



Press Release

J.D. Power and Associates Reports: Hotel Guests Are Considerably Less Satisfied in 2008, Primarily Due to Issues with Amenities and Guest Room Features

Drury Inn & Suites, Embassy Suites Hotels, Homewood Suites, Hyatt Place, Microtel Inns & Suites and The Ritz-Carlton Top Customer Satisfaction Rankings

WESTLAKE VILLAGE, Calif.: 29 July 2008 — As hotel brands contend with the challenge of trying to cut costs during economically difficult times while still attempting to meet high customer expectations, overall satisfaction with hotels is down notably in 2008, according to the J.D. Power and Associates 2008 North America Hotel Guest Satisfaction Index StudySM released today.

Now in its 12th year, the study measures [overall hotel guest satisfaction](#) across six hotel segments: [luxury](#), [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.

Four of the six segments—upscale; mid-scale full service; mid-scale limited service; and economy/budget—decline in overall satisfaction, compared with 2007. In particular, overall satisfaction with the economy/budget segment declines significantly, posting the largest year-over-year decrease of any segment since the inception of the study. Among economy/budget properties, the largest declines in satisfaction occur in the guest room and food and beverage measures.

“While it may appear that difficult economic times are forcing consumers to move down market, or that an increase in average room rates has strained this price-sensitive segment, in actuality, only 23 percent of guests indicate that they are new to economy/budget hotel chains—slightly fewer than in 2007,” said Linda Hirneise, executive director at J.D. Power and Associates. “For economy and budget properties, the challenge lies in meeting high customer expectations regarding product factors, such as the comfort of beds; room décor; in-room business amenities; and the variety of complimentary food and beverage choices. While many economy and budget brands had begun implementing new product and food and beverage initiatives in the past few years, tight economic times may have forced these properties to slow their progress on these enhancements.”

The study finds that although satisfaction is down overall, the majority of hotel brands that rank highest in their respective segments in 2008 have maintained consistently high levels of customer satisfaction since 2007. Five of six brands receiving awards in 2008 have ranked highest in their segment for at least two consecutive years.

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

- Luxury: The Ritz-Carlton (for a second consecutive year)
- Upscale: Embassy Suites Hotels (for a second consecutive year)
- Mid-Scale Full Service: Hyatt Place
- Mid-Scale Limited Service: Drury Inn & Suites (for a third consecutive year)
- Economy/Budget: Microtel Inns & Suites (for a seventh consecutive year)
- Extended Stay: Homewood Suites (for a second consecutive year)

“Microtel Inns & Suites performs a particularly impressive feat by ranking highest in the economy/budget segment for a seventh consecutive year—something no other brand has achieved in this study’s 12-year history,” said Hirneise. “Drury Inn & Suites has achieved the highest ranking in the mid-scale limited service segment for a third consecutive year, and has also attained a 3-year high in overall satisfaction.”

The study finds that problems with hotel/room maintenance are more common in 2008, compared with 2007, with this issue being one of the top five most frequently reported by guests across all segments. In the extended stay segment, Internet usage (particularly connection and speed) makes the list of the top five problems for the first time in 2008. Among luxury hotel guests, parking issues emerge within the top five most frequently reported problems for the first time.

“Changes in the problems that are most frequently reported by customers demonstrate how product issues have affected guest satisfaction in all segments throughout the industry,” said Hirneise. “Although the market is softening, hotel chains should realize that now is not the time to ignore facility and room maintenance. Guests expect clean surroundings and rooms with everything in working order. Sacrificing maintenance standards in order to save on operating costs could mean also sacrificing the satisfaction of guests. Technology offerings also need to be in top working order to avoid disappointing guests. In addition, while guests who visit luxury hotels tend to be somewhat more immune to price pressures, parking fees are becoming more commonplace and an increasing source of dissatisfaction among these guests, who may be used to complimentary parking.”

