

“Enjoy Your Stay—and Have You Downloaded Our App?”

Growth in Mobile Usage for Hotel Stays Presents Opportunity, Challenge for Hoteliers, J.D. Power Finds

COSTA MESA, Calif.: 12 July 2017 — Mobile apps are becoming as central to the hotel guest experience as soft pillows, extra towels and a competitive price.

According to the J.D. Power 2017 North America Hotel Guest Satisfaction Index Study,SM released today, incorporating mobile apps and functionality into a hotel stay is associated with higher guest satisfaction. Integrating this technology also makes guests more willing to share their positive hotel experiences on social media.

The risk for hotels is that greater use of mobile devices for booking means some guests might secure a room with an online travel agency (OTA), which is associated with lower satisfaction. The industry is currently emphasizing direct booking, where a hotel guest rents a room directly through the hotel rather than another way. Pushing for more guests to become rewards members will likely enhance this effort. While OTAs remain popular among many guests, there are some disadvantages to their use, such as the need to deal with a third party if problems arise with a reservation.

“As mobile usage becomes increasingly ubiquitous for guests, the challenge for hotels becomes twofold: First, they must persuade guests to book directly with them, and second, they must encourage easy utilization of this technology,” said **Rick Garlick, practice lead, travel and hospitality at J.D. Power**. “By forging direct relationships, hotels can become guardians of the guest experience, but at the center of these relationships is an establishment’s mobile strategy.”

The study, now in its 21st year, measures overall guest satisfaction across eight hotel segments: luxury; upper upscale; upscale; upper midscale; midscale; economy; upper extended stay; and extended stay. Seven key factors are examined in each segment to determine overall satisfaction: reservation; check-in/check-out; guest room; food & beverage; hotel services; hotel facilities; and cost & fees. Satisfaction is calculated on a 1,000-point scale.

Following are key findings of the 2017 study:

- **Direct booking:** When guests book through an independent travel website or mobile app (e.g., Expedia, Travelocity) instead of directly with the hotel, they are more likely to experience a problem and to be less satisfied with their stay.
- **Membership matters:** Hotel rewards members are far more likely to book directly with a hotel or on a loyalty member site than those who are not members (75% vs. 47%, respectively), and their satisfaction is higher. The number of those who book through OTAs is increasing (19% in 2017 vs. 16% in 2013), despite the concerns some guests have ranging from earning hotel rewards to strict cancellation policies.

- **Mobile mania:** In 2014, 14% of online reservations were made using mobile means (smartphone or tablet), and now that percentage is 25%. Those utilizing mobile reservations are more likely to be younger or business travelers.
- **Not so mobile mania:** Among guests who have a hotel's app on their mobile device, 38% don't use it during their stay. Only a tiny percentage of check-ins (4%) and check-outs (1%) occurs through mobile apps, but when it is used, it is associated with higher guest satisfaction.
- **Get 'em to try the app:** Guests who download and use a hotel's mobile app are more satisfied and have greater loyalty to that brand. While only 19% of all guests have downloaded a hotel app, 70% of rewards members have done so.
- **Social media surprise:** Despite the perception that people posting to social media only do so to complain, guests describing their experience via these channels appear to be more satisfied overall. At the same time, those who do experience a problem are extremely likely to post to social media (86%).
- **Reading is fundamental:** Slightly more than half (52%) of guests have read a review of a hotel, industry news or an online forum in the past month, and 46% of those guests wrote a review in the past six months. Review readers and writers are also more likely to have higher guest satisfaction.

Hotel Segment Rankings

"While The Ritz-Carlton and JW Marriott rank highest in the luxury segment, both of these Marriott-affiliated brands appeal to different types of customers," Garlick said. "It's important to remember that this study measures guest satisfaction among a hotel brand's own customers and doesn't directly compare hotel brands to one another. Often, the type of guest becomes an important element in determining satisfaction rankings."

