



Press Release

J.D. Power and Associates Reports: Declines in Satisfaction among Guests in Upper Upscale, Upscale and Mid-Scale Hotel Properties in Europe Are Masked By Increased Satisfaction with Costs and Fees

Mövenpick Hotels & Resorts; Premier Inn; Scandic; and Steigenberger Hotels and Resorts Each Rank Highest in Customer Satisfaction among Hotel Guests in Europe

WESTLAKE VILLAGE, Calif.: 21 October 2010 — While overall satisfaction among European hotel guests appears to have remained stable after achieving a five-year high in 2009, when the benefit of lower guest room rates is removed, satisfaction with the rest of the guest experience has declined notably, according to the J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM released today. While these declines occur in three of four hotel segments included in the study, satisfaction in the economy segment has increased.

The study, now in its sixth year, examines the [overall satisfaction of European hotel guests](#) based on seven measures (in order of importance): guest room; costs and fees; hotel facilities; check-in/check-out; food and beverage; hotel services; and reservations. Thirty-six hotel brands are measured and ranked in four segments¹: [upper upscale](#), [upscale](#), [mid-scale full service](#) and [economy](#).

Overall satisfaction across the industry remains flat in 2010, averaging 745 on a 1,000-point scale, compared with 746 in 2009. In three of the four segments—upper upscale, upscale and mid-scale full-service—satisfaction has declined in all measures except cost and fees. Throughout the economic downturn, many hoteliers reduced operational costs amid declining demand and lower rates. After overall satisfaction peaked to a five-year high in 2009, reductions in areas such as hotel staffing and services and deferred investments in facilities have manifested in lower satisfaction scores in these areas in 2010. The economy segment, however, has demonstrated improvement in the areas of guest room; facilities and services; and costs and fees.

“When the industry begins to recover and occupancy and room rates increase, the positive halo effect from lower costs and fees will wear off and reveal deficiencies in services and facilities even more starkly,” said Stuart Greif, vice president and general manager of the global travel and hospitality practice at J.D. Power and Associates. “It will be critically important for hoteliers to make catch-up investments to improve the guest experience as the market improves. Understandably, hoteliers will want to hold off on increasing costs until absolutely necessary. Those hoteliers that best manage the balance stand to benefit, while those that do not respond quickly enough risk losing more than the satisfaction of their guests—they risk losing guests to competitors.”

Upper Upscale Segment

Steigenberger Hotels and Resorts ranks highest in the upper upscale segment for a third consecutive year, performing particularly well in six of the seven measures that drive overall satisfaction: check in/check out; guest room; hotel facilities; food and beverage; hotel services; and costs and fees. Maritim Hotels and Sheraton Hotels & Resorts, respectively, follow in the segment rankings. Maritim Hotels performs particularly well in the reservations measure.

¹ Luxury hotel brands are also included in the study, but are not ranked due to insufficient number of award-eligible brands.

Upscale Segment

Among upscale hotel brands, Mövenpick Hotels & Resorts ranks highest in guest satisfaction for a second consecutive year and performs particularly well in five of the seven measures: check-in/check-out; guest room; food and beverage; hotel services; and hotel facilities. Following in the segment rankings are Crowne Plaza Hotels & Resorts and Iberostar Hotels & Resorts, respectively. Crowne Plaza Hotels & Resorts performs particularly well in the reservations measure, while Iberostar Hotels & Resorts performs well in the cost and fees measure.

Mid-Scale Full Service Segment

Improving from seventh rank position in 2009, Scandic ranks highest in guest satisfaction in the mid-scale full service segment. Scandic performs particularly well in two measures: check-in/check-out and hotel services. Best Western and Park Inn follow in the segment rankings, in a tie. Best Western performs particularly well in the food and beverage measure, while Park Inn performs well in the cost and fees measure.