The study also includes the following key findings:

- Guest awareness of property-initiated “green” programs declines significantly in 2008, with 57 percent of guests stating that they were aware that their hotel offered environmentally friendly conservation programs, compared with 63 percent in 2007.
- Nearly nine of 10 guests (89%) say they prefer a smoke-free hotel environment in 2008, compared with 79 percent in 2006.
- The proportion of hotel guests making reservations online continues to increase steadily—52 percent of guests made their reservations online in 2008, compared with 44 percent in 2007.

The 2008 North America Hotel Guest Satisfaction Index Study is based on responses gathered between June 2007 and June 2008 from more than 53,000 guests who stayed in a hotel between May 2007 and June 2008.

Find more detailed findings on customer satisfaction with hotels by [reading an article](#) and [reviewing hotel ratings at JDPower.com](#).

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 [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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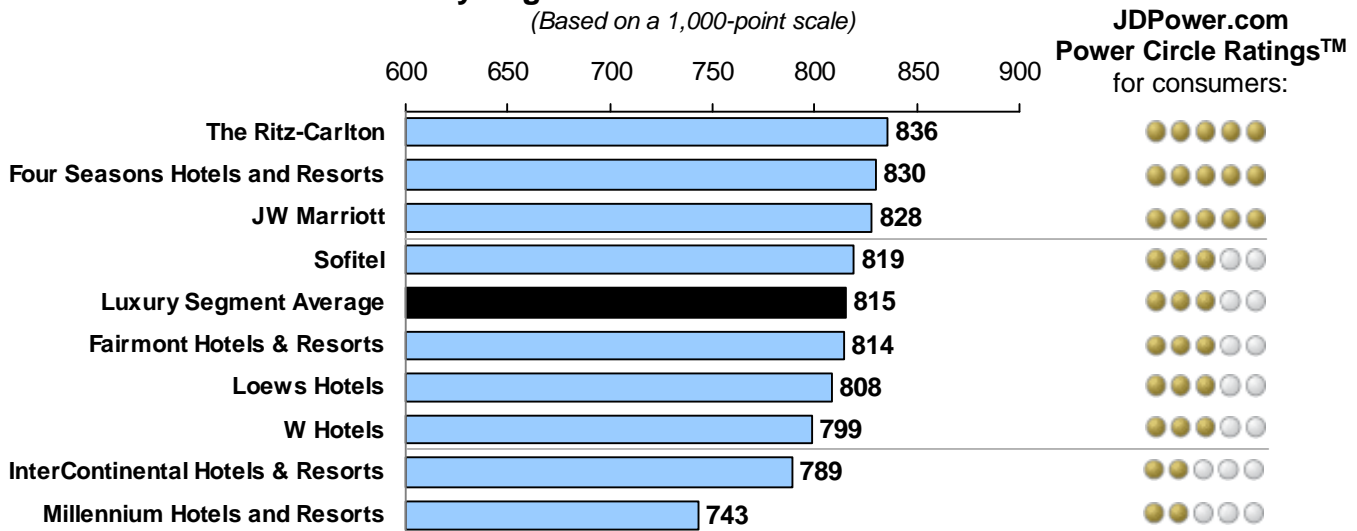
(Page 3 of 3)

NOTE: Six charts follow.

J.D. Power and Associates 2008 North America Hotel Guest Satisfaction Index StudySM

