



# Guest Profile Analysis

Demographics

Weihoa Huang, Ph.D.  
Senior Manager  
Corporate Research

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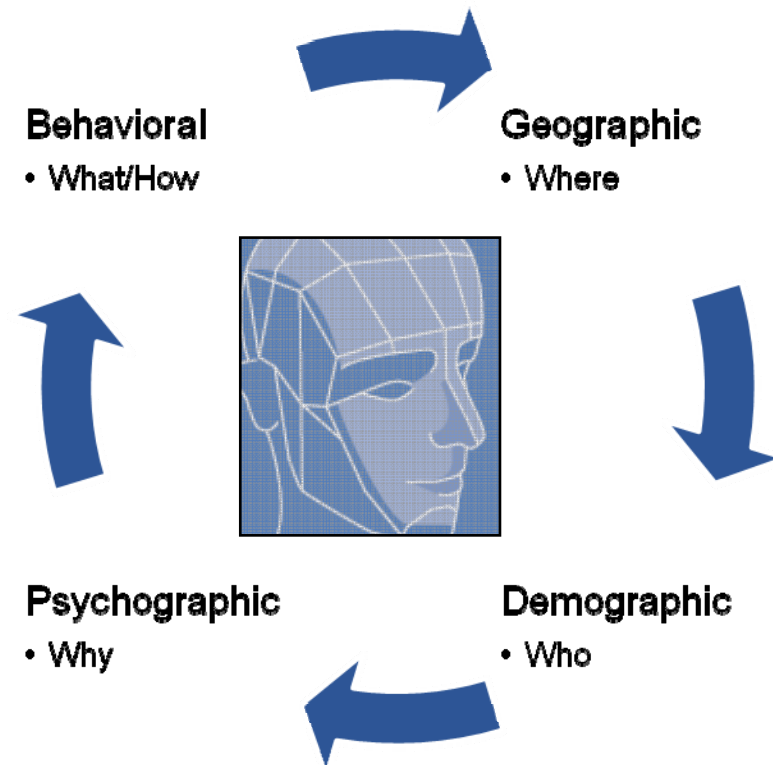
# Why Understand Your Guest Profile?

- Better matching of guest needs
  - Guest expectations and needs differ. Paying special attention to each group will provide a superior level of service and deliver greater satisfaction to your guests.
  
- Better targeting in marketing communications
  - Hotel brands need to create and deliver the appropriate marketing message to the relevant customer audience.
  
- Gain share of the market



# Types of Guest Profiling

- Geographic
- **Demographic**
  - **Generation (Age)**
  - **Income**
  - **Business vs. Leisure**
- Psychographic
- Behavioral



# Guest Groups

## Generations

- *Pre-Boomers (10%):*  
Age: 67+
- *Baby Boomers (36%):*  
Age: 48 to 66
- *Gen X (24%):*  
Age: 36 to 47
- *Gen Y (30%):*  
Age: 18 to 35

## Household Income

- *Below \$50K (30%)*
- *\$50K to \$150K (60%)*
- *\$150K or above (11%)*

## Travel Purpose

- *Business or Both (25%)*
- *Leisure (75%)*



# We Will Examine Guest Group Differences In

- Which hotel segments guests stay
- How guests select a hotel
- What drives success in guest experience
- Key Performance Indicators (KPIs)
- Experience ratings, value and relationship
- Relationship of satisfaction to business outcomes



# Which Hotels Do the Various Guest Groups Stay?

- Generation groups stay in all types of hotels and there are no obvious preferences



- Without surprise, higher income group stays at higher end hotels
  - \$150K+: **55%** for combined UP, UU and Luxury segments
  - Below \$50K: **20%**

- There is also slight tendency for business travelers to stay in the higher end hotels as compared to leisure travelers



# What are the Reasons for Selecting a Hotel?

	Convenient Location	Price	Past Experience
<i>Pre-Boomers</i>	1	3	2
<i>Baby Boomers</i>	1	2	3
<i>Gen X</i>	1	2	3
<i>Gen Y</i>	1	2	3
<i>Below \$50K</i>	1	2	3
<i>\$50K to \$150K</i>	1	2	3
<i>\$150K or above</i>	1	4	2
<i>Business or Both</i>	1	3	2
<i>Leisure</i>	1	2	3

# What are the Reasons for Selecting a Hotel?

- Gen Y rely more on brand reputation, recommendation, online review and less because of reward program member



# Methods of Hotel Reservation

- Older generations use phone booking more than younger generations. While the online booking percentage is lower in older generations, it is because booking through independent Web sites is lower