Economy Segment

In the economy segment, Premier Inn ranks highest for a third consecutive year and performs particularly well in six of the seven measures: reservations; check-in/check-out; guest room; food and beverage; hotel facilities; and costs and fees. B&B Hôtels and Comfort Inn, respectively, follow in the segment rankings. B&B Hôtels performs particularly well in the reservations and hotel services measures.

The study finds that the availability of Internet service at hotel properties has become increasingly important to guest loyalty and advocacy rates. Hotel guest usage of Internet services has more than doubled during the past five years, from 17 percent in 2005 to 36 percent in 2010. When guests experience a problem with the Internet connection at their hotel, their likelihood to return to the property and to recommend the brand to others decline by approximately one-half, on average.

“Hotel guests expect Internet connections to be a staple of their hotel room—just as they would expect toiletries, a television and hot water,” said Mark Schwartz, director of the global hospitality and travel practice at J.D. Power and Associates. “Hoteliers that are unable to reliably deliver this service risk losing business.”

The study also includes the following key findings:

- Among hotel guests who pay extra for Internet connectivity, satisfaction with cost and fees averages nearly 40 points lower than among customers for whom Internet service was included with their room rate.
- When hotel guests have positive interactions with hotel staff, each interaction increases overall satisfaction by 27 points, on average. In addition, each positive staff interaction increases customer advocacy and loyalty rates by an average of seven percentage points.
- Guests of luxury hotel properties have the highest rates of hotel staff interaction, averaging three interactions per stay. In contrast, guests of economy hotels experience 1.4 interactions per stay, on average.

The 2010 European Hotel Guest Satisfaction Index Study is based on responses from more than 14,000 guests who stayed at a hotel in Europe between July and September 2010. The study was fielded between August and September 2010.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [travel ratings](#), please visit JDPower.com. Also available are [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

About The McGraw-Hill Companies

Founded in 1888, The McGraw-Hill Companies (NYSE: MHP) is a global information and education company providing knowledge, insights and analysis in the financial, education and business information sectors through

leading brands including Standard & Poor's, McGraw-Hill Education, Platts, and J.D. Power and Associates. The Corporation has more than 280 offices in 40 countries. Sales in 2009 were \$5.95 billion. Additional information is available at <http://www.mcgraw-hill.com/>.

J.D. Power and Associates Media Relations Contacts:

Gordon Shields; Guildford, Surrey, UK; +44 1483-207609; gordon.shields@jdpa.com

John Tews; Troy, Mich., USA; (248) 312-4119; media.relations@jdpa.com

Syvetril Perryman; Westlake Village, Calif., USA; (805) 418-8103; media.relations@jdpa.com

