



Successful resorts go hand in hand with a strong retail component.

Resort Retailing Finding the Right Mix

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Recent U.S. Travel Data Center surveys reveal that as many as 88 percent of international travelers rank shopping as their number one activity. According to the *National Travel Monitor*, shopping has been rated as a more important vacation attribute than “getting exercise” and “staying at the best hotels or resorts.” At well-established resorts and communities such as Vail, Colorado, and Whistler, British Columbia, shopping and dining have become increasingly popular, often surpassing traditional recreational activities connected with the natural environment.

Europe attracts nearly 60 percent of the world’s foreign visitors because of the way in which its vacation places combine natural, historical, cultural, and social resources with manufactured attractions such as retail, recreation, and entertainment facilities. Maintaining the right mix of these key elements in a dynamic consumer climate is perhaps the most significant

challenge currently faced by resort and tourist community developers, planners, and retailers worldwide.

Creating the Right Mix

To create enticing public places, resort and tourist villages must continually reinvent themselves. And developers must understand the difference between resort/tourist retail and traditional retail, as well as the market forces affecting the industry today.

Unlike traditional shopping centers, successful tourist-based retail often has the following characteristics:

- It is heavily geared to visitors and unable to survive on local traffic alone;
- offers an intimate scale with a distinct ambience and a strong pedestrian character;
- creates an “experience,” increasing the lifestyle appeal of the community or resort;

- presents a distinctive and consistent architectural design and merchandise that conveys a unifying theme;
- offers a variety of restaurants, bars, and other entertainment facilities that function as key tenants and help create a social ambience;
- lacks traditional anchor tenants;
- may have logo shops and, depending on market profile, higher-end merchandise shops with commemorative or iconic appeal; and
- offers an ongoing program of special events and activities designed to entertain, inform, and amuse.

Tourist villages tend to be more loosely defined than other forms of retail development. Leisure, the outdoors, socialization, and entertainment form the basis for an informal environment. Nevertheless, creating the right mix is not a matter to be taken lightly, because tourism and retail are highly susceptible to changing consumer, economic, and social trends.

Principles for Success

The developers, planners, and operators of a prosperous resort retail environment will identify the services, facilities, and tenants most appropriate to the market. While there is no one formula for creating a successful resort or tourist retail village, six key principles can be identified.

Milieu. Resort and tourist villages depend on the milieu created by the special attributes of their locations. These include spectacular mountain valleys, waterfront settings, and other features such as hot springs or historic characteristics. The uniqueness of the setting and the way in which the resort or village evolves around the natural environment provide a baseline ambience.

In Aspen, Colorado, a small waterway twists its way through the pedestrian core of the town. At Mount Tremblant in Quebec, the resort developer, Intrawest Corporation, has made the preservation of historical buildings a priority, thus achieving a completely unified Canadian theme that reflects the heritage, culture, and lifestyle of Quebec.

Multiactivity Environments. Many resorts and tourist communities wishing to become year-round destinations have invested in conference centers, tennis campuses, golf courses, sports institutes, and indoor activity centers, thereby creating multiactivity environments. A wider market appeal makes more exciting and diverse retail villages viable.

The market for multiactivity resorts and tourist retail districts is more complicated and less

homogenous than that for traditional shopping centers. Patrons may include overnight visitors such as sightseers, skiers, golfers, or hikers; local residents; and regional residents living within a day's drive—day-trippers, resort employees, and corporate and meetings or conference visitors.

Successful tourist villages cater to the current trends and values of the market—including those of the all-important family, mature travel, and educational and business segments. Attracting a wider range of visitors to resorts works synergistically; overcoming seasonality through higher year-round visitation creates new retail and business opportunities.

In addition to building conference centers and offering almost every imaginable sporting activity, many European resorts now provide educational, cultural, and health and fitness facilities and host special events throughout the year.

