

**A Comparison Analysis between Soft and Ultra All-Inclusive Accommodation Systems and its Impact on Hotels' Costs and Profitability in Hurghada City**

**BY**

**Ahmed Anwar Elsaed**

Lecturer, Department of Hotel Studies  
Faculty of Tourism and Hotels - Mansoura University

**Doi: 10.21608/kjao.2021.193074**

قبول النشر: ١٤ / ٧ / ٢٠٢١

استلام البحث: ٢٢ / ٦ / ٢٠٢١

Elsaed ,Ahmed Anwar (2021). A Comparison Analysis between Soft and Ultra All-Inclusive Accommodation Systems and its Impact on Hotels' Costs - and Profitability in Hurghada City, *The Arab Journal of Tourism, Hospitality and Archeology Sciences*, AIESA, vol (2), N (3), pp 137- 158.

**A Comparison Analysis between Soft and Ultra All-Inclusive Accommodation Systems and its Impact on Hotels' Costs and Profitability in Hurghada City****Abstract**

This research aims to compare between Soft and Ultra All-Inclusive accommodation systems and analyze their impact on hotels' Costs and profitability in Hurghada city. For achieving the research aim, a questionnaire was designed and distributed to a random sample of managers in the investigated hotels, of which 200 responses were valid to analyze by SPSS V.25. Results indicated that the All-Inclusive system has an impact on the hotels' costs and profitability, and there are differences among the sample responses of the study toward reasons of implementation, and the impact of the hotels' costs and profitability according to the type of All-Inclusive system (AIS) applied. Based on the results, some recommendations have been proposed to minimize the negative effect of AIS on hotels' costs. One of the most important recommendations is creating non-costly facilities by adopting a recreational inclusive system that includes adding some tours to ultra AIS package that enhance guests' preoccupation and maximize hotel's profitability.

**Key Words:** All-inclusive, Accommodation Systems, Hotels' Costs, Hotels' Profitability.

**المستخلص:**

يهدف هذا البحث إلى المقارنة بين نظامي الإقامة الشاملة و الإقامة الشاملة المتميزة وتحليل تأثيرها على تكاليف وربحية الفنادق في مدينة الغردقة. ولتحقيق هدف البحث، تم تصميم استبيان تم توزيعه على عينة عشوائية من المديرين (٢٤٠ استمارة) في الفنادق عينة الدراسة. تم استلام ٢٢١ استمارة، كان منها ٢٠٠ استمارة صالحة للتحليل الاحصائي بواسطة برنامج الحزمة الاحصائية للعلوم الاجتماعية SPSS V.25. أشارت النتائج إلى أن نظام الإقامة الشاملة يؤثر على تكاليف وربحية الفنادق، كما ظهر اختلافات بين استجابات عينة الدراسة نحو أسباب اختيار نظام الإقامة الشاملة، وأثر ذلك النظام علي تكاليف وربحية الفندق حسب نوع النظام. بناءً على النتائج، تم اقتراح بعض التوصيات لتقليل التأثير السلبي لنظام الإقامة الشاملة على تكاليف الفنادق. كانت إحدى أهم التوصيات هي دمج خدمات غير

مكلفة من خلال تصميم نظام ترفيهي شامل يتضمن إضافة بعض الجولات إلى حزمة نظام الإقامة الشاملة المتميزة التي تملأ فراغ النزلاء وتزيد من ربحية الفندق. الكلمات الدالة: نظام الإقامة الشاملة AIS ، تكاليف الفنادق، ربحية الفنادق.

## Introduction

The concept of All-Inclusive programs is being used on a fairly large scale all over the world. Generally, All-Inclusive programs allow the customer to receive a package of services including accommodation, food, beverages, and other services and other amenities for set pre-paid prices (Anderson, 2012). Acar, D. and Şenol (2014) agreed with Chambers (2010) that the topic of All-Inclusive accommodation system has become an important one in the hotels industry world with its different kinds and sizes as the rationale of this system focuses on the tourist himself and saving suitable resistance places and how to meet his needs and desires as well as focusing on the continuous enhancement in all aspects of hotel work in despite of its effect on hotel costs.

