

Interview

Luxury Included

An Interview with Gordon “Butch” Stewart,
Chairman, Sandals Resorts International



Gordon “Butch” Stewart

EDITORS' NOTE Born in Kingston and educated in Jamaica and England, “Butch” Stewart founded Sandals Resorts in 1981 and Beaches Resorts in 1997.

COMPANY BRIEF Founded in 1981 and based in Montego Bay, Jamaica, Sandals Resorts International (www.sandals.com) owns and operates a dozen couples-only, Luxury Included® resort hotels in the Caribbean. The resorts—located in Jamaica, Antigua, St. Lucia, and The Bahamas—offer upscale amenities such as gourmet à la carte dining and activities including scuba diving and golf. The company also owns four resorts under the Beaches brand name: two in Negril, Jamaica; one in Ocho Rios, Jamaica; and one in Providenciales, Turks & Caicos. Beaches Resorts caters to families, with Kids Camp programs, Xbox 360 video game centers, water theme parks, and nanny services. Beaches is also home to the Beaches Resorts Caribbean Adventure with Sesame Street, which brings kids' favorite characters Elmo, Cookie Monster, Grover, Zoe, and Bert and Ernie to the resorts year-round for daily activities and special live shows.

You've made a major push into what you call “Luxury Included.” Has the market changed for the brand, and how have you focused on that luxury segment?

We were ultra all-inclusive to start, and seven years ago, we planned to take the brand

in a different direction because a lot of different entities entered the market, and there were no standards. It was all a question of who talks the best, and we didn't want to get caught up in that. So we managed not only to call ourselves ultra all-inclusive, but also to provide the services and develop a product that matched that. However, we felt strongly that that was not sufficient. So in the past five years, we spent more than \$300 million on refining, upgrading, refurbishing, adding new facilities and amenities, and training, and we were able to change the actual operation. Four years ago, we introduced butler service, which was brand new at the time for the all-inclusive product, and it has been a great success. But we went further with that, which put us very much in a different class, by working out an exclusive arrangement with the Guild of Professional English Butlers, so all of the services that we offer were immediately elevated.

Our spas easily rate among the best in the world, and that comes from how we go about developing them, building them, and training for them. Two and a half years ago, we rebranded them Red Lane Spa, and it's an entity all its own. Now we have spa product under the Red Lane image and brand. So it's not a case of waving a wand and changing the name; it's a case of having to plan and develop the entire product to meet what we plan to do. It has been a great hit, because the run up to it kept the market informed about the changes that are taking place in the product.

Two of our locations—the Mediterranean Village at Sandals Grande Antigua Resort & Spa, and the Italian Village at Beaches Turks & Caicos Resort Villages & Spa—just got approved for the Five Diamond Award for the sixth time. So that's a nice feather in our cap, and we're very proud of that. The Five Diamond Award is always a very prestigious award, and I think it's a clear indication of where Sandals and Beaches are going.

Some people feel that all-inclusive doesn't necessarily mean you're able to provide quality service and product. You seem to have been able to bridge that gap, but how are you able to offer a luxury quality experience, but keep the cost so reasonable?

It's for that reason that we made a point of getting out of that fray. We recently opened the new Italian Village at Beaches Turks & Caicos. It's the most comprehensive resort designed for

families and kids. The Italian Village consists of 162 two-bedroom family suites at the pinnacle of luxury. Most of our resorts have an authentic British pub serving pub food for lunch and dinner; they're as good as anything that the pubs in England or Ireland have to offer. In our rooms, from the artwork to the decoration, guests feel like they are in a British country manor—it's tremendous. And typically the all-inclusives serve a \$1 or \$2 bottle of wine. We have a partnership with Beringer Vineyard, the largest wine producer in the world, so we are pouring a \$17 bottle of wine, and we offer guests a choice of four varietals of fine wines. And that goes with the partnerships that we have with Crayola, Sesame Street, Preston Bailey, and Xbox, for example—these are all great partnerships. We have partnerships with MasterCraft sports, and we have collectively the largest dive operation in the Caribbean; at all our resorts, scuba diving is included.

You have also put a major focus on the spa product. Did you need to partner in that area, and how much of a focus is that signature high-end spa at the properties?

We didn't need a partner because we were among the first to enter the spa field in a very luxurious manner in the early '90s, when spas were just becoming the thing to do. We have developed that product with each passing year. I travel the world, and I see spas the world over, but I don't see any spas that are better than ours. I see a lot of spas that I'm not impressed with. With all of these things, we spare no money.

You have a product that many have said would work in other parts of the world. Do you have an interest in other markets, or is the Caribbean the right platform for you?

The world is our oyster, but we are not a franchise, and we are not a product that is given to franchising, because our product needs too much attention to detail and too much personalization. And we are in no hurry—we don't need 100 hotels. We have 22 hotels, and we are happy. But we're being offered a lot of hotels that are for sale right now, and we have a lot of interest in places. I think we can look forward to being in places that we're not in right now.

You still have a lot of excitement and passion for this company and for where it's going. Do you ever think about slowing down?

I think slowing down is a natural progression. But I can't really wait for the sun to rise in the morning. It's all good stuff. ●