



The World Luxury Index™ HOTELS 2014

THE MOST SOUGHT-AFTER LUXURY HOTELS

@ Photo Source Ritz Carlton Hotel Arts Barcelona

THE WLI HOTELS 2014.

Digital Luxury Group (DLG) in partnership with the Chair of Luxury Hospitality of Ecole Hôtelière de Lausanne (EHL), Prof. Samad Laaroussi, unveils the results of the World Luxury Index™ Hotels 2014.

The report, features an in-depth analysis of leading luxury hotel brands based on unbiased information on consumer interest derived from over 485 million online searches on 70 brands in 20 markets. The World Luxury Index™ Hotels 2014 is part of the **World Luxury Index™**, an international analysis of the most sought-after brands within the luxury industry.

SCOPE.

Data Scope: from July 2013 to June 2014 *

*Yearly evolutions are based on July 2013- June 2014 vs July 2012 – June 2013

Covering:

70 hotel brands

485 million+ searches

Over **900** international destinations

**Smith Travel Research
(STR Global)** data

Unbiased insights from the **top search engines:**



An aerial view of a city skyline at dusk, featuring numerous skyscrapers with illuminated windows. A semi-transparent white rectangular box is overlaid on the center of the image, containing text. The text is in a bold, sans-serif font. The top line is in red, and the bottom line is in black.

GLOBAL CONSUMER INTEREST FOR THE LUXURY HOSPITALITY INDUSTRY

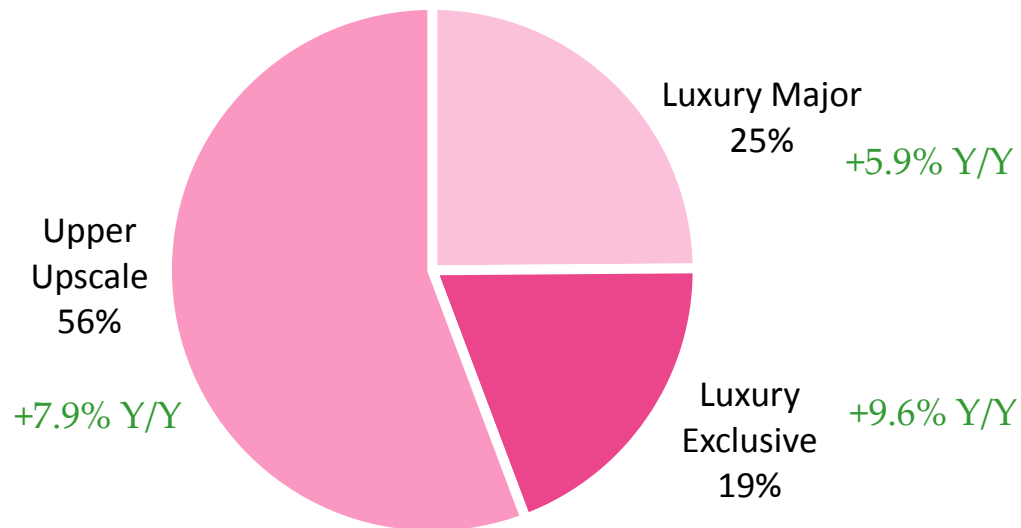
+ 7.7%

INTEREST BY CATEGORY.

All three hotels categories benefitted from increased interest but the one that saw the biggest rise in interest is the *Luxury Exclusive* category with +9.6% growth Y/Y.