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

- Luxury: **JW Marriott** and **The Ritz-Carlton**¹ (tie)
- Upper Upscale: **Hyatt**
- Upscale: **Hilton Garden Inn** (for a second consecutive year)
- Upper Midscale: **Drury Hotels** (for a 12th consecutive year²)
- Midscale: **Wingate by Wyndham** (for a third consecutive year)
- Economy: **Americas Best Value Inn**
- Upper Extended Stay: **Staybridge Suites**
- Extended Stay: **Candlewood Suites**

The 2017 North America Hotel Guest Satisfaction Index Study is based on responses gathered between June 2016 and May 2017 from more than 63,000 guests in Canada and the United States who stayed at a hotel in North America between May 2016 and May 2017.

For more information about the 2017 North America Hotel Guest Satisfaction Index Study, visit <http://www.jdpower.com/resource/jd-power-north-america-hotel-guest-satisfaction-index-study>.

See the online press release at <http://www.jdpower.com/pr-id/2017097>.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability.

¹ The Ritz-Carlton ranks highest for the third consecutive year.

² Drury Hotels was previously ranked highest in the midscale segment. It was included in the upper midscale segment in 2014.

Established in 1968, J.D. Power is headquartered in Costa Mesa, Calif., and has offices serving North/South America, Asia Pacific and Europe. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer.

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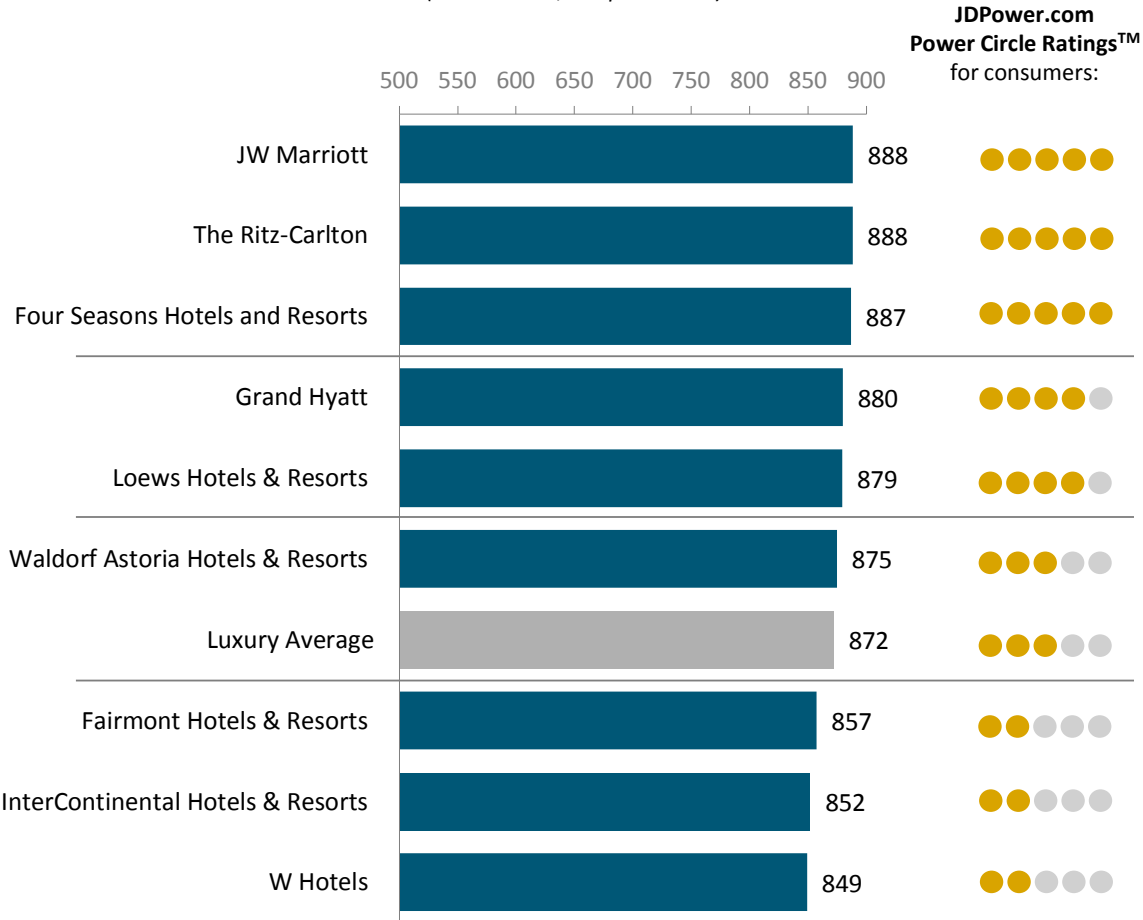
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NOTE: Eight charts follow.