Luxury Segment Overall Satisfaction Index

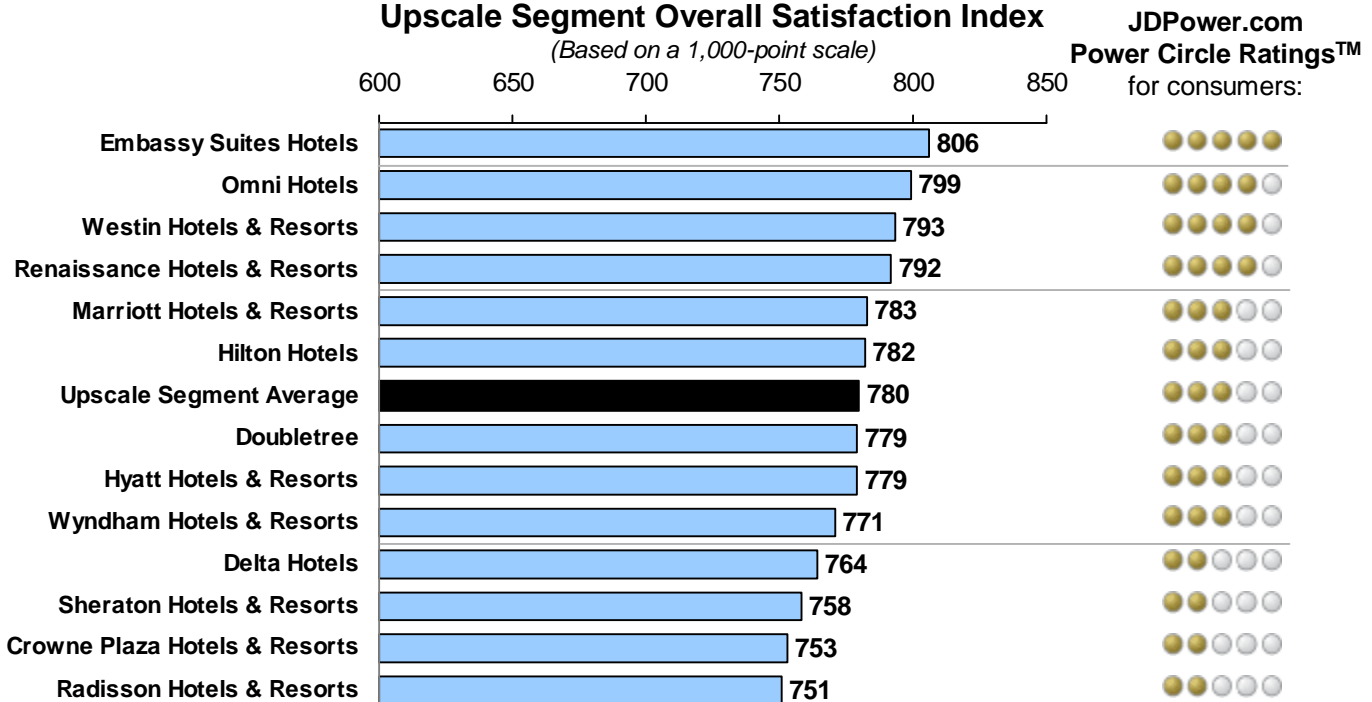
(Based on a 1,000-point scale)



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

Upscale Segment Overall Satisfaction Index

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

Source: J.D. Power and Associates 2008 North America Hotel Guest Satisfaction Index StudySM

