

ST REGIS

Geographic Expansion

LXMT 776: Travel & Hospitality - Global Management and Brand Building
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Winter '25 | Chair Cannata



The Team



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Research & Data Analyst

Strengths: Creative thinking/idea development, Fashion Merchandising Skills, Adobe Creative Cloud, Teamwork, Leadership.



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Strengths: Adobe Creative Cloud, Project Management, Market Research, Design, Creative Direction, Team Player.



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Strengths: Microsoft Office, Marketing, Research, Communicative, Adobe.



Table of Contents

Part 1: Brand Selection and Project Proposal

Project Proposal
Overview and Procedure
Project Goals and Outcomes

Part 2: Company Analysis

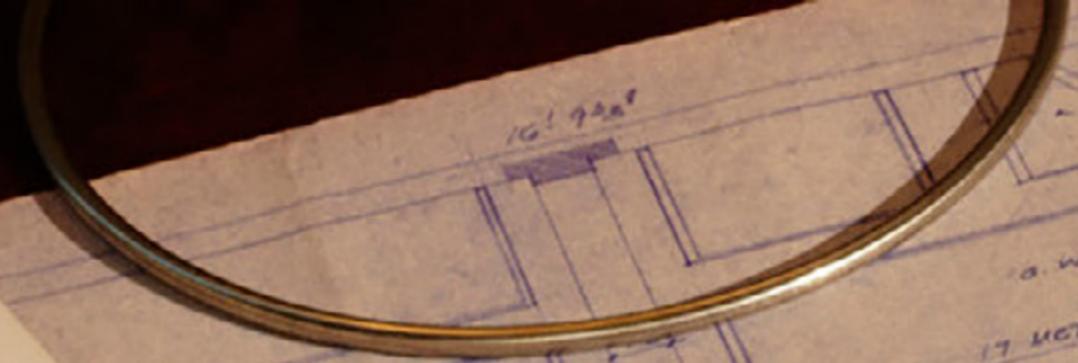
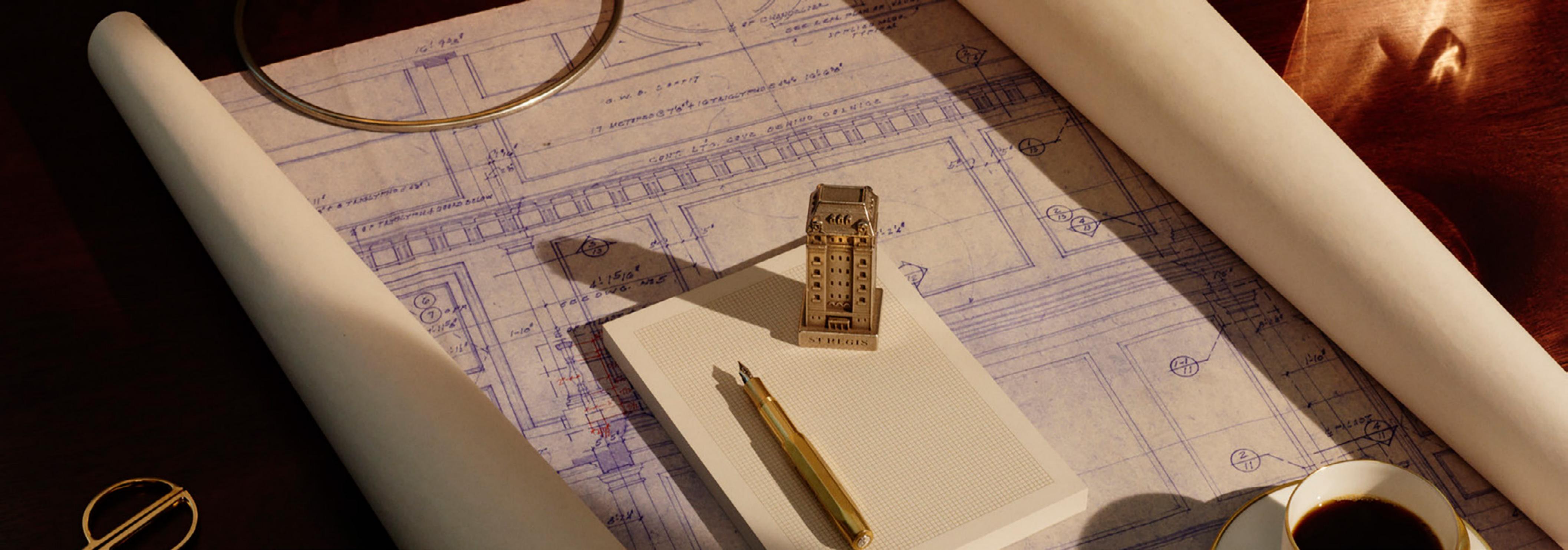
Business Model
Situational Analysis
Key Trends in the Luxury Hospitality Sector
Best Practices Analysis

Part 3: Target Consumer Analysis

Lifestyle Analysis
Behavioral Analysis
Competitive Analysis

Part 4: Value Proposition & Marketing Mix

Characteristics of Brand Expansion
Value Proposition & Positioning
Cost of Development
Marketing Mix
Placement
Pricing Strategy
Promotional Launch Plan
3-Year Income Statement



16' 9 1/2"
G.W.B. CAPPIT
17 METERS @ 7 1/2" + 10' TRIGLYPHIC CORNICE
CONT. L.T.S. COVE. BEHIND CORNICE

4' 15/16"
G.W.B. N.S.



Part 1:

Brand Positioning & Strategy

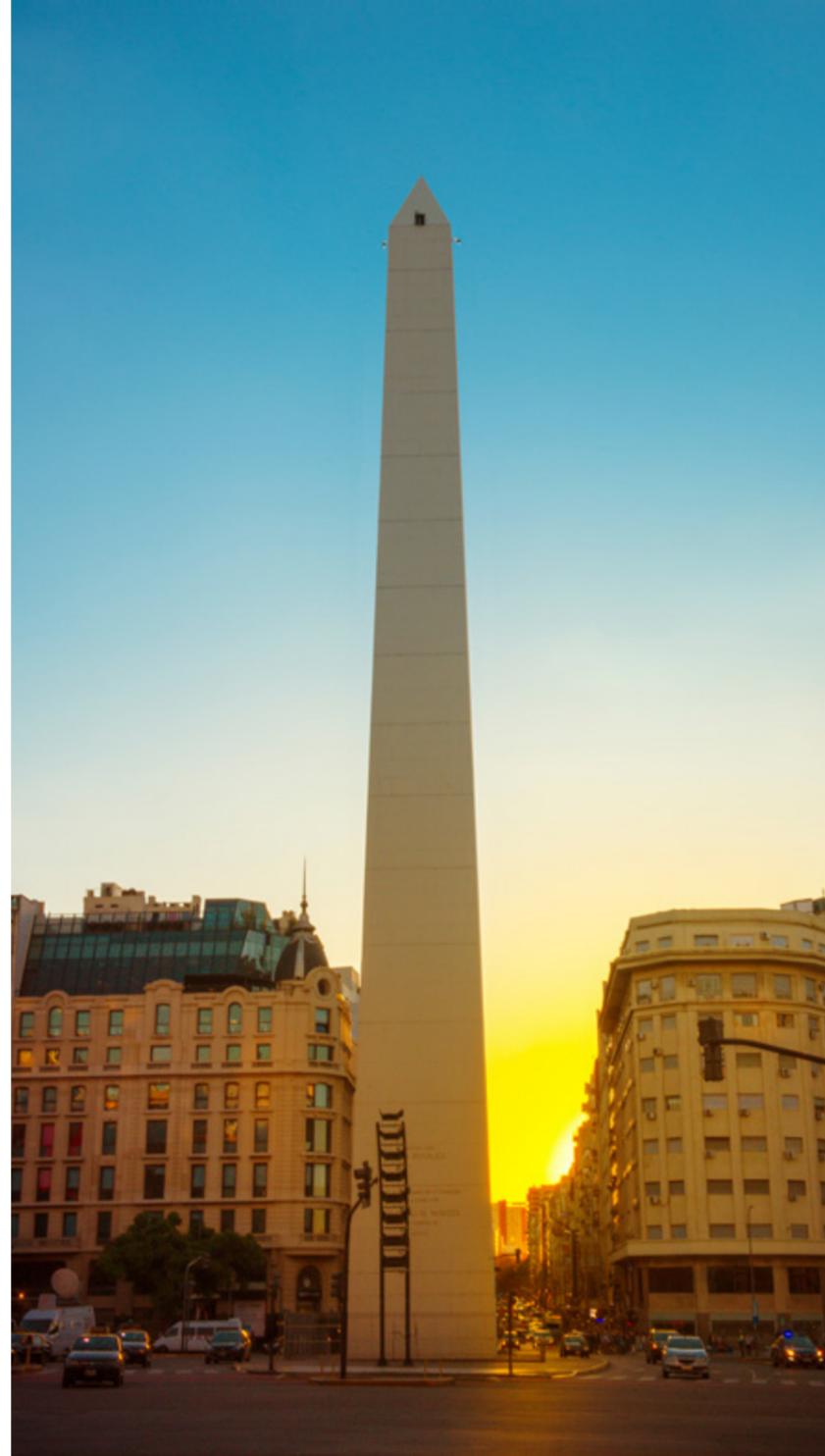
About St. Regis



The St. Regis Hotel was founded by Colonel John Jacob Astor IV in 1904 as a tribute to his mother, New York socialite Caroline Astor, who hosted exclusive gatherings for the era's elite.

Combining heritage with innovation, Astor ensured the hotel was cutting-edge, equipping each room with telephones for direct communication and offering unparalleled luxury. Tragically, he perished in the Titanic disaster in 1912. Today, the St. Regis brand is owned and managed by Marriott International.





Proposal: Geographic Expansion

Buenos Aires, Argentina

We propose expanding the St. Regis brand into Buenos Aires, Argentina, a destination that aligns seamlessly with the preferences of its discerning guests—immersive experiences steeped in cultural richness. This strategic development would mark the brand's inaugural presence in South America, capturing untapped market potential while enhancing St. Regis' global footprint.

By introducing a signature luxury experience in Buenos Aires, the expansion aims to attract new clientele, deepen engagement with loyal patrons, and establish the St. Regis as the pinnacle of hospitality in this rising market.



Country Overview

Travel & Tourism

- Second largest country in South America, welcoming 13.5 M international visitors in 2023 - 85.5% increase from 2022 - with two major airports: Ezeisa & Aeroparque (Argentina Reports).
- Argentina's GDP in 2023: US\$640 B projected 5% growth in 2025 (World Bank Group).
- Relatively stable politically, manageable environment for investment (Trading Economics).
- Expected travel & tourism market growth of US\$13.18 B by 2029 (Statista, 2023).
- Largest share will be Hotels, which is projected to have a market volume of US\$4.25 B by 2025 (Statista, 2023).
- Number of users in this market is expected to reach 26.6 M by 2029 with a penetration rate of 60.8% in 2025 and increasing to 70.2% by 2029 (Statista, 2023).
- Online sales for travel & tourism are expected to generate 81% of the total revenue in the region by 2029 (Statista, 2023).
- Argentina's tourism industry is focusing on promoting its diverse landscapes and cultural heritage. (Statista, 2023).





Iguazu Natural Park - UNESCO WHS

Country Overview



Perito Moreno Glacier



Mount Fitz Roy, Patagonia



Huamahuaca Mountains - UNESCO WHS

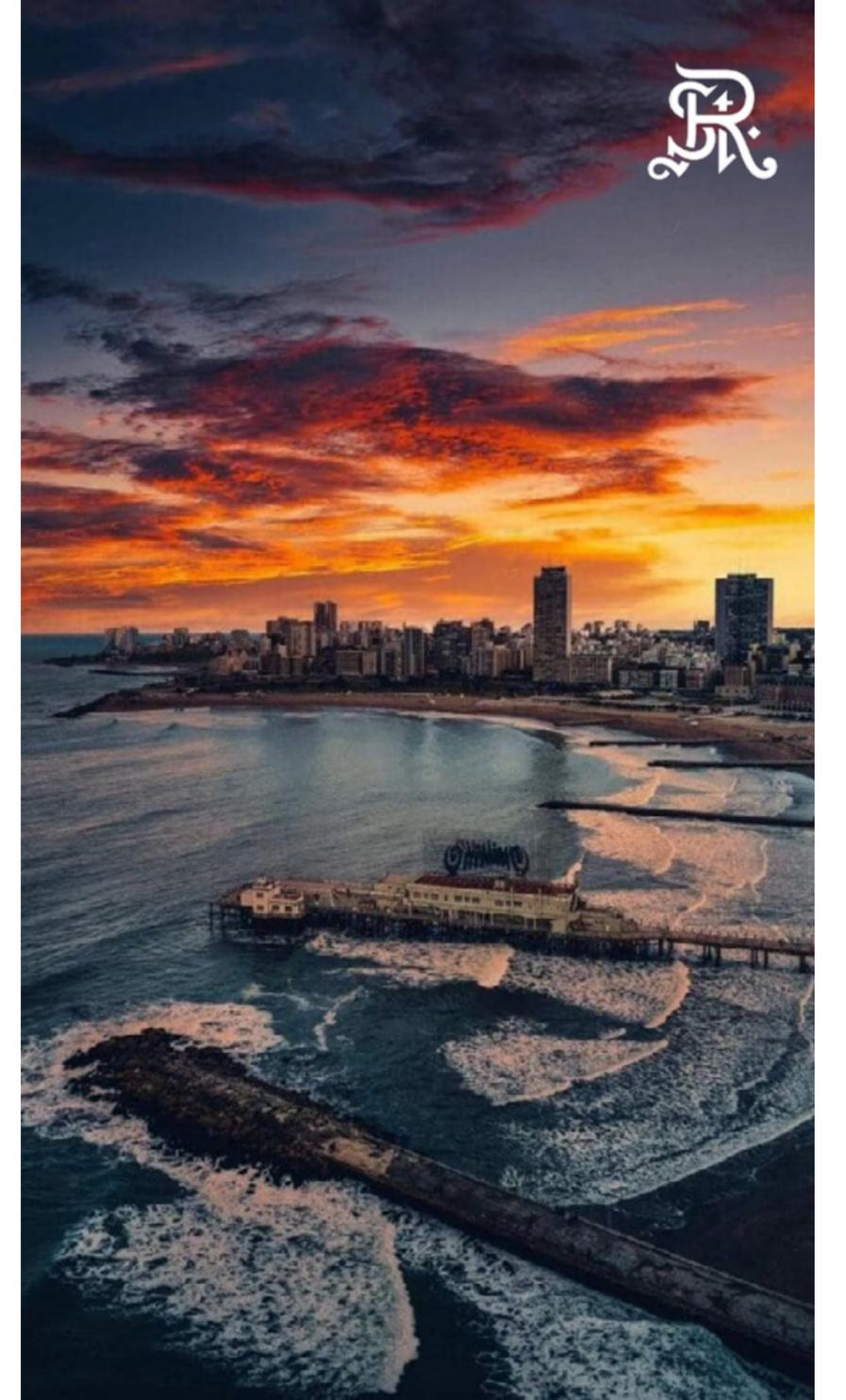


Major Cities in Argentina

Rosario

Buenos Aires

Mar del Plata





Cultural Heritage

Significant European influences from Italy, Spain, and Germany have shaped Argentina's architecture, cuisine, and dance. These elements, blended with indigenous traditions, have evolved into unique adaptations, creating a distinctly authentic cultural heritage that reflects both its roots and diverse influences.

