

# The Hotel Price Index™

Review of global hotel prices: Jan-Dec 2011



Hotels.com



# INTRODUCTION

The Hotels.com Hotel Price Index™ (HPI®) is a regular survey of hotel prices in major destinations across the world. The HPI is based on bookings made on Hotels.com and prices shown are those actually paid by customers per room night (rather than advertised rates) in 2011.

Now in its eighth year, the HPI is respected as the definitive report on hotel prices paid around the world and increasingly used as a reference tool by media, hoteliers, analysts, tourism bodies and academics.

The HPI tracks the real prices paid per room by Hotels.com customers around the world using a weighted average based on the number of rooms sold in each of the markets in which Hotels.com operates.

Approximately 142,000 properties in more than 19,800 global locations make up the sample set of hotels from which prices are taken.

The international scale of Hotels.com (in terms of both customers and destinations) makes the Hotel Price Index one of the most comprehensive benchmarks available, as it incorporates both chain and independent hotels, as well as options such as self-catering and bed and breakfast properties.

# HOTELS ON THE GO



The past six months have seen millions of downloads of Hotels.com's mobile app.

The portfolio of devices on which the app is available has expanded rapidly, following the launch of a dedicated iPad application in September 2011 which takes advantage of the iPad screen for a rich, immersive user experience. Already available on the App Store and Android Marketplace, the app is now also available for Windows Phone, Symbian and MeeGo devices, allowing customers to search and book almost 149,000 hotels around the world straight

from their phone.

Available in over 30 languages, additional enhancements include the ability to check their Welcome Rewards status and choose from more than 20,000 exclusive last-minute deals. Users find the mobile apps particularly useful for these spur-of-the-moment bookings, as they can find a hotel quickly and easily on-the-go, whether they are on a road trip, have missed their flight or are stranded in an unfamiliar city.

# EARN A FREE NIGHT IN YOUR SLEEP

In October 2011, we launched our customer loyalty programme Welcome Rewards on all 85 sites around the world. This unique loyalty scheme offers our customers the ability to earn one free\* night for every ten nights stayed in more than 65,000 partnering hotels worldwide. There is no complicated points system and redemption is as easy as it sounds: Our customers simply stay for ten nights, either at one stretch or separately, in one or several of the partnering hotels and earn the eleventh night free\* - whenever they want, without blackout dates.

Unlike most reward programmes, which are usually specific to one brand, we allow our customers to collect their ten qualifying nights across independent and chain hotels and to redeem their free\* night at any eligible hotel in our global network. The free\* night is valued at the average rate of the ten stays but consumers also have the option to use the free\* night for a higher rate room by paying the difference.

You can sign up for the programme on [www.hotels.com](http://www.hotels.com) and earn a free night in your sleep!



Welcome Rewards™

\*(Subject to Welcome Rewards terms and conditions as set out at [www.hotels.com](http://www.hotels.com))



# FOREWORD

## Global price rise following steady overall recovery

Business and economic volatility may well have led the TV news bulletins in 2011 as never before, as viewers waited for updates on the latest attempts to stave off sovereign bankruptcy or perhaps save a currency. However, at first glance, nobody has told the world's hoteliers about their duty to provide headline-grabbing developments. Global hotel prices increased by 4% on average in 2011 over 2010, continuing the process of steady recovery from the lows of 2008, albeit at a distinct walking pace. Occupancy rose by 2-3% across most of the year and this relatively modest increase in demand, coupled with slowly re-strengthening economies in some nations, provided the conditions for slight increases in prices worldwide. As we enter a third consecutive year of moderate price rises for guests, the global average price is still lower than it was in 2005, such was the depth of the financial crash-inspired trough.

## Regional variations highlight local conditions

There is certainly some more colour at a regional level. If the recent flow of economic news from North America suggests evidence of a recovery gathering speed, so do the prices paid in their hotels – up 5%



in 2011 compared to 2010, the biggest increase in the region since 2007. European and Middle Eastern hoteliers sympathised with the market's stuttering economy and increased prices in their own currencies by only 2%. In the world's faster growing economies, hotel prices kept pace with market movements. Latin America has now appeared as the region with the highest overall increase of all regions since the HPI launched in 2004 with its Index now at 121. The Pacific saw the most significant price increase by 8% during 2011. Asia's overall average rate fell by 2%, masking significant increases in some of the region's business centres and cities.

But averages can mask the much more volatile picture beneath. Four trends stand out:

## Natural and political events leave their mark

First, the impact of political and natural events, highlighted in our Hotel Price Index review for the first half of 2011, continued through the full year. The unrest of the Arab Spring has hit prices across the region, with prices falling in places from Tunisia to Qatar, where

declining demand met a high level of hotel building. In Japan, the impact of the tsunami had reduced prices significantly at one point, although they closed the year down only slightly below the 2010 level overall as the Tokyo market recovered some of its demand.

### Weaker economies show resilience

Second, we can finally report positive movement in some of the economies hit hardest over the past four years. Prices rose in Ireland where hoteliers have been struggling with the aftermath of the property bubble collapse. The unrest in Egypt proved to be less of an ill wind for Spain and Italy, which saw a recovery in leisure demand and posted price rises for the first time in some years.

### Currency is the big driver

Third, currency movements continue to have a big impact on hotel demand, and therefore prices. Brazilians spent the spring of 2011 enjoying significant strength in the Real, and took off to spend it in the US as never before. As the currency's strength fell by more than 20% during the summer, Brazilian wanderlust rather cooled and travellers stayed home, driving up demand, and prices, in the main domestic cities such as Rio de Janeiro and Sao Paulo. American travellers are spreading their wings a little more, too, posting increases in demand to both domestic destinations as

well as to Europe and the Caribbean. The number of American travellers to Asian regions, which were hit by natural disasters, decreased only slightly.

### Business travellers on the move




Lastly, the business travel market remained sound, keeping demand, and pricing, stable in the more business-focused markets around the world, with the overall spending on corporate trips up 9%\* globally for 2011. From Singapore to Hong Kong and Las Vegas, convention and business travel kept hotels busier and prices higher.

This annual version of our report is now in its eighth year, and it remains the most comprehensive survey of hotel prices based on what consumers actually pay in over 85 countries to stay in over 142,000 hotels. If we sell sufficient nights to get a robust data sample, it's in. So if you want to know what the Rugby World Cup did for the travel industry in Wellington and Auckland, where to get the most value for your travel budget, or even where to get five star luxury on the cheap, read on, it's part of the service.

\*Global Business Travel Association



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The HPI report focuses on two main sources of data:

The first section (Chapter 1) shows the global Hotel Price Index for the full year 2011 compared to 2010.

The Index is compiled from all transactions on Hotels.com during this period, in local currency, weighted to reflect the size of each market. By representing hotel price movements in an index, Hotels.com can illustrate the actual price movements as paid by consumers without foreign exchange fluctuations distorting the picture.

The Index was started in 2004 at 100 and includes all bookings across all star ratings from one to five star.

The second section (Chapters 2-8) shows hotel prices across the world, per room per night, as paid

by Eurozone travellers in 2011 compared to 2010. This shows the changes in real prices paid by consumers, reflecting both movements in exchange rates and hotel pricing. Prices are rounded to the nearest Euro and percentage figures to the nearest percentage point.

Chapter 9 covers the most popular destinations in 2011.

The final chapter focuses on some additional, more light-hearted facts and travellers' habits identified by Hotels.com.

Reports are also available in other currencies. Please contact [lehdisto@hotels.com](mailto:lehdisto@hotels.com).

# 1. GLOBAL PRICE CHANGES

The average price of a hotel room around the world rose 4% in 2011 compared with 2010, according to the latest Hotels.com Hotel Price Index.

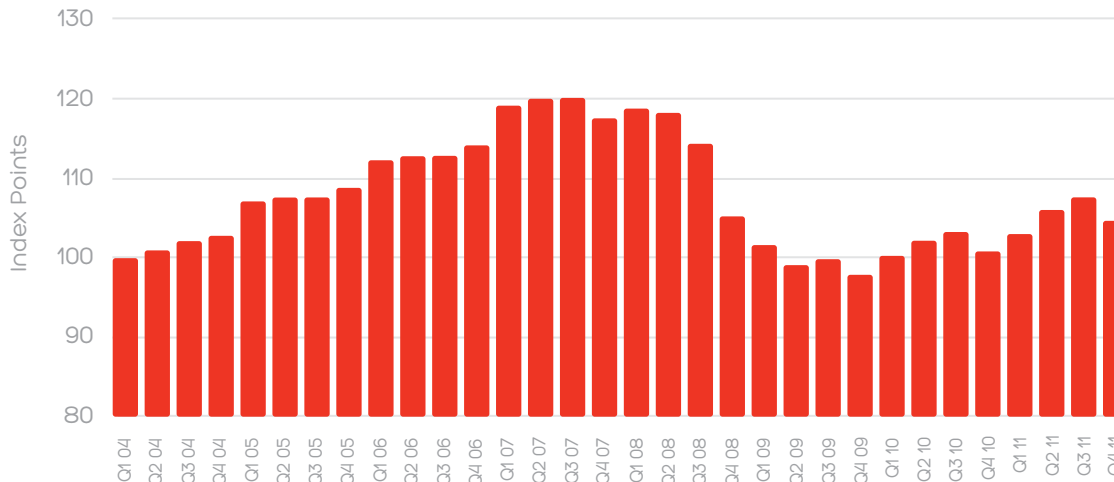
The average cost of a room now stands at 104, compared to 100 when the HPI was launched in 2004, indicating that the 2011 global average price was only slightly higher than when the Index was originally launched.

Prices fell 2% in Asia year-on-year but rose in all other areas, including 8% in the Pacific, 5% in North America, 4% in Latin America, 3% in the Caribbean and 2% in Europe and the Middle East.

## Asia sees overall price falls despite growth in Chinese economy

- Asia was the only region to experience a notable drop in its overall rankings. In 2011, the HPI for Asia stood at 107, which was seven points higher than at the launch of the Index in 2004 but still significantly below its 2005 level (110).
- In real terms, this means, on average, prices paid by travellers for hotel rooms in Asia fell 2% from 2010 to 2011. Prices paid, and their pace of recovery, varied across the region. Large business and convention hubs, such as Singapore and Hong Kong, saw

Figure 1 HPI quarterly breakdown from Q1 2004 to Q4 2011 globally



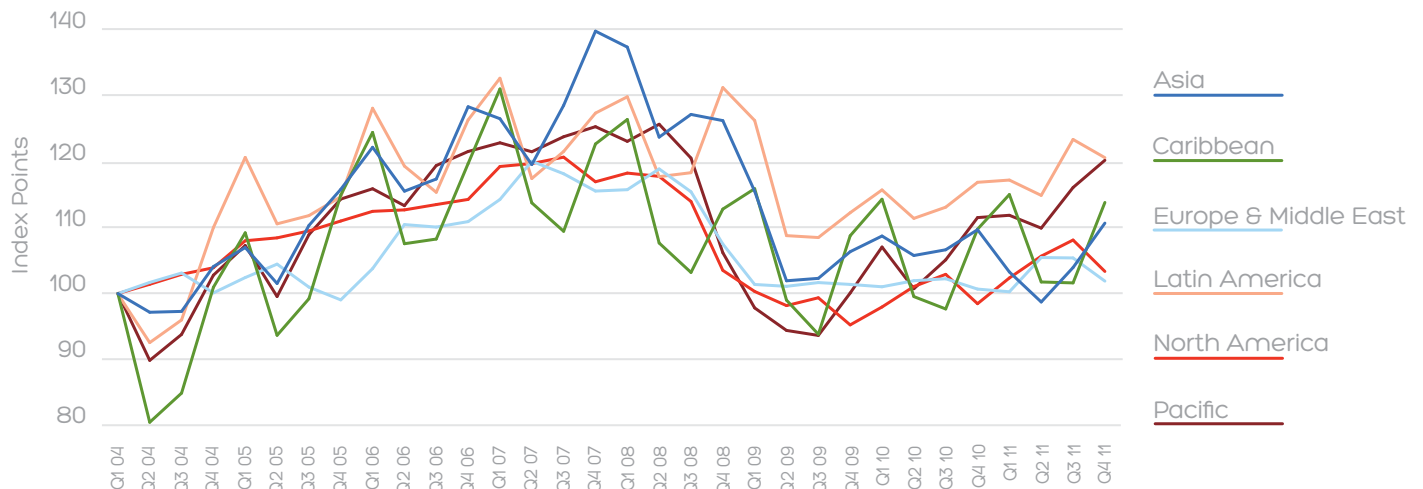
rates remain high due to healthy corporate travel demand and luxury hotel development.