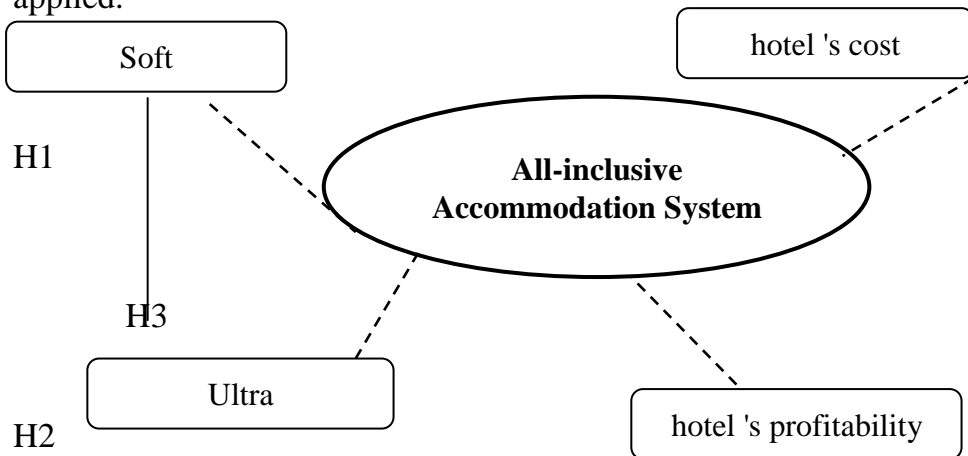
The research problem is that, meanwhile there are various researches in Europe, U.S.A, countries that studied AIS system and its types, advantages, and disadvantages (Ozdemir *et al.*, 2012; Saleh *et al.*, 2013; Smith and Spencer, 2011; Bilgili *et al.*, 2016). There are not previous study special in Egypt searched in the effect of an All-Inclusive accommodation system on the costs and profitability. This research seeks to know the financial effect of an All-Inclusive accommodation system of four and five-star hotels in Hurghada. As the sector of hotels in Hurghada is considered an active and live service one, therefore the research's significance is that focusing on its negative impact of All-Inclusive accommodation system on hotels' costs and profitability in order to reduce this impact. The field study has done in 6 months "from 15 July 2020 to 21 January 2021".

**Research Hypotheses**

**Hypothesis 1:** There are significant positive correlation on 0.05 degree between choosing of (soft – ultra) All-Inclusive system and the hotel 's cost.

**Hypothesis 2:** There are significant positive correlation on 0.05 degree between choosing of (soft – ultra) All-Inclusive system and the hotel 's profitability.

**Hypothesis 3:** There are significant variance on 0.05 degree for questionnaire dimensions (reasons of implementation, impact on cost, and impact on profitability) according to type of All-Inclusive system applied.



**Figure 1: Research Hypotheses**

**Literature review**

**Types of accommodation systems**

According to Chon and Maier, (2010), the accommodation can be classified into four main plans as follows: [1] room only, [2] room and breakfast, [3] half board and [4] full board. In addition, Chan and Mackenzie (2013) added one more plan which is (soft - ultra) all-inclusive. (Table 1) shows the difference among them.

Table 1: Classification of accommodation systems in the hotel sector

accommodation system	Explanation
Room Only	It called also bed only. This is a rate for the room with no meals included in the price of the room. It is usually uses in luxury hotel in city centers.
Bed and Breakfast	This is a rate for the room with breakfast included in the price of the room. It is also usually uses in luxury hotel in city centers.
Half Board	This is a rate for room, breakfast and either lunch or dinner in the price of the room, Usually dinner. It is usually uses in resort hotels extensively because it increases the average guest expenditure and ensures use of the hotel restaurants.
Full Board	It generally includes all meals with the room, i.e., breakfast, lunch and dinner. Sometimes, it also includes afternoon tea. It is also usually uses in resort hotels.
All-Inclusive Programs	An extension of full board which practices in some hotels. All-Inclusive programs include all meals and unlimited use of sports and social activities. It is a very attractive accommodation plan for resort hotels.

Source: Chon and Maier, (2010); Chan and Mackenzie (2013)

### **Historical background of All-Inclusive accommodation system**

The original All-Inclusive concept was first introduced in holiday camps in Britain during the 1930s and the initial elements of the All-Inclusive offer were: good beverages and fare, safe and comfortable

accommodations, caring staff, and plenty of accessible activities (Onal *et al.*, 2007). Ozyurt *et al.*, (2012) stated that in the 1950s, club Mediterranean, the French company popularly known as "Club Med", started to expand the concept of the holiday camp around the globe. Club Med was the first different hotel product created for warm-weather beach destinations.