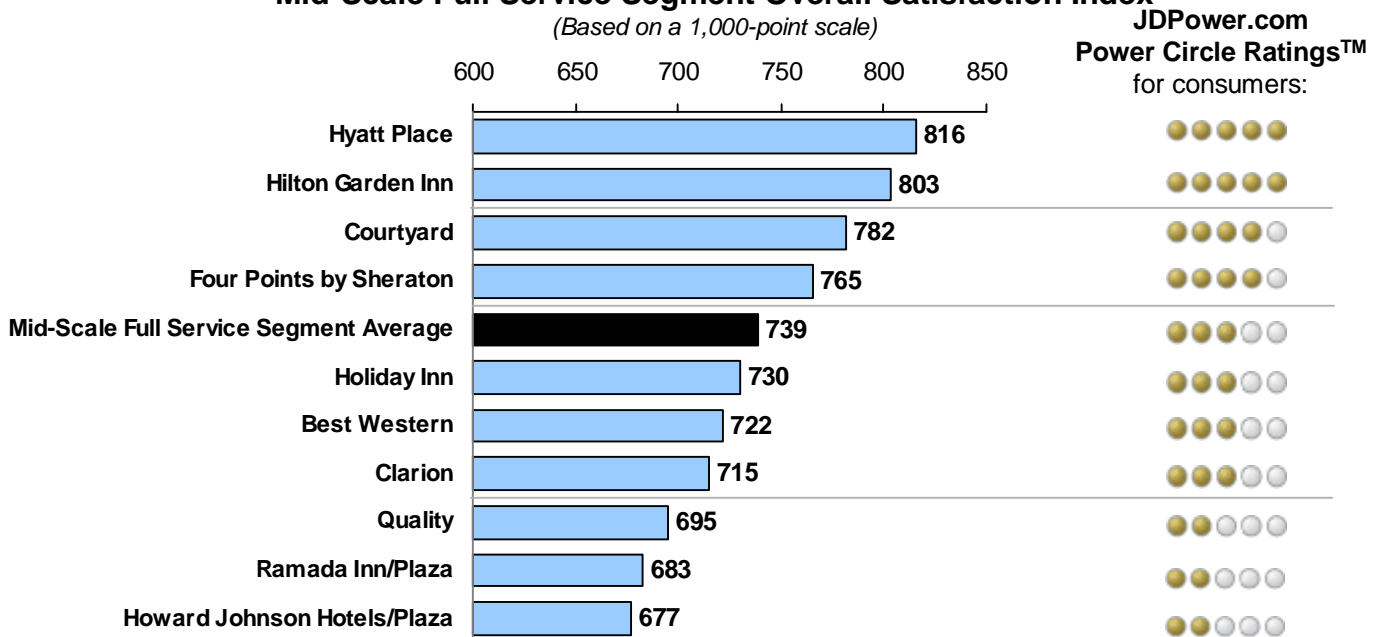
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2008 North America Hotel Guest Satisfaction Index StudySM

Mid-Scale Full Service Segment Overall Satisfaction Index

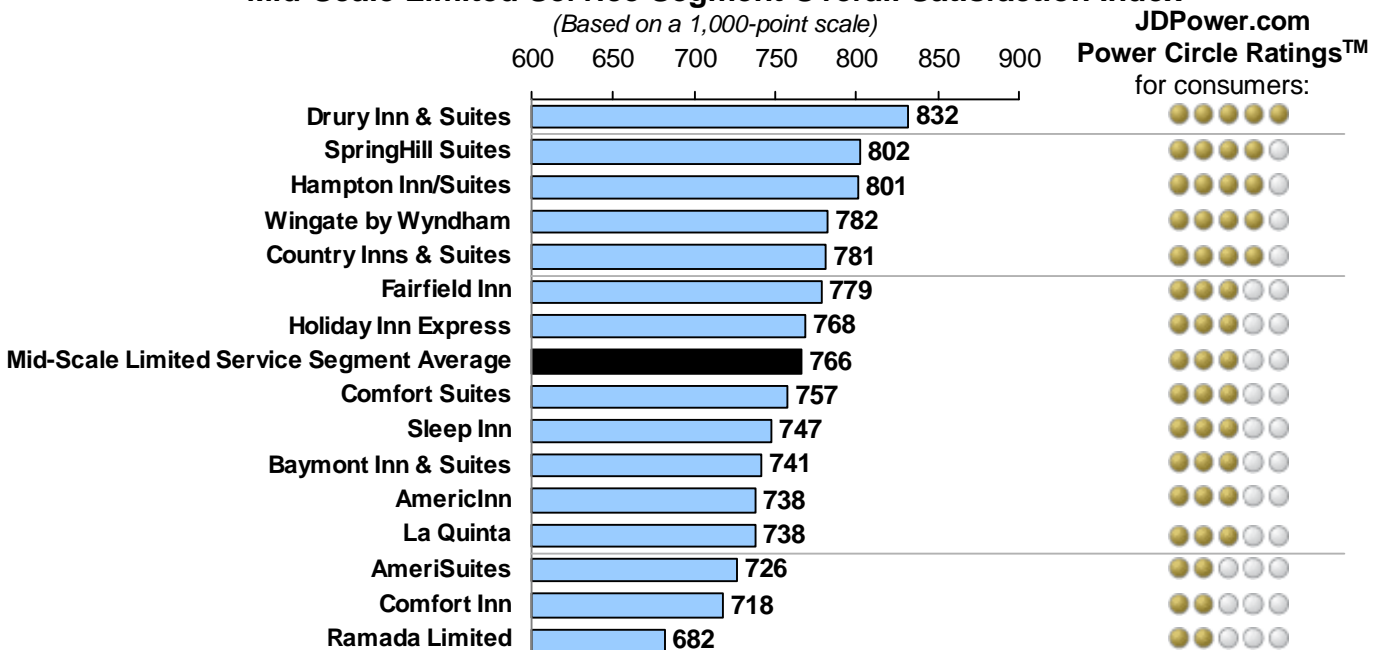
(Based on a 1,000-point scale)



