



Press Release

J.D. Power and Associates Reports:

Hotel Guest Satisfaction with Costs and Fees Improves from 2010, Despite a Decline in Overall Satisfaction

Drury Inn & Suites, Embassy Suites Hotels, Holiday Inn, Homewood Suites, Hotel Indigo, Microtel Inns & Suites And The Ritz-Carlton Each Rank Highest in Customer Satisfaction in Their Respective Segments

WESTLAKE VILLAGE, Calif.: 20 July 2011 — Hotel guest satisfaction with costs and fees has improved despite higher room rates, while satisfaction with other service and product-related aspects has declined amid increasing occupancy rates, according to the J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM released today.

Now in its 15th year, the study measures overall hotel guest satisfaction across seven¹ hotel segments: luxury; upper upscale; upscale; mid-scale full service; mid-scale limited service; economy/budget; and extended stay. Seven key measures are examined within each segment to determine overall satisfaction: reservations; check-in/check-out; guest room; food and beverage; hotel services; hotel facilities; and costs and fees.

The study finds that satisfaction with costs and fees has increased to an average of 739 (on a 1,000-point scale) in 2011—20 points higher than 2010. Meanwhile, occupancy and average daily rate in the U.S. hotel industry have been steadily increasing during the past year. According to Smith Travel Research, Inc., occupancy is up to an average of 65.1 percent as of May 2011, an increase of 4.6 percent compared with May 2010. During the same time frame, average daily rate has increased to an average of \$101.54, up by 4 percent from last year.

The improvement in hotel guest cost and fee satisfaction, despite higher room rates, runs counter to the general pattern of customers being less satisfied with higher prices. For example, in the J.D. Power and Associates 2011 North America Airline Satisfaction Study,SM each airline that implemented price increases experienced a decline in satisfaction with fare costs.

“Unlike the airline industry, in which prices were raised aggressively amid limited seat supply and high demand, the hotel industry has enacted more modest price increases and has had spare room capacity,” said Stuart Greif, vice president and general manager of the global hospitality and travel practice at J.D. Power and Associates. “The benefits of higher occupancy have outweighed taking a more aggressive posture on average daily rates, as putting ‘heads in beds’ has taken priority.”

“The bright spot for hotel guests is that costs and fees remain relatively low, so the value received for the price paid is still quite high,” said Greif. “The bright spot for hoteliers is that there appears to be more upward opportunity on rates.”

While satisfaction with cost and fees is higher in 2011, compared with 2010, satisfaction with other areas of the guest experience—ranging from facilities and operations to services—has decreased. As a result, overall satisfaction averages 764 in 2011, down from 771 in 2010.

¹ The upper upscale segment has been added to the study in 2011 to reflect standard segmentation used by the hotel industry.

According to Greif, many chains are now making investments that were delayed due to the downturn in the economy, but which will take time to complete. Hoteliers are also being careful not to add more staff until they believe higher levels of demand will be sustained. At the same time, guests are returning to hotels in greater numbers, reversing satisfaction gains realized when hotels were less busy during the downturn. The decline in overall satisfaction in 2011 reflects that hotel improvement efforts and investments are lagging behind rising customer expectations.

The following hotel brands rank highest in guest satisfaction within their respective segments:

- Luxury: The Ritz-Carlton (for a second consecutive year)
- Upper Upscale: Embassy Suites Hotels
- Upscale: Hotel Indigo
- Mid-Scale Full Service: Holiday Inn
- Mid-Scale Limited Service: Drury Inn & Suites (for a sixth consecutive year)
- Economy/Budget: Microtel Inns & Suites (for a 10th consecutive year)
- Extended Stay: Homewood Suites (for a second consecutive year)

The study finds that 18 percent of hotel guests in 2011 report having experienced a problem during their stay. However, the rate at which guests report a problem to hotel staff varies widely by the type of problem experienced. For example, noise is the problem most commonly experienced by guests, with 16 percent indicating experiencing the issue. However, only 43 percent of these guests indicate they reported the noise to hotel staff. In contrast, just 13 percent of guests say they experienced a problem with the Internet connection or speed at their hotel, but 60 percent reported the problem.

Despite the difference in the rate at which these problems were reported, resolution rates were similar. Among guests who reported noise problems to hotel staff, 35 percent say their problem was resolved. Among guests who reported Internet usage problems, the resolution rate averages 39 percent.