In Chamonix, France, market diversification has been significant. Today only 50 percent of winter visitors are skiers. Similarly, by providing the right mix of new facilities and amenities—including a conference center and two championship golf courses—the resort in Whistler, British Columbia, has evolved into a full four-season destination with non-skier visitation now almost matching that of skiers.

Town Center Hub. Clustering town center functions in one central area increases their appeal and drawing power. In addition to retail shops, a town center should offer services such as a visitor information booth, post office, library, medical center, banks, offices, recreation center, and conference or meeting facilities. These services create spin-off traffic for retail shops while building a sense of community. Anchoring major people generators such as lift facilities, skating rinks, and conference centers in

Rothenburg ob der Tauber along Germany's Romantic Road exhibits distinctive architectural design. Many signs and storefronts are themselves artistic works.



Streetscaping, flower-pots, signage, and well-displayed storefronts convey a unifying theme in the village of Vail, Colorado.



the village core, with parking on the perimeter, encourages a pedestrian-oriented atmosphere and helps to manage traffic flow. Vail, Whistler, and Chamonix are prime examples of this clustering. The Plaza at the Coeur d'Alene Resort in Idaho attracted new patronage by placing a tourist information booth in a strategic location within the shopping area.

Character through Tenant Mix. The single most important distinguishing attribute of any resort or tourist community is the distinctiveness of the village. While the activities available at the location set the stage, a creative and collective mix of tenants, their merchandising, and the ambience they create is the real performance that visitors come to experience. An appropriate mix of retail, restaurant, and entertainment tenants takes into account the needs and interests of each market segment as well as its potential contribution to overall sales. The diverse retail tenant mixes of today's multiactivity resorts move well beyond basic T-shirt, souvenir, and fast-food outlets. Tenant mixes comprise specialty food and merchandise stores, including cheese and liquor or wines, skin and health care, perfumeries, jewelers, lifestyle apparel, sports and outdoor equipment, novelty gifts, antiques, home accessories, theme restaurants, cultural facilities, and high-tech interactive entertainment.

The Right Retailers. Proactive resorts are developing tenant mixes that capitalize on the tremendous attractiveness of health, wellness, and other services and products designed to make people feel good. This emphasis has made European resorts like Baden-Baden in Germany famous for hundreds of

years. Stores such as The Body Shop, Garden Botanika, and Chanel have become popular tenants at mature tourist precincts throughout North America. Spa facilities already exist at Coeur d'Alene and are planned for Whistler and Mount Tremblant.

Gourmet food markets and shops such as Alfalfa's Natural Food Stores in Colorado, Starbucks, Häagen-Dazs, and Rocky Mountain Chocolate Factory sell very high-quality products. The small indulgences offered by these stores are particularly appealing to people on vacation. Other specialty stores enjoying success in the resort environment include outdoor-accessory stores such as Sunglass Hut, which offers top-quality sunglasses; Right Fit, selling custom in-soles for ski boots; Swatch, offering novelty and unusual watches; and Roots and Bennetton, featuring lifestyle apparel and accessories.

Equally important is the application of the small-indulgence trend to the family market—indulging the children. Hence the popularity of Gap Kids, Gymboree, and Kids Are Worth It!. In the upscale Swiss resort of St. Moritz, Giorgio Armani has established an Armani Kids store alongside an extensive collection of branded fashion stores. The high sales of retailers like Endangered Species at Whalers Village in Kaanapali on Maui demonstrate that families feel a need to learn about and appreciate the environment. A desire for laughter is being fulfilled by cinemas and comedy club/dinner theaters such as the Cinema Exposition Theater, Family Entertainment Center, and the Alpine Museum in Chamonix, France. In addition, retailers such as the Warner Bros. store, The Sharper Image, and F.A.O. Schwarz provide fun and enjoyment for people of all ages.

As tourist villages mature, national and international branded retailers and restaurants are increasingly seeking tenancy. Recently, Hard Rock Café, Eddie Bauer, and Guess have appeared in the Whistler Village Center. While some resorts do not allow international fast-food operators into their villages, others control their entry through rigid design requirements.