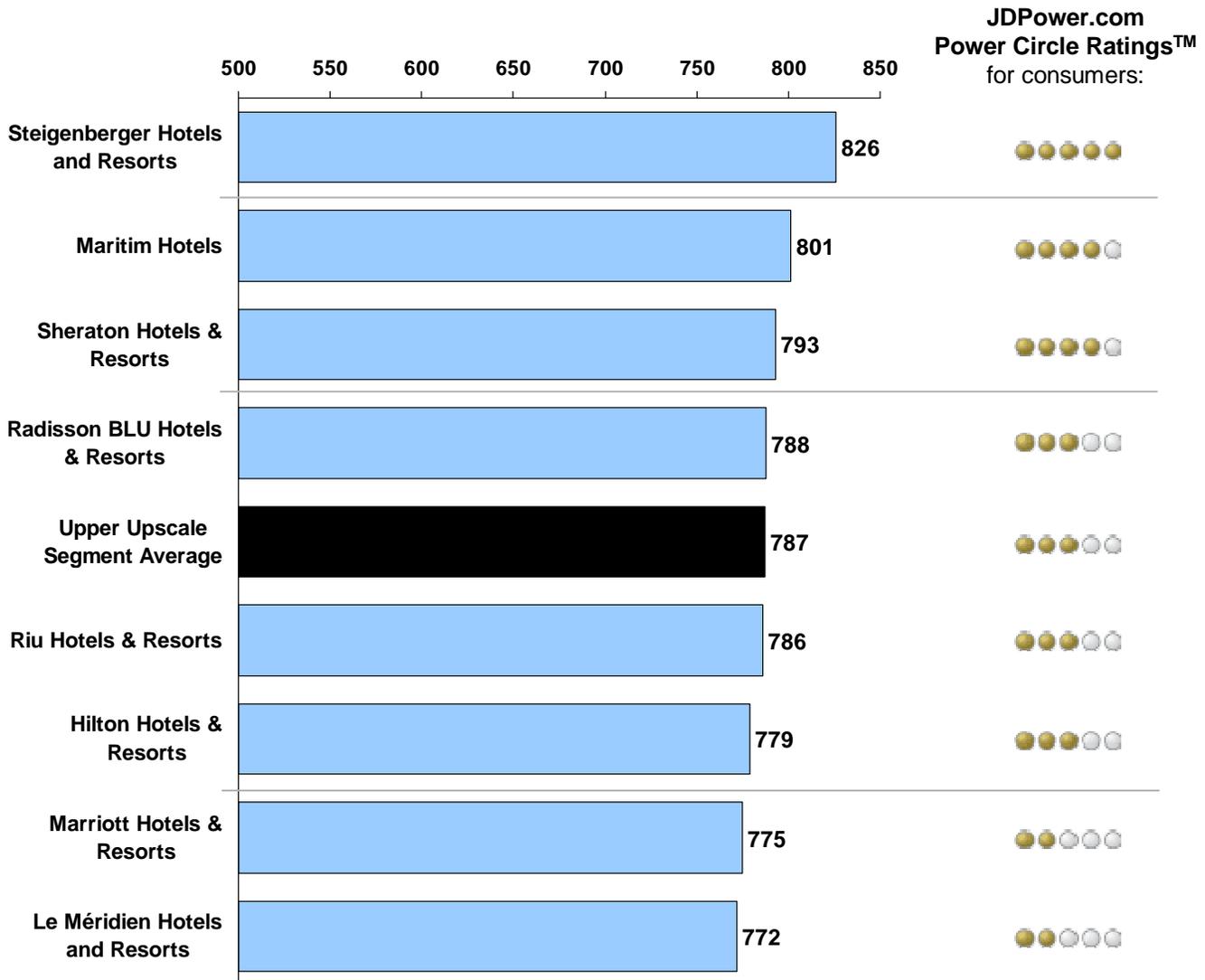
#

(Page 3 of 3)

NOTE: Four charts follow.

J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM

Upper Upscale Segment Overall Satisfaction Index *(Based on a 1,000-point scale)*



Included in the study but not ranked due to small sample size are: Hyatt Hotels & Resorts, Kempinski Hotels, Renaissance Hotels & Resorts, Sofitel Luxury Hotels, Swissôtel Hotels & Resorts and Westin Hotels & Resorts.