Problem occurrence has a strong negative impact on overall hotel guest satisfaction. Satisfaction among guests who experience a problem during their hotel stay averages more than 100 points lower than satisfaction among guests with a problem-free experience.

“Hotel guests should feel justified in reporting any problem that negatively impacts their satisfaction with a hotel,” said Mark Schwartz, director of the global hospitality and travel practice at J.D. Power and Associates. “Hotel staff and management will usually try their best to resolve these issues, particularly since they understand that solving a problem can result in a happier, more loyal customer.”

The 2011 North America Hotel Guest Satisfaction Index Study is based on responses gathered between June 2010 and May 2011 from more than 61,300 guests from Canada and the United States who stayed in a hotel in North America between May 2010 and May 2011.

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, training, 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](#), [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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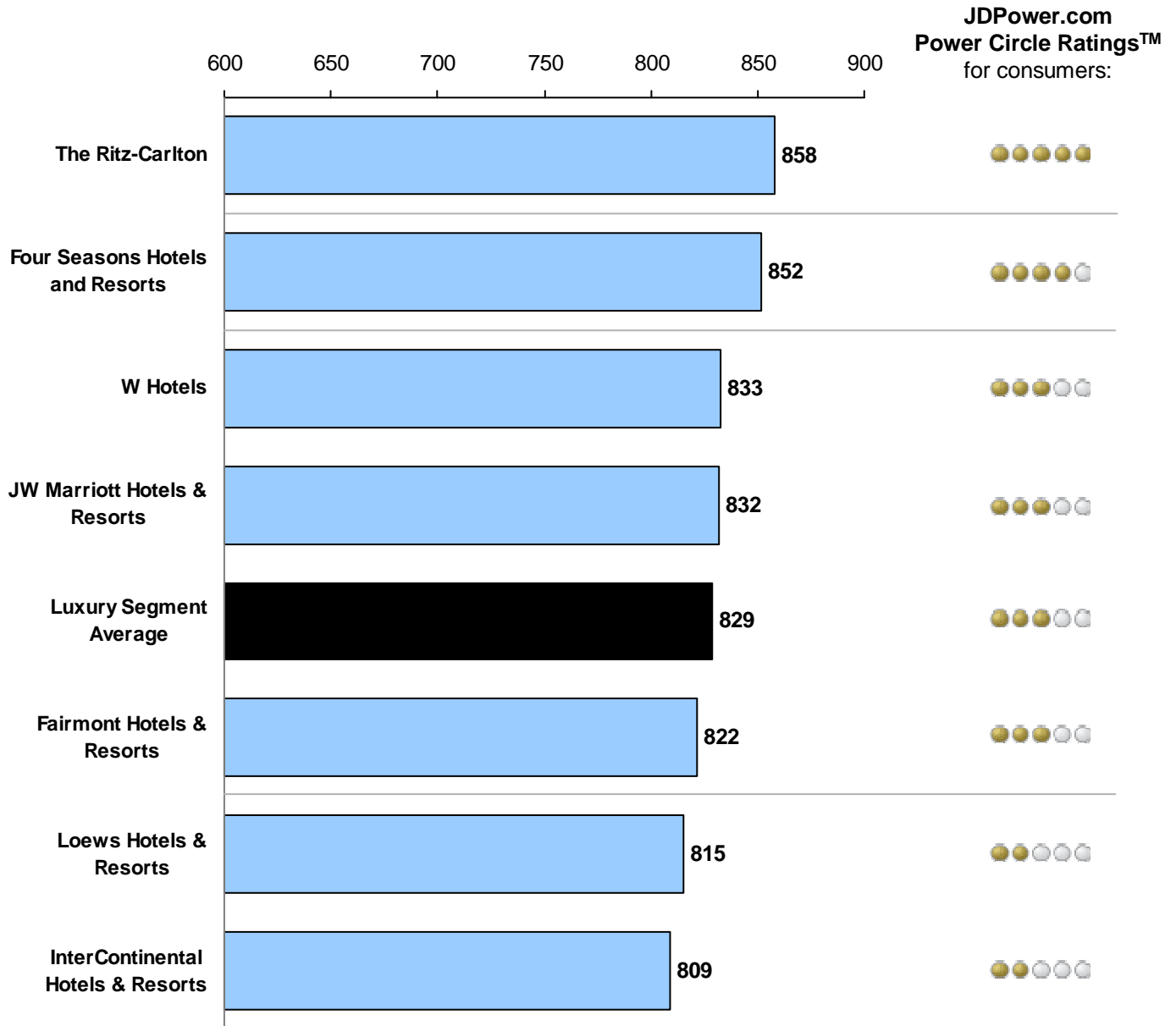
NOTE: Seven charts follow.