The All-Inclusive holiday concept was developed in the 1990s to respond to growing demand from consumers for a holiday which was priced to include all food, accommodation, and activities for the duration of stay (Chan and Mackenzie, 2013). First Choice holidays was the first package holiday operator to introduce the All-Inclusive holiday into the mainstream market with the introduction of a wide range of All-Inclusive deals to popular summer Mediterranean destinations (Pelit *et al.*, 2011). Now, the All-Inclusive accommodation system is among the most vibrant, dynamic, and fastest-growing sub-sectors in the hotel industry (Eriksson, 2020).

### **The concept of All-Inclusive accommodation system**

Kondo (2014) described All-Inclusive resort as a holiday resort that includes a minimum lodging, three meals daily, soft drinks, most alcoholic drinks, gratuities, and possibly other services in the price. Many also offer sports and non-motorized water sports and other activities that are included in the price as well. They are often located in warmer regions of the world.

The concept of All-Inclusive programs is being used on a fairly large scale all over the world. Generally, All-Inclusive programs allow the customer to receive a package of services including accommodation, food, beverages, and other services and other amenities for set pre-paid prices (Condratov, 2014).

Moreover, Tavares and Kozak, (2015), defined Ultra All-Inclusive accommodation system that all in tour including everything, all in price or rate (price which covers all items in a purchase (goods, delivery, tax, insurance, etc) or all items in a tour (travel, hotel accommodation, meals, etc). At ultra all inclusive, sometimes

transportation, tours and accommodation are included or sometimes transportation, accommodation together with food and drinks are all included under the price (Poulin, 2018).

In soft all inclusive, transportation is excluded and only accommodation with food and drinks is included under the one package price. Moreover, most of the establishments applying this system provide different kinds of protective and amusing activities for children as an extension of the system (Onal et al., 2007; Wikström and Tägtström, 2019). Furthermore, it could be concluded that All-Inclusive system (pre-paid service) is room reservation as well as three meals (breakfast – lunch – dinner) as well as snacks and involves two popular forms; soft All-Inclusive or ultra all inclusive.

### **The impact of All-Inclusive System on the Hotels' Costs**

Onal et al., (2007) added that the All-Inclusive system has increased the food and beverage consumption in the hotels, and these have turned out to be the most important items within the total expenditures. In this regard, efforts to reduce the cost result in the lower level of quality in these products. The quality in food, drinks and services, however, seems to be the most important factor sought for tourists in the system. It also affects the satisfaction level of the tourists and the image of the sector negatively (Acar and Şenol, 2014). According to International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations "IUF", (2013), the system could also result in decreased quality in full animations and increasing its costs due to the fact that the tourists within the system stay longer hours at their hotels or holiday villages. The system may give rise to unfair competition. As a result, the preference for the establishments that care for quality could be reduced. In addition, the convenience of the physical structure of the accommodation enterprise is also of capital importance so that the All-Inclusive system can be applied in a successful way. As a result, if the enterprise was not designed according to the All-Inclusive system

while it was being built, the chance of success will be low (Özdemir *et al.*, 2011). For this reason, the enterprises which decide to apply All-Inclusive system later might have problems due to lack of physical infrastructure (Bilgili *et al.*, 2016).

Moreover, having the guests within the facility all the time makes it necessary to keep the products and services available at any moment, which were promised in the package. This situation can push the capacity limits of the enterprises. In case of any deficiencies in the delivery of these services, the customer who is dependent on the enterprise throughout his/her holiday will be dissatisfied. This might also lead to increasing costs (Tiliute and Condratov, 2014). According to Anderson, (2007), in the original All-Inclusive concepts, guests who were not well entertained tended to use more of their time taking alcoholic beverages which were increased the costs of keeping the guests in the hotel. Day adventure tours can be organized as a way of enhancing guest preoccupation.

On the positive side, it is only possible for large-scale establishments buying their food, drinks and other needs in total and huge amounts to drop costs being granted a rebate. A number of hotels favor All-Inclusive because it was viewed as a cheap way of doing business, especially when not run concurrently with other holiday packages. The hotels were able to operate with a minimum number of staff, positions such as those of cashiers were minimal, the hotel did not have to hire expensive specialized staff (Palmer, 2012; Wikström and Tägtström, 2019).

### **The impact of All-Inclusive System on the Hotels' Profitability**

However, Pelit *et al.*, (2011) reported there are many advantages of the All-Inclusive resort, for example on the territory of such hotels is practically all you need to relax: fitness centers, tennis courts, spas, swimming pools, several restaurants and cafe. On the other hand, Bilgili *et al.*, (2016) reported that there are various disadvantage of this type of accommodation such as hotels applying this system are likely to reduce their service quality level to increase profitability.



