

Paris, September 6th 2011

US Hotel Groups Strong at Home

US based hotel groups and brands continue to dominate at home. However, as the local market is the most mature hotel market, future development growth is being explored abroad, with Europe and Asia the priority.

Ranking of hotel groups in the USA			
Rank	Group	Hotels	Rooms
1	Hilton Hotels	3 225	486 296
2	Marriott International	2 993	480 506
3	Wyndham Hotel Group	5 898	455 259
4	Choice	4 993	393 535
5	IHG	3 119	388 255
6	Best Western	2 011	165 180
7	Starwood Hotels and Resorts	459	146 760
8	Accor	1 081	109 025
9	Hyatt Hotels Corp.	334	92 974
10	La Quinta	809	84 945
11	Carlson Hospitality Worldwide / Rezidor	594	67 801
12	Vantage Hospitality Group	962	59 056

Source : MKG Hospitality Database - September 2011

The US hotel industry continues to be dominated by locally based groups, completely made-up of household and locally developed brands.

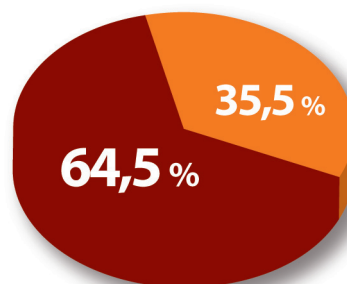
According to latest research conducted by industry experts MKG Hospitality, Hilton Hotels remains the number one group in the US with over 486,000 rooms. Making up the top three national groups is Marriott International with over 480,000 rooms and Wyndham Hotel Group with over 455,000. The number one hotel brand in the US is yet again Hampton Inn with almost 171,000 rooms, followed by Best Western with over 165,000 and then Comfort Inns & Comfort Suites with over 160,000.

“The US hotel industry is very much controlled by locally based companies. Indeed, the corporate chain hotel structure was born and perfected in the US, so it is logical that local names have such a strong presence in their own market,” states Director of Development, MKG Hospitality, Vangelis Panayotis. “However, the US hotel market is fast approaching saturation. Thus, groups are seeking expansion in international markets, exporting their products and concepts.”

In fact, almost two thirds of room stock among the top 12 hotel groups is found right here in the US. Of the top 20 hotel brands, almost three quarters of stock is based here in the US – many brands having little or no presence outside the country. The only exceptions are purely due to acquisitions (and again of US manufactured brands), with InterContinental Hotels Group taking over Holiday Inn and Express by Holiday Inn and Accor purchasing Motel 6 (Redd Roof being sold in 2007). After this, you have to go way down the list to find another foreign brand, namely Canadian based Fairmont Raffles and Four Seasons Hotels & Resorts in 25th and 26th position, respectively.

Looking at pipeline growth, US brands are now very much focused abroad. Europe is a prime choice due to being the second most mature hotel market after the US, as well as having ideological and cultural similarities therefore better suited to product concepts. Meanwhile, Asia and the Middle East are also hot development markets. There are however many challenges to overcome for US hotel groups seeking expansion to other worldwide markets. For starters, adapting their structure to fit local laws and regu-

Breakdown of American marketshare in the world



■ American supply (number of rooms)
■ Rest of the world (number of rooms)

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Ranking of hotel brands in the USA

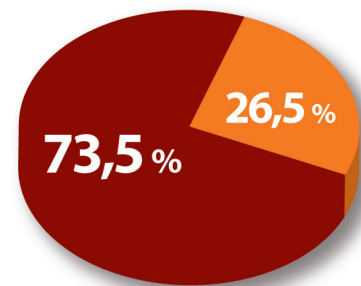
Rank	Brand	Group	Hotels	Rooms
1	Hampton Inn	Hilton Hotels	1 758	170 959
2	Best Western	Best Western	2 011	165 180
3	Comfort Inns & Comfort Suites	Choice	2 058	160 415
4	Holiday Inn Express	IHG	1 724	146 312
5	Marriott Hotels Resorts and Suites	Marriott International	357	143 349
6	Days Inn of America, Inc.	Wyndham Hotel Group	1 668	129 530
7	Holiday Inn	IHG	674	120 494
8	Super 8 Motels	Wyndham Hotel Group	1 863	112 027
9	Courtyard	Marriott International	795	111 634
10	Motel 6	Accor	1 072	105 910
11	Hilton	Hilton Hotels	259	105 375
12	Quality Inns, Hotels, Suites & resorts	Choice	1 012	89 185
13	La Quinta Inns	La Quinta	809	84 945
14	Residence Inn	Marriott International	595	71 571
15	Hyatt Hotels (Inc. Park Hatt, Regency, Grand Hyatt)	Hyatt Hotels Corp.	135	67 138
16	Sheraton Hotels & Resorts	Starwood Hotels and Resorts	176	66 025
17	Hilton Garden Inns	Hilton Hotels	476	64 485
18	Ramada Worldwide	Wyndham Hotel Group	530	62 442
19	Fairfield Inn and Suites	Marriott International	648	58 510
20	America Best Value Inn	Vantage Hospitality Group	943	56 567

Source : MKG Hospitality Database - September 2011

lations, as well as consistency with real estate values, hence investment strategies. Then there is existing competition from domestic players that are well represented, especially in Europe.

“The key to success will be how quickly they can reach a critical network size even somewhat similar to what they have in the US. This is especially true for economy and budget brands where such factors are crucial in order to make business sense,” adds Panayotis.

Breakdown of American marketshare in the world (chains only)



■ American supply (number of rooms)
 ■ Rest of the world (number of rooms)

METHODOLOGY

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Established in 1985, MKG Group has built a solid reputation for business expertise and substantial know-how in the fields of tourism, lodging and food service. MKG Group meets the needs of each of its clients by providing valuable analytical and decision-making skills necessary for success.

Methodology & Innovation

With a team of over 60 experienced consultants, as well as advanced research and analytical tools and applications, MKG Hospitality provides a unique savoir-faire in Market Research, Consulting, Financial Feasibility Studies and Valuations. mkg-hospitality.com

MKG Hospitality is a global leader in tourism, hotel and catering consulting, with the largest database, representing all segments from budget to upscale hotels. MKG's market monitoring database, HotelCompSet, contains a sample of over 200 brands and 11,000 corporate chain hotels, representing more than one million rooms. HotelCompSet provides daily, monthly and yearly monitoring of hotel indicators and analyses of its sample. hotelcompset.com

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