J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM

Customer Satisfaction Index Ranking

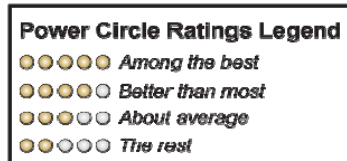
Luxury Segment

(Based on a 1,000-point scale)



Included in the segment, but not ranked due to small sample size are: Park Hyatt Hotels, Sofitel, St. Regis Hotels & Resorts and The Luxury Collection.

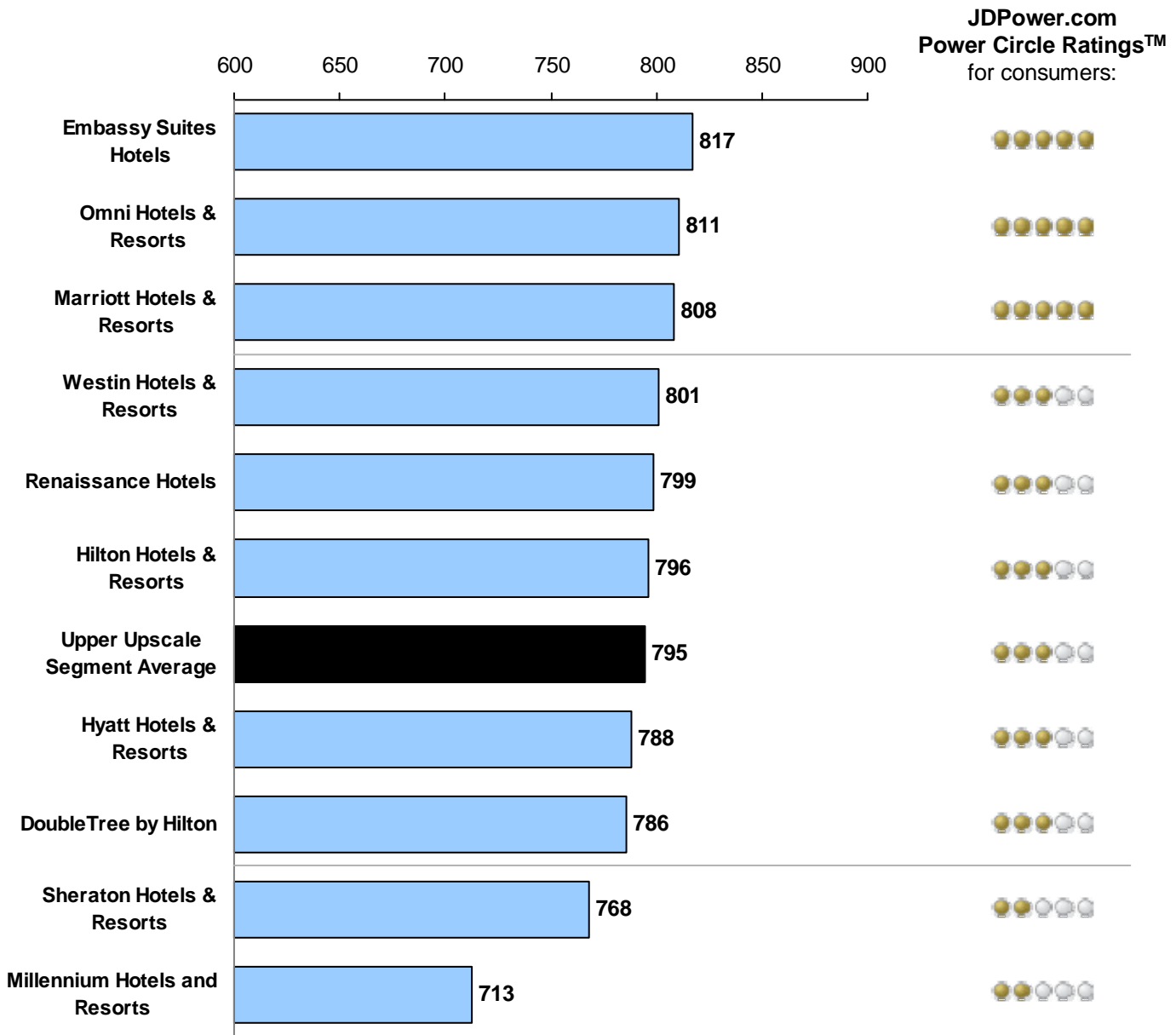
Source: J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM



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



NOTE: Le Méridien is included in the segment, but not ranked due to small sample size.