Some establishments are seeking for new sales methods such as “super All-Inclusive system, mega all-inclusive, ultra all-inclusive, All-Inclusive plus and high class all-inclusive”. The majority of the tourism sector is complaining about this system. While tour operators stress the low level of profitability, hotel owners and managers think that they lose their sales and provide free services (Mutisya, 2011; Eriksson, 2020).

On the positive side, the level of profit is affected positively for the establishments at issue due to the lower cost of inputs in the high seasons of the All-Inclusive system. Customers“ staying at the hotel all day long causes activity and accordingly sales for the other goods be outside the package increases too. It increases the occupancy rate of lodging establishments. The establishments applying the All-Inclusive system are eligible for extending their tourism seasons between 15 to 30 days. Hotels viewed All-Inclusive as a way of keeping their doors open throughout the year without having to suffer over the off peak of low seasons (Anderson, 2007; Mutisay, 2010; Palmer, 2012; Wikström and Tägtström, 2019).

### Research methodology

According to Chon and Maier, (2010), All-Inclusive Programs is a very attractive accommodation plan for resort hotels. Hurghada has been chosen as a representative sample of the Egyptian resort hotels population. Four and five-star hotels in Hurghada has been chosen to take a random sample of these hotels. According to Egyptian Hotel Association “E H A” (2016) there are 25 five-star hotels and 48 four-star hotels in Hurghada. Due to the difficulty of surveying managers in all investigated hotels, a representative sample has been chosen to target top Management; Financial Controller Rooms Division, Food & Beverage, and Sales and Marketing managers and their assistants. The sample equation was applied to unlimited society (Thompson, 2012) as follows:

$$n = \frac{N1}{\left[ \frac{N1-1}{n} \right] + 1}$$

$$N1 = \frac{z^2}{p(1-p)}$$

**N1=**

**P:** Percentage of the purpose of this study 0.50, **d:** Percentage of the error limit allowed 0.05, **Z:** The standard degree used for giving general results is 95%. Thus, the standard degree = 1.96

$$n = \frac{385}{384 \div 584 + 1} = 231.92 \approx 232$$

According to the previous sample size equation the lower limit of respondents, that suitable in this study are 232. A number of 240 questionnaires were distributed from 15 July 2020 to 5 August 2020 and only 221 questionnaires return with 200 questionnaires which valid to analyze. The questionnaire consisted of two sections. The first section intended to reveal the objective questions. The second section intended to differentiate between soft and Ultra All-Inclusive accommodation systems and their impact on hotels’ Costs and profitability. The respondents were asked to answer these statements by using a Five-point Likert-type scale. The Statistical Package for the Social Sciences (SPSS) version 25.0 was used to analyze data. The level of agreement range was calculated as follow:

Table 2: Questions Answered Scale

Category	Strongly disagree	Disagree	to some extent agree	Agree	Strongly agree
Code	1	2	3	4	5
Range	1 – 1.80	1.81–2.60	2.61-3.40	3.41–4.20	4.21 - 5

**Reliability Analysis**

Table 3: Reliability Analysis

Number of Statements	Alpha
18	0.84

Table 3 indicated that alpha coefficient of the questionnaire statements was 0.84 (higher than 0.70) (Pallant, 2016). This result indicated the reliability and validity of the questionnaires for using in the study.

### Results and Discussion

The results involved three two stages. Descriptive analysis was used to discover participants' responses, variance analysis for respondents' answers were conducted to examine the relationship between independent variables, and dependent variable. The results obtained were computed and analyzed in the following tables.

Table 4: Type of All-Inclusive system (AIS) used in hotels.

Variables	Frequency	Percentage (%)	Rank
Soft AIS	75	37.5	2
Ultra AIS	23	11.5	3
Both (Soft & ultra)	102	51.0	1
Total	200	100%	-

As it can be observed from the previous table 4 that a high proportion (51%) of the investigated hotels applied both (Soft & ultra). Meanwhile 37.5 % of tested sample preferred soft AIS, this followed by hotels used ultra AIS with 11.5%. This result refers that almost all investigated hotels apply AIS system. It agreed with Chon and Maier, (2010) who claimed that All-Inclusive Programs is a very attractive accommodation plan for resort hotels.