Included in the study, but not ranked due to small sample size are: Novotel and Wyndham Garden Hotels.

Mid-Scale Limited Service Segment Overall Satisfaction Index

(Based on a 1,000-point scale)



NOTE: AmeriHost Inn & Suites is included in the study, but not ranked due to small sample size.

Source: J.D. Power and Associates 2008 North America Hotel Guest Satisfaction Index StudySM

Power Circle Ratings Legend

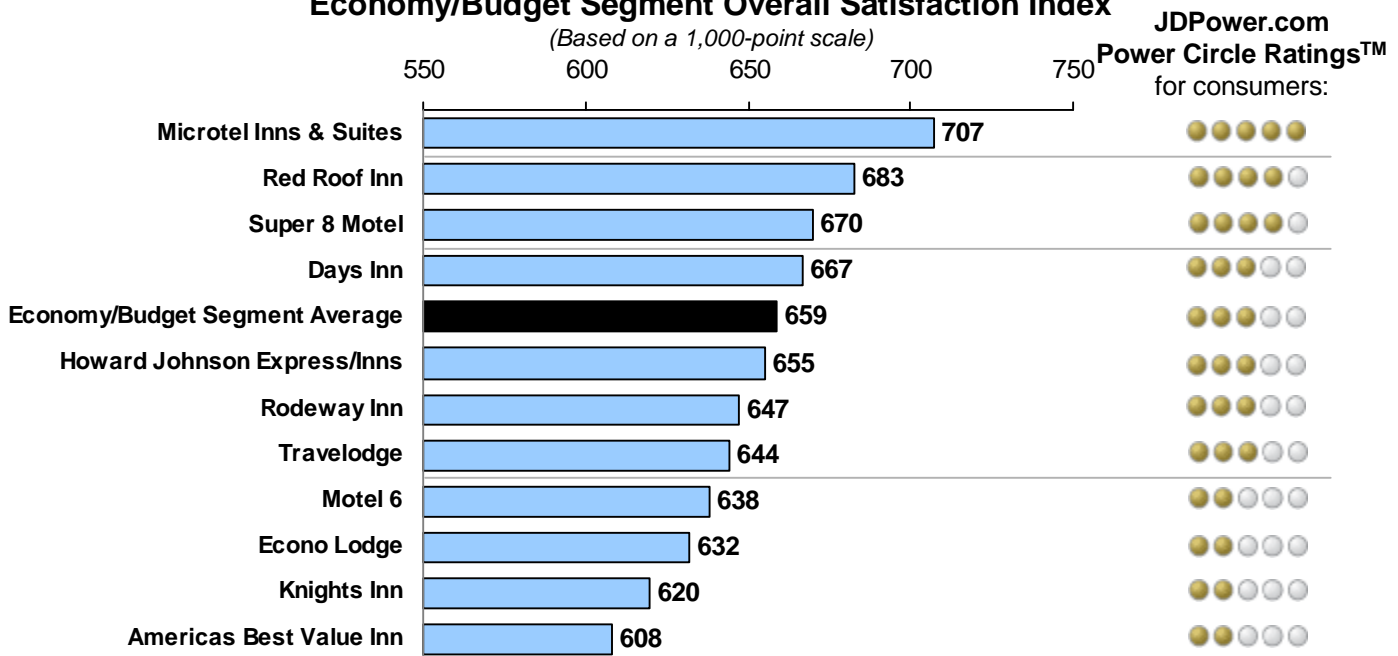
- Among the best
- Better than most
- About average
- The rest