Source: J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM

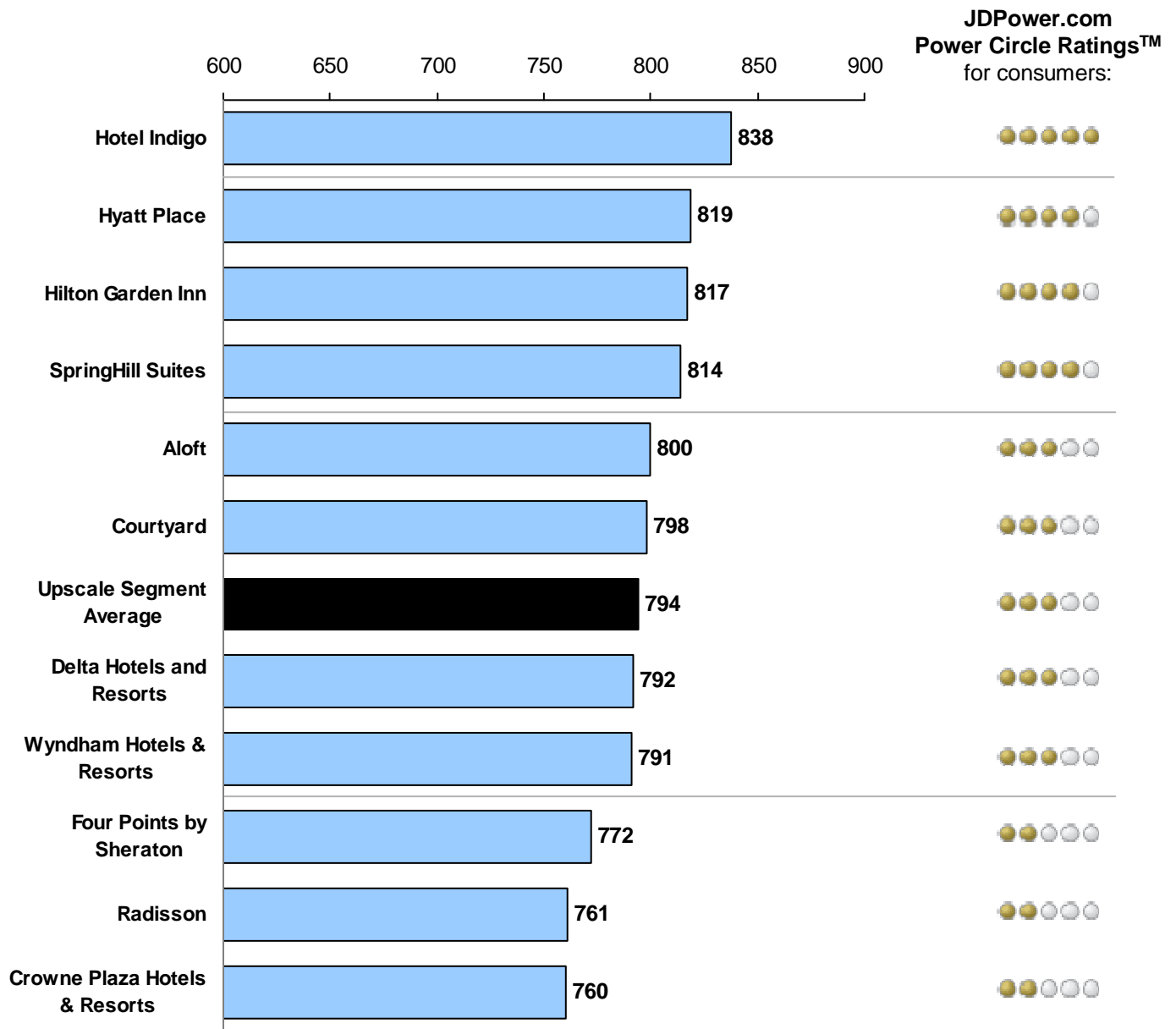
Power Circle Ratings Legend

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

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



NOTE: Cambria Suites is included in the segment, but not ranked due to small sample size.