Table 5: The best type of accommodation system used in hotels.

Variables	Frequency	Percentage (%)	Rank
No AIS	18	9.0	4
Soft AIS	58	29.0	2
Ultra AIS	30	15.0	3
Both (Soft & ultra)	94	47.0	1
<b>Total</b>	<b>200</b>	<b>100%</b>	-

Results in table 5 showed that a high proportion (47%) of the investigated managers preferred both (Soft & ultra). Meanwhile 29 % of tested sample preferred soft AIS, this followed by managers that found ultra AIS is the best with 15 %. Finally, 9% of investigated managers realized that no AIS is the best system. This result matching with Wikström and Tägtström, (2019) finding that hotels viewed All-Inclusive as a way of face the seasonality.

Table 6: All-Inclusive system and its impact on hotels' Costs and profitability.

Attributes	Soft AIS		Ultra AIS		t-test	P-Value
	$\bar{x}$	SD	$\bar{x}$	SD		
<b>Reasons for choosing All-Inclusive system</b>						
This system is considered as the best accommodation system in reducing costs.	2.78	1.014	3.14	0.998	<b>76.59</b>	<b>0.000**</b>
Best competitive system especially under fierce competition with other hotels.	3.01	0.896	3.31	1.009	<b>37.83</b>	<b>0.000**</b>
It is encouraged and selected by many travel and tourism companies	3.89	0.484	4.16	0.873	<b>89.01</b>	<b>0.000</b>
Increases the rate of hotel occupancy.	2.55	0.669	3.63	0.649	<b>26.15</b>	<b>0.017*</b>
Preferred by many guests.	4.03	0.471	4.28	0.442	<b>87.82</b>	<b>0.000**</b>

It is considered the best systems in terms of prices.	1.58	0.638	1.76	0.571	<b>11.42</b>	<b>0.033'</b>
<b>Average of Responses</b>	<b>2.97</b>	<b>0.695</b>	<b>3.38</b>	<b>0.757</b>	----	----

## Continue

<b>The impact of the AIS system on the hotels' costs</b>						
It causes an increase in the depreciation of assets and equipment in the hotel.	4.13	0.472	4.29	0.709	45.01	<b>0.000''</b>
Leads to Increase maintenance and repair costs of assets and equipment.	3.98	0.785	4.22	0.779	5.87	0.229
Significantly affects the increased costs of the food and beverage division	4.36	0.664	4.48	0.582	6.27	0.137
Lead To increase the cost of the room division.	3.54	0.875	4.03	0.771	52.84	<b>0.000''</b>
Lead to Increased costs of entertainment programs.	3.49	0.906	4.32	0.301	71.44	<b>0.000''</b>
Lead to Increase the number of employees in the hotel.	2.77	1.057	3.88	0.993	34.09	<b>0.000''</b>
Lead to Increased water costs and a energy elemental (electricity - fuel).	3.27	0.928	3.57	0.848	27.90	<b>0.000''</b>
<b>Average of Responses</b>	<b>3.65</b>	<b>0.812</b>	<b>4.11</b>	<b>0.712</b>	----	----
<b>the impact of the AIS system on the hotels' profitability</b>						
Contributes to increased utilization rates and occupancy of all hotel services.	3.73	0.884	4.24	0.592	38.92	<b>0.000''</b>
Contributed significantly to the increase in room rates specially during low seasons and crisis times.	2.29	0.729	3.39	0.609	-.747	.459
Positively affects the net profit of the hotel.	2.86	0.715	2.26	0.993	63.99	<b>0.000''</b>
Helped to reduce the amount of paid taxes.	1.78	0.619	2.03	1.161	10.02	<b>0.048'</b>
The system helped to raise the other rental rates of the hotels.	3.11	0.890	3.44	0.474	43.75	<b>0.000''</b>
<b>Average of Responses</b>	<b>2.75</b>	<b>0.767</b>	<b>3.07</b>	<b>0.765</b>	----	----

$\bar{x}$ : Mean    **SD**: "Standard Deviation"    \* sig.  $\leq$  (. 05)    \*\*sig.  $\leq$  (. 01)