St. Regis Connoisseur

The relationship between St. Regis and Argentina began in 2010 with the launch of the St. Regis Connoisseur program in partnership with renowned Argentine polo player Ignacio “Nacho” Figueras.

This exclusive initiative brought together a curated group of individuals celebrated for their excellence and innovation across disciplines such as fashion, music, and cultural influence, embodying the brand's dedication to timeless sophistication and contemporary artistry.







Strategic Project Goals

- Capture high-end market demand
- Gain regional market share
- Establish presence in South America
- Strengthen St. Regis's global identity
- Drive economic & revenue growth
- Innovate with destination-specific offerings



Part 2:
Company Analysis

Executive Summary

Our business model proposal will be inclined towards immersive and cultural experiences with the appropriate accommodations and offerings expected by the segments we aim to target. We've selected Buenos Aires not just because of their expected boom in the travel & hospitality sector, but because we aim to provide our current members, as well as discerning Latin American prospect guests a curated cultural experience in one of South America's most culturally rich nations.





Business Model

Unique Value Propositions

- **Cultural Immersions:** Offer private tango lessons and feature exclusive exhibitions with both renowned and emerging local artists.
- **Cuisine & Local Flair:** Provide fine dining experiences with top local chefs showcasing Argentina's premium meats and traditional dishes, complemented by curated wine tours in Mendoza, one of the world's top wine regions.
- **Sport Partnerships:** Leverage St. Regis's connection with Nacho Figueras to propose a partnership with the Campo Argentino de Polo, offering a country club experience with exclusive polo events.
- **Bespoke Services:** Deliver personalized concierge services, including private polo matches, guided tours to hidden cultural gems, suggestions for night life in Buenos Aires, and luxury shopping experiences featuring local designers.
- **Wellness Offerings:** Integrate native ingredients like yerba mate, Patagonia rosehip oil, Andean salt, and Malbec grapes into signature spa treatments.

Business Model

- **Entry Mode:** Joint Venture
- **Key Partnerships:** local chefs, artists, and suppliers, vineyards in Mendoza, Campo Argentino de Polo, in-house connoisseur and outside social clubs.
- **Cost Structure:** fixed and variable costs, management fees, luxury-specific training for staff.
- **Guest Services:** Bespoke concierge services, fine dining, wellness and spa offerings, events & hosting venues, transportation services, loyalty programs, online booking and reservation management.
- **Marketing Mix:** Email marketing, social club collaborations, printed media, PR & media outreach, experiential marketing, website & SEO, social media, loyalty programs, affiliate and influencer marketing.
- **Customer Segments:** Affluent families, high-end cultural entertainment, HNW Business travelers, luxury seekers.
- **Operational Model:** Line department, staff department, revenue center, cost center, cultural integration and operations.
- **Revenue Streams:** premium accommodations, fine dining, events, wellness, and cultural experiences, with a focus on immersive luxury that aligns with its unique value proposition.







Situational Analysis

St. Regis's Position

A top-tier luxury brand under Marriott, St. Regis is globally renowned for exceptional service and bespoke experiences, with a focus on strategic global expansion.

Opportunities

Buenos Aires offers strong potential, driven by affluent travelers seeking cultural immersion. Entering this market aligns with St. Regis's luxury positioning and global growth strategy.

Challenges

Competing with established luxury brands (Four Seasons, Alvear Palace) and boutique hotels, St. Regis must differentiate through unmatched personalized service and exclusive cultural offerings.

Key Trends in the Luxury Hospitality Sector

- **Personalization:** Travelers want experiences tailored to their preferences, like custom itineraries, exclusive events, and unique dining.
- **Emerging Markets:** Regions like South America, including Buenos Aires, are booming with luxury tourism opportunities.
- **Community-driven:** Hire and source locally to drive regional economic growth, offering tailored benefit programs that meet the community's needs while actively preserving and celebrating the area's rich cultural heritage.
- **Tech Upgrades:** Installing In-Room Tablets to Improve Guest Experience and Easy Digital Booking are transforming luxury stays.
- **Wellness Focus:** Wellness tourism is growing, with guests seeking spa treatments, fitness, and holistic retreats.
- **Luxury Rentals:** Private villas and vacation rentals are rising in popularity, challenging traditional hotels to offer more personalized and private options.



Situational Analysis



Capturing High-End Market Demand

Continue signature services like the iconic St. Regis butler service to stand out.
Offer exclusive packages blending luxury with local culture, such as wine tours or private tango lessons.
Target affluent travelers from North America, Europe, and Asia with focused digital campaigns.

Gaining Regional Market Share

Position St. Regis as the top luxury brand in South America by opening flagship properties in cities like Buenos Aires, Rosario, and Mar de Plata.
Use Marriott Bonvoy to attract loyal, high-value guests and offer exclusive benefits.

Establishing a Presence in South America

Open a standout property in Buenos Aires with a mix of global luxury and local Argentinian touches, like artisan-inspired interiors and regional cuisine.
Collaborate with travel agencies to promote Buenos Aires as a premier luxury destination.

Strengthening Global Identity

Host prestigious events, like art shows or galas, to position the Buenos Aires property as a top luxury spot.
Align with Marriott's global campaigns while highlighting St. Regis's unique heritage and bespoke offerings.
Share stories of St. Regis's South American expansion to emphasize its global luxury leadership.

Sustainability Initiatives

Use eco-friendly designs, such as energy-efficient systems and sustainable materials.
Offer sustainable dining with locally sourced ingredients.
Support local projects like cultural preservation or artisan empowerment.