MOST SOUGHT-AFTER HOTEL CATEGORIES

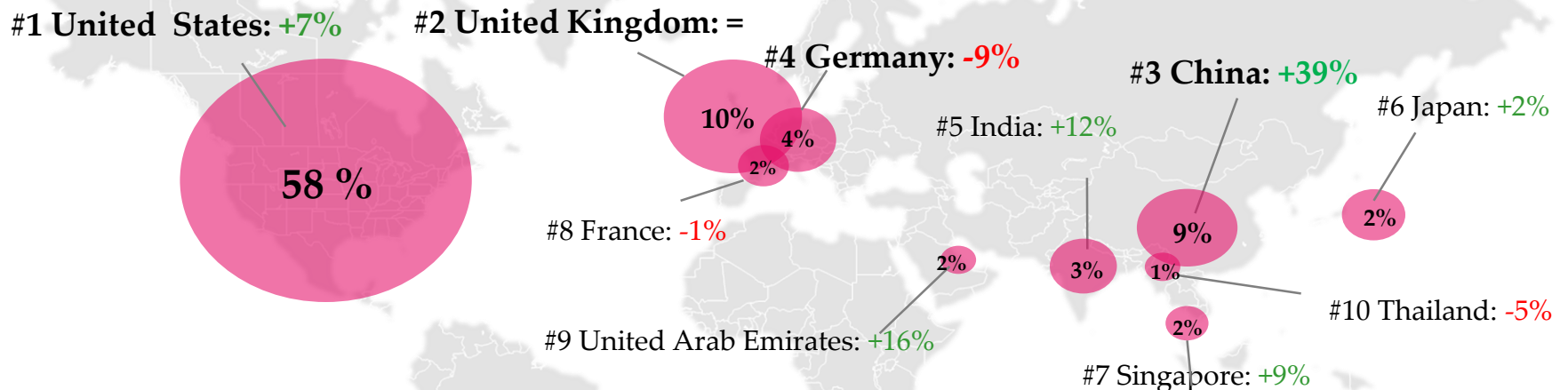
(by number of searches)



INTEREST BY ORIGIN.

- Major growth rate coming from China (+39%), whilst interest from German consumers has dropped by 9.4%.
- Chinese consumers are gaining more and more interest for luxury hotels and getting closer to the level of interest of the UK market, the second biggest market.
- Regained interest for the luxury hospitality industry is driven by the US market, which represents over half of global market (58% of total interest), and where interest grew at +7% over the past twelve months.
- Interest from the UK remains stable whilst Germany loses interest for luxury hotels (-9.4%).

Consumer interest origin and evolution of interest



QUOTE.

“Such a significant increase in interest for luxury hotels from China can be attributed to a few things. Firstly, numerous western hotel brands are opening in second, third and fourth-tier cities, building brand awareness in parts of China where wealth is increasing and overall luxury hotel awareness may be low. This could mean that – after experiencing a particular brand in their home country – Chinese tourists are now seeking out this brand when they travel abroad.”

David Sadigh, Founder and CEO of Digital Luxury Group

MOST-SEARCHED HOTEL GROUPS.

Hilton Worldwide, Starwood Hotels & Resorts and Hyatt are Hotel Groups that received the most interest over the past year.



TOP 50 MOST SOUGHT-AFTER HOTEL BRANDS.

1	Hilton (=)	26	Park Hyatt (=)
2	Sheraton (=)	27	Langham (=)
3	Westin (=)	28	Regent (+1)
4	Four Seasons (+2)	29	Jumeirah (-1)
5	Ritz-Carlton (-1)	30	Swissotel (+1)
6	Hyatt (-1)	31	W hotel (-1)
7	Renaissance (=)	32	Nikko (=)
8	Embassy Suites (=)	33	Andaz (=)
9	InterContinental (=)	34	Rosewood (+2)
10	Hyatt Regency (=)	35	Kimpton (-1)
11	Shangri-La (+1)	36	Oberoi (+3)
12	Wyndham (-1)	37	Pan Pacific (-2)
13	Grand Hyatt (=)	38	Anantara (-1)
14	Fairmont (=)	39	Taj hotel (-1)
15	JW Marriott (+1)	40	Raffles (=)
16	Sofitel (-1)	41	Dusit (+2)
17	Loews (=)	42	Vivanta by Taj (+2)
18	Mandarin Oriental (+1)	43	Gran Melia (-2)
19	Conrad (-1)	44	Affinia (-2)
20	Peninsula (+1)	45	Steigenberger (=)
21	St. Regis (-1)	46	Six Senses (=)
22	Waldorf Astoria (=)	47	One & Only (+1)
23	Le Méridien (=)	48	Joie De Vivre (+1)
24	Kempinski (=)	49	Hotel du Vin (-2)
25	Banyan Tree (=)	50	Omni hotel (+4)

FASTEST GROWING HOTEL GROUP.