The results in Table 6 showed that there are significant differences among the respondents towards the majority of attributes which p-value  $\leq$  (. 05). With regard to the reasons for choosing the All-Inclusive system, the respondents showed a neutral tendency towards most of the attributes and that means they to some extent believed in AIS as an accommodation system (soft AIS mean= 2.97; ultra AIS mean= 3.38). This result means that the respondents tend to ultra AIS more than soft AIS. This result in agreement with Anderson (2007), findings who claimed that guests who were not well entertained tended to use more of their time taking alcoholic beverages which were increased the costs of keeping the guests in the hotel. Day adventure tours can be organized as a way of enhancing guest preoccupation. They agreed that AIS is preferred by many guests (soft AIS mean= 4.03 ; ultra AIS mean= 4.28), and it is also encouraged and selected by many travel and tourism companies (soft AIS mean= 3.89; ultra AIS mean= 4.16). This result agreed that it is known that tour operators and lodging establishments use the All-Inclusive system based on the customer's desires (Eriksson, 2020). However, the respondents to some extent agreed that AIS is the best competitive system especially under fierce competition with other hotels (soft AIS mean= 3.01; ultra AIS mean= 3.31), and considered as the best accommodation system in reducing costs (soft AIS mean= 2.78; ultra AIS mean= 3.14). Meanwhile, the managers agreed that ultra AIS contributes to increasing the rate of hotel occupancy (mean= 3.63), they didn't think that soft AIS can increase the rate of hotel occupancy (mean= 2.55). On other hand, they disagreed that AIS considered the best system in terms of prices.

According to the dimension of the impact of the AIS system on the hotels' costs, the managers agreed that AIS systems have a negative impact on the hotels' costs (Average mean= 3.65: 4.11), especially in the depreciation of assets and equipment in the hotel, and repair costs

of assets and equipment. The same result found in Bilgili et al., (2016) study. In addition to costs of the food and beverage, room divisions, and the costs of entertainment programs. Meanwhile, they claimed that ultra AIS is more costly than soft AIS in the number of employees in the hotel and water and energy costs.

Regarding with the dimension of the impact of the AIS system on the hotels' profitability, the managers to some extent agreed that AIS systems have an impact on the hotels' profitability (Average mean= 2.75: 3.07). They agreed that both ultra and soft AIS contribute to increasing utilization rates and occupancy of all hotel services and paid taxes. Meanwhile, they to some extent agreed that ultra AIS contributes to increasing room rates especially during low seasons and crisis times, but soft AIS not. Hotels viewed AIS as a way of work without having to suffer over the off-peak of low seasons (Wikström and Tägtström, 2019). On other hand, they to some extent agreed that soft AIS positively affects the net profit of the hotel but ultra AIS not.

**Table 7:** Correlation Coefficient between choosing of All-Inclusive system and the hotels' cost and profitability.

Nonparametric Test			choosing of All-Inclusive system
the hotels' cost	Correlation Coefficient		0.73*
	Sig. (2-tailed)		0.037
	N		200
the hotels' profitability	Correlation Coefficient		0.69*
	Sig. (2-tailed)		0.000
	N		200

\*Correlation is significant at the 0.05 level and less

According to the results in the previous Table it could be concluded that there is a positive correlation between choosing of All-Inclusive system and the hotel 's costs and profitability. When the correlation coefficient of spearman was 0.69 for profitability and 0.73

for the hotels’ cost. it is a positive correlation. This positive correlation indicates that; the All-Inclusive system has an impact of the hotel 's costs and profitability.

**Table 8:** Differences among employee's responses towards questionnaire dimensions according to type of All-Inclusive system applied.

Variables	type of All-Inclusive system applied	Ranks		Test Statistics		
		N	Mean Rank	(x2)	p.value	Sig
reasons of implementation	Soft AIS	75	119.19	50.690	.000**	H.S
	Ultra AIS	23	144.79			
	Both (Soft & ultra)	102	74.78			
	<b>Total</b>	<b>200</b>				
impact on cost	Soft AIS	75	134.09	52.847	.000**	H.S
	Ultra AIS	23	67.26			
	Both (Soft & ultra)	102	79.01			
	<b>Total</b>	<b>200</b>				
impact on profitability	Soft AIS	75	88.18	25.608	.019*	S
	Ultra AIS	23	144.16			
	Both (Soft & ultra)	102	97.70			
	<b>Total</b>	<b>200</b>				

**Significant at  $P \leq 0.05$  N.S= Non Significant H.S= High Significant  $\chi^2$ =Chi-Square**

As shown in Table 8, with regard to respondents’ the result of Kruskal-Wallis test was used to examine the differences among respondents toward all questionnaire dimensions (reasons of implementation, impact on cost, and impact on profitability) according to type of All-Inclusive system applied that p. value was less than the level of significance 0.05. Thus, it concluded that there are differences among the sample responses of the study toward reasons of implementation, and the impact of the hotels’ costs and profitability according to type of All-Inclusive system applied.