Source: J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM

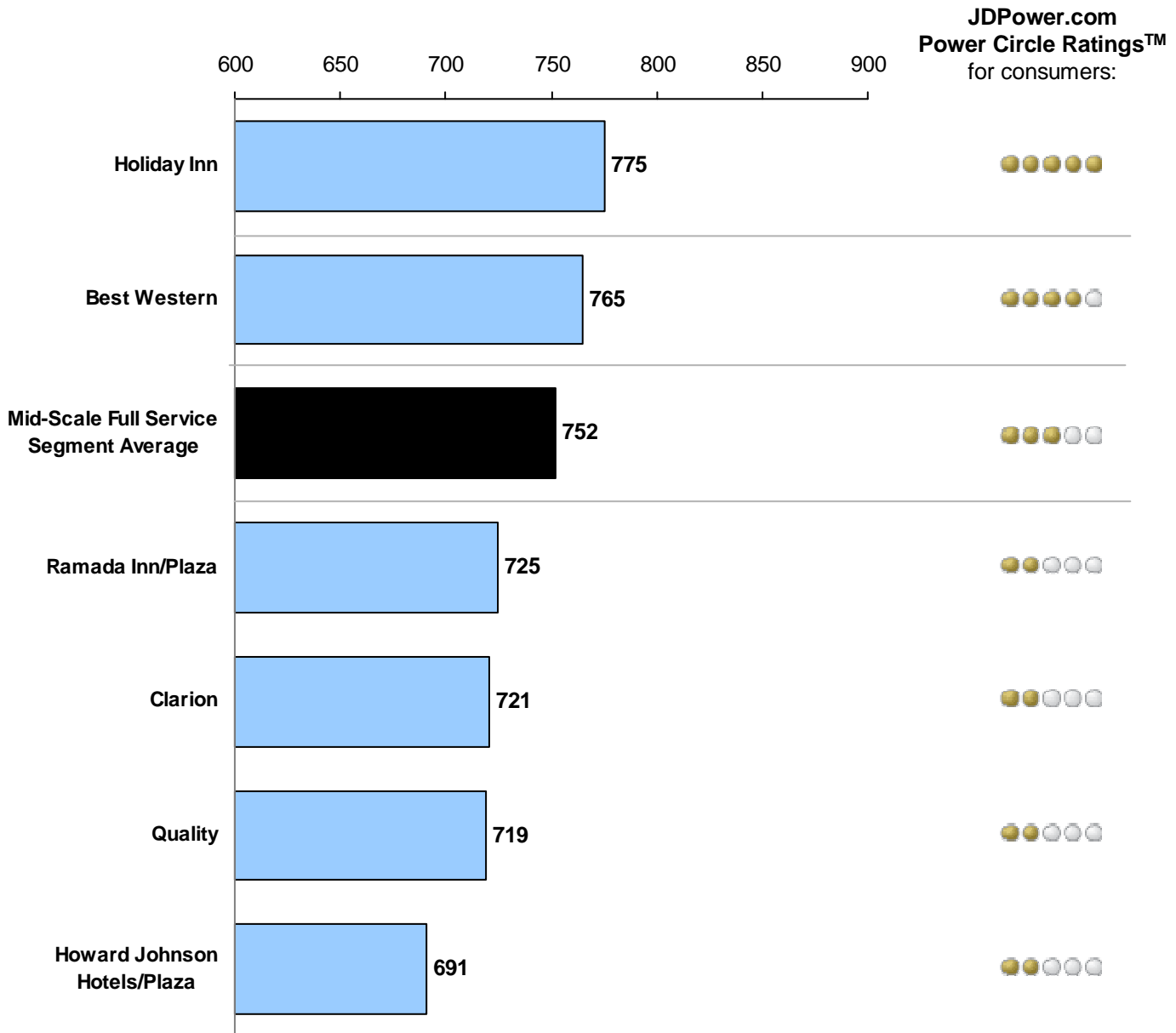
Power Circle Ratings Legend

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Customer Satisfaction Index Ranking Mid-Scale Full Service Segment (Based on a 1,000-point scale)



NOTE: Wyndham Garden Hotels is Included in the segment, but not ranked due to small sample size.