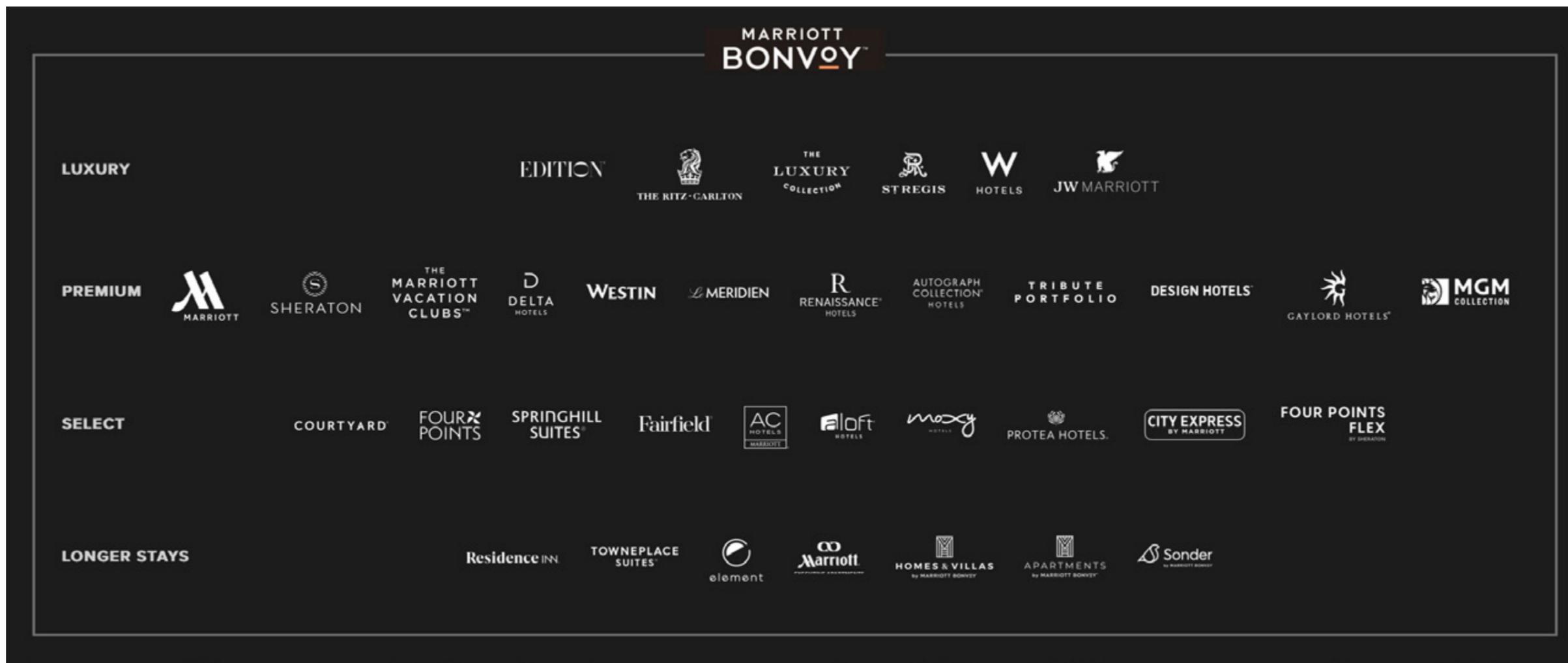
Operational Excellence

Using an asset-light model (managing or franchising) to reduce risk and expand quickly.
Train local staff to meet St. Regis's luxury standards while bringing in authentic local expertise.



Part 3:

Target Consumer Analysis



St. Regis Current Positioning & Target Market

“We make every day exquisite”



The St. Regis hotels are currently positioned within Marriott’s portfolio as a “Classic Luxury” hotel. The St. Regis is positioned as a more vibrant, upbeat hotel with unique rituals and unmatched customer experience in the luxury category.

The hotel brand targets a diverse segments of affluent customers. They provide offerings for enthusiastic young travelers, families, and weddings. However, based on online presence and marketing, they are more fixed on the slightly younger and stylish demographic than other “classic luxury” hotels.

Main Competitors of St. Regis

in Buenos Aires, Argentina



FOUR SEASONS

FAENA

HOTEL MIAMI BEACH



PARK HYATT®



The Four Seasons

Buenos Aires - hotel/brand overview

European Elegance with a Uniquely Argentine Twist

The Highly recognizable hotel mixes traditional with contemporary aesthetics. Like many luxury hotels The Four Seasons boasts a high standards of service, exceptional quality, and commitment to innovation. The four seasons is known for being a very family -friendly luxury hotel and has several children and family activities and offerings.

Price Range: \$500-\$4,000 per night

High season: November-March

Shoulder Season: September and October, April and May

Low Season: June to August

Offerings:

Room Options: Various guest rooms and levels of suites.

Amenities: Pool, fitness center, lounges and patios, dining, curated excursion packages

Faena Hotel

Buenos Aires - hotel/brand overview

Discover an Urban Oasis

Located near Puerto Madero, the hotel is described as dark and dramatic. The hotel's distinct design elements are not to everyone's taste, making their customer segment more niche compared to other hotels. The hotel Faena Hotels are known for dining, art, and wellness, but caters to younger social guests.

Price Range: \$600-\$7,000 per night

High season: November-March

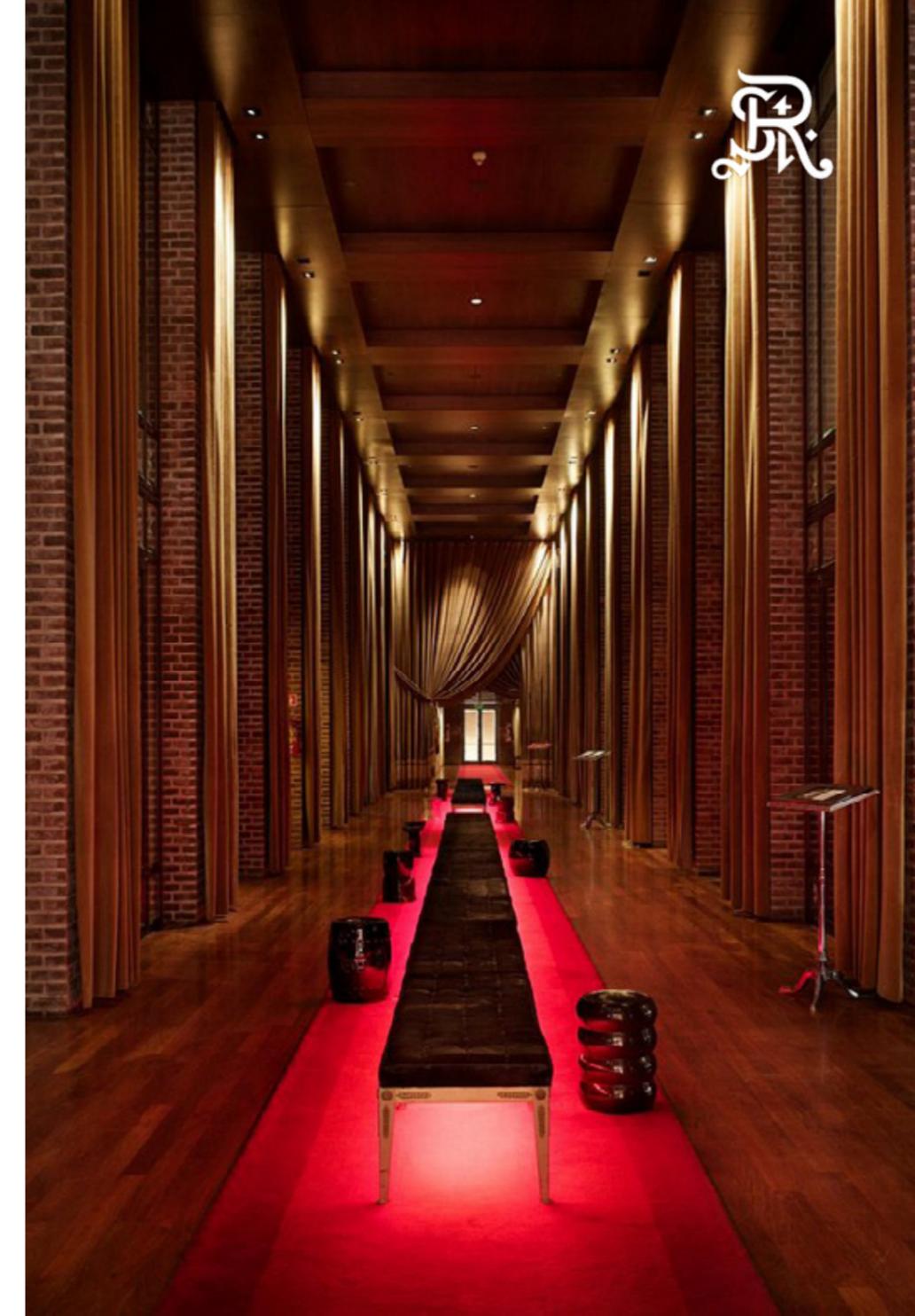
Shoulder Season: September and October, April and May

Low Season: June to August

Offerings:

Room Options: Various guest rooms and levels of suites.

