, which more often than not are outside the resort. The type of destination plays a great role in terms of what can be done outside the resort premises. For investors, this provides a challenge as they try to maximize on-site spending which amortizes the higher fixed assets and higher fixed costs. As a result, investors need to carefully consider their location choice, which can be remote, but need to assess what drives value to a visitor. Over time, the area surrounding a property can become more developed, leading to alternative and competing offerings right outside the resort entrance. Hopefully by then, distribution and loyalty are established via strong awareness from quality offerings and genuine service that minimize such leakage.

Brand Specifics

While the above business model refers to traditional all-inclusive resorts, there are nuances across certain brands. There are also certain regional variations whereby some source markets are more food and beverage oriented than others. The following gives a side-by-side comparison across regular resorts, traditional all-inclusive resorts, Accor's Rixos brand and Club Med.

Aspect	Regular Resort	Traditional AI	Rixos	Club Med
Location	Flexible	Smaller properties: Flexible Larger Properties: Major destinations	Established destinations	1-2h from international airport
Setting	Various	Beach, Lake, Mountain, Ski	Beach, Mountain, Urban	Beach, Ski
Market Orientation	Various	Various	Luxury	Upper Upscale & Luxury
Site area (ha)	2-50	2-50	15-40	15-30
No. rooms	5-5,000	5-1,000	200-1,800	250-400
Distribution Channels	Multiple	Traditional & OTA	Multiple	72% direct
Branded Residences	Yes	No	No	Yes
Loyalty	Operator driven	Brand driven	Brand driven	Brand driven
Facilities	Varies	F&B, Activities, Entertainment	F&B, Activities, Entertainment, Wellness	F&B, Activities, Sports, Kid's Club & family spaces, Entertainment, Wellness
USP	Setting, product, service	Price bundling	Prince bundling, variety	Prince bundling, variety, international staff with staff engagement, community, sole global brand with ski & beach offerings

Location

Investors should carefully assess the potential of their site location in terms of access. While regular resorts have greater flexibility, access comes more into focus for both Rixos and Club Med. Given the high occupancy levels at all-inclusive properties there is a need to ensure the right airlift capacity is provided. Rixos is focused on volume as their first resort in Asia-Pacific on Phu Quoc targeting 1,700 keys (over phases) reflects. Club Med, meanwhile, can drive demand to less developed destinations, which has been a hallmark of their concept

from early days. A prime example is their upcoming Borneo resort 80km south of Kota Kinabalu and a project in Manado. At the same time, the family focus can open up a differentiated value proposition in more established destinations.

Setting

Needless to say, any potential site needs to have characteristics that are attractive for prospective guests, such as direct beach access or ski-in, ski-out capabilities. Sunset views are always a plus. The topography of a site (and subsoil conditions) can facilitate a resort's development; however, they can also pose significant challenges. All-inclusive resorts need to select a potential setting more conservatively ensuring sufficient demand to – of course maximize occupancy. Club Med is most selective in that their current strategy targets beachfront sites and ski locations only.



Photo by Author

Market Orientation

As resorts go, and traditional all-inclusive at that as well, they can come in all tiers, from top to bottom. Rixos on the other hand is firmly positioned in the luxury tier whereas Club Med targets the upper upscale tier. This difference would be most directly observable in the room size but also in the number of food and beverage outlets provided. Notably, Club Med is expanding their Exclusive Collection brand to compete at the higher end of the market.

Site area

The name all-inclusive alludes that there are more activities on-site than in a regular resort. The latter can be very basic indeed as revenue and costs are assessed for each offering. The holistic view all-inclusive resorts take usually leans heavier on site-area requirements. Which is one reason they tend to be more common in frontier and emerging destinations where

land costs are still favorable. Land prices in say Nusa Dua or Phuket make any resort development a challenge as it is, let alone an all-inclusive resort. Site area requirements are naturally also driven by the room count. The larger the room count, the more land area is needed. Height restrictions would pose another limitation here. Some boutique all-inclusive properties akin to Baillie Lodges can feature a very small room count and thus have only limited land requirements – provided they have the right setting. What stands out for Rixos and Club Med is the relatively high hurdle of 15ha for an entry-level resort size. In more development destinations, resort site areas are becoming increasingly compact towards 5ha from the more ideal 10ha.

Number of Rooms

Scale matters. Certainly, for intensive all-inclusive operations where economies of scale are paramount. It needs to be pointed out that in the absence of scale, prices will be higher. Affordable and small does not pencil. Similarly, there is a limit as to how far luxury can be scaled for both demand factors and service quality. Rixos see the minimum resort size for their city properties at 200 keys whereby Club Med requires a minimum of 250 keys. Club Med is currently the only brand that can consider up to 20% of the inventory as branded residences (as units for sale with rental program), clearly separated and with dedicated facilities.

Distribution Channels

As resorts (and hotels) nowadays go, distribution is about having the right mix. Direct bookings are the most desirable due to the lower costs. However, in the absence of strong or rather sufficiently strong direct booking channels (brand.com, app, call center, sales offices, etc.), alternative channels need to be developed. Many traditional all-inclusive operators were vertically integrated for a long time thus lowering costs and increasing economies of scale. However, the advent of OTAs created challenges and pressure from shareholders further put their business model under pressure. The bankruptcy of 178-year-old tour operator Thomas Cook in 2019 was the clearest sign. Certainly, the pandemic would have claimed Thomas Cook along with the many other travel agencies and smaller tour operators that went under. Those who survived either specialized or were bought out. Disruption is real. What stands out are Club Med's 72% direct booking that can trace back to a very large agency network in Europe that successfully shifted to an online model – supported by strong brand loyalty.