Source: J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM

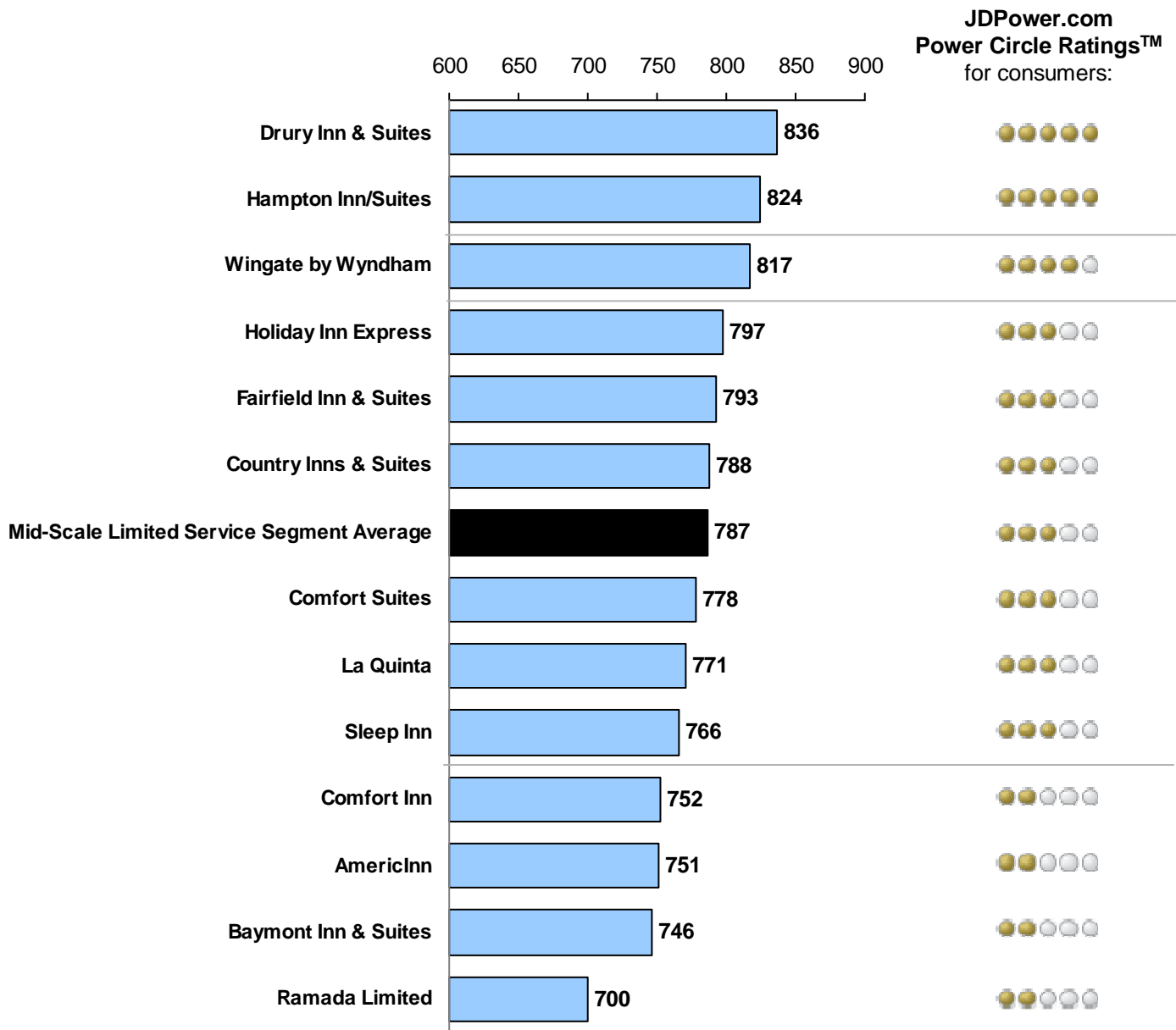
Power Circle Ratings Legend

- Among the best
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J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM

Customer Satisfaction Index Ranking Mid-Scale Limited Service Segment (Based on a 1,000-point scale)