Source: J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM

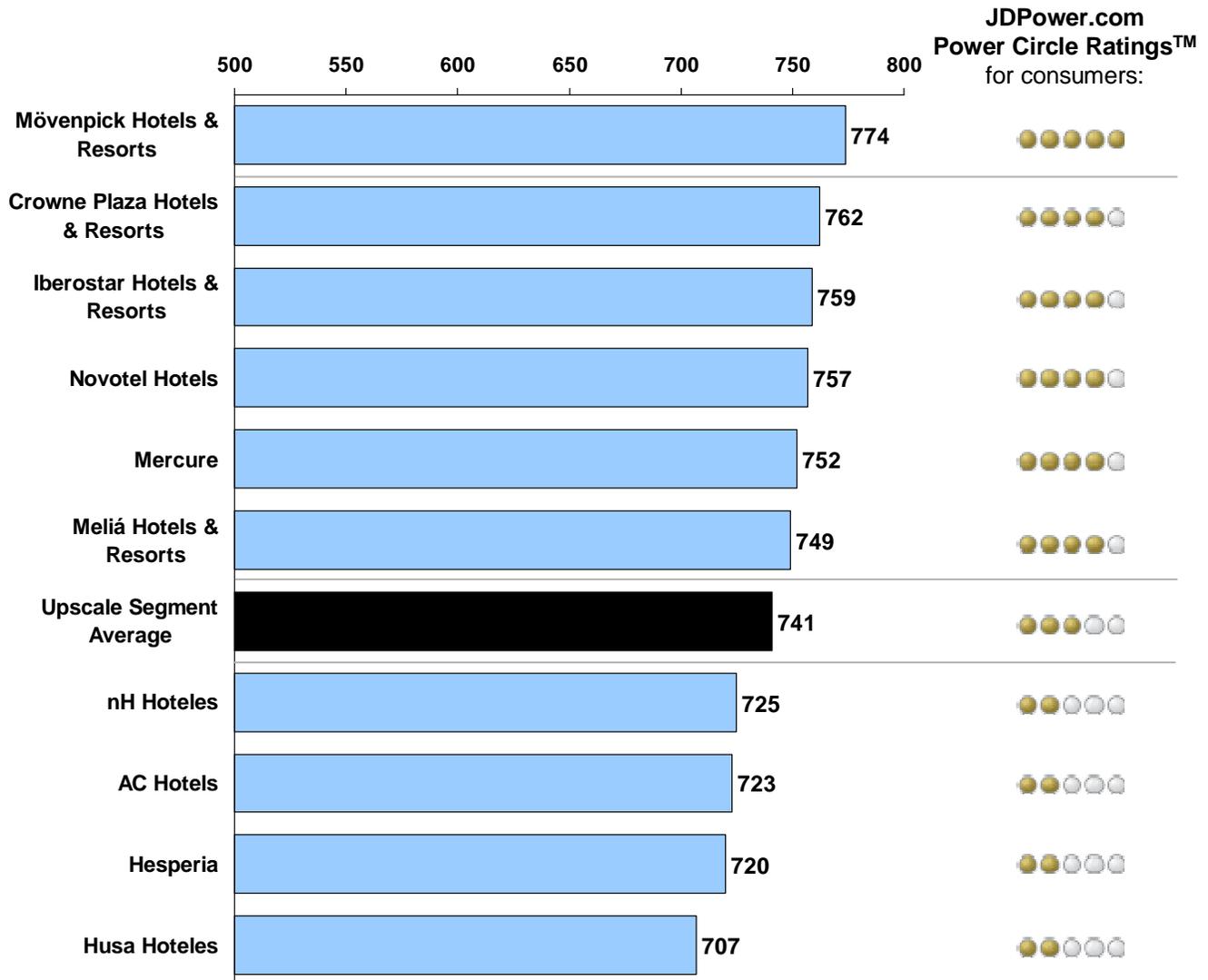
Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle RatingsTM are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM

Upscale Segment Overall Satisfaction Index *(Based on a 1,000-point scale)*



Included in the study but not ranked due to small sample size are:
Courtyard, De Vere Hotels & Resorts, Four Points by Sheraton, Hilton
Garden Inn, Hoteles Silken and Thistle.

Source: J.D. Power and Associates 2010 European Hotel Guest Satisfaction
Index StudySM