Branded Residences

In light of rising land prices in virtually any destination, investment returns are under pressure. Furthermore, the capital stack is demanding more aggressive returns. Unless the market is blessed by high average rates and low operating costs (such as in Maldives), return targets will be difficult to attain. One increasingly popular means to return capital to owners sooner is in the form of branded residences for sale. In APAC, branded residences can be found across the board from midscale to luxury brands and in hotels and resorts alike. As the branded residence move to mainstream has been relatively recent, operators are gradually implementing programs to match market demand. Among all-inclusive brands, Club Med was the first to incorporate branded residences into their resorts in the Alps and Mauritius. Their upcoming South African property will be the first resort with branded residences owned by a local developer.

Loyalty

As mentioned in an earlier section, all-inclusive resorts drive loyalty from service quality and guest satisfaction rather than costly – albeit powerful – operator programs. Some groups have successfully shifted this loyalty to their brand rather than individual properties. The positive reinforcements cannot be underestimated in terms of cost savings on both marketing and loyalty programs. Investors should always carefully evaluate the strength of operator's loyalty programs versus costs and intensity of marketing efforts. The challenging part is in the diversity of source markets and understanding the strengths and weaknesses across each.

Facilities

As mentioned above, the main difference between all-inclusive resorts and regular resorts is in the offering of activities and amenities. The former drive higher utilization rates by default to enhance efficiencies while the latter may undergo significant soul searching in driving revenues versus justifying high costs. Where Rixos stands apart is in the incorporation of wellness into its resorts whereas Club Med emphasizes sports and family/kid's facilities. For traditional all-inclusive resorts and even regular resorts, a spa can present multiple headaches. For one, it has relatively high operating expenses and further requires for expertise not every hotelier brings along. Creating a compelling experience to increase revenues can be more time consuming than rewarding for many operators. Rixos and Club Med have wellness firmly in their DNAs, offering a range of activities and facilities at no extra charge.

Unique Selling Proposition (USP)

A regular resorts USP is usually a combination of the setting, product, and services. There will be variations and interpretations in its components yet usually you get what you see. Traditional all-inclusive resorts, unfortunately, often start from the opposite end of price bundling first. Reverse engineering a resort experience is difficult, and reviews of independent all-inclusive resorts are not always charming, though often they do find their niche market. However, plenty do excel and thrive in combing price bundling with the fundamentals of a regular resort. Where Rixos adds another layer is in driving variety in the resort experience through superior scale. Rixos resorts feature extensive food and beverage offerings and activities that regular resorts cannot sustain due to lower capture rates. Club Med's formula further includes strong staff engagement with both front- and back-of-house team members and an overall community spirit, which is very rare in regular resorts.

Hyatt International

Hyatt currently operates 150 all-inclusive resorts with 55,000 keys across 11 all-inclusive brands. While the portfolio has yet to be rolled out in APAC, the region has been identified for future growth. Hyatt's all-inclusive brands cover a wide spectrum of offerings corresponding with specific target markets. Key trends the brands embrace include Wellbeing, Culinary, Sustainability, and Cultural Authenticity.



Photo by Hyatt

Conclusion

All-inclusive resorts had an early start in APAC but have failed to gain much traction while regional travel boomed from 2000 onwards. A learning curve may be to blame whereby investors are less familiar with the benefits of the business model while consumers may have a trust gap. From a consumer side, all-inclusive can provide experiences regular resorts would be hard-pressed to replicate.

About AP Hospitality Advisors

AP Hospitality Advisors is an advisory firm founded by Dan Voellm, *MRICS* in 2011 in Hong Kong has seen the opening of additional offices in Bangkok and Shenzhen. AP Hospitality Advisors serves owners, investors, developers, operators, and lenders of hospitality assets across Asia-Pacific. The team blends expertise in operations, real estate, and finance to support any critical step in the asset lifecycle.

AP Hospitality Advisors provides a range of services:

- Market Studies
- Economic Feasibility Studies
- Valuations – Royal Institute of Chartered Surveyors certified
- Asset Management
- Performance Assessment
- Sustainability Audits & Benchmarking (EDGE)
- Repositioning studies

For a variety of asset types:

- Hotels
- Resorts
- Branded Residences
- Serviced apartments
- Wellness
- Mixed-use & masterplans
- Gaming
- Golf

About the Authors



Dan Voellm, *MRICS* is the CEO & Founder of AP Hospitality Advisors, responsible for all aspects of the firm. Based in Hong Kong he covers the entire APAC region.

Dan works closely with key institutional and private owners of hotel properties, financiers, developers, and investors, and has gained a strong understanding of their investment requirement and approaches to assessing market values of investment properties. Dan further advises on property and concept development and strategy as well as expert witness testimony. Dan is vice-chair of the Urban Land Institute's (ULI) Hospitality Development Council in Asia Pacific and became a Professional Member of the Royal Institute of Chartered Surveyors in 2016.

[✉ dan.voellm@ap-ha.com](mailto:dan.voellm@ap-ha.com)