Power Circle Ratings Legend

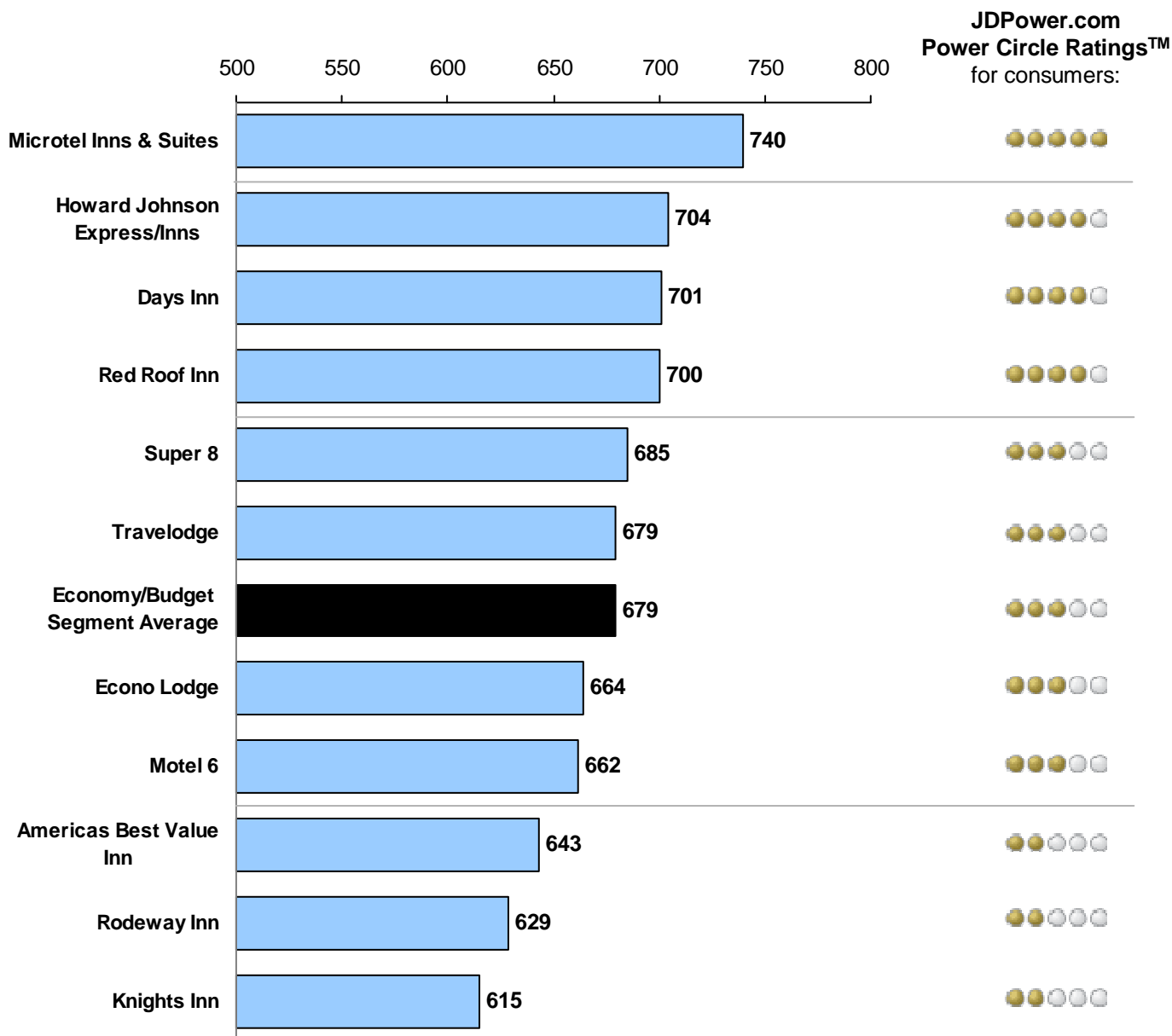
- Among the best
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- About average
- The rest

Source: J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM

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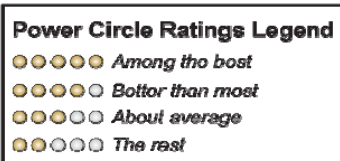
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Customer Satisfaction Index Ranking Economy/Budget Segment (Based on a 1,000-point scale)



Included in the segment, but not ranked due to small sample size are:
America's Best Inns & Suites, Budget Host Inn and Country Hearth Inn & Suites.