SHANGRI-LA

HOTELS *and* RESORTS



Photo Shangri la, Harbin

- Shangri-La is the group that gained the most global interest: **+20% Y/Y.**
- Ranked #1 most popular brand in China and Singapore, #2 in Taiwan and #4 in France and Hong Kong.
- Most interest comes from China (49%), then US (12%), UK (9%) and Singapore (6%).
- The brand' fastest growing source markets are Brazil (+38%), followed by China (+35%) and Taiwan (+29%).
- Destinations most associated with the brand are:

#1 Singapore

#2 Paris

#3 Shanghai

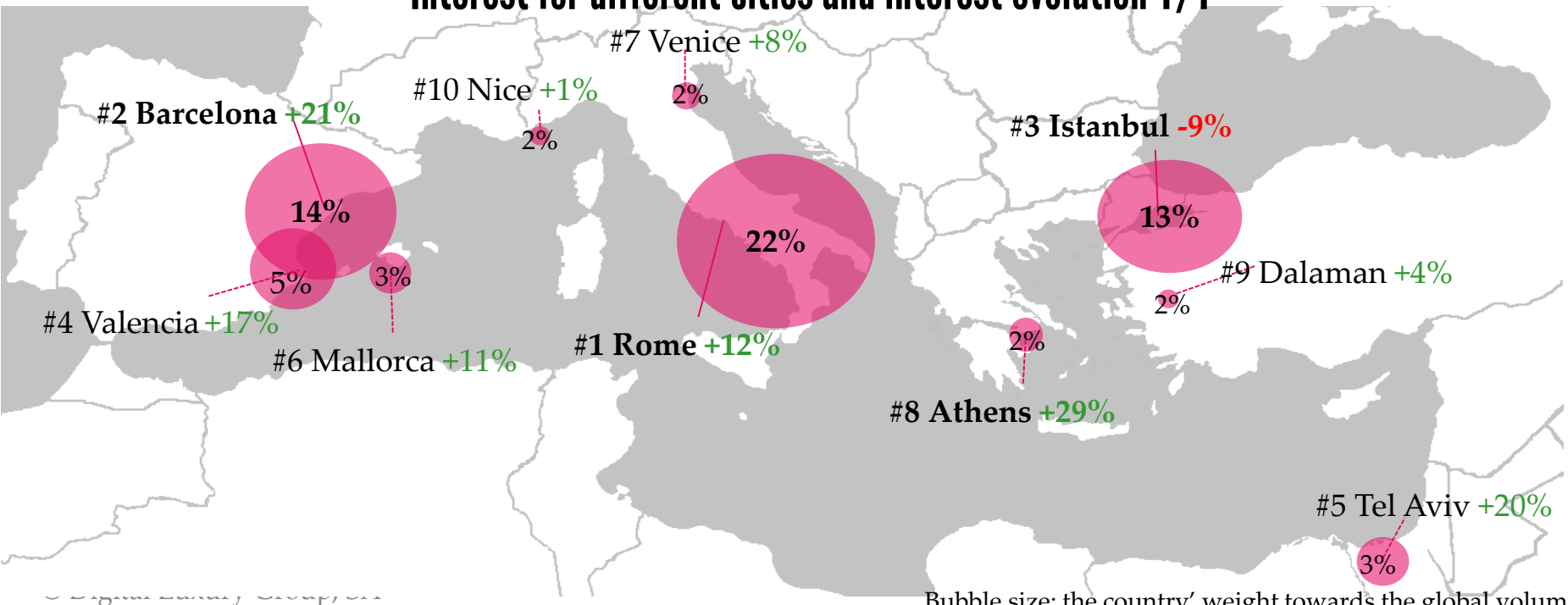
#4 Bangkok

#5 Dubai

MOST SOUGHT AFTER MEDITERRANEAN DESTINATIONS.

- Athens only represents 2% of the total interest for Mediterranean destinations but it is the fastest growing city (+29%).
- The most sought after Mediterranean destinations are Rome, Barcelona and Istanbul. However, while consumer interest for Rome and Barcelona keeps growing (+12% and +21% compared to a year ago), it is declining for Istanbul (-9%).