J.D. Power 2017 North America Hotel Guest Satisfaction Index StudySM

Customer Satisfaction Index Ranking Luxury Segment

(Based on a 1,000-point scale)



Included in this segment but not ranked due to small sample size are Andaz, Belmond, Mandarin Oriental, Park Hyatt, Sofitel, St. Regis Hotels & Resorts, The Luxury Collection, Thompson Hotels, Trump Hotel Collection and Viceroy Hotels & Resorts

Source: J.D. Power 2017 North America Hotel Guest Satisfaction Index StudySM

Power Circle Ratings Legend

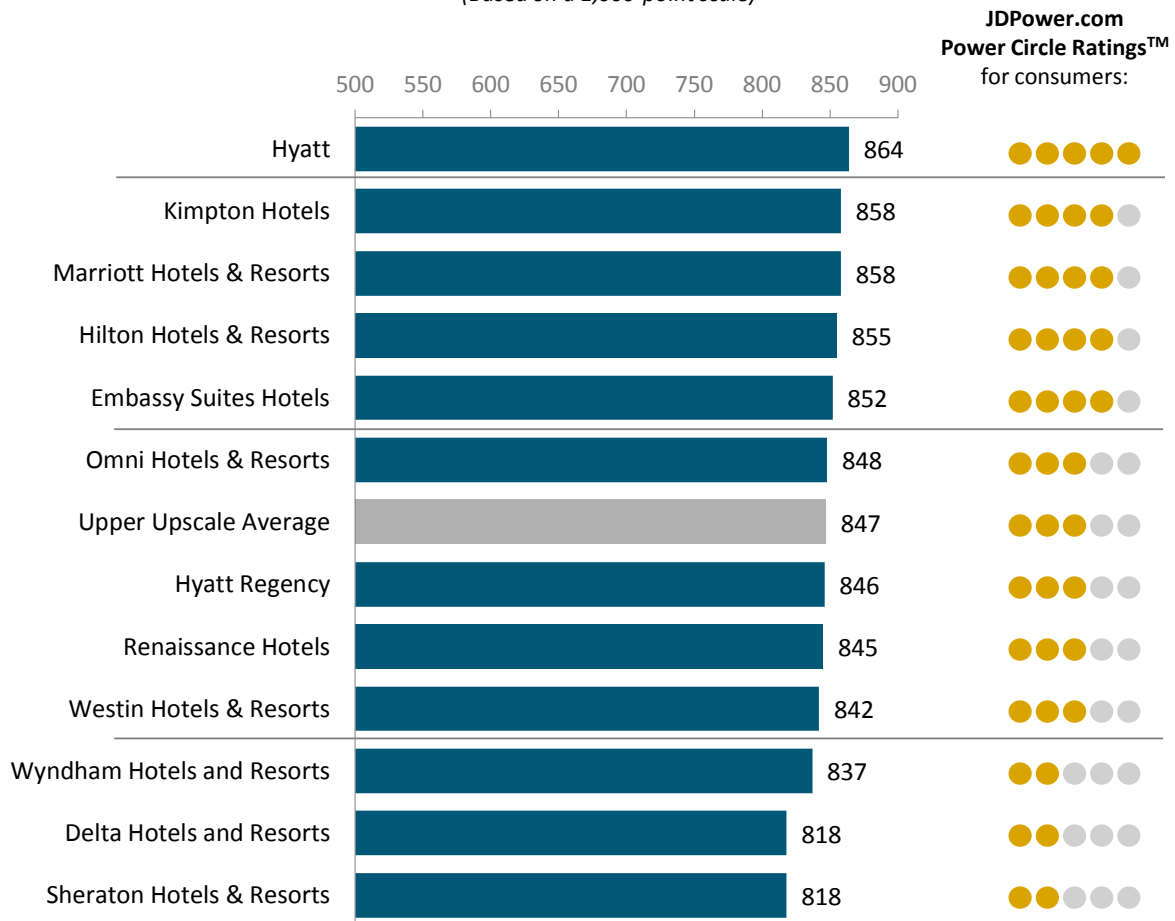
- Among the best
- Better than most
- About average
- The rest