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J.D. Power and Associates 2008 North America Hotel Guest Satisfaction Index StudySM

Economy/Budget Segment Overall Satisfaction Index

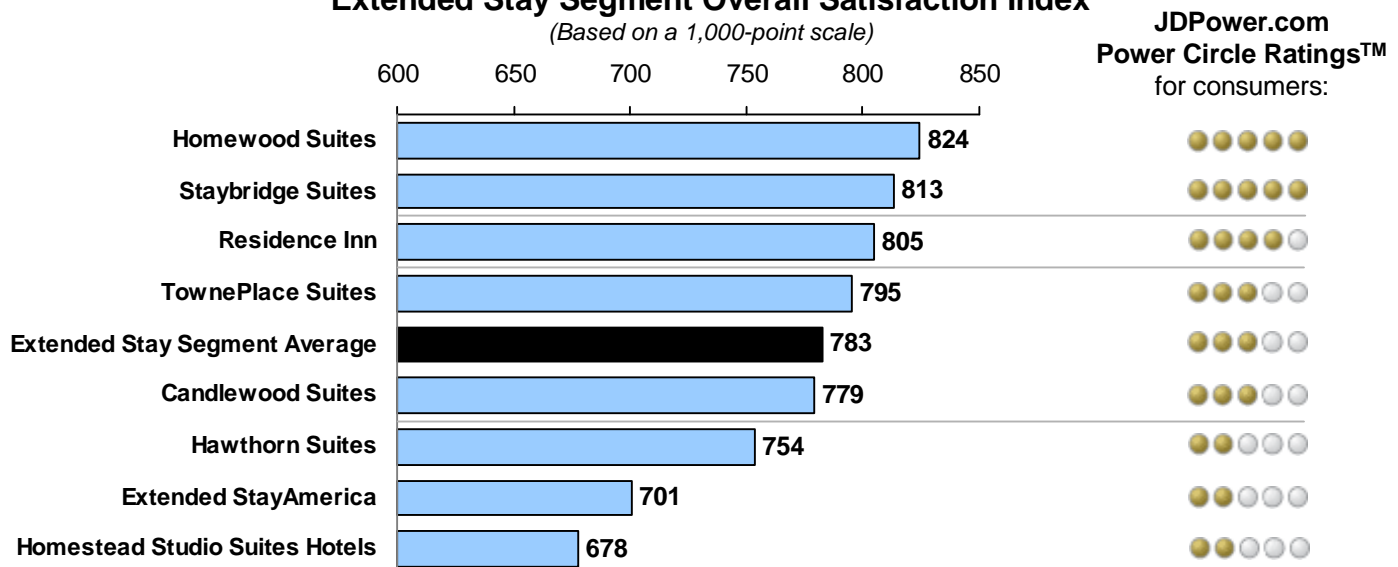
(Based on a 1,000-point scale)



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

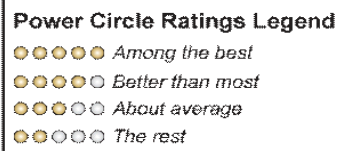
Extended Stay Segment Overall Satisfaction Index

(Based on a 1,000-point scale)



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

Source: J.D. Power and Associates 2008 North America Hotel Guest Satisfaction Index StudySM



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