Amenities: Pool, fitness center, spa lounges and patios, dining, Faena Art Center





Alvear Palace

Buenos Aires - hotel/brand overview

The Distinction of Unique Style

The Alvear Palace Hotel is peak Old-school luxury. Many people refer to Buenos Aires as the Paris of South America and this hotel exemplifies that. The hotel draws in those customers seeking a traditional luxury experiences with character and European charm.

Price Range: \$300-\$9,000 per night

High season: November-March

Shoulder Season: September and October, April and May

Low Season: June to August

Offerings:

Room Options: Basic rooms, suites, and grand suites

Amenities: Pool, spa, fitness center, dining and bars, corporate and social events

Park Hyatt, Palacio Duhau

Buenos Aires - hotel/brand overview

History and Luxury in Buenos Aires

Palacio Duhau - Park Hyatt is known for its rich Argentinian history and culture. Once a mansion of a local family, the hotel is surrounded by barrio of Recoleta is known for its old-world architecture. The hotel draws in those looking for a luxurious experience featuring Argentinian history. At the lower end of the price range of competitors.

Price Range: \$400-\$1,200 per night

High season: November-March

Shoulder Season: September and October, April and May

Low Season: June to August

Offerings:

Room Options: Various guest rooms and levels of suites

Amenities: Pool, spa, lounges and patios, dining, corporate and social events







The Key Demographics of High-Luxury Travelers

60%

of luxury travel spending in 2023 was done 40-60 year olds

76%

are men

23%

are women

44%

are C-level executives, owners, partner or president

\$450k

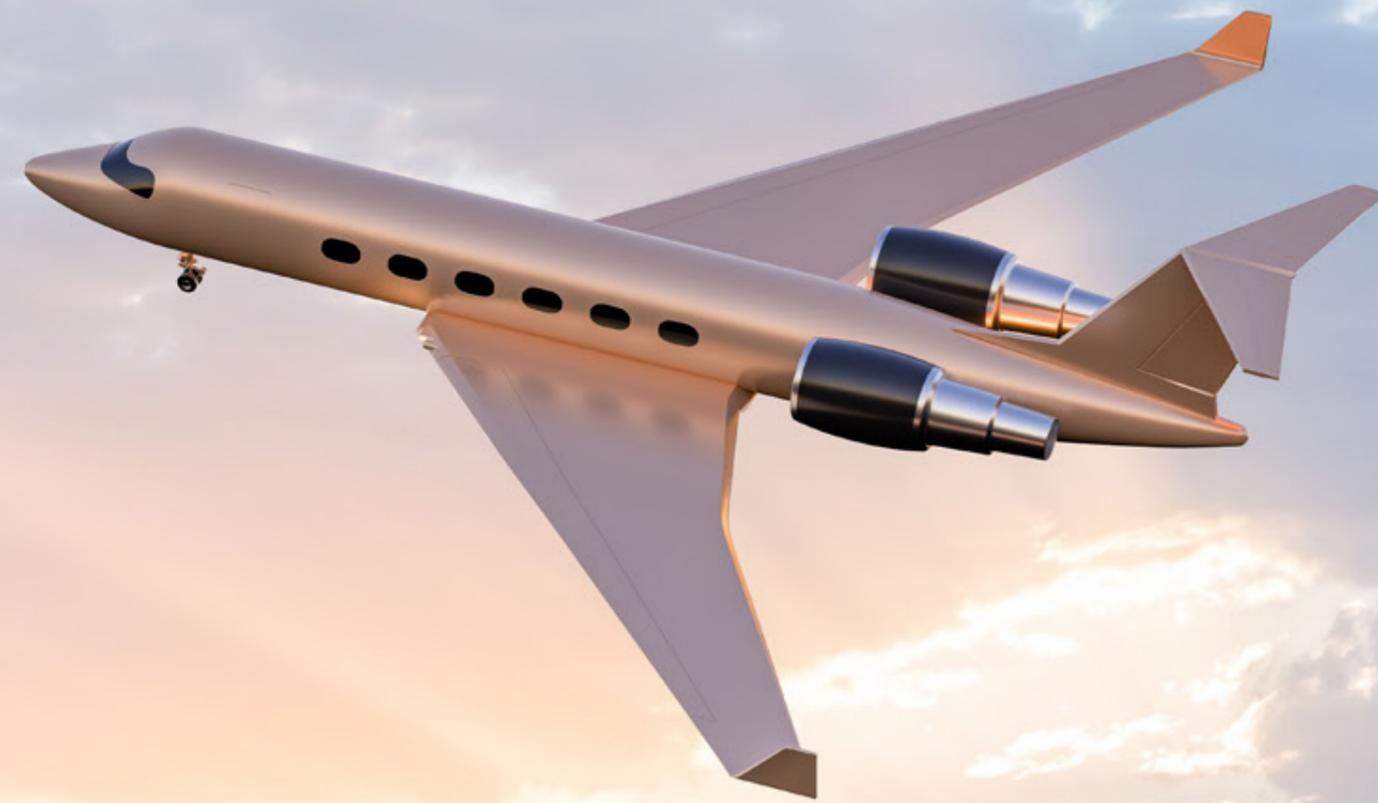
median household income

75%

have a master's degree or higher

7.5 M

Median net worth, excluding their primary residence





Segmentation

- Affluent Family Vacationer
- High-End Cultural Enthusiast
- High Net Worth Business Traveler
 - Stylish Luxury Seekers

Affluent Family Vacationers

Segmentation group 1

Age: Parents ages 30-50, children ages 0-15, multi-generation
Majority of parents whose kids still travel with them are within this age range

Income: \$500,000+
Slightly north of the median HHI of luxury travelers

Net worth: High net worth (\$1M-\$5M), Very high net worth (\$5M-\$30M)
The rise in people worldwide with a net worth between \$1M and \$30M is key in luxury travel growth (Forbes)

Origin: Primary North & South America, secondary Europe
Intraregional travel is the second-largest opportunity, after domestic travel, and is growing. (State of Travel 2024)
Europe has the greatest tourist share overall, but North and South America together hold the majority (Statista)

Education Level: college educated

Behavioral: Are considering the needs of children when booking accommodations
look for a more social hotel and destination that will not be interrupted by kids
Look for a wide range of restaurants and cuisine options
Search for educational experiences and new and exciting activities

Competitors: Four Seasons, Luxury vacation homes/rental





High-end Cultural Enthusiast

Segmentation group 2

Age: 25-60

It is expected that 63% of luxury travel spending will still be from 40-60 year olds in 2028 (State of Travel 2024)
Gen Z and Millennials show more willingness to spend significant money of travel (State of Travel 2024)

Income: \$500,000+

Slightly north of the median HHI of luxury travelers

Net worth: High net worth (\$1M-\$5M), Very high net worth (\$5M-\$30M)

The rise in people worldwide with a net worth between \$1M and \$30M is key in luxury travel growth (Forbes)

Origin: Primary North & South America, secondary Europe

Intraregional travel is the second-largest opportunity, after domestic travel, and is growing. (State of Travel 2024)
Europe has the greatest tourist share overall, but North and South America together hold the majority (Statista)

Education Level: College educated

Behavioral: Value location over amenities offered

Chose hotel close to cultural sites and historic attractions

Inspired by diverse food options

Desire for meaningful connections to a destination and to socialize.