- The growth of low cost carriers in some parts of the region also began to boost demand.
- Other areas suffered a decline. Popular Thai destinations, for example, did not fare as well because of the extensive flooding that spread

throughout the country's northern and central regions from July 2011 until reaching Bangkok in October 2011.

- Reduced occupancy and falling demand in Japan after the March 2011 earthquake drove hotel rates downward. The earthquake also had a knock-on effect in other parts of the region as fewer Japanese executives and tourists travelled abroad.

Figure 2 HPI by region: Europe and the Middle East, Asia, Pacific, North America, Latin America and Caribbean 2004-2011





## Johan Svanstrom

Vice President  
Hotels.com APAC

Overall prices in the Asia-Pacific region have remained steady, thanks to key markets showing resilience through global economic dips in the latter half of 2011. Across Asia, hotel prices have fallen while the Pacific region saw a high increase.

While the travel industry was hit by last year's natural disasters in Japan and Thailand, the strength of business travel sustained occupancy and prices in many of the major destinations. Tokyo and other cities in Japan saw prices and demand fall abruptly in March but have since been on a recovery path. Elsewhere, Hong Kong experienced strong upward rate pressure throughout the year.

In China, there was a varied picture. While Beijing saw a rise due to a steady increase in tourism and trade, Shanghai rates plummeted with the city unable to maintain healthy occupancy levels following the World Expo. A bit surprisingly, hotel prices in popular shopping and business hubs such as Kuala Lumpur and Singapore remained steady or only saw a small rise.

There continues to be tailwind effects from increased flight options and strong regional economies, encouraging consumers' travel spending. Currency exchange fluctuations could however yet again play a role for inbound demand which for most of 2011 was disadvantaged by strong local Asian currencies.

Given growing demand in both leisure and corporate sectors, hotel prices and occupancy rates in Asia are likely to be on a modest upward trajectory this year. As usual though, deals and opportunities will arise in the region and active researching is recommended.

## Pacific hits the heights

- The biggest percentage increase in average prices occurred in the Pacific region, up 8%.
- The HPI reached 118 points, a full 18 points above the level when the HPI launched in 2004. This jump was fuelled in part by the relative strengths of the economies and currencies in Australia and New Zealand, as well as the resilience of corporate travel.
- Despite the rise, prices were still below the 2006 level (120), which was welcome news for travellers staying in this region.

## Latin America



### Javier Escobedo

Vice President  
Hotels.com Latin America

The Hotel Price Index for Latin America rose 4% in 2011 compared to one year ago, underlining the growing economic power of our region, particularly in the largest country Brazil. The average cost of a room in a Brazilian hotel rose in 2011 because of a continuous increase in demand, a robust economy which grew by 4% and a rise in income across the board.

Moreover, the Real steadily devalued over the second half of 2011, making some local destinations more appealing to potential travellers right in time for the summer season. Rio and São Paulo saw price hikes. In both cases, room supply failed to keep up with demand which, in turn, was heated by global mega-events, such as Rock in Rio, the U2 concert and the Formula 1 race.

Business destinations, like Campinas and Curitiba, experienced steep hikes as well while the price development in beach destinations was more uneven. Prices dropped or grew little in Praia do Forte, Natal and other destinations that traditionally favour

packages. They had to compete harder as they faced expensive air hikes. Many travellers chose to go abroad or to alternative local destinations.

Mexico kept the average prices more in line with the previous year. The local market conditions neither affected average room rates in top tourist sunspots nor in the three largest cities of Mexico City, Monterrey and Guadalajara. Global turmoil impacted the value of the Peso, boosting international demand for well known hotspots like Los Cabos and Cancun.

- Prices paid by travellers for hotel rooms in Latin America rose 4% from 2010 to 2011 and the Latin American HPI stood at 121 in 2011, the highest of all regions surveyed.
- This performance underlined the growing economic power of the region, especially the importance of its largest country, Brazil.
- Despite the rise, the average price of a hotel room in Latin America was still cheaper in 2011 than it was five years ago (123).

## Europe and Middle East region shows modest signs of recovery



**Matthew Walls**

Vice President  
Hotels.com EMEA

Hotel pricing trends are an interesting bellwether for the impact of wider environmental factors. In 2010, across Europe and the Middle East, we saw significant geographical events such as the Icelandic volcano and unusually bad December weather in northern Europe cause significant disruption in the hotel sector.

In 2011, whilst geological activity was thankfully reduced, the well-documented financial woes of the Eurozone became the biggest factor preying on the minds of hoteliers across the region. It is perhaps surprising therefore to report that average rates rose 2% in 2011 compared to 2010.

There is no doubt that the economic downturn has caused a change in demand patterns but, in the leisure market, we've seen many customers increasingly trading off a reduced number of nights for a higher quality hotel room. European consumers are prepared to compromise on the number of annual trips but not on the quality of those trips so overall hotel pricing is holding up well.

Business travel trends also feed significantly into the averages across Europe. The market for business meetings and conferences has declined somewhat in response to the economic slump but we have seen that situation turn into a positive for deal-seeking leisure travellers as hoteliers in those typically four and five-star properties have sought to maintain their occupancy levels via some great deals.

The only thing certain for 2012 is that the external environment will continue to impact pricing.

- The HPI in Europe and the Middle East stood at 102 points in 2011, just 2 points higher than when the Index was launched.
- This meant that average hotel room prices in Europe and the Middle East were almost the same as in 2004, representing outstanding value for the traveller.
- As European leaders grappled with the uncertainty of the Eurozone, the region overall experienced a 2% year-on-year price increase, the smallest rise of all regions.

- Average room rates were higher in countries with particularly strong economies, such as Switzerland, Norway and Sweden. Some resorts in Italy and Spain also experienced room rate inflation as travellers moved to safer holiday destinations away from traditional favourites in Egypt and Tunisia.
- The Arab Spring impacted average room rates in the Middle East as the civil unrest led travellers to stay away, forcing hoteliers to cut their rates in a bid to attract custom.
- Prices for the region were still below the 2006 level (107).



Cairo

## North America



**Victor Owens**

Vice President

Hotels.com North America

Like a speedy rollercoaster that leaves riders breathless yet excited for another go, the travel industry in 2011 took all of us on an interesting journey of ups and downs. What we've learned is that what goes down must come back up!

As we take a look back at 2011, we saw some major ups like a recovery in the business travel sector in North America with folks back on planes and staying at hotels. This usually means our economy is improving, which is a big upside. We saw customers choosing adventures outside their backyards and getting past the staycation trend. Of course, if your "backyard" is a lush and bountiful winery, a Championship golf course or family-friendly theme park, a road trip closer to home to explore the region is just as fun.

The downs of 2011 included the Japanese earthquake and tsunami which had a major affect on North Americans traveling to the region. The HPI showed that the ranking of Tokyo dropped as an outbound



destination. The European debt crisis can be a big up for North Americans looking to cross the Atlantic to stretch their dollar which strengthened against the Pound and the Euro. London, Paris and Rome continue to hold tight to their positions on the podium but Barcelona and Madrid are inching up in popularity. Rioja, anyone?

- Average prices paid by travellers for hotel rooms in North America (the USA and Canada) rose 5% year-on-year in 2011. For the first time since 2008, the region's HPI passed the 100 mark again, reaching 102, but room rates were just 2% higher than in 2004 when the HPI was launched and still below the 2005 level (107).
- As the US economy showed some signs of recovery as the year wore on, stronger demand from leisure and business travellers gave hoteliers the confidence to hold or increase their prices.

## Caribbean prices heat up

- Prices for the Caribbean rose 3% year-on-year. For 2011, the HPI for the region stood at 118 points, which meant the Caribbean, together with the Pacific region, was second only to Latin America for growth in average room prices since 2004.
- The region continued a pattern of modest recovery after steep percentage falls in 2008 and 2009 but rates were still far below the 2006 level (127).

Caribbean



## 2. PRICE CHANGES IN GLOBAL CITY DESTINATIONS

The following sections reflect the actual prices paid by Finnish travellers in Euro (€) during 2011, compared to prices paid in Euro a year before.

The Finns faced price rises in many of their favourite destinations. This could in part be explained by currency fluctuations and rising demand. However, there were also substantial drops in other areas as hoteliers adjusted to falling occupancy sometimes caused by reasons beyond their control. Events of global importance also had a fundamental impact on prices.

### European prices reflect deepening Euro crisis

There were some big rises in the capital cities of Nordic countries where the economies performed well. In Helsinki, average room rates rose a healthy 6% to €107 per night. Stockholm was up 12% to €129 and Copenhagen was up 8% to €123. Reykjavik also bounced back from the double whammy of the banking crisis and 2010 volcanic ash cloud, with prices rising 18% to €91 as demand increased from travellers taking advantage of the collapse in the value of the Icelandic Krona. However, Oslo was down 5% at €110.

In the Eurozone, with uncertainty reigning on the

money markets and wider economy, the crisis in debt-hit Greece continued to have an effect on prices in the country's hotel sector with average rates in Athens falling 4% to €77.

There was a similar drop in the capital cities of other heavily-indebted Eurozone countries with 4% falls in Rome to €108, Madrid to €82 and Lisbon to €78.

Dublin bucked the trend with a 4% rise to €76, helped in part by the May 2011 visits of US President Barack Obama and Queen Elizabeth, which raised the profile of the city. The Irish capital also benefitted from popular events such as the Six Nations rugby match between Ireland and England in March 2011 and the Take That concert in June 2011.

There were significant price rises in Baltic state cities which have offered good value hotel accommodation



in the past. These were generated by increased demand from travellers making the most of the low prices. Tallinn rose 18% to €79, Riga 8% to €63 and Vilnius 6% to €57, still representing great value.