	Pre-Boomers	Baby Boomers	Gen X	Gen Y	
Phone	Call Hotel Chain Toll Free	17%	14%	13%	12%
	Call Hotel Location	24%	19%	17%	17%
Online	Hotel Brand's Web Site	36%	39%	38%	33%
	Independent Travel Web Site	8%	12%	17%	21%

- Among the independent Web sites, priceline.com is more popular among younger generations

	Pre-Boomers	Baby Boomers	Gen X	Gen Y
Priceline.com	13%	18%	21%	23%

# Methods of Hotel Reservation

- Higher income guests particularly like to book through hotel brand's Web site

	Below \$50K	\$50K - \$150K	\$150K +
Hotel Brand's Web Site	28%	39%	46%

- Business travelers use corporate booking more than leisure travelers while leisure travelers like to use independent Web sites more often

	Business/Both	Leisure
Independent Travel Web Site	10%	17%
Corporate Self-booking Web Site	12%	2%



# What Drives Success in the Guest Experience?

Factors	Generation				Household Income			Travel Purpose	
	Pre-Boomers	Baby Boomers	Gen X	Gen Y	Below 50K	50K-150K	150K +	Business/Both	Leisure
<i>Reservation</i>	4%	4%	3%	3%	3%	3%	4%	3%	3%
<i>Check-In/Out</i>	13%	14%	17%	16%	16%	15%	14%	15%	15%
<i>Guest Room</i>	24%	23%	23%	24%	24%	23%	23%	23%	24%
<i>Facility</i>	16%	18%	17%	16%	17%	17%	17%	17%	17%
<i>Cost</i>	25%	25%	24%	24%	24%	24%	23%	23%	25%
<i>Food &amp; Beverage</i>	12%	10%	9%	8%	8%	10%	9%	10%	9%
<i>Hotel Services</i>	6%	7%	8%	9%	8%	8%	9%	10%	7%
<i>% Had Food</i>	71%	64%	60%	55%	54%	63%	67%	65%	59%
<i>% Used Services</i>	56%	63%	66%	66%	61%	64%	68%	73%	61%

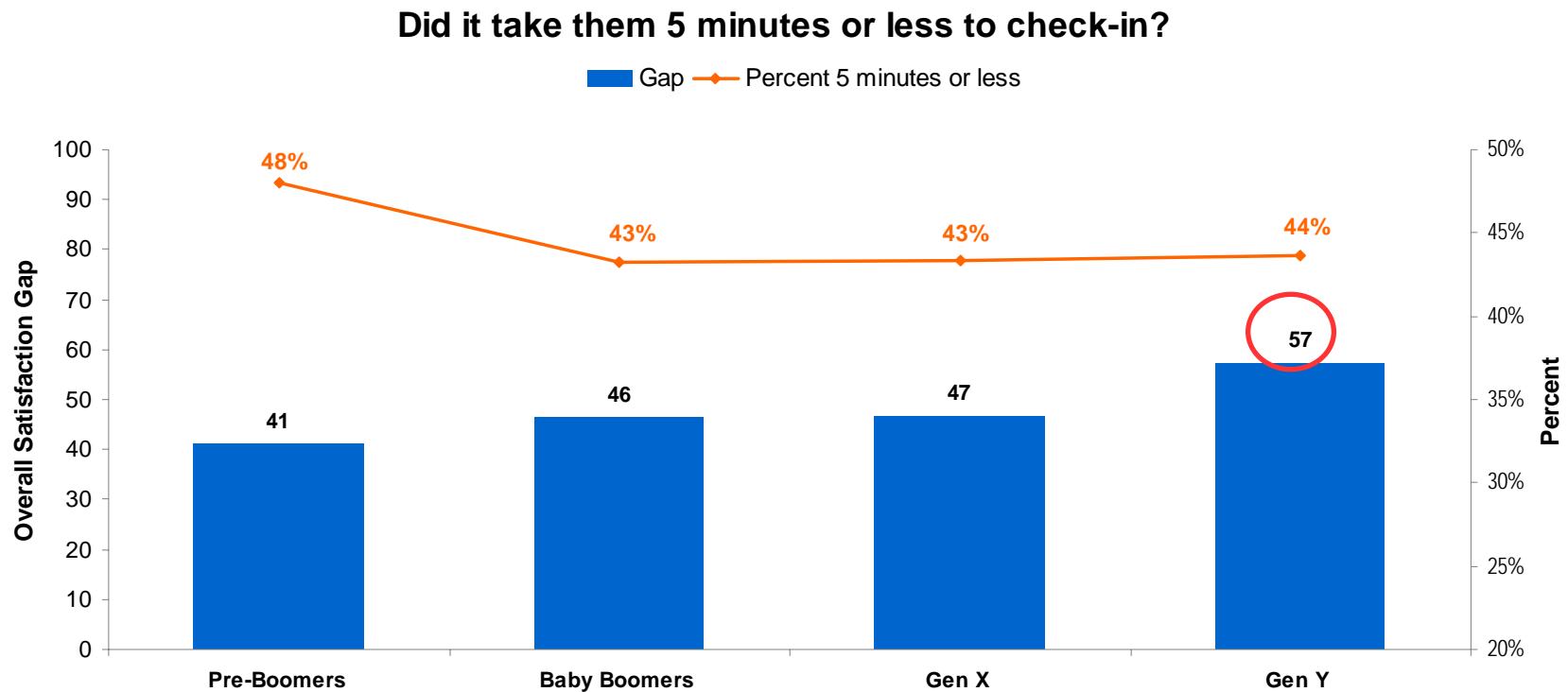
# What Drives Success in the Guest Experience?