Competitors: Alvear Palace, Park Hyatt, Luxury vacation homes/rental

High Net Worth Business Travelers

Segmentation group 3

Age: 25-60

The OECD Defines the "prime working age" for professionals is considered to be between 25 and 54 years old
Most people begin jobs that require travel after college

Income: \$500,000+

Slightly north of the median HHI of luxury travelers

Net worth: High net worth (\$1M-\$5M), Very high net worth (\$5M-\$30M)

The rise in people worldwide with a net worth between \$1M and \$30M is key in luxury travel growth (Forbes)

Origin: Primary North & South America, secondary Europe

Intraregional travel is common for business travelers

Large regional companies are based or have offices in Buenos Aires

Education Level: college educated

Are often spending on the company expenses

Need reliable wifi and locations within the hotel to work

Often need flexible booking and the ability to book last minute

Value an elevated and professional environment where they can still enjoy themselves

Competitors: Four Seasons, Alvear Palace, Park Hyatt





Stylish Luxury Seeker

Segmentation group 4

Age: 25-60

It is expected that 63% of luxury travel spending will still be from 40-60 year olds in 2028 (State of Travel 2024)
Gen Z and Millennials show more willingness to spend significant money of travel (State of Travel 2024)

Income: \$500,000+

Slightly north of the median HHI of luxury travelers

Net worth: High net worth (\$1M-\$5M), Very high net worth (\$5M-\$30M)

The rise in people worldwide with a net worth between \$1M and \$30M is key in luxury travel growth (Forbes)

Origin: Primary North & South America, secondary Europe

Intraregional travel is the second-largest opportunity, after domestic travel, and is growing. (State of Travel 2024)
Europe has the greatest tourist share overall, but North and South America together hold the majority (Statista)

Education Level: College educated

Behavioral: Look for stylish, unique luxury accommodations with a focus on design

Seek places and occasions in which they can dress-up

Shopping is more of a priority for them while traveling

Value the social aspect within a hotel

Competitors: Faena Hotel, Alvear Palace



Targeting

High-end Cultural Enthusiast

Based on travel trends, the current positioning of St. Regis, and the type of tourism offerings in Buenos Aires, the segment chosen to target for the expansion is High-end Cultural Enthusiasts. This target market contains the most potential for cross over with the other segment options and the targeted advertisements can be the most widely appealing. According to State of Travel 2024, Luxury travelers prioritize novelty, culture and history, and authentic experiences. 81% of luxury travelers say that exploring a new place is a motivation for leisure travel and 58% say that seeing culture and history is their main motivator.

Buenos Aires is a cultural capital with 84% of visitors enjoying the city's museums and cultural scene, while 64% of visitors are there for the food and 37% are there for the lively bars and nightlife.

Iconic St. Regis Experience Gateway to Argentinian Culture

The St. Regis Hotels have rich history and rituals rooted in the company's culture that customers search for and trust no matter where they travel to. The goal is to position the hotel as the an iconic St. Regis luxury hotel that partners with local establishments to facilitate the best cultural experience for its guest.

Key Positioning Elements:

- Leveraging the pre-existing St. Regis Connoisseur program
- Provide a variety curated cultural excursion packages for guest to get out into the city
- Hire local staff when possible
- Integrate Technology for easy online and mobile booking
- Use traditional marketing and social media to position the hotel in front of the right segments and appeal to the wide targeted age range





Part 4:

Value Proposition & Marketing Mix



Brand Characteristics St. Regis

- ***Sophistication & Elegance:*** St. Regis embodies classic, old-world luxury blended with modern sophistication.
- ***Heritage & Legacy:*** rich history tied to New York high society and exclusivity, retaining the Gilded Age aesthetic
- ***Cultural & Artistic Refinement:*** emphasis on art, literature, and design, often featuring curated collections and collaborations.
- ***Bespoke & Personalized Service:*** anticipatory service ensures guests' needs are met before asking while also offering personalized services such as butlers 24/7.
- ***Prime Locations:*** found in the most prestigious locations worldwide, from New York to Bora Bora.
- ***Exclusivity & Discretion:*** appeals to high-net-worth individuals who value privacy.

Value Propositions & Positioning

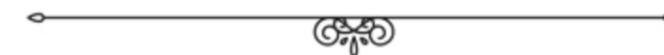
- Cultural Immersions
- Local Flair
- Sport Partnerships
- Bespoke Services
- Wellness Offerings

The St. Regis Buenos Aires will uphold its iconic sophistication while offering bespoke services to enhance the Argentinian experience and enrich its global luxury experience.





Brand Positioning Statement



“The St. Regis Buenos Aires introduces its signature blend of American heritage and European sophistication to a new frontier of luxury. With bespoke service and immersive experiences, each stay offers an unparalleled expression of timeless elegance in this vibrant cultural destination.”

Potential Location:

Residencia Maguire

A historic 1890 château in a prime Buenos Aires location, appearing abandoned due to minimal upkeep, yet still privately owned. Exploring a potential agreement with the owner to utilize the space.





Prime Location

Strategically situated between Buenos Aires' three most affluent neighborhoods—Palermo, Recoleta, and Puerto Madero—Residencia Maguire offers unparalleled access to the city's finest dining, secure surroundings, seamless transportation, and premier cultural experiences for the discerning traveler.

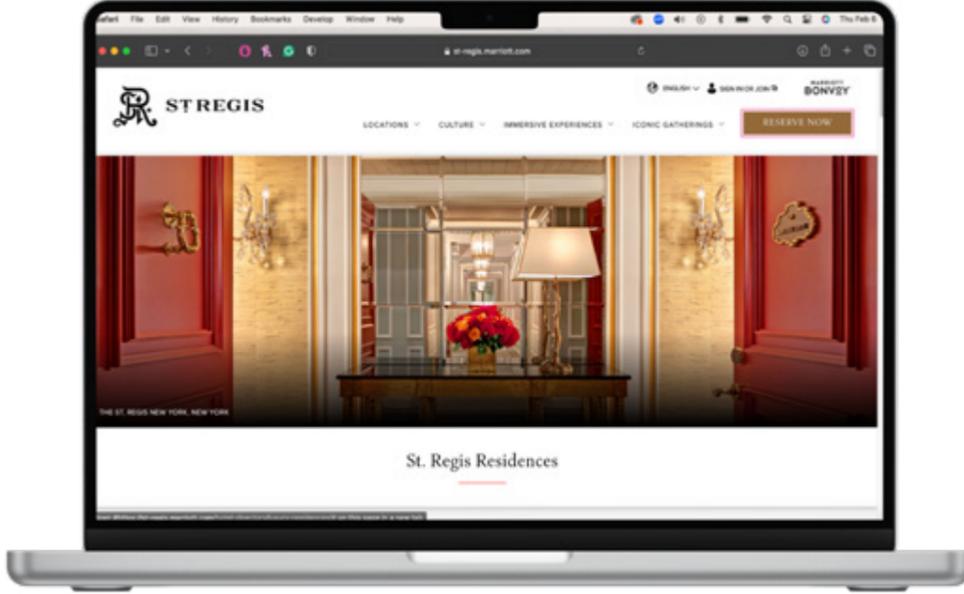
Cost of Development

Strategically situated between Buenos Aires' three most affluent neighborhoods—Palermo, Recoleta, and Puerto Madero—Residencia Maguire offers unparalleled access to the city's finest dining, secure surroundings, seamless transportation, and premier cultural experiences for the discerning traveler.