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Customer Satisfaction Index Ranking Upper Upscale Segment

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

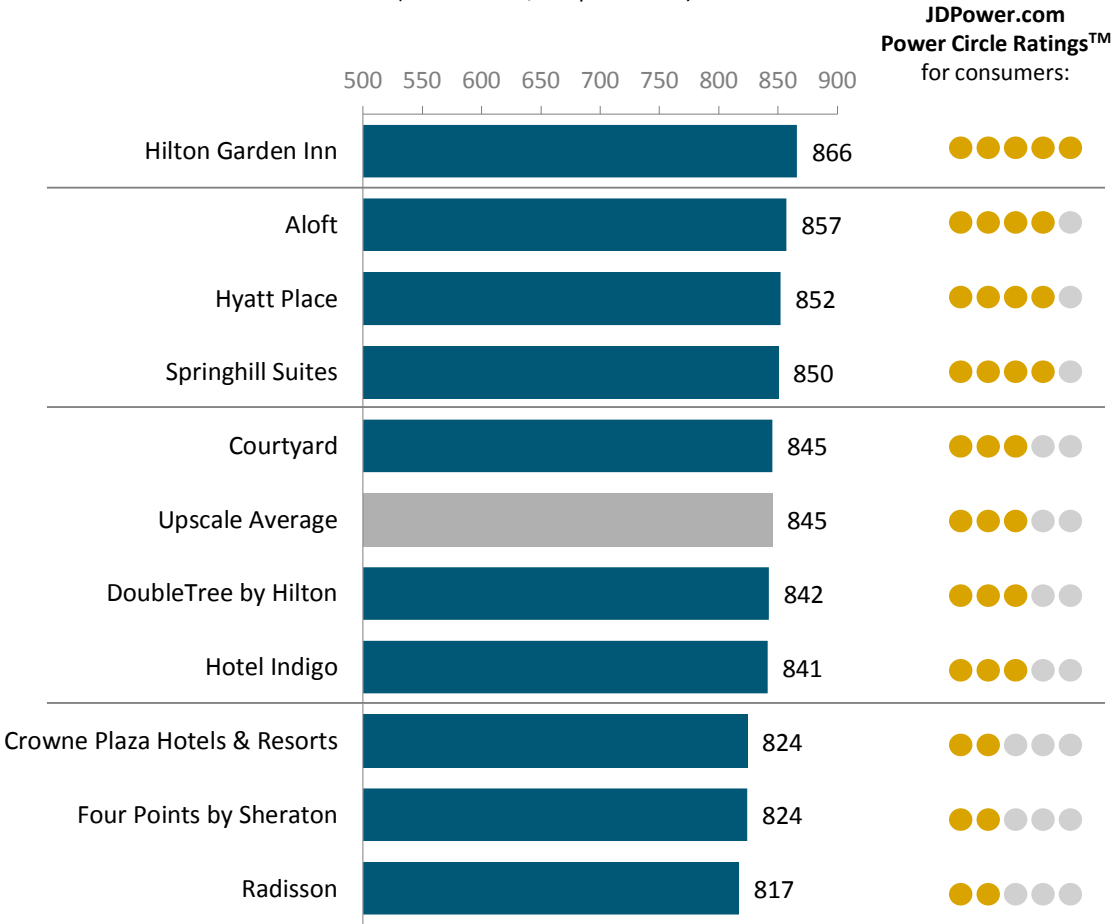
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Customer Satisfaction Index Ranking Upscale Segment