Interest for different cities and interest evolution Y/Y



Bubble size: the country' weight towards the global volume
Yearly evolutions: July 2013- June 2014 vs July 2012 – June 2013. 11

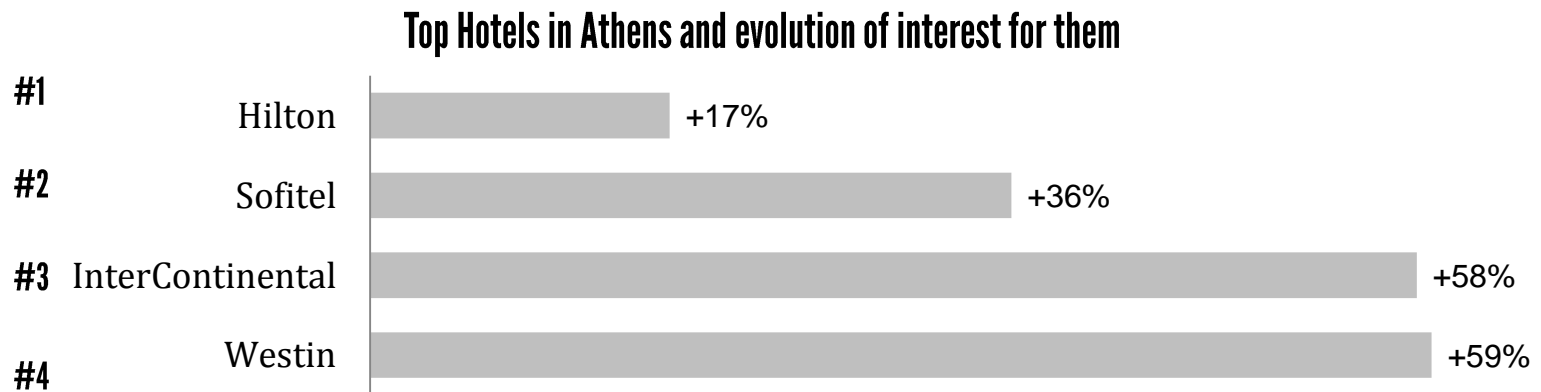
QUOTE.

“Interest for Greece continues to rise. According to the Association of Greek Tourism Enterprises 17.9 million tourists visited Greece in 2013, most likely lured by attractive travel promotions post-crisis. The Greek Islands remain a hugely popular tourist destination and Athens is generally the gateway. We expect travel to Greece to continue growing in the next 2 years.”

David Sadigh, Founder and CEO of Digital Luxury Group

MEDITERRANEAN FOCUS Athens.

- Athens is the 8th most popular Mediterranean destination (2% of interest).
- Athens is the fastest growing destination with a growth rate as high as +29%.
- **Hilton** captures 47% of interest in Athens hotels but grew most moderately in the past year compared to the others (+17%).
- **Westin** enjoys the highest growth rate among hotels in Athens (+59%).