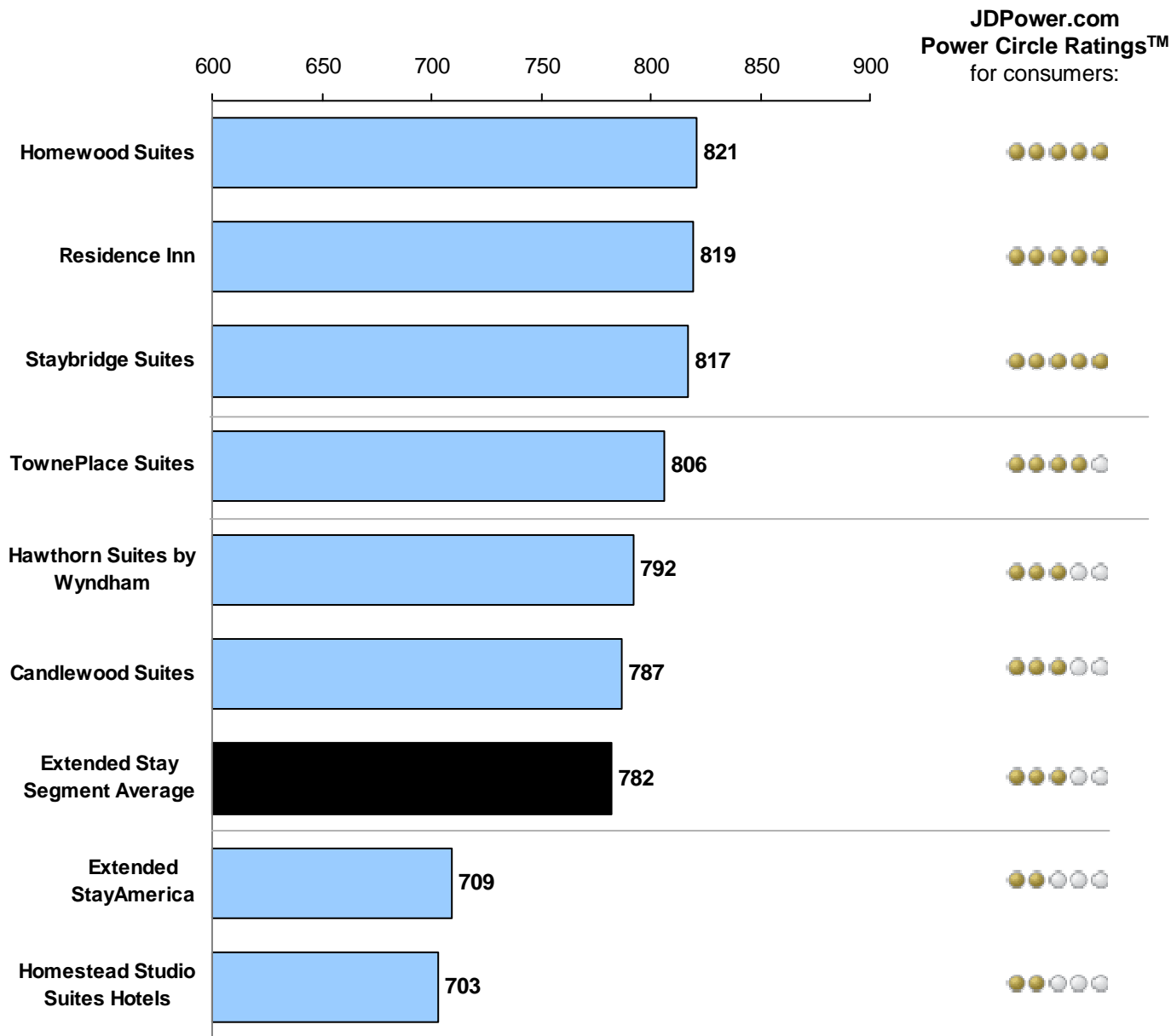
Source: J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM



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Customer Satisfaction Index Ranking Extended Stay Segment (Based on a 1,000-point scale)



Included in the segment, but not ranked due to small sample size are: Hyatt Summerfield Suites, MainStay Suites and Studio 6 Extended Stay.

Source: J.D. Power and Associates 2011 North America Hotel Guest Satisfaction Index StudySM

Power Circle Ratings Legend

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