New technologies are taking shape in Whistler where Larco Investments, Ltd., and Mountain World Entertainment Corporation are planning to create large interactive entertainment centers. The Larco project, which will be situated at one of the central plaza areas of the old village, is planned as an integrated retail, entertainment, and theme restaurant complex. Mountain World will be located within the existing conference center next to the movie theater and will feature adventures in virtual reality and sports simulators for golf, downhill ski racing, paragliding, and mountain bike riding.

Design, Merchandising, and Animation. Distinct neighborhoods or merchandising districts with strong themes create a cohesive image for the resort and provide a backdrop for animation. Design and architectural guidelines further strengthen the re-

sort's identity by ensuring consistency in signage, shopfronts, and the merchandising approaches of individual retailers.

This ambience is enhanced by features such as

- landscaping;
- building volumetrics and massing;
- continuous pedestrian-oriented environments;
- signs and icons including art, sculpture, water features, and historic points of interest;
- mobile kiosks selling local crafts, fruits, and seasonal items;
- colorful storefronts, window and vendor displays with inviting entranceways, awnings, umbrellas, banners, and signage; and,
- outdoor entertainment and special events such as concerts, street buskers, craftspeople at work, and public or sidewalk markets.

Excellent examples of design, merchandising, and animation working together to create a unified theme are furnished by the medieval towns of Germany's "Romantic Road," especially the famous Rothenburg ob der Tauber.

Lessons for the Future

Many of the European resorts provide instructive examples of mature multidimensional tourist villages. In North America, the potential of resort retailing has barely been tapped. Sea Pines at Hilton Head in South Carolina is a North American pioneer, with its intimately scaled European fishing village at Harbortown. Disney's tourist villages combine animation mastery with Main-Street, pedestrian-style retailing as in the replica of a traditional small American town at Celebration Village in Orlando, Florida.

The challenge worldwide is to match tried and proven principles to rapidly changing economic forces, values, and retail trends. Planners also must ensure that the retail environment does not appear to be too commercial, too glitzy, or too similar to urban shopping experiences. With the right mix of destination and convenience stimulating impulse shopping, visitors will shop—many even purchasing items that they could buy at home but do not due to lack of time.

The highly competitive field of resort and tourist retailing requires that developers and operators take the following measures:

- Recognize that shopping is not merely a purchasing activity but also an opportunity to encounter new experiences and excitement.
- Ensure that the scale and tenants of each development phase are realistically matched to market expectations—and monitor changing consumer trends on a regular basis.
- Stick to tenant mix principles, generate a commercial plan that creates synergy, and update it regularly to ensure that all tenants fit the vision.



Le Shack restaurant and bar at the base of Mount Tremblant replicates the theme of a historical maple syrup operation, reflecting the heritage of Quebec.

- Ensure that the initial tenant mix includes convenience items and integrates value-oriented offerings with lifestyle merchandise. Also, encourage street pricing. As with the previous point, this may require local zoning bylaws or building covenants.
- Appreciate that if the goal is to maintain control of the tenant mix and overall resort experience, the retail and entertainment components may need to be partially subsidized or viewed as a "loss leader" during the early phases.
- Develop a consistent marketing theme and a story line that create ambience, atmosphere, and sensory impact.
- Add cultural and educational elements to stimulate the experience of discovery.
- Work with the resort's tenants to program attractions, with methods such as attention-drawing signs and window displays followed through with animated and interactive in-store merchandising.
- Emphasize the environment through art and design by harmonizing signage and lighting with natural features such as water and landscape.

Regardless of whether the setting is original, has been newly built, or simulates a genuine setting, the resort and tourist experience is capable of drawing large numbers of visitors. But the creators must understand that visitors want the experience of being there, and for that experience to be both enjoyable and memorable, it must be staged with the utmost care and attention to every detail. ❖

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