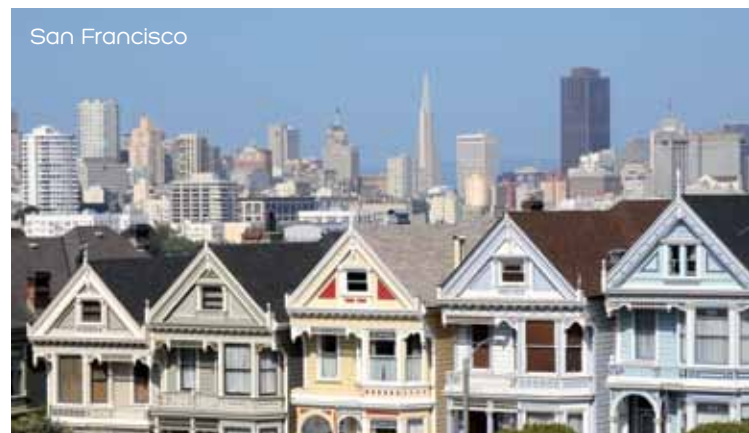
Some popular UK destinations became cheaper for Eurozone travellers as the currency gained in strength against Pound Sterling as the year went on. For example, average room rates in Birmingham dropped 6% to €74 a night and Belfast tumbled 8% to €77.

Despite the riots in August 2011, which attracted worldwide headlines, London's hotel sector remained resilient with the average cost of a room rising 1% to €136. The city reached full capacity for events such as the Chelsea Flower Show and Wimbledon tennis tournament.

## Demand rises in US cities

Finnish travellers exploiting the Euro's relative strength against the US Dollar still found that hotel rooms in some of their favourite US destinations were more expensive.

There was less discounting amongst hoteliers in 2011 than in 2010. Corporate travellers drove room demand and prices, with convention centres such as



San Francisco and Dallas posting 13% and 4% increases respectively.

Across the US, New York had the largest increase in supply in 2011, especially at the upscale end of the market. However, average room rates still increased 3% to €177 as a result of robust demand from domestic travellers and European visitors in search of a currency bargain against the US Dollar.

The still-burgeoning US technology sector continued to attract visitors both regionally and from overseas, particularly as technology IPOs were once again rumoured to be on the horizon. Palo Alto, home to Silicon Valley venture capitalists on Sand Hill Road and technology giants including Facebook, reported a 2% rise in room rates to €127 per night.

## Arab Spring turmoil and Libyan war see prices plummet in the Middle East

The Middle East experienced the biggest drops in average hotel prices per night as the Arab Spring uprising unfolded in Tunisia and then spread across the region.

In Egypt, the Red Sea resort of Sharm El Sheikh experienced a sharp drop of 30% to €78 and the popular tourist destination of Luxor plummeted 27% to €60 per night. Cairo fell 13% to €107 as both international travellers and those from the region stayed away. Tunis also slipped 9%, bringing average room rates to €79 per night.



Cairo

There was a knock-on effect for other countries in the Middle East as a perception of regional instability took hold amongst consumer and corporate travellers. Average hotel prices in Doha were down 22% to €136, Beirut fell 20% to €112 and Abu Dhabi dropped 7% to €119. In Morocco, Fes fell 18% to €67 and Marrakech slipped 5% to €77.

## Room rate inflation in Australian and New Zealand cities

Despite natural disasters that could have negatively impacted the region, average room rates grew in Australia and New Zealand, in part because both countries boasted strong currencies.

Brisbane, which was hit by extensive flooding in January 2011, saw a 16% rise to €110 as business travel recovered quickly. Another Queensland hotspot, the Gold Coast, also saw average room rates hit €110 after a 15% rise. On the west coast, Perth was up 19% to €125 and in the East, Sydney experienced robust demand, up 6% to €113, as the Australian economy performed well.

Wellington and Auckland in New Zealand's North Island also experienced an increase in demand as travellers relocated from the earthquake-hit South Island. The

capital city experienced a 13% increase to €76 and Auckland was up 9% to €74. Bookings also picked up as fans arrived for the Rugby World Cup in September 2011. The popular tourist destination of Rotorua recorded a 15% climb to €64.

On South Island, Christchurch, which suffered a devastating quake in February 2011, posted an increase of 9% to €78 per night on the back of a lack of supply.

### Prices pitch down in South Africa after football World Cup

There were falls in South African cities with Cape Town down 2% and Johannesburg down 3% to €101 and €111 respectively as demand fell following the football World Cup in 2010. There were mixed signals about what might happen with European Football Championship host cities when the tournament starts in the Ukraine and Poland in June 2012. Kiev entered the pre-booking season down 9% to €96 and Warsaw reported a small increase of 3% to €78.

### Japanese rates hit by natural disaster

The average room rate fell in some of Japan's largest cities as the March 2011 earthquake, tsunami and

nuclear meltdown at the Fukushima atomic plant deterred travellers from visiting.

The triple blow caused prices to sink in Hiroshima by 17% to €73, and by 10% in Tokyo to €99. Osaka was also down 6% to €75.



The strength of the BRIC economies of Brazil, Russia, India and China was also largely reflected in hotel rates as corporate and leisure demand increased.

Sao Paulo grew 7% to €139, Moscow rose 12% to €166 and Calcutta added another 10% to its average room rates taking prices to €106. In China, Hong Kong climbed 19% to €137, boosted by strong business as well

as consumer interest from the mainland. However, Shanghai bucked the trend with a 22% slide to €71 as the market re-adjusted after the World Expo from April to October 2010 and the construction of new hotels increased room capacity.

### Prices stay high in luxury destinations despite falls

Against a backdrop of a worsening global economy, travellers from the Eurozone still faced high prices to some upmarket destinations because of strong demand.

Muscat became the most expensive city featured in the HPI on €244 after a 23% leap in room rates. According to the data, travellers from the Eurozone paid most on average in the Omani capital, fuelled by high-value customers, especially from European countries such as Germany, seeking luxury hotel accommodation.

Capri fell to second place after a 9% fall to €207. Another upmarket Italian destination, Amalfi, fell 12% to €165 as the country battled with mounting economic difficulties. The “millionaires’ playground” of Monte Carlo stayed one of the European destinations where travellers paid most with an average room rate of €145

despite a 22% fall. Nice, on the Cote d’Azur, was up 4% to €105.

There was a 3% rise in the popular destination of New York to €177 as the city opened more upscale accommodation and demand stayed strong from both domestic and foreign visitors.

Figure 3 Average hotel prices in 2011 compared to 2010

- The steepest percentage increase of 23% came in Muscat after the development of prestige upscale

| Destination        | 2011 | 2010 | % change |
|--------------------|------|------|----------|
| <b>Muscat</b>      | €244 | €199 | 23%      |
| <b>Capri</b>       | €207 | €227 | -9%      |
| <b>New York</b>    | €177 | €172 | 3%       |
| <b>Geneva</b>      | €173 | €167 | 4%       |
| <b>Moscow</b>      | €166 | €149 | 12%      |
| <b>Amalfi</b>      | €165 | €187 | -12%     |
| <b>Zurich</b>      | €155 | €141 | 10%      |
| <b>Monte Carlo</b> | €145 | €186 | -22%     |
| <b>Boston</b>      | €143 | €144 | -1%      |
| <b>Sao Paulo</b>   | €139 | €129 | 7%       |
| <b>Singapore</b>   | €138 | €129 | 7%       |
| <b>Hong Kong</b>   | €137 | €116 | 19%      |
| <b>London</b>      | €136 | €135 | 1%       |
| <b>Doha</b>        | €136 | €175 | -22%     |
| <b>Venice</b>      | €132 | €131 | 1%       |

| Destination   | 2011 | 2010 | % change |
|---------------|------|------|----------|
| Dubai         | €131 | €125 | 6%       |
| Stockholm     | €129 | €115 | 12%      |
| Palo Alto     | €127 | €125 | 2%       |
| Washington    | €126 | €130 | -3%      |
| Perth         | €125 | €105 | 19%      |
| Amsterdam     | €124 | €116 | 7%       |
| Copenhagen    | €123 | €114 | 8%       |
| Jerusalem     | €121 | €126 | -4%      |
| Abu Dhabi     | €119 | €128 | -7%      |
| Paris         | €116 | €121 | -4%      |
| Chicago       | €115 | €119 | -4%      |
| Biarritz      | €114 | €103 | 12%      |
| San Francisco | €113 | €100 | 13%      |
| Sydney        | €113 | €107 | 6%       |
| Beirut        | €112 | €140 | -20%     |
| Johannesburg  | €111 | €115 | -3%      |
| Oslo          | €110 | €116 | -5%      |
| Gold Coast    | €110 | €96  | 15%      |
| Brisbane      | €110 | €94  | 16%      |
| Cancun        | €108 | €98  | 10%      |
| Ibiza         | €108 | €91  | 19%      |
| Rome          | €108 | €113 | -4%      |
| Cairo         | €107 | €123 | -13%     |
| Seoul         | €107 | €104 | 2%       |

| Destination  | 2011 | 2010 | % change |
|--------------|------|------|----------|
| HELSINKI     | €107 | €101 | 6%       |
| Barcelona    | €107 | €102 | 5%       |
| Calcutta     | €106 | €97  | 10%      |
| Nice         | €105 | €101 | 4%       |
| Los Angeles  | €103 | €101 | 2%       |
| Cape Town    | €101 | €103 | -2%      |
| Florence     | €101 | €98  | 3%       |
| Vienna       | €100 | €98  | 2%       |
| Tokyo        | €99  | €110 | -10%     |
| Benidorm     | €97  | €91  | 6%       |
| Melbourne    | €97  | €96  | 1%       |
| Kiev         | €96  | €105 | -9%      |
| Frankfurt    | €95  | €94  | 1%       |
| Dallas       | €94  | €91  | 4%       |
| Buenos Aires | €94  | €93  | 0%       |
| Brussels     | €94  | €93  | 1%       |
| Bali         | €93  | €105 | -12%     |
| Reykjavik    | €91  | €77  | 18%      |
| Liverpool    | €90  | €91  | -1%      |
| Strasbourg   | €87  | €83  | 5%       |
| Ko Samui     | €86  | €112 | -24%     |
| Albufeira    | €84  | €89  | -5%      |
| Glasgow      | €82  | €80  | 2%       |
| Madrid       | €82  | €85  | -4%      |

| <b>Destination</b>     | <b>2011</b> | <b>2010</b> | <b>% change</b> |
|------------------------|-------------|-------------|-----------------|
| <b>Tunis</b>           | €79         | €87         | -9%             |
| <b>Tallinn</b>         | €79         | €67         | 18%             |
| <b>Lisbon</b>          | €78         | €82         | -4%             |
| <b>Warsaw</b>          | €78         | €76         | 3%              |
| <b>Sharm El Sheikh</b> | €78         | €112        | -30%            |
| <b>Christchurch</b>    | €78         | €71         | 9%              |
| <b>Prague</b>          | €78         | €76         | 1%              |
| <b>Marrakech</b>       | €77         | €82         | -5%             |
| <b>Athens</b>          | €77         | €80         | -4%             |
| <b>Belfast</b>         | €77         | €83         | -8%             |
| <b>Berlin</b>          | €76         | €82         | -6%             |
| <b>Wellington</b>      | €76         | €67         | 13%             |
| <b>Dublin</b>          | €76         | €73         | 4%              |
| <b>Las Vegas</b>       | €76         | €75         | 0%              |
| <b>Osaka</b>           | €75         | €80         | -6%             |
| <b>Alicante</b>        | €75         | €77         | -3%             |
| <b>Auckland</b>        | €74         | €68         | 9%              |
| <b>Birmingham</b>      | €74         | €79         | -6%             |
| <b>New Delhi</b>       | €74         | €85         | -13%            |
| <b>Hiroshima</b>       | €73         | €87         | -17%            |
| <b>Shanghai</b>        | €71         | €91         | -22%            |
| <b>Orlando</b>         | €68         | €67         | 2%              |
| <b>Jakarta</b>         | €67         | €74         | -8%             |
| <b>Fes</b>             | €67         | €81         | -18%            |

| <b>Destination</b> | <b>2011</b> | <b>2010</b> | <b>% change</b> |
|--------------------|-------------|-------------|-----------------|
| <b>Budapest</b>    | €66         | €69         | -5%             |
| <b>Rotorua</b>     | €64         | €56         | 15%             |
| <b>Beijing</b>     | €64         | €69         | -8%             |
| <b>Bangkok</b>     | €63         | €65         | -3%             |
| <b>Riga</b>        | €63         | €58         | 8%              |
| <b>Luxor</b>       | €60         | €82         | -27%            |
| <b>Vilnius</b>     | €57         | €54         | 6%              |
| <b>Hanoi</b>       | €45         | €54         | -17%            |
| <b>Phnom Penh</b>  | €44         | €45         | -3%             |





accommodation and rising demand from European travellers.