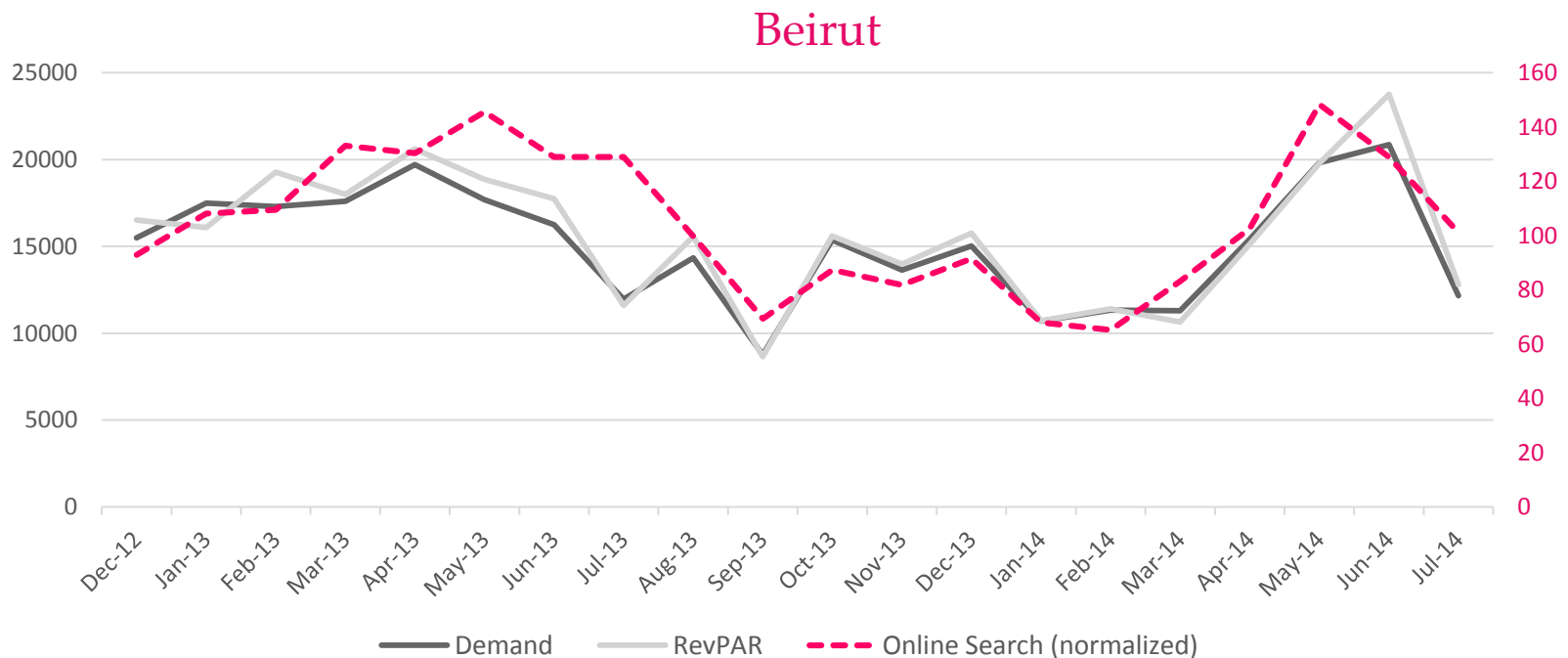
QUOTE.

“Thanks to STR and DLG data, the search interest proved to be a good predictor of rooms sold and RevPAR. There are many potential implications for marketing and revenue management”

Samad Laaroussi, Holder of the Chair of Luxury Hospitality of Ecole Hôtelière de Lausanne