## Conclusion

This research has presented an investigation into comparing between soft and Ultra All-Inclusive accommodation systems and analyze its impact on hotels' Costs and profitability in Hurghada city. The All-Inclusive system has an impact of the hotel 's costs and profitability, and there are differences among the sample responses of the study toward reasons of implementation, and the impact of the hotel 's costs and profitability according to type of All-Inclusive system applied.

The respondents to some extent believed in AIS as an accommodation system used in their hotels. Meanwhile, the managers agreed that ultra AIS contributes to increasing the rate of hotel occupancy, they didn't think that soft AIS can increase the rate of hotel occupancy. According to the impact of the AIS system on the hotels' costs, the managers agreed that AIS systems have a negative impact on the hotels' cost. Meanwhile, they claimed that ultra AIS is more costly than soft AIS in the number of employees in the hotel and water and energy costs.

Regard with the dimension of the impact of the AIS system on the hotels' profitability, the managers to some extent agreed that AIS systems have an impact on the hotels' profitability. Meanwhile, they to some extent agreed that ultra AIS contributes to increasing room rates especially during low seasons and crisis times, but soft AIS not. On other hand, they to some extent agreed that soft AIS positively affects the net profit of the hotel but ultra AIS not.

## Recommendations Addressed to Hotels' Managements

1. Setting SOWT Analysis (strength, opportunities, weakness, threats) of applying soft and Ultra All-Inclusive systems before implementation.
2. Conducting continuous reports reveals to hotel's costs and profitability through applying All-Inclusive system and

choosing the best system that suitable for hotel abilities and assets.

3. Creating non-costly facilities by adopting a recreational inclusive system that includes adding some tours to ultra AIS package that enhance guest preoccupation and maximize hotel's profitability.
4. Adopting an alternative system instead of AIS called the Limited All-Inclusive system aims to minimize the consumption of food and beverage in an open buffet. For example, determining a specific number of beverages for guests to order.
5. Determining a financial penalty on any guest leaves food waste on his dish. For example, some American hotels account the weight of food waste and charge the guest for it.
6. Multiuse of other accommodation systems (bed only - half board – full board) to minimize the negative effect of AIS on hotels' costs.

## References

1. Acar, D. and Şenol, H. (2014), "Analysis of All-Inclusive System Applied by the Accommodation Business in Turkey in the Context of Target Costing", International Journal of Academic Research in Accounting, Finance and Management Sciences,, Vol.4, No.3, PP.63-79
2. Anderson, W. (2007), "Economic Impacts of All-Inclusive: All-Inclusive Expenditure, Motivation & linkages in the Balearic Islands", Memoria D'Investigacio, University of Balearic Islands.
3. Anderson, W. (2012), "Analysis of "All-Inclusive" Tourism Mode in the Balearic Islands", Tourismos: An International Multidisciplinary Journal of Tourism, Vol.7, No.1, PP309-323.
4. articles/2012/02/07/the-financial-benefits-of-all-inclusive-resorts
5. Bilgili B., Özkulb E., and Candan B. (2016) "An Outlook on "all inclusive" system as a product diversification strategy in terms of consumer attitudes", Procedia - Social and Behavioral Sciences 235 PP. 493 – 504
6. Chambers, L. (2010), "Destination Competitiveness: An Analysis of the Characteristics to Differentiate All- Inclusive Hotels & Island Destination in the Caribbean", Thesis, Rochester Institute of Technology.
7. Chan, B. and Mackenzie, M. (2013). "Introduction to the Hospitality", Fifth Edition, Hong Kong: Wan Chai. PP.77 - 81
8. Chon, K. and Maier, T. (2010). "Welcome to Hospitality – An Introduction". Third Edition, New York: Delmar, Cengage Learning. p. 43 - 45.
9. Condratov, I. (2014), "All-Inclusive System Adoption within Romanian Tourist Sector", Ecoforum, Vol.3, No.1, PP.78-83.
10. E H A (2016). The Egyptian Hotel Guide, 34nd ed. Egyptian Hotel Association, Dokki, Giza.