(Based on a 1,000-point scale)



Included in this segment but not ranked due to small sample size is Coast Hotels & Resorts.

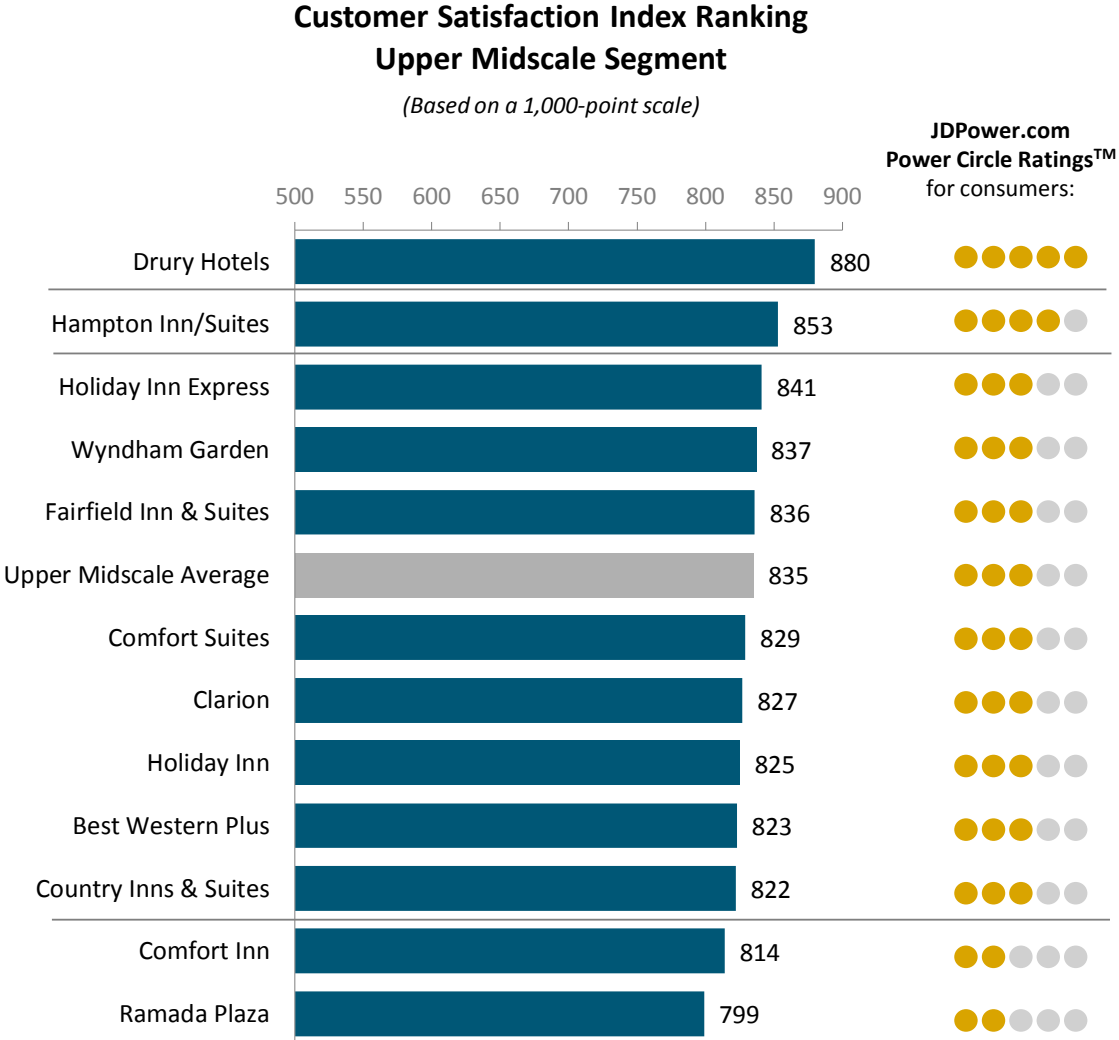
Source: J.D. Power 2017 North America Hotel Guest Satisfaction Index StudySM