- The joint second-highest climber was the Spanish isle of Ibiza, up 19% to €108, as travellers, especially from Germany and Italy, re-located from traditional North African hotspots such as Tunisia and Egypt.
- Reykjavik climbed 18% to €91 as the city's hotel sector recovered after the volcanic ash cloud and banking crisis.
- Eurozone travellers to the popular Mexican resort of Cancun also found rooms more expensive with a 10% jump to €108 as more hotels moved to the all-inclusive model and global turmoil impacted the value of the peso, boosting international demand for well-known sun spots.
- Hotel rates served as a practical barometer of the growing importance and development of cities in the rapidly-developing BRIC countries, with the average room rate surging 19% in Hong Kong to €137, due to an influx of foreign corporate travellers and leisure visitors and shoppers from China.
- Prices in some cities in Australia and New Zealand rose dramatically, despite natural catastrophes. The market in flood-hit Brisbane defied expectations and grew 16% to €110, recovering well through strong

corporate demand.

- Cities in countries with strongly performing economies and currencies saw some of the more significant increases, as evidenced by Stockholm which was up 12% to €129. The Swiss financial centre of Zurich also reported a 10% rise with the average room rate reaching €155. In the strong economies of the Pacific region, the western Australian city of Perth was up 19% to €125 and Wellington was up 13%, the latter boosted by the Rugby World Cup in New Zealand. Rotorua on the North Island also saw a 15% leap to €64.

Figure 4 The biggest percentage price rises in 2011 compared with 2010

- Some of the biggest fallers were in North Africa

| Destination      | 2011 | 2010 | % change |
|------------------|------|------|----------|
| <b>Muscat</b>    | €244 | €199 | 23%      |
| <b>Ibiza</b>     | €108 | €91  | 19%      |
| <b>Perth</b>     | €125 | €105 | 19%      |
| <b>Hong Kong</b> | €137 | €116 | 19%      |
| <b>Reykjavik</b> | €91  | €77  | 18%      |
| <b>Tallinn</b>   | €79  | €67  | 18%      |
| <b>Brisbane</b>  | €110 | €94  | 16%      |
| <b>Rotorua</b>   | €64  | €56  | 15%      |

| Destination  | 2011 | 2010 | % change |
|--------------|------|------|----------|
| Gold Coast   | €110 | €96  | 15%      |
| Wellington   | €76  | €67  | 13%      |
| Stockholm    | €129 | €115 | 12%      |
| Moscow       | €166 | €149 | 12%      |
| Biarritz     | €114 | €103 | 12%      |
| Zurich       | €155 | €141 | 10%      |
| Cancun       | €108 | €98  | 10%      |
| Calcutta     | €106 | €97  | 10%      |
| Auckland     | €74  | €68  | 9%       |
| Christchurch | €78  | €71  | 9%       |



Christchurch

after the Arab Spring uprisings. The average room rate in Sharm El Sheikh dropped 30% to €78, Luxor tumbled 27% to €60, Fes was down 18% to €67 and Cairo slid 13% to €107.

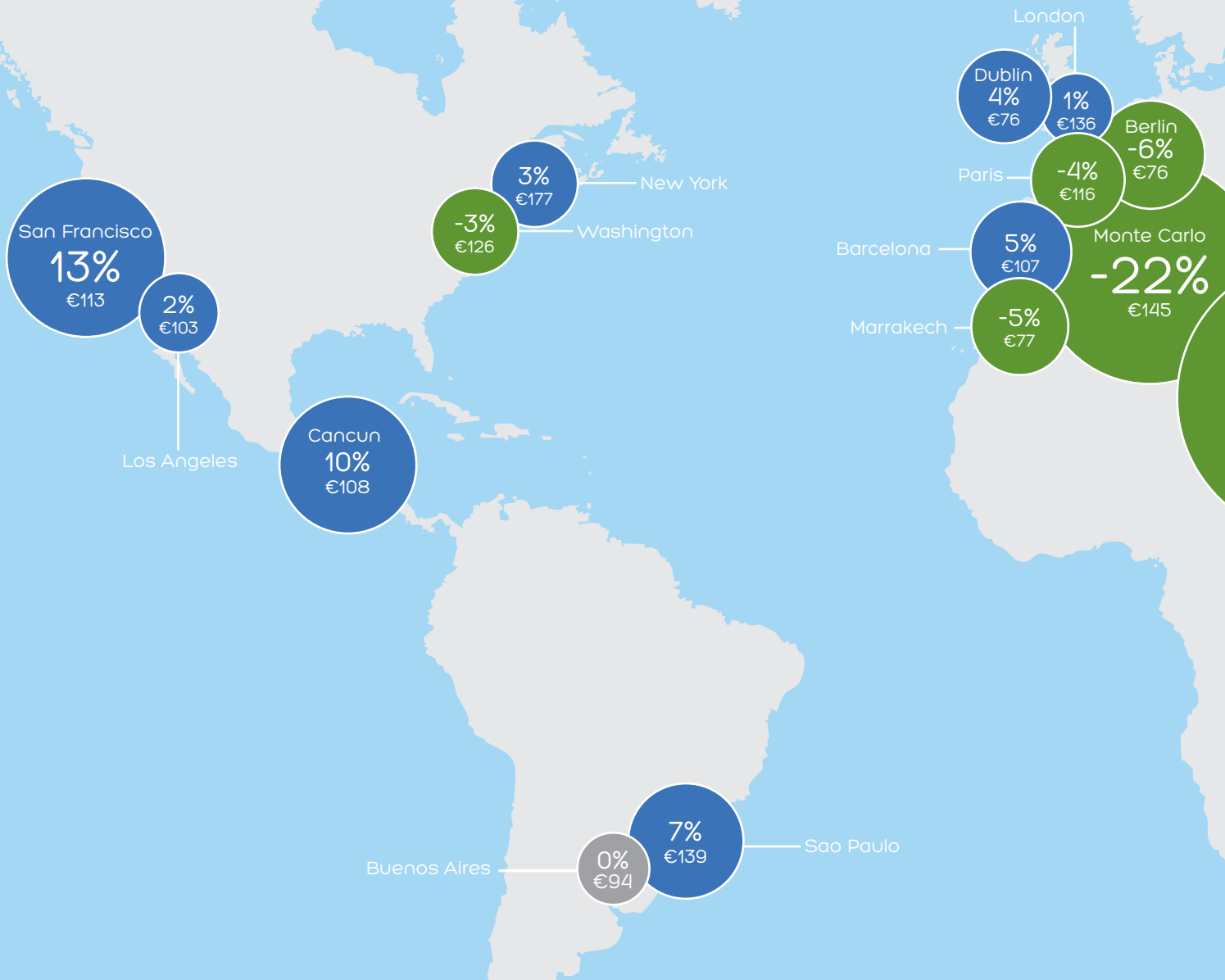
- Monte Carlo saw the average price fall by 22% from €186 to €145. Another upmarket destination, Capri, also fell 9% to €207 on average, due in part to early season promotions and more advance booking.
- There was some good news for travellers heading to the popular Thai island of Ko Samui, with a 24% reduction to an average of €86 per room night. The Far East offered excellent value with big falls also in Shanghai, Hanoi, Bali, down 22%, 17% and 12% respectively.
- The Japanese cities of Hiroshima and Tokyo were hit by falls of 17% and 10% respectively.

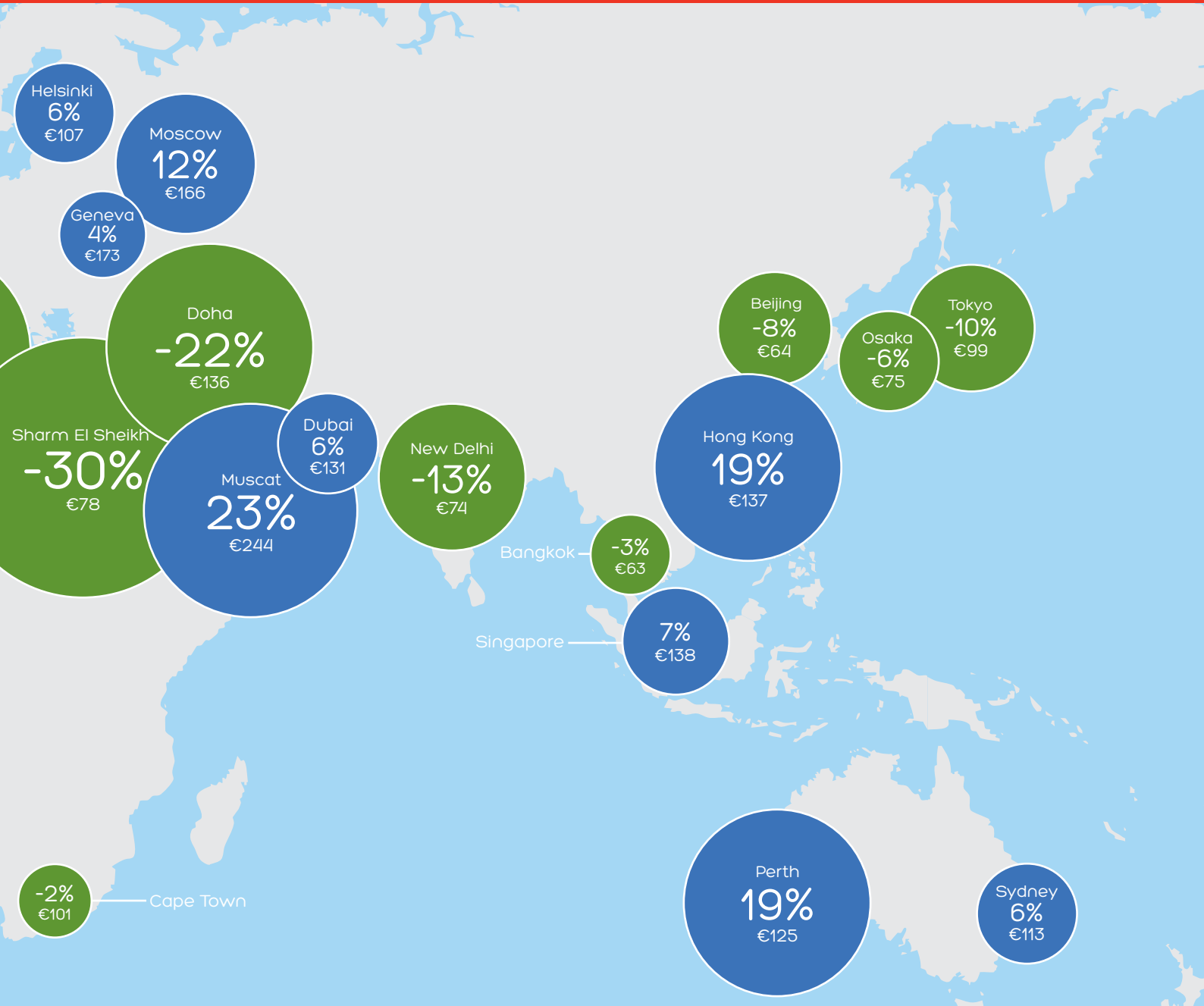
Figure 5 The biggest percentage price falls in 2011 compared with 2010