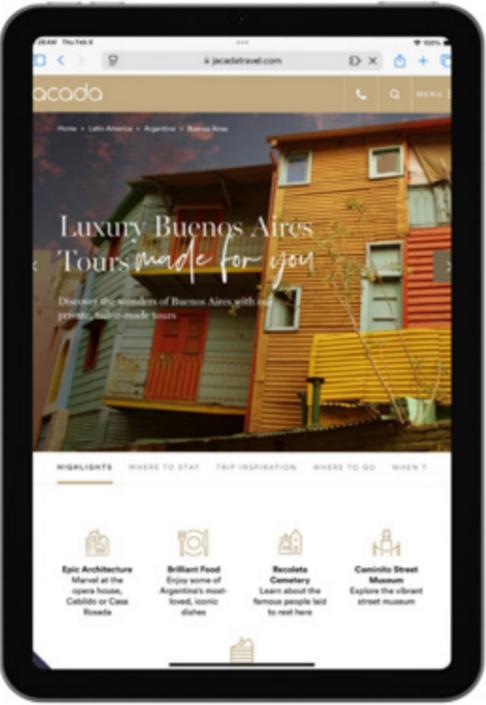
Total = US \$60 M

Purchase of Property Land	N/A	0%
Design and Engineering	\$3,000,000.00	5%
Renovation and Construction	\$42,000,000.00	70%
Furniture, Fixtures, Equipment	\$9,000,000.00	15%
Permits, Registration and Insurance	\$1,800,000.00	3%
Marketing	\$3,000,000.00	5%
Project Management	\$1,200,000.00	2%

Marketing Mix: Placement



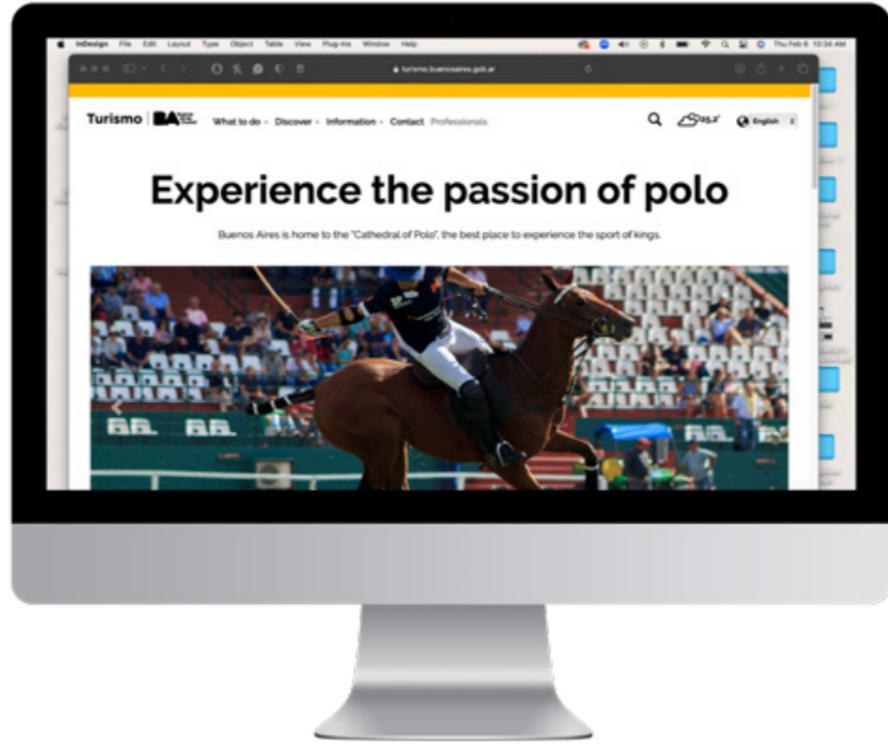
Online Bookings



Luxury Tour Partnerships



St. Regis App



St. Regis Curated Packages



Phone Bookings

Online booking has quickly become the usual option. Almost 75% of people traveling to Argentina book their travel and accommodations online.



Marketing Mix:

Advertisement and Promotion

Primary Medium

Traditional Media & Digital Advertising

Print Media

Condé Nast Traveler, Vogue, Architectural Digest
Email Marketing
Search Engine Optimization
Banner Ads



Marketing Mix:

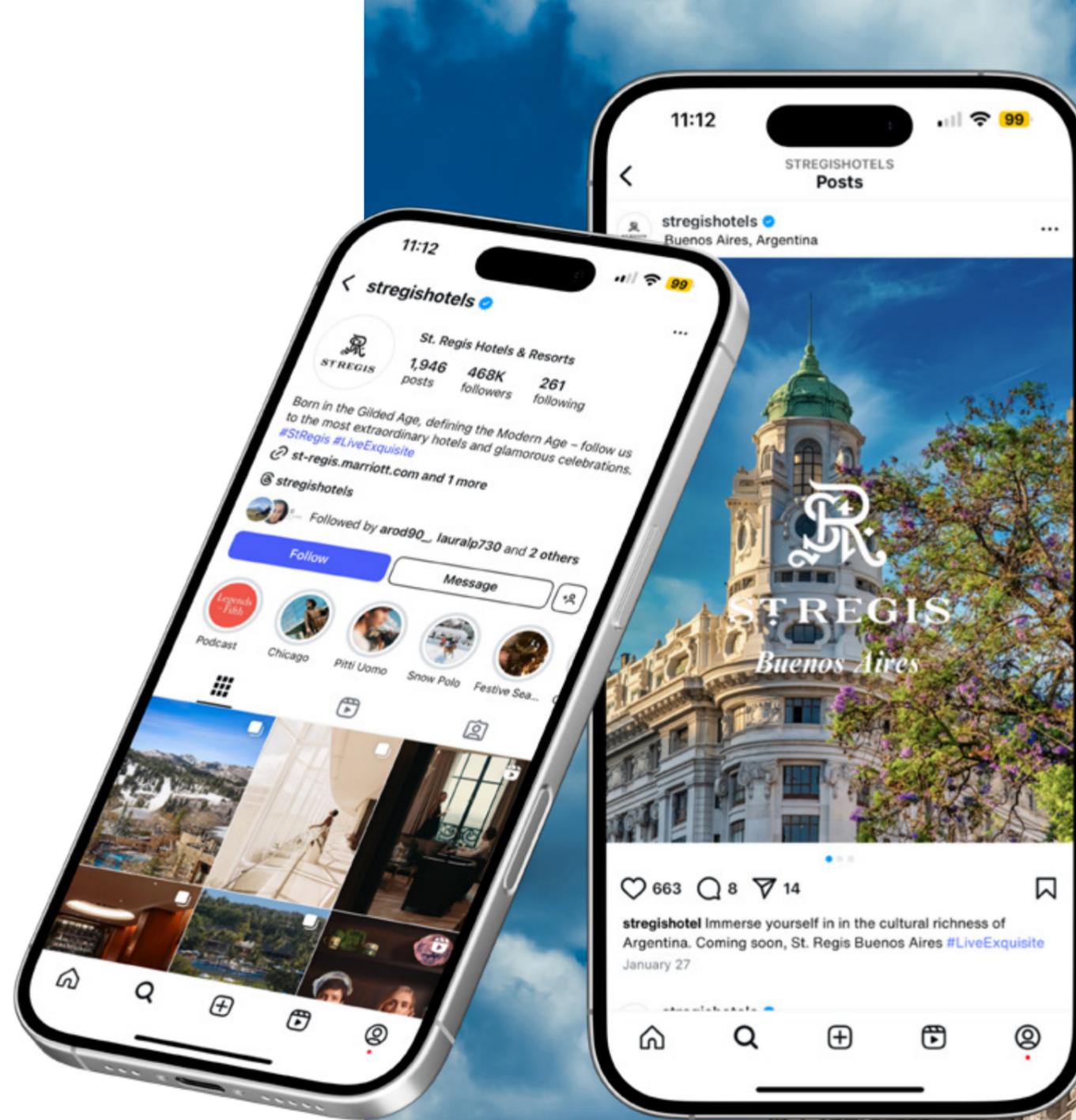
Advertisement and Promotion

Secondary Medium
Social Media Marketing

Instagram: @stregishotels and @stregisbuenosaires

Facebook: @stregishotels and @stregisbuenosaires

Youtube: St. Regis Hotels





Marketing Mix:
Collaborations

St. Regis has done several collaborations for the purpose of marketing/social media or that are heavily reflected in marketing/social media. These collaborations have become a distinct part of the St. Regis online presence and elevate the brands social media portfolio.

- St. Regis Connoisseurs
- Vogue
- Carolina Herrera
- Pitti Uomo



Marketing Mix:

Communication Objectives

- Maintain the luxury nature of St. Regis while driving bookings by utilizing traditional and social media.
- Persuade St. Regis core customers to stay at the new Buenos Aires Location.
- Capture the attention of potential local customers and persuade them to visit the St. Regis Buenos Aires to dine, enjoy amenities, or host an event.
- Increase interest in all St. Regis hotels by curating more personal connections with influential customers and capture their purchase (booking) intent.
- Compliment other St. Regis hotels and increase bookings and reservations by reiterating the strong position of the St. Regis brand.





Marketing Mix:

Pricing Strategy

Current St. Regis Pricing

Variable Price for same product, Dynamic pricing
\$500-\$10,000

Buenos Aires Pricing Strategy:

Rooms

Dynamic Pricing

Basic Rooms: \$500-\$2,000 per night

Suites: \$2,000-\$5,000 per night

Grand Suites: \$5,000-\$10,000 per night

Curated Packages and Excursions

Variable Pricing

All-Inclusive Packages: \$50,000-\$200,000

Daily Excursions: \$2,000-\$10,000

Dining Options: Variable \$\$\$-\$\$\$\$ ***Merchandise:*** Fixed \$50-\$2,000



Promotional Launch



- Private Social Club Collaborations – A Gateway to the Elite
- Marriott Bonvoy Elite Access – Rewarding True Loyalty
- St. Regis Connoisseur Program
- Invitation-Only Polo & Equestrian Immersion
- The St. Regis Buenos Aires Founding Circle (investors and affluent personalities)
- Soft Opening with Ultra-Private Bookings
- Invitation-only Digital Concierge Platform
- Digital media (magazines, social media, email marketing)

The launch is not about “creating buzz” but rather ensuring the right people experience St. Regis Buenos Aires first and exclusively.

** We'll include press to showcase the private events.*

3-Year Income Statement

The following income statement outlines the projected financial performance of The St. Regis Buenos Aires over the next three years, based on the planned opening in 2028.

It details anticipated total revenue, along with fixed and variable costs, providing a comprehensive view of the hotel's expected financial trajectory as it establishes itself in the luxury hospitality market.

Estimated 100 rooms:

Year 1 - 55% occupancy rate (12,000,000 = 365 x 55 x 600)

Year 2 - 61% occupancy rate (13,440,000 = 365 x 61 x 600)

Year 3 - 74% occupancy rate (16,128,000 = 365 x 74 x 600)

Revenue	2028	% Rev	2029	% Rev	2030	% Rev
Room Bookings	\$ 8,400,000	70.00%	\$ 9,408,000	70%	\$ 11,289,600	70.00%
Food and Beverage	\$ 960,000	8.00%	\$ 1,075,200	8%	\$ 1,290,240	8.00%
Products and Merchandise	\$ 960,000	8.00%	\$ 1,075,200	8%	\$ 1,290,240	8.00%
Amentities and Services	\$ 840,000	7.00%	\$ 940,800	7%	\$ 1,128,960	7.00%
Curated Exursions/Packages	\$ 480,000	4.00%	\$ 537,600	4%	\$ 645,120	4.00%
Events	\$ 360,000	3.00%	\$ 403,200	3%	\$ 483,840	3.00%
Total Revenue	\$ 12,000,000	100.00%	\$ 13,440,000	100%	\$ 16,128,000	100.00%
Fixed Costs						
Front Desk	\$ 100,000	0.83%	\$ 150,000	1.12%	\$ 200,000	3.10%
Guest Services	\$ 150,000	1.25%	\$ 200,000	1.49%	\$ 250,000	3.88%
Reservations Payroll	\$ 1,000,000	8.33%	\$ 1,200,000	8.93%	\$ 2,000,000	31.01%
Cable Television/Internet	\$ 50,000	0.42%	\$ 50,000	0.37%	\$ 75,000	1.16%
Contract Services	\$ 100,000	0.83%	\$ 100,000	0.74%	\$ 100,000	0.62%
Linen and Uniform Purchases	\$ 75,000	0.63%	\$ 50,000	0.37%	\$ 75,000	0.47%
Equipment Purchases	\$ 200,000	1.67%	\$ 100,000	0.74%	\$ 100,000	0.62%
Annual Maintenance and Building Upkeep	\$ 200,000	1.67%	\$ 200,000	1.49%	\$ 200,000	1.24%
Decorations	\$ 900,000	7.50%	\$ 500,000	3.72%	\$ 500,000	3.10%
Overhead and Payroll	\$ 2,500,000	20.83%	\$ 2,500,000	18.60%	\$ 2,500,000	15.50%
Insurance	\$ 170,000	1.42%	\$ 170,000	1.26%	\$ 170,000	1.05%
Property Tax	\$ 150,000	1.25%	\$ 150,000	1.12%	\$ 150,000	0.93%
Depreciation and Amorization	\$ 130,000	1.08%	\$ 130,000	0.97%	\$ 130,000	0.81%
Total Fixed Costs	\$ 5,725,000	47.71%	\$ 5,500,000	40.92%	\$ 6,450,000	39.99%
Variable Costs						
Room Attendant Payroll and Benefits	\$ 1,000,000	8%	\$ 1,200,000	8.93%	\$ 1,500,000	9.30%
Linen Cleaning	\$ 91,250	1%	\$ 109,500	0.81%	\$ 127,750	0.79%
Guest Supplies	\$ 10,000	0%	\$ 12,000	0.09%	\$ 12,000	0.07%
Travel Agent Commissions	\$ 500,000	4%	\$ 750,000	5.58%	\$ 1,000,000	6.20%
Credit Card Commissions	\$ 500,000	4%	\$ 750,000	5.58%	\$ 1,000,000	6.20%
Food/Beverage	\$ 500,000	4%	\$ 800,000	5.95%	\$ 900,000	5.58%
Marketing	\$ 400,000	3%	\$ 300,000	2.23%	\$ 300,000	1.86%
Total Variable Costs	\$ 3,001,250	25%	\$ 3,921,500	29.18%	\$ 4,839,750	30.01%
Total Costs	\$ 8,726,250	73%	\$ 9,421,500	70.10%	\$ 11,289,750	70.00%
Net Income	\$ 3,273,750	27.28%	\$ 4,018,500	29.90%	\$ 4,838,250	30.00%



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