Power Circle Ratings Legend

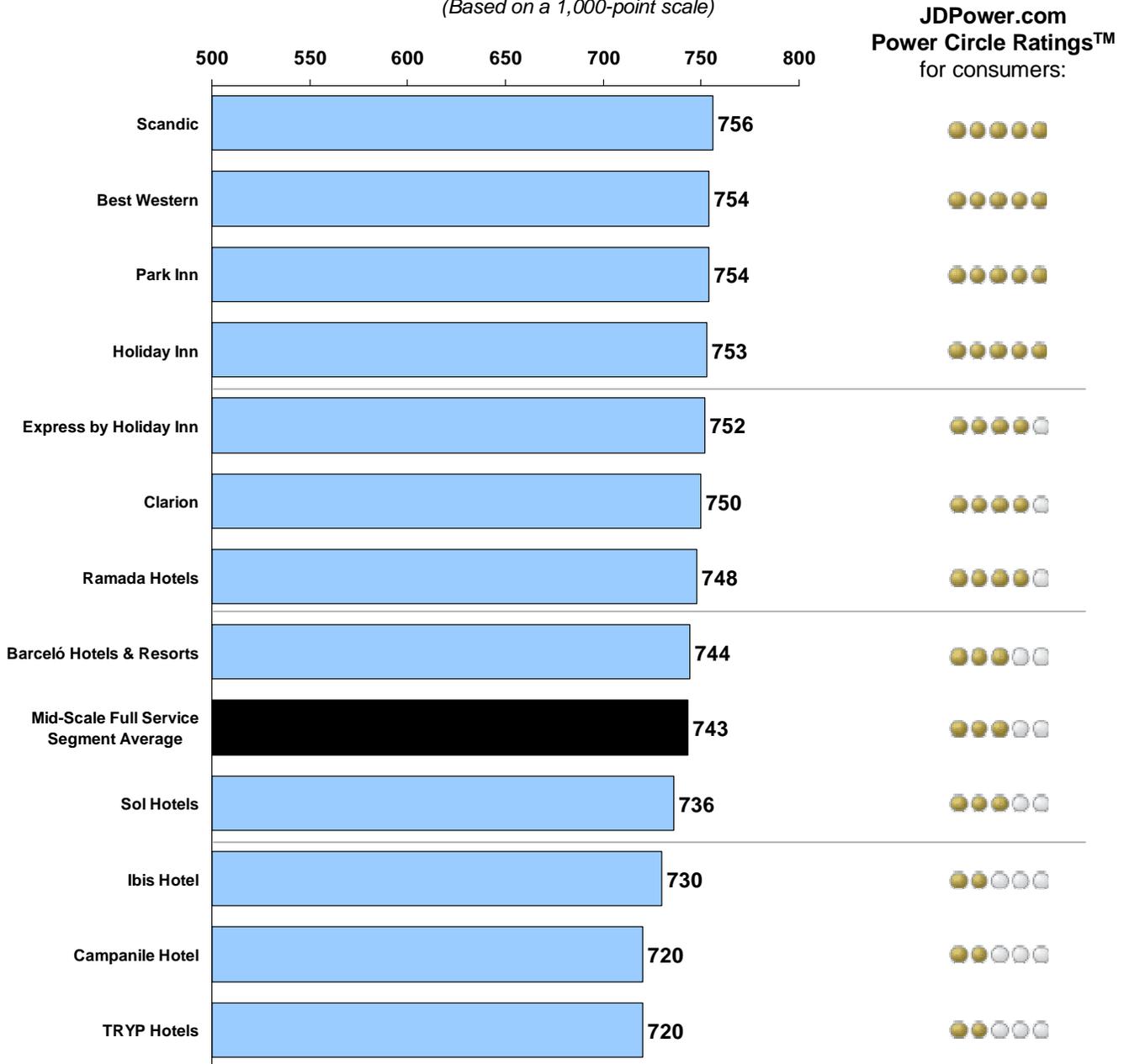
- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings™ are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM

Mid-Scale Full Service Segment Overall Satisfaction Index

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Balladins; Dorint Hotels & Resorts; Golden Tulip Hotels; Inns & Resorts; NH Jolly; Park Plaza Hotels & Resorts; and Quality.

Source: J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle RatingsTM are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM

Economy Segment Overall Satisfaction Index

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Days Inn/Days Hotels and Tulip Inns.

Source: J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM

Power Circle Ratings Legend

- *Among the best*
- *Better than most*
- *About average*
- *The rest*

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2010 European Hotel Guest Satisfaction Index StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle RatingsTM are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.