| Destination            | 2011 | 2010 | % change |
|------------------------|------|------|----------|
| <b>Sharm El Sheikh</b> | €78  | €112 | -30%     |
| <b>Luxor</b>           | €60  | €82  | -27%     |
| <b>Ko Samui</b>        | €86  | €112 | -24%     |
| <b>Doha</b>            | €136 | €175 | -22%     |
| <b>Monte Carlo</b>     | €145 | €186 | -22%     |
| <b>Shanghai</b>        | €71  | €91  | -22%     |
| <b>Beirut</b>          | €112 | €140 | -20%     |
| <b>Fes</b>             | €67  | €81  | -18%     |
| <b>Hiroshima</b>       | €73  | €87  | -17%     |
| <b>Hanoi</b>           | €45  | €54  | -17%     |
| <b>Algiers</b>         | €185 | €217 | -15%     |
| <b>New Delhi</b>       | €74  | €85  | -13%     |
| <b>Cairo</b>           | €107 | €123 | -13%     |
| <b>Bali</b>            | €93  | €105 | -12%     |
| <b>Amalfi</b>          | €165 | €187 | -12%     |
| <b>Tokyo</b>           | €99  | €110 | -10%     |
| <b>Tunis</b>           | €79  | €87  | -9%      |
| <b>Kiev</b>            | €96  | €105 | -9%      |
| <b>Capri</b>           | €207 | €227 | -9%      |



# GLOBAL HOTEL PRICE CHANGES 2011-2010





# 3. PRICE CHANGES BY COUNTRY

Prices rose or stayed the same in just over half of the popular countries favoured by travellers from the Eurozone in 2011, according to the latest Hotel Price Index.

There were some significant increases but also some dramatic falls triggered by natural disasters, political uprisings and economic turmoil.

In the Nordics, the average room rate in Finland rose 6% to €106, one of the highest increases in the Eurozone, as the economy continued its steady recovery from recession. Sweden and Denmark also became more expensive, up 11% to €121 and 8% to €122 respectively as their currencies and economies stayed robust. After the banking crisis and the 2010 volcanic ash cloud, Iceland's hotel sector also signalled it was on the road to recovery, as prices advanced 16% to €92. This was

triggered by increased demand from travellers making the most of the depreciation of the Icelandic Krona. However, 2011 prices were 3% lower in Norway than the previous year for Eurozone countries, as hoteliers priced rooms more cautiously at €118 per night.

Eurozone travellers enjoyed the same average price of €115 as in 2010 in another non-Eurozone country, the UK, as the Euro held its own against the Pound.

The highest riser in the Eurozone was Estonia, which soared 17% to €78 per night as demand increased from travellers attracted by lower room rates in all the Baltic states. Latvia also rose 9% to €64 and Lithuania increased 8% to €59.

Eurozone travellers booking hotels in Eurozone countries continued to benefit from only modest price

Denmark



Spain



movements despite the deepening economic crisis and uncertainty. Average prices in a string of Eurozone countries including Austria, Belgium, Cyprus, France and Italy, stayed the same. The stability even extended to embattled Greece, where the average room rate held its value at €90.

Despite its economic struggles, Spain benefitted from increased demand from travellers switching their holiday plans away from popular Middle Eastern and North African holiday destinations to Southern Europe. Average room rate prices for those seeking the Spanish sun slipped just 1% down to €83 per night. In the face of its own debt problems, Ireland prices saw a healthy 4% rise to €82, a stabilisation of prices which had fallen 35%, the heaviest slump in Europe, over the past three years. The increase was the same as in the Netherlands, where the room rate went up to €108, the highest in the Eurozone.

Switzerland was the most expensive European country for Eurozone travellers after an 8% rise sent room rates soaring to €151 per night.

Another big riser was Singapore, up 7% to €138, buoyed by its growing reputation as a tourist and business hub combined with new premium developments.

Continued economic growth in Brazil saw a 6% hike in hotel prices, making it one of the most expensive

countries in the Hotel Price Index at €154 per night. This contrasted with other Latin American countries including Venezuela, Peru and Ecuador which all dipped by 10%. Average room rates in Chile also decreased by 8%.

The average price in the United States stayed flat at €116 per night, encouraging an influx of Eurozone visitors.

Countries in North Africa and the Middle East featured prominently in the list of destinations where average room rates fell the most. Egypt experienced the most pronounced reduction of 26% to €74 as the country was hit by civil protest and disorder from January 2011 onwards. Tourists and business travellers stayed away, forcing hoteliers to discount heavily. Tunisia, where the



Arab Spring uprisings began, also fell 14% to €64.

The impact of the Arab Spring spread out across the region, affecting countries which were not directly involved. Lebanon saw a 21% fall to €112, while Qatar dropped 22% to €136 and Jordan slipped 7% to €130.

Japan was another big faller, down 12% to €93, after the earthquake, tsunami and meltdown at the Fukushima nuclear plant in March 2011. Another earthquake-hit country, New Zealand, actually reported one of the biggest increases. Prices rose 10% to €77, fuelled in part by a strong currency and rising demand during the Rugby World Cup but it still provided good value for travellers.

Cambodia recorded the lowest room rates in the 2011 Hotel Price Index, with average room rates at just €50

a night after an 11% fall in prices. Travellers also secured good value in the Philippines, as the average cost of rooms dropped 15% to €65.

The most significant percentage increase among the countries surveyed overall was recorded in Oman. Average room rates for the Sultanate rocketed 24% to €247 on average, making the country the one where travellers from the Eurozone paid most for their accommodation in 2011 from all countries analysed. This was due to more luxury hotel developments and an increase in demand from European travellers.

Out of the 76 countries surveyed, 27 experienced price rises, 37 reported price falls and there was no change in average room rates in 12 countries.





Figure 6 Average room prices and changes in 2011 compared with 2010 by country

| Destination                     | 2011 | 2010 | % change |
|---------------------------------|------|------|----------|
| <b>Oman</b>                     | €247 | €199 | 24%      |
| <b>Mauritius</b>                | €164 | €177 | -7%      |
| <b>Ghana</b>                    | €158 | €155 | 2%       |
| <b>Brazil</b>                   | €154 | €145 | 6%       |
| <b>Switzerland</b>              | €151 | €140 | 8%       |
| <b>Israel</b>                   | €139 | €138 | 0%       |
| <b>Singapore</b>                | €138 | €129 | 7%       |
| <b>Jamaica</b>                  | €136 | €125 | 9%       |
| <b>Qatar</b>                    | €136 | €175 | -22%     |
| <b>Russia</b>                   | €132 | €127 | 5%       |
| <b>United Arab Emirates</b>     | €130 | €124 | 5%       |
| <b>Jordan</b>                   | €130 | €140 | -7%      |
| <b>Saudi Arabia</b>             | €129 | €132 | -3%      |
| <b>Venezuela</b>                | €125 | €140 | -10%     |
| <b>Kenya</b>                    | €122 | €126 | -3%      |
| <b>Denmark</b>                  | €122 | €113 | 8%       |
| <b>Sweden</b>                   | €121 | €109 | 11%      |
| <b>Tanzania</b>                 | €119 | €129 | -8%      |
| <b>Norway</b>                   | €118 | €121 | -3%      |
| <b>Croatia</b>                  | €116 | €116 | 0%       |
| <b>United States of America</b> | €116 | €116 | 0%       |
| <b>United Kingdom</b>           | €115 | €115 | 0%       |
| <b>Lebanon</b>                  | €112 | €141 | -21%     |

| Destination               | 2011 | 2010 | % change |
|---------------------------|------|------|----------|
| <b>South Africa</b>       | €110 | €112 | -2%      |
| <b>Dominican Republic</b> | €110 | €125 | -12%     |
| <b>Australia</b>          | €109 | €103 | 6%       |
| <b>Netherlands</b>        | €108 | €105 | 4%       |
| <b>FINLAND</b>            | €106 | €100 | 6%       |
| <b>Canada</b>             | €106 | €106 | 0%       |
| <b>Italy</b>              | €105 | €105 | 0%       |
| <b>South Korea</b>        | €105 | €104 | 1%       |
| <b>Austria</b>            | €100 | €100 | 0%       |
| <b>Chile</b>              | €98  | €107 | -8%      |
| <b>Turkey</b>             | €97  | €97  | -1%      |
| <b>Argentina</b>          | €96  | €95  | 2%       |
| <b>Mexico</b>             | €96  | €93  | 3%       |
| <b>Belgium</b>            | €96  | €95  | 0%       |
| <b>Taiwan</b>             | €95  | €95  | 0%       |
| <b>Ukraine</b>            | €93  | €100 | -6%      |
| <b>Japan</b>              | €93  | €105 | -12%     |
| <b>Iceland</b>            | €92  | €80  | 16%      |
| <b>Indonesia</b>          | €92  | €94  | -3%      |
| <b>Cyprus</b>             | €92  | €92  | 0%       |
| <b>Uruguay</b>            | €91  | €97  | -7%      |
| <b>China</b>              | €91  | €95  | -4%      |
| <b>Greece</b>             | €90  | €90  | 0%       |
| <b>Peru</b>               | €89  | €99  | -10%     |

| Destination            | 2011 | 2010 | % change |
|------------------------|------|------|----------|
| Germany                | €89  | €90  | -1%      |
| France                 | €89  | €89  | 0%       |
| Malaysia               | €84  | €90  | -7%      |
| Ecuador                | €84  | €93  | -10%     |
| Spain & Canary Islands | €83  | €84  | -1%      |
| Costa Rica             | €83  | €89  | -6%      |
| Guatemala              | €82  | €81  | 1%       |
| Ireland                | €82  | €79  | 4%       |
| Portugal               | €81  | €87  | -6%      |
| Morocco                | €79  | €82  | -4%      |
| Estonia                | €78  | €67  | 17%      |
| India                  | €78  | €83  | -6%      |
| Czech Republic         | €77  | €77  | 1%       |
| New Zealand            | €77  | €70  | 10%      |
| Slovakia               | €77  | €79  | -2%      |
| Malta                  | €76  | €79  | -4%      |
| Poland                 | €74  | €74  | 1%       |
| Egypt                  | €74  | €100 | -26%     |
| Thailand               | €72  | €75  | -4%      |
| Romania                | €69  | €71  | -3%      |
| Hungary                | €66  | €69  | -5%      |
| Philippines            | €65  | €77  | -15%     |

| Destination | 2011 | 2010 | % change |
|-------------|------|------|----------|
| Tunisia     | €64  | €75  | -14%     |
| Latvia      | €64  | €59  | 9%       |
| Lithuania   | €59  | €55  | 8%       |
| Vietnam     | €59  | €58  | 1%       |
| Bulgaria    | €57  | €63  | -10%     |
| Cambodia    | €50  | €55  | -11%     |