Power Circle Ratings Legend

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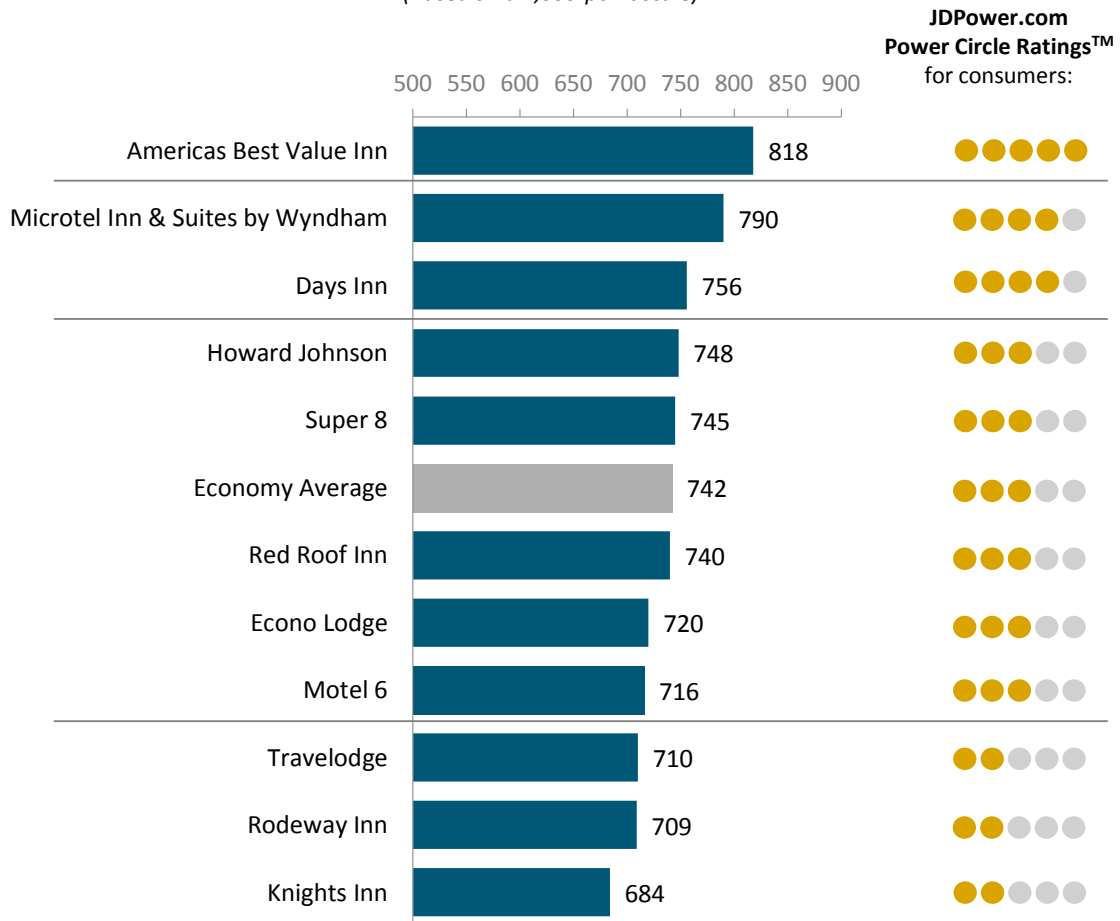
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Customer Satisfaction Index Ranking Economy Segment