11. Eriksson V. (2020) “All-Inclusive hotels’ packaging of the northern coast of Jamaica: creating and maintaining an environmental bubble”[Online], Available at: <https://www.diva-portal.org/smash/get/diva2:1440109/FULLTEXT01.pdf> , Retrieved from 2, January , 2021
12. International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations "IUF", (2013), “The Impacts of All-Inclusive Hotels on Working Conditions and Labor Rights: in Barbados, Kenya and Tenerife”, Tourism Concern Research Report, Switzerland, PP 1-20.
13. Kondo, M. (2014), “Economic Impacts of All-Inclusive Resorts in Jamaica”, HTM 321 Hospitality Research Seminar, State University of New York at Plattsburgh, PP. 1-19.
14. Mutisay, M.M. (2010), "The All-Inclusive Concept at the Kenyan coast". International Research Symposium in Service Management, ISSN 1694-0938, pp. 12-17.
15. Mutisya, M. M. (2011), “Customer Satisfaction and Loyalty in the Application of the All-Inclusive Holiday Concept at the Kenyan Coast” Doctor of Philosophy in Hospitality Management, the School of Hospitality and Tourism Management, Kenyatta University.
16. Onal, Y., Duzakin, E. and Ciftci, H. (2007), "All-Inclusive System and Its Effects on the Turkish Tourism Sector". Journal of Problems and Perspectives in Management, Vol. 5 No. 3, pp. 269-281.
17. Özdemir A., Isık S, and Çizel R. B. (2011) “Effects of the All-Inclusive System (AIS) on the Financial Structure of Accommodation Enterprises in Antalya”, European Journal of Social Sciences – Vol. 24, No. 4. PP. 503 – 515
18. Ozdemir, B. ; Çizel, B. and Cizel , R. (2012), “Satisfaction with All-Inclusive Tourism Resorts: The Effects of Satisfaction

- With Destination And Destination Loyalty”, International Journal of Hospitality & Tourism Administration, Vol.13, No.2, PP.109-130.
19. Ozyurt, P. M. ; Oku, O. and Aktas, A. R. (2012), “Evaluation of All-Inclusive System with Respect to Sustainable Tourism Principles”, 3rd International Symposium on Sustainable Development, May 31-June 1/2012, Sarajevo. PP.77-83.
20. Pallant, J. (2016). SPSS survival manual, 6th Ed., Berkshire, McGraw-Hill Education (UK).
21. Palmer, K. (2012), "The Financial Benefits of All-Inclusive Resorts", U.S News and World Report, Available on: <https://money.usnews.com/money/personalfinance/>
22. Pelit, E. ; Erkilic, E. ; Aydugan, N. and Bozdoyan, I. (2011), “Tourism Academicians’ Assessments' on Advantages and Disadvantages of All-Inclusive System Applied in Turkish Tourism Sector”, Management And Education, Vol.7, No.3, PP.117-124.
23. Poulin, P. (2018), "All-Inclusive Vacations to the Caribbean Islands: Travel Tips", USA Today, Available on: <https://traveltips.usatoday.com/all-inclusive-vacations-caribbeanislands-10647.html>, Accessed: 13th December 2018.
24. Saleh L., Esam H., and Elias A. N., (2013) “Customers and staff perception towards All-Inclusive Programs in Resort Hotels”, Journal of Faculty of Tourism and Hotels, Fayoum University Vol. 7, No. 2, PP. 46-63
25. Smith, T. and Spencer, A. J. (2011), “Predictors of value for Money in Jamaican All-Inclusive Hotels”, International Journal of Humanities and Social Science, Vol.1, No.4, PP.93-102.
26. Tavares, J. M. and Kozak, M. (2015), “Tourists’ Preferences for the All-Inclusive System and Its Impacts on the Local Economy”, European Journal of Tourism, Hospitality and Recreation, Vol.6, No.2, PP.7-23.

27. Thompson, S. K., ( 2012) “Sampling”, Third Edition, John Wiley & Sons, Inc, U.S pp. 59-60.
28. Tiliute, D. E. and Condratov, I. (2014), “Improving the Quality of Services In All-Inclusive Resorts by Monitoring Tourists Activities”, *Procedia Economics and Finance*, Vol.16, PP.166-172.
29. Wikström R. and Tägtström T. (2019) “All-Inclusive or Not-inclusive?, Towards a more sustainable use of water and electricity by the tourism sector in the Dominican Republic’’, [Online], Available at: <https://www.diva-portal.org/smash/get/diva2:1393812/FULLTEXT01.pdf> , Retrieved from 18, January, 2021.