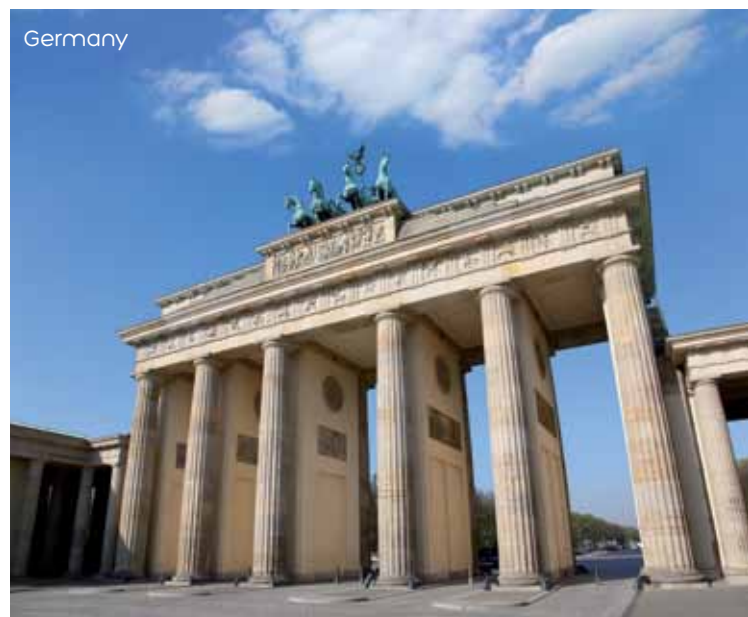


Figure 7 Average room prices and changes in 2011 compared with 2010 by price rises

| Destination | 2011 | 2010 | % change |
|-------------|------|------|----------|
| Oman        | €247 | €199 | 24%      |
| Estonia     | €78  | €67  | 17%      |
| Iceland     | €92  | €80  | 16%      |
| Sweden      | €121 | €109 | 11%      |
| New Zealand | €77  | €70  | 10%      |
| Jamaica     | €136 | €125 | 9%       |
| Latvia      | €64  | €59  | 9%       |
| Denmark     | €122 | €113 | 8%       |
| Switzerland | €151 | €140 | 8%       |
| Lithuania   | €59  | €55  | 8%       |
| Singapore   | €138 | €129 | 7%       |
| Australia   | €109 | €103 | 6%       |
| FINLAND     | €106 | €100 | 6%       |
| Brazil      | €154 | €145 | 6%       |

Figure 8 Average room prices and changes in 2011 compared to 2010 by price falls

| Destination        | 2011 | 2010 | % change |
|--------------------|------|------|----------|
| Egypt              | €74  | €100 | -26%     |
| Qatar              | €136 | €175 | -22%     |
| Lebanon            | €112 | €141 | -21%     |
| Philippines        | €65  | €77  | -15%     |
| Tunisia            | €64  | €75  | -14%     |
| Dominican Republic | €110 | €125 | -12%     |
| Japan              | €93  | €105 | -12%     |
| Cambodia           | €50  | €55  | -11%     |
| Venezuela          | €125 | €140 | -10%     |
| Bulgaria           | €57  | €63  | -10%     |
| Peru               | €89  | €99  | -10%     |
| Ecuador            | €84  | €93  | -10%     |

## 4. FOCUS ON FINLAND

The average room rate in Finland rose 6% to €106 from 2010 to 2011, one of the highest increases in the Eurozone.

There were price rises in nearly all the Finnish cities featured in the Hotel Price Index. The highest rise was in Turku, up 12% to €100 on average.

Tampere held its position as the city where travellers paid the most at €114, after mirroring the 6% national average increase.

The only drop was seen in Kuopio down by 3% to €99, making it one of the listed cities where travellers paid the least in Finland.

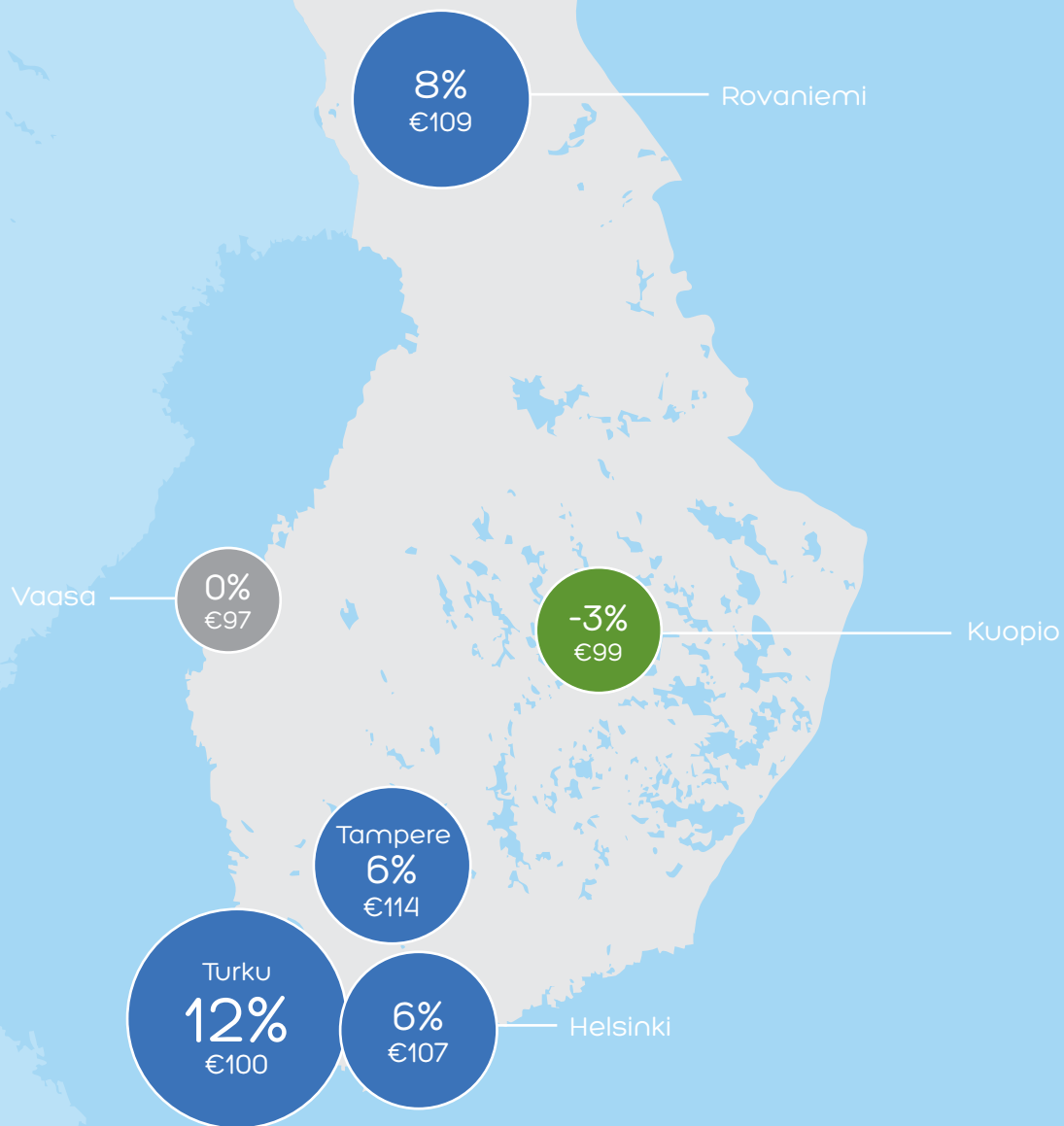
The average room rate in Helsinki also went up 6% to €107.

Figure 9 Average price per room per night in 2011 compared with 2010 across Finland

| Destination      | 2011 | 2010 | % change |
|------------------|------|------|----------|
| <b>Tampere</b>   | €114 | €108 | 6%       |
| <b>Rovaniemi</b> | €109 | €101 | 8%       |
| <b>Helsinki</b>  | €107 | €101 | 6%       |
| <b>Turku</b>     | €100 | €89  | 12%      |
| <b>Kuopio</b>    | €99  | €102 | -3%      |
| <b>Vaasa</b>     | €97  | €96  | 0%       |



# FINLAND HOTEL PRICE CHANGES 2011-2010



## 5. PRICES PAID AT HOME AND AWAY

Finns paid the most on domestic hotel rooms of the Eurozone nationalities featured in the Hotel Price Index, parting with an average of €106 on hotels at home. This was €5 more than they spent on a room abroad, the joint lowest sum in the Eurozone, alongside the Dutch.

The lowest spenders on their travels abroad were the Mexicans on €82 followed by the Singaporeans on €100 and the South Koreans on €101.

The Austrians were the Eurozone citizens paying the most when away at €112 per night, €16 more than they spent on a room on their own soil.

The Japanese spent the most abroad, an average €133

a night, followed by the Swiss on €127. The Swiss also spent the most on rooms within their own borders, parting with €157 per night, underlining the country's wealth and expense.

The Australians, boosted by their spending power from a strong currency, were the third-highest spenders on their travels, splashing out €124 a night. This was €2 more than the Americans but US citizens proved to be one of the savviest spenders at home on €86.

The Indians spent the least at home of the nationalities analysed, at €64 per night. The Portuguese paid the least at home out of the Eurozone nations analysed.

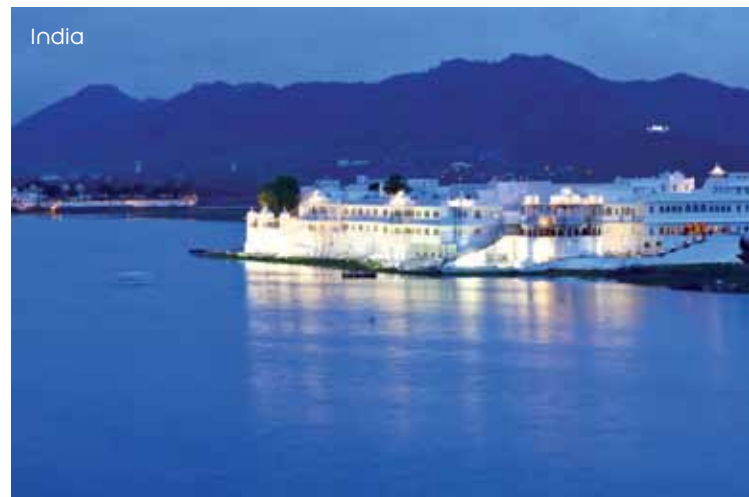


Figure 10 Average room prices paid by travellers when travelling within their own countries versus those paid overseas in 2011.

| Country                  | Away | Home |
|--------------------------|------|------|
| Japan                    | €133 | €107 |
| Switzerland              | €127 | €157 |
| Australia                | €124 | €122 |
| United States of America | €122 | €86  |
| Norway                   | €122 | €139 |
| China                    | €118 | €108 |
| Russia                   | €117 | €114 |
| Sweden                   | €115 | €120 |
| United Kingdom           | €113 | €95  |
| Brazil                   | €112 | €118 |
| Austria                  | €112 | €96  |
| Ireland                  | €109 | €84  |
| Hong Kong                | €109 | €91  |
| Portugal                 | €108 | €75  |
| New Zealand              | €108 | €75  |
| Denmark                  | €107 | €116 |
| Italy                    | €106 | €94  |
| Canada                   | €105 | €102 |
| India                    | €104 | €64  |
| France                   | €103 | €82  |

| Country                | Away | Home |
|------------------------|------|------|
| Spain & Canary Islands | €103 | €77  |
| Germany                | €102 | €87  |
| FINLAND                | €101 | €106 |
| South Korea            | €101 | €113 |
| Netherlands            | €101 | €96  |
| Singapore              | €100 | €136 |
| Mexico                 | €82  | €80  |



# 6. WHERE TO STAY FOR €150 A NIGHT

With the emphasis on value for money during economic difficulties, Eurozone travellers with €150 a night to spend on their hotel room could choose from a wide selection of destinations as they searched for luxury for less.