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

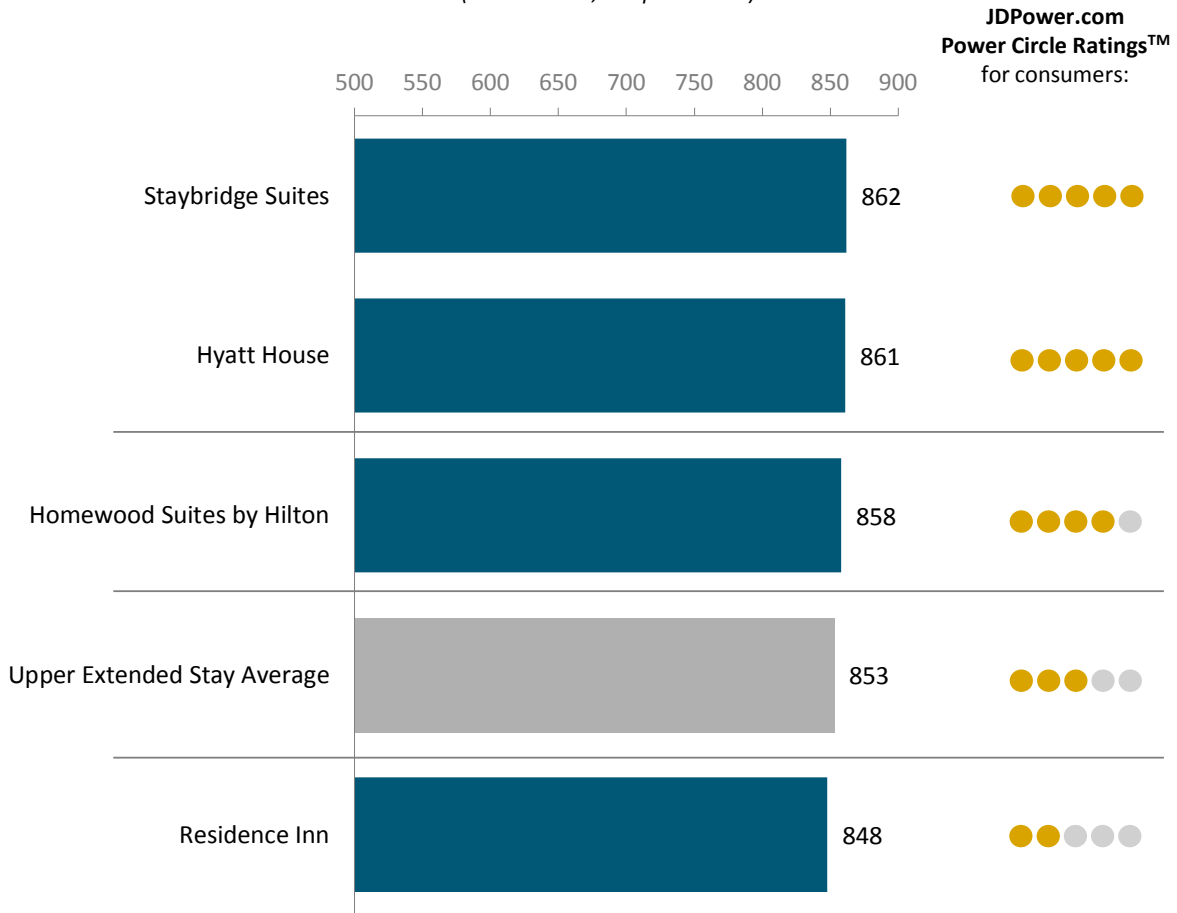
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Customer Satisfaction Index Ranking Upper Extended Stay Segment