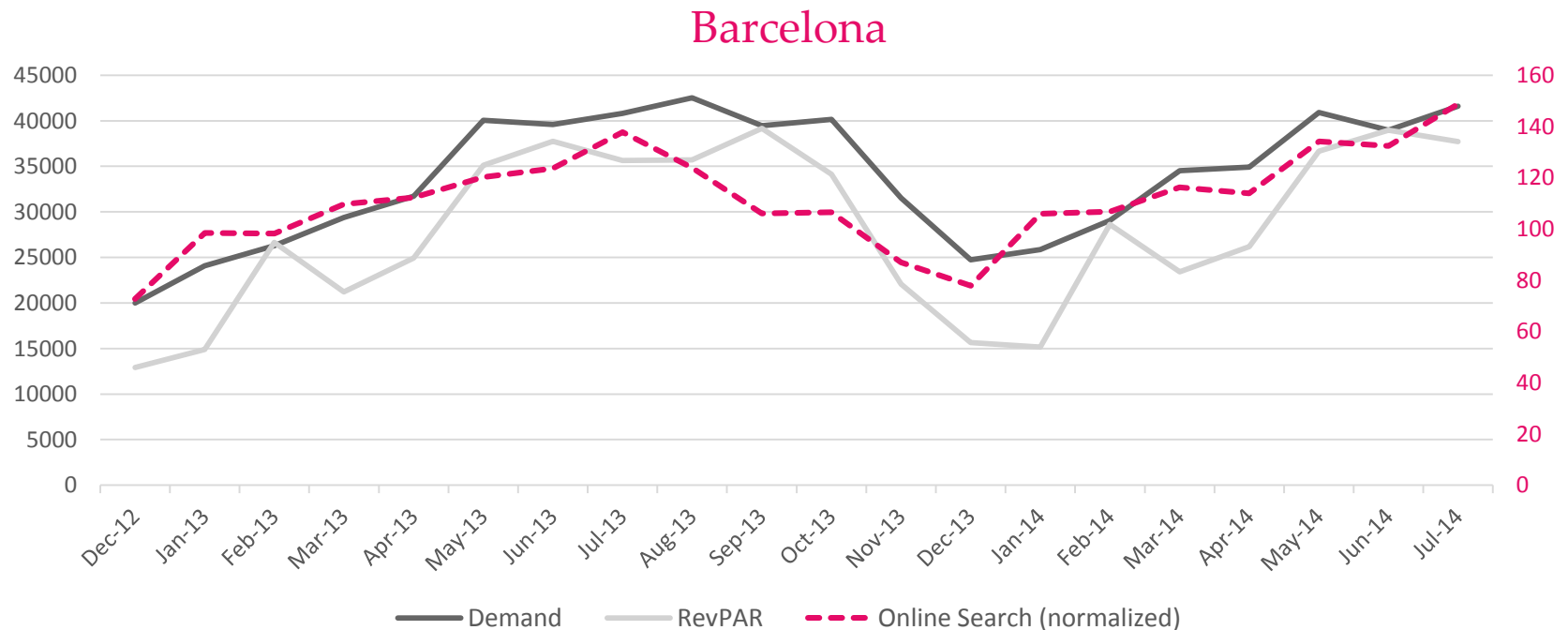
CORRELATION BETWEEN SEARCH AND SALES.

- This correlation presents itself in different ways when investigating primary leisure destinations versus business destinations. For example, Beirut, Istanbul and Rome are destinations where room sales follow very shortly the time of search.
- We see almost no different between the Demand curve and the Online Search curve.



CORRELATION BETWEEN SEARCH AND SALES.

- Conversely, for Barcelona and Tel-Aviv the time lag between the time of search and the time of purchase is about one month.
- Therefore, we believe an analysis of online search can be used by hoteliers to **forecast future demand and improve their RevPar.**



Pearson correlation $r = 89\%$
(monthly sales compared to search of preceding month)

QUOTE.

“Combining consumer interest data as measured by DLG with hotel performance data open-up tremendous opportunities: the results can help hoteliers to understand consumer behavior per destination, identify source of raising demand, develop specific marketing campaign per markets and improve RevPar by appropriately anticipating demand.”

Samad Laaroussi, Holder of the Chair of Luxury Hospitality of Ecole Hôtelière de Lausanne

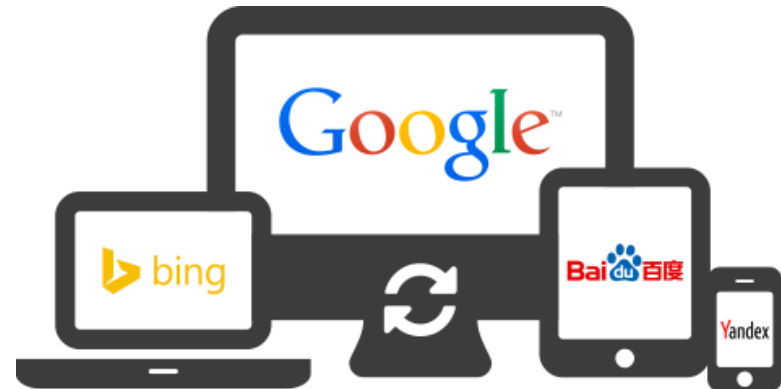
APPENDIX

METHODOLOGY.

OVER 500 MILLION SEARCHES MONTHLY

What is DemandTracker™

The DemandTracker™ platform collects and analyses search data from Google, Bing, Yandex and Baidu in **near real time** to generate insights on the global luxury industry. It currently tracks over 600 luxury brands across 20 markets in 11 languages in the following sectors: fashion, beauty, cars, hospitality, watches, retail and jewelry. This information is available from 2009 to the present time.