Eleven cities offered five-star hotel accommodation for under €150 a night, with Berlin, Brussels, Lisbon, Pisa and Tallinn all providing outstanding value in the Eurozone. Budapest, Prague and Warsaw were other European cities offering the best high-end bargains.

Those wishing to travel further afield could find top-of-the-range facilities in Beijing and Guangzhou in the Far East and Marrakech in Africa.

€150 could buy four-star accommodation in Helsinki. At the other end of the scale, the same sum would only secure a two-star room in New York.



Figure 11 The star rating that can be purchased by travellers spending €150 per night in the world's top cities

| Destination  | EUR 150 |
|--------------|---------|
| Beijing      | *****   |
| Berlin       | *****   |
| Brussels     | *****   |
| Budapest     | *****   |
| Guangzhou    | *****   |
| Lisbon       | *****   |
| Marrakech    | *****   |
| Pisa         | *****   |
| Prague       | *****   |
| Tallinn      | *****   |
| Warsaw       | *****   |
| Amsterdam    | ****    |
| Bali         | ****    |
| Bangkok      | ****    |
| Barcelona    | ****    |
| Benidorm     | ****    |
| Biarritz     | ****    |
| Buenos Aires | ****    |
| Cape Town    | ****    |
| Chicago      | ****    |
| Copenhagen   | ****    |
| Dubai        | ****    |



| <b>Destination</b> | <b>EUR 150</b> |
|--------------------|----------------|
| Dublin             | *****          |
| Edinburgh          | *****          |
| Frankfurt          | *****          |
| HELSINKI           | *****          |
| Istanbul           | *****          |
| Las Vegas          | *****          |
| Madrid             | *****          |
| Melbourne          | *****          |
| Mexico City        | *****          |
| Milan              | *****          |
| Mumbai             | *****          |
| Munich             | *****          |
| New Delhi          | *****          |
| Orlando            | *****          |
| Oslo               | *****          |
| Rome               | *****          |
| Seoul              | *****          |
| Shanghai           | *****          |
| Stockholm          | *****          |
| Sydney             | *****          |
| Taipei             | *****          |
| Toronto            | *****          |
| Venice             | *****          |
| Vienna             | *****          |

| <b>Destination</b> | <b>EUR 150</b> |
|--------------------|----------------|
| Boston             | ***            |
| Cancun             | ***            |
| Geneva             | ***            |
| Hong Kong          | ***            |
| Jerusalem          | ***            |
| London             | ***            |
| Los Angeles        | ***            |
| Miami              | ***            |
| Montreal           | ***            |
| Moscow             | ***            |
| Nice               | ***            |
| Paris              | ***            |
| San Francisco      | ***            |
| Sao Paulo          | ***            |
| Seattle            | ***            |
| Singapore          | ***            |
| Tokyo              | ***            |
| Vancouver          | ***            |
| Washington         | ***            |
| Zurich             | ***            |
| New York           | **             |

# 7. AVERAGE ROOM PRICES BY STAR RATING

Hotels.com analysed the average prices paid for hotel rooms across different star ratings in the world's top cities.

The data demonstrates where Eurozone travellers found best value.

For several years, the Polish capital of Warsaw has offered the best deal on luxury for less, with five-star accommodation costing just €88 a night and €79 for four-star rooms, while five-star accommodation in Marrakech, Morocco was just €103 and with four-star accommodation at €69, the cheapest available.

At the other end of the scale, New York offered the most expensive five-star accommodation at €414, €48 ahead of second-placed Tokyo on €366 and €61 clear of Washington DC on €353, in third.

Eurozone travellers found Biarritz the most expensive city for five-star rooms in the Eurozone at €319, followed by Paris on €302. Lisbon was the cheapest Eurozone city for five-star at €125. It was also the cheapest Eurozone location for four-star at €80, along with Berlin. The average five-star price in Helsinki was €181 per night and four-star nights in the Finnish capital were €110.

New York was the most expensive city for four-star hotel accommodation on €215, according to the Hotel Price Index.

## Hotel star ratings explained

There is no universal star rating system. Each country has its own and, in some cases such as the UK, more than one. This means travellers should be aware of a possible disparity of standards and facilities when booking rooms with the same star ratings in different countries.

Figure 12 Average hotel room prices by star rating during 2011

| Destination  | ★★  | ★★★  | ★★★★ | ★★★★★ |
|--------------|-----|------|------|-------|
| Amsterdam    | €93 | €112 | €137 | €204  |
| Bali         | €43 | €61  | €105 | €233  |
| Bangkok      | €23 | €38  | €75  | €157  |
| Barcelona    | €72 | €96  | €114 | €201  |
| Beijing      | €33 | €45  | €78  | €130  |
| Benidorm     | €51 | €76  | €101 | €240  |
| Berlin       | €57 | €62  | €80  | €131  |
| Biarritz     | €67 | €100 | €150 | €319  |
| Boston       | €99 | €136 | €187 | €292  |
| Brussels     | €71 | €87  | €97  | €130  |
| Budapest     | €34 | €49  | €70  | €114  |
| Buenos Aires | €54 | €76  | €100 | €305  |
| Cancun       | €47 | €94  | €173 | N/A   |
| Cape Town    | €88 | €67  | €104 | €174  |

| Destination | **   | ***  | **** | ***** |
|-------------|------|------|------|-------|
| Chicago     | €84  | €111 | €134 | €293  |
| Copenhagen  | €89  | €115 | €139 | €182  |
| Dubai       | €58  | €65  | €96  | €221  |
| Dublin      | €51  | €67  | €88  | €155  |
| Edinburgh   | €79  | €93  | €121 | €168  |
| Frankfurt   | €88  | €73  | €103 | €191  |
| Geneva      | €117 | €138 | €181 | €352  |
| Guangzhou   | €29  | €59  | €106 | €148  |
| HELSINKI    | €68  | €102 | €110 | €181  |
| Hong Kong   | €48  | €105 | €152 | €288  |
| Istanbul    | €51  | €84  | €95  | €165  |
| Jerusalem   | €72  | €108 | €171 | €237  |
| Las Vegas   | €37  | €51  | €88  | €158  |
| Lisbon      | €50  | €61  | €80  | €125  |
| London      | €85  | €110 | €160 | €277  |
| Los Angeles | €70  | €106 | €209 | €242  |
| Madrid      | €57  | €74  | €84  | €156  |
| Marrakech   | €38  | €53  | €69  | €103  |
| Melbourne   | €49  | €74  | €108 | €183  |
| Mexico City | €48  | €65  | €110 | N/A   |
| Miami       | €73  | €112 | €199 | €220  |
| Milan       | €75  | €82  | €116 | €267  |
| Montreal    | €72  | €111 | €156 | N/A   |
| Moscow      | €124 | €106 | €162 | €238  |

| Destination   | **   | ***  | **** | ***** |
|---------------|------|------|------|-------|
| Mumbai        | €47  | €78  | €117 | €179  |
| Munich        | €76  | €85  | €110 | €191  |
| New Delhi     | €28  | €54  | €131 | €184  |
| New York      | €127 | €177 | €215 | €414  |
| Nice          | €70  | €89  | €157 | €235  |
| Orlando       | €44  | €78  | €130 | €196  |
| Oslo          | €75  | €105 | €124 | €183  |
| Paris         | €83  | €114 | €170 | €302  |
| Pisa          | €69  | €79  | €100 | €129  |
| Prague        | €55  | €59  | €78  | €144  |
| Rome          | €82  | €97  | €116 | €262  |
| San Francisco | €83  | €123 | €168 | N/A   |
| Sao Paulo     | €65  | €119 | €188 | N/A   |
| Seattle       | €80  | €113 | €159 | €162  |
| Seoul         | €57  | €75  | €128 | €211  |
| Shanghai      | €26  | €46  | €74  | €170  |
| Singapore     | €59  | €112 | €159 | €266  |
| Stockholm     | €87  | €112 | €141 | €170  |
| Sydney        | €59  | €84  | €128 | €210  |
| Taipei        | €44  | €79  | €124 | N/A   |
| Tallinn       | €51  | €58  | €88  | €149  |
| Tokyo         | €58  | €91  | €169 | €366  |
| Toronto       | €82  | €109 | €146 | N/A   |
| Vancouver     | €83  | €115 | €163 | €294  |

| Destination | **   | ***  | **** | ***** |
|-------------|------|------|------|-------|
| Venice      | €92  | €110 | €145 | €288  |
| Vienna      | €60  | €82  | €98  | €172  |
| Warsaw      | €60  | €67  | €79  | €88   |
| Washington  | €89  | €126 | €175 | €353  |
| Zurich      | €105 | €149 | €162 | €173  |



Paris

Figure 13 Top 10 most expensive cities for five-star hotels in Euros

| Destination  | ***** |
|--------------|-------|
| New York     | €414  |
| Tokyo        | €366  |
| Washington   | €353  |
| Geneva       | €352  |
| Biarritz     | €319  |
| Buenos Aires | €305  |
| Paris        | €302  |
| Vancouver    | €294  |
| Chicago      | €293  |
| Boston       | €292  |



New York

# 8. LUXURY FOR LESS

## The falling cost of luxury

Travellers searching for the best in hotel accommodation were able to benefit from dramatic price falls across the world in the first half of 2011.

For example, average five-star prices in Paris fell by €101 to €302 a night, a 25% drop. Top-of-the-range rooms also fell by a quarter in Guangzhou to €148.

There was excellent value to be had in some of the world's top holiday sun spots with the average five-star rate in Miami tumbling 23% to €220 and by 9% in Nice to €235. Los Angeles saw a 5% cut for average five-star room prices to €242.



Cape Town's five-star rate also plunged 24% as the market re-adjusted after the high demand in 2010 during the football World Cup.

The biggest four-star faller was Shanghai, down 25% to €74 as supply increased because of new hotel projects and the market re-adjusted after hosting the World Expo in 2010. Five-star prices in the Chinese city also dropped 12% to €170.