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

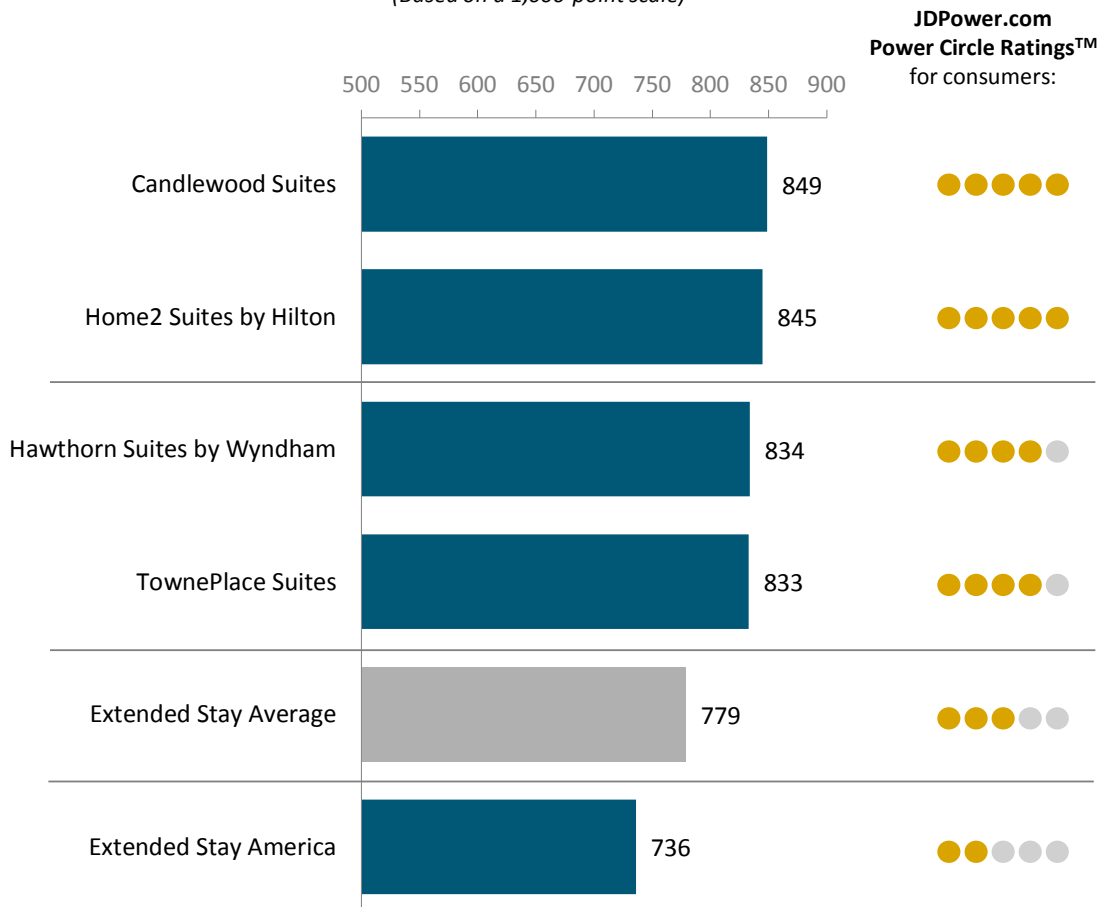
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Customer Satisfaction Index Ranking Extended Stay Segment

(Based on a 1,000-point scale)



Included in this segment but not ranked due to small sample size are Crossland Economy Studios, InTown Suites, Main Stay Suites, Studio 6 Extended Stay, Suburban Extended Stay and Value Place/WoodSpring Suites.

Source: J.D. Power 2017 North America Hotel Guest Satisfaction Index StudySM

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