HOTEL LUXURY BRAND CATEGORIES.

Hotel Luxury Brand Categories are derived and adapted from the hotel tier division based on ADR data provided by Smith Travel Research (STR Global)

- **Category 1: Upper Upscale** **UPSCALE BRANDS MAINLY FROM INTEGRATED CHAINS**
for example: Hilton, Sheraton etc.

- **Category 2: Luxury Major** **LUXURY BRANDS OF A MAJOR INTEGRATED CHAIN**
for example: Sofitel, Ritz Carlton, JW Marriott, etc.

- **Category 3: Luxury Exclusive** **LUXURY BRANDS OF A SMALL/MEDIUM SIZED EXCLUSIVE LUXURY CHAIN**
for example: Four Seasons, Kempinski, Mandarin Oriental, etc.

CATEGORIES

UPPER UPSCALE

Camino Real Hotel Renaissance
Dusit Thani Sheraton
Embassy Suites Steigenberger
Gaylord Hotel Swissotel
Hilton Vivanta by Taj
Hotel du Vin Westin
Hyatt Wyndham
Joie De Vivre
Kimpton
Le Méridien
Mgallery
Millennium Hotel
Nikko
Okura Hotel
Omni Hotel
Pan Pacific
Pullman Hotel
Radisson Blu Hotel

LUXURY MAJOR

Andaz
Bulgari Hotels
Conrad
Fairmont
Gran Melia
Grand Hyatt
Hotel Missoni
InterContinental
JW Marriott
ME hotel
Park Hyatt
Raffles
Ritz-Carlton
Royal Tulip
Sofitel
St. Regis
W Hotel
Waldorf Astoria

LUXURY EXCLUSIVE

Affinia Peninsula
African Pride Hotel Regalia Hotel
Anantara Regent
Angsana RockResorts
Banyan Tree Rosewood
Four Seasons Shangri-La
Guoman Six Senses
Hospes Taj Hotel
Impiana Hotel The Leela
Jumeirah
Kempinski
Langham
Loews
Lotus Resort
Mandarin Oriental
Oberoi
One & Only
Orient-Express Hotel

Interested in More Information?

DLG.

Intelligence

DLG Intelligence is an entity of Digital Luxury Group that provides advanced solutions used by retailers, luxury brands and leading financial investors to track the evolution of the luxury industry.

For more information, contact us:

hotels@digital-luxury.com

ABOUT.

The **World Luxury Index™** is an international ranking and analysis of the most searched-for brands and services within the luxury industry. Covering over 500 companies within six key segments (fashion, beauty, jewelry, cars, watches, and hospitality) in twenty key luxury markets, the **World Luxury Index™** provides insights on the unbiased search inputs coming from global luxury consumers in the world's top search engines (Google, Bing, Baidu, Yandex). The result is a one-of-a-kind benchmark of the luxury brands capturing the attention of luxury-minded consumers around the world.

Digital Luxury Group has a history in luxury industry market intelligence. Since 2004, the **WorldWatchReport™** has provided the luxury watch industry with unmatched insights and garnered attention from the world's leading publications, such as:



THE WALL STREET JOURNAL.



ABOUT.

Digital Luxury Group.

www.digitalluxurygroup.com/intelligence



www.ehl.ch

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With offices in New York, Geneva, Shanghai, and Dubai, Digital Luxury Group provides exclusive access to intelligence, industry executives and digital marketing solutions, to enable smarter business decisions.

DLG Intelligence is an entity of Digital Luxury Group that provides advanced solutions used by retailers, luxury brands and leading financial investors to track the evolution of the luxury industry.

The Ecole Hôtelière de Lausanne (EHL) offers university-level studies to talented and ambitious students who are aiming for top careers in the international hospitality industry. In addition to this international recognition, EHL constantly broadens the scope of its three academic programs by integrating market trends and new technologies.

Since it was founded in 1893, EHL has educated more than 25,000 hospitality industry executives. The worldwide network of alumni represents an invaluable asset for every member of the EHL community. Today, there are over 2000 students, from almost 90 countries, enjoying the unique and enriching environment of the Ecole Hôtelière de Lausanne.