**Figure 14** The falling cost of luxury: where prices at top-end hotels fell by the greatest extent between 2010 and 2011

| Destination         | Star Rating | 2011 | 2010 | % change |
|---------------------|-------------|------|------|----------|
| <b>Guangzhou</b>    | *****       | €148 | €198 | -25%     |
| <b>Paris</b>        | *****       | €302 | €403 | -25%     |
| <b>Shanghai</b>     | *****       | €74  | €98  | -25%     |
| <b>Cape Town</b>    | *****       | €174 | €230 | -24%     |
| <b>Miami</b>        | *****       | €220 | €287 | -23%     |
| <b>Jerusalem</b>    | *****       | €237 | €279 | -15%     |
| <b>Guangzhou</b>    | ****        | €106 | €121 | -12%     |
| <b>Shanghai</b>     | ****        | €170 | €194 | -12%     |
| <b>Nice</b>         | *****       | €235 | €259 | -9%      |
| <b>New Delhi</b>    | ****        | €131 | €143 | -8%      |
| <b>Tokyo</b>        | ****        | €169 | €182 | -7%      |
| <b>Marrakech</b>    | *****       | €103 | €111 | -7%      |
| <b>Buenos Aires</b> | ****        | €100 | €107 | -7%      |

| Destination | Star Rating | 2011 | 2010 | % change |
|-------------|-------------|------|------|----------|
| Marrakech   | ★★★★        | €69  | €73  | -7%      |
| Berlin      | ★★★★★       | €131 | €140 | -7%      |
| Los Angeles | ★★★★★       | €242 | €255 | -5%      |
| Zurich      | ★★★★★       | €173 | €181 | -4%      |
| Bangkok     | ★★★★        | €75  | €78  | -4%      |



Marrakech

Figure 15 Affordable luxury: 15 destinations with the best-value five-star hotels in 2011

| Destination | ★★★★★ |
|-------------|-------|
| Warsaw      | €88   |
| Marrakech   | €103  |
| Budapest    | €114  |
| Lisbon      | €125  |
| Pisa        | €129  |
| Beijing     | €130  |
| Brussels    | €130  |
| Berlin      | €131  |
| Prague      | €144  |
| Guangzhou   | €148  |
| Tallinn     | €149  |
| Dublin      | €155  |
| Madrid      | €156  |
| Bangkok     | €157  |
| Las Vegas   | €158  |

# 9. TRAVEL HABITS

## Top overseas destinations for Finnish travellers

New York became the favourite overseas destination, taking over from Tallinn at the top as Finns enjoyed the Euro's relative strength against the US Dollar.

The Estonian capital slipped to third with London becoming the top European destination. Another Baltic State capital, Riga, also fell back two places to seventh.

The capital cities of Finland's Scandinavian neighbours all appeared in the list, with Stockholm ahead of Copenhagen and Oslo. In total, there were 15 European destinations on the list with capital city destinations featuring strongly.

Further afield, two Thai destinations made the Top 20: Phuket and Bangkok.

Figure 16 Top overseas destinations for Finnish travellers

| Rank | Destination       |
|------|-------------------|
| 1    | <b>New York</b>   |
| 2    | <b>London</b>     |
| 3    | <b>Tallinn</b>    |
| 4    | <b>Paris</b>      |
| 5    | <b>Rome</b>       |
| 6    | <b>Berlin</b>     |
| 7    | <b>Riga</b>       |
| 8    | <b>Barcelona</b>  |
| 9    | <b>Stockholm</b>  |
| 10   | <b>Copenhagen</b> |
| 11   | <b>Phuket</b>     |
| 12   | <b>Oslo</b>       |
| 13   | <b>Amsterdam</b>  |
| 14   | <b>Budapest</b>   |
| 15   | <b>Gdansk</b>     |
| 16   | <b>Prague</b>     |
| 17   | <b>Bangkok</b>    |
| 18   | <b>Miami</b>      |
| 19   | <b>Las Vegas</b>  |
| 20   | <b>Nice</b>       |

## Top Finnish destinations for travellers from overseas

The top five popular Finnish destinations for overseas travellers stayed the same: Helsinki, Turku, Tampere, Rovaniemi and Vaasa.

Lappeenranta moved up three places to seventh.



Figure 17 Top Finnish destinations for overseas travellers

| Rank | Destination         |
|------|---------------------|
| 1    | <b>Helsinki</b>     |
| 2    | <b>Turku</b>        |
| 3    | <b>Tampere</b>      |
| 4    | <b>Rovaniemi</b>    |
| 5    | <b>Vaasa</b>        |
| 6    | <b>Levi</b>         |
| 7    | <b>Lappeenranta</b> |
| 8    | <b>Jyväskylä</b>    |
| 9    | <b>Kuopio</b>       |
| 10   | <b>Kemi</b>         |



## Top Finnish destinations for Finnish travellers

The top five favourite domestic destinations in 2011 were the same as in 2010 with Helsinki holding off the challenge of Tampere at number one.

Lahti fell from sixth to eighth.



Figure 18 Top Finnish destinations for Finnish travellers

| Rank | Destination      |
|------|------------------|
| 1    | <b>Helsinki</b>  |
| 2    | <b>Tampere</b>   |
| 3    | <b>Turku</b>     |
| 4    | <b>Kuopio</b>    |
| 5    | <b>Jyväskylä</b> |
| 6    | <b>Vaasa</b>     |
| 7    | <b>Rovaniemi</b> |
| 8    | <b>Lahti</b>     |
| 9    | <b>Levi</b>      |
| 10   | <b>Kokkola</b>   |

# 10. TRAVEL TALK

## The mobile phone is a business travellers' most important accessory

In Finland, Hotels.com and S&A, the trade magazine of the office, investigated the Finnish business travel habits with a survey conducted on the S&A website during 2011. Nearly 500 people responded and here are some of the findings:

- Finns travel on business mostly domestically and the most popular destination is Helsinki. The next most popular are the Nordic countries and Central Europe.
- A typical business trip is 2-6 nights (62.6%) or one night (34.3%).
- When choosing a hotel, the most important thing is that the hotel is located near the venue for the business meeting (61%). For some of the respondents, a location near the centre of a city was also significant (18.8%).
- The star rating is only essential for 1.2% of respondents. Finnish business travellers mostly stay in 4-star hotels (55.2%).
- The most essential accessory for a business traveller is a mobile phone (94.7%) and most have a Nokia model. According to the respondents, the brand of a phone is not important to business

travellers, as long as it's a smartphone.

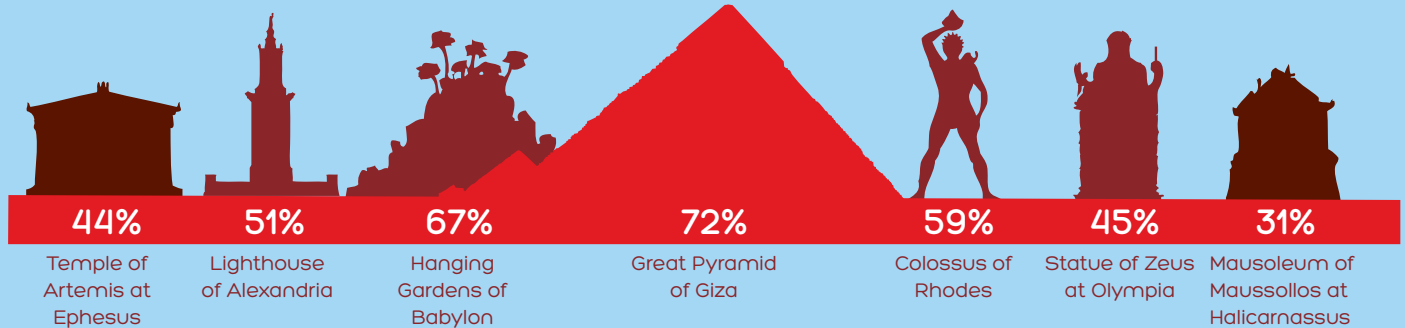
- The second most essential travel accessory is a toothbrush (88.3%), followed by a mobile phone charger (83%) and toothpaste (75.8%).

## What a wonderful world

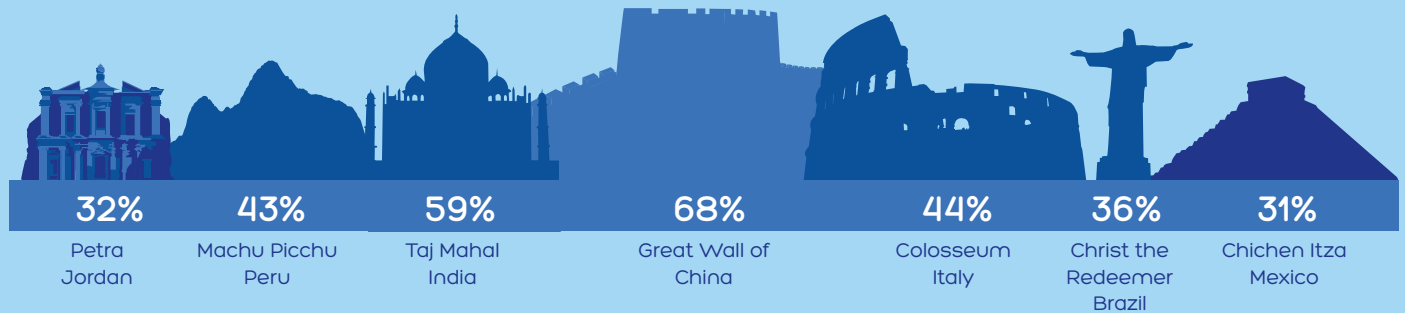
- Hotels.com surveyed people from 24 countries to see what they thought about the ancient and modern Wonders of the World<sup>1</sup>. Here are some of the findings:
- 72% recognised The Great Pyramid of Giza, making it the best-known of the seven ancient Wonders.
- 67% identified The Hanging Gardens of Babylon as another ancient Wonder, even though it is disputed whether they even existed. Despite this, 5% of French and Koreans claim to have visited them.
- 8% also claimed to have visited the Colossus of Rhodes, which was destroyed by an earthquake more than 2,000 years ago.
- More than one in 10 sadly said they had never heard of the Seven Wonders of the World, with 34% of Japanese in the dark.
- When asked about the new Seven Wonders of the World, 68% recognised the Great Wall of China, followed by 59% for the Taj Mahal and 44% for the Colosseum in Rome.

# SEVEN WONDERS OF THE WORLD

Which Ancient Wonders of the World can you identify?



Which Modern Wonders of the World can you identify?



Which building would you add to the Wonders of the World?



# ABOUT HOTELS.COM

As part of the Expedia group, which operates in all major markets, Hotels.com offers almost 149,000 quality hotels, B&Bs and serviced apartments worldwide. If a customer can find the same deal for less on a prepaid hotel, Hotels.com will match it. Hotels.com benefits from one of the largest hotel contracting teams in the industry negotiating the best rates for its customers, plus there are more than 3 million reviews from users who have actually stayed in the hotels to ensure customers make an informed choice when booking.

During 2011, Hotels.com launched a specially-designed app for the **iPad** and several smart phone apps, all available to download for free. These allow users to search and book more than 20,000 last minute deals from around the world. Available in more than 30 languages, the apps also allow users to sort and filter hotels, browse user reviews plus find last minute hotel deals close to their location. Hotels.com has recently launched its **Welcome Rewards** customer loyalty programme worldwide, where customers can earn a free night for every ten nights stayed (subject to Welcome Rewards terms and conditions as set out at [www.hotels.com](http://www.hotels.com)).

In 2011, Hotels.com was named “Best Overall Customer Experience” according to a study by Keynote Competitive Research that examined nine of the top

online travel websites in the U.S, and won first place in six other categories, including the key service areas of customer satisfaction, customer support and booking process, achieving a total of 12 top three places overall, improving its scores in 14 out of the 16 categories, compared to the 2010 results.

Travellers can book online or by contacting one of the multilingual call centres on +358 10 808 097.

The company currently operates more than 85 Hotels.com sites around the world including 33 sites in 24 languages across EMEA. The European sites attract several million unique users every month and thousands of people book bed nights through Hotels.com every day.

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