- Across the board, guest room and costs are the top two important factors
- Older generations place more importance on F & B, while hotel services are more important to younger generations
  - Older generations use breakfast more often
  - Younger generations use recreational facilities, laundry, valet parking and Internet more often
- Business travelers value both F & B and hotel services more than leisure travelers
  - Business travelers use restaurant & room service more often
  - Business travelers are more demanding of access to business facilities, Internet and voice mail/fax services
- 5P analysis: younger generations place same importance on people but more emphasis on process (timeliness & ease of)



# Check-in Within 5 Minutes

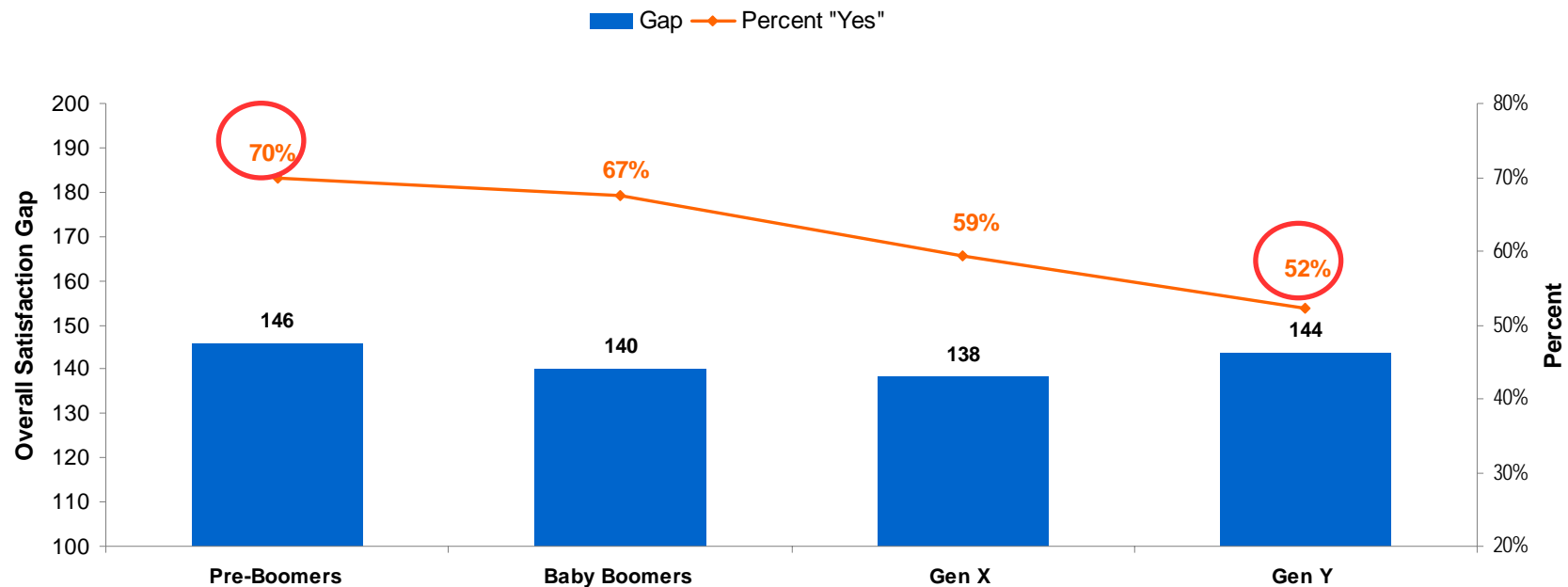
- Gen Y are the most impatient



# Greeted with a smile all the time during stay

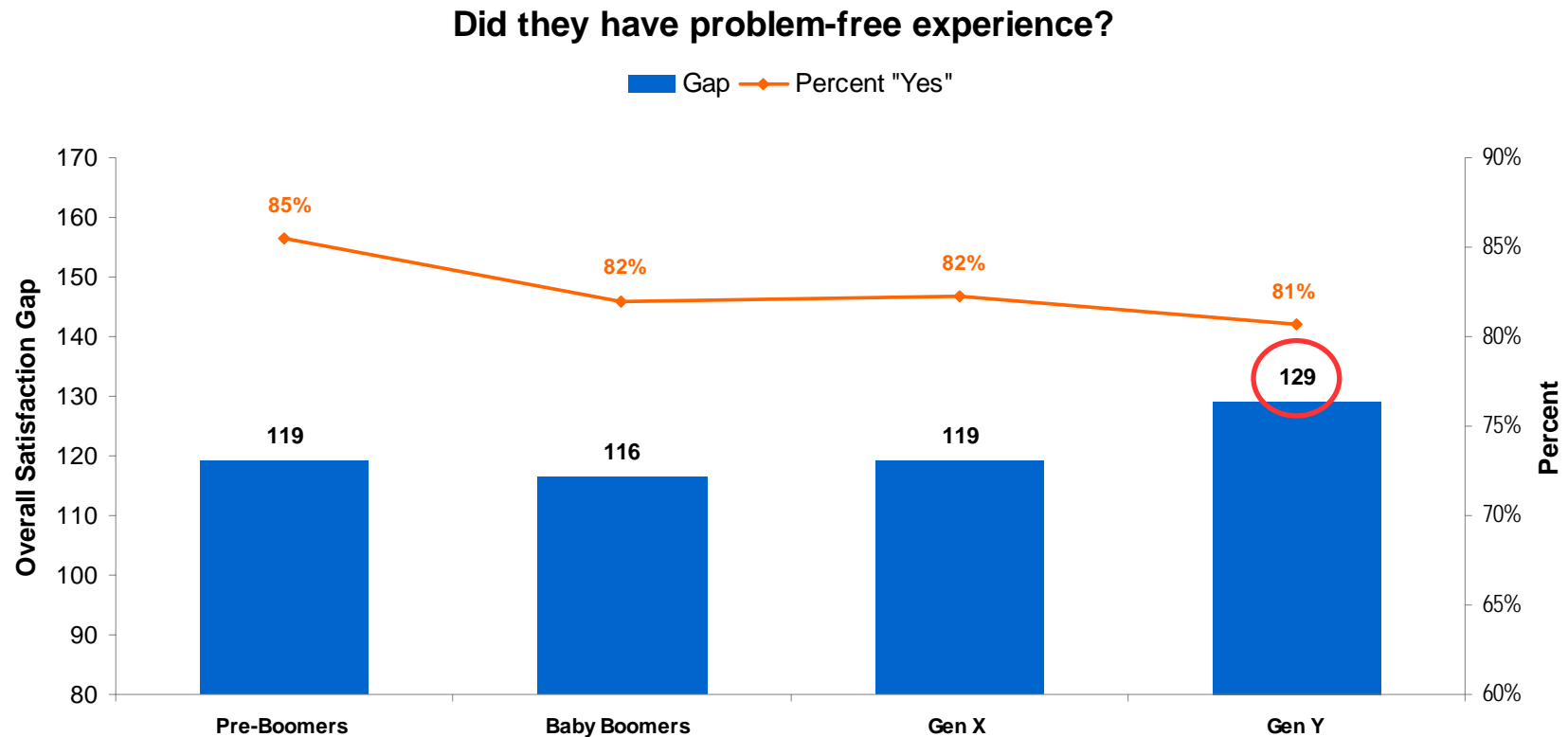
- People interactions are equally important among generations, but...

Were they greeted with a smile all the time during stay?



# No Problem Experienced

- Index gap is slightly higher in Gen Y



# Guest Satisfaction, Value and Relationship

- Younger generations are more critical in experience rating
- They are less loyal to a hotel brand in terms of commitment, intentions to revisit the hotel brand and recommend

	Pre-Boomers	Baby Boomers	Gen X	Gen Y
<b>Overall Satisfaction</b>	<b>784</b>	<b>772</b>	<b>761</b>	<b>754</b>
<b>Ave Room Rate</b>	<b>\$95</b>	<b>\$100</b>	<b>\$109</b>	<b>\$106</b>
<b>% First Stay Property</b>	<b>58%</b>	<b>59%</b>	<b>64%</b>	<b>70%</b>
<b>% First Stay Brand</b>	<b>17%</b>	<b>17%</b>	<b>21%</b>	<b>27%</b>
<b>% Low Commitment</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>	<b>25%</b>
<b>% Def Recommend</b>	<b>35%</b>	<b>33%</b>	<b>31%</b>	<b>27%</b>
<b>% Def Revisit</b>	<b>27%</b>	<b>24%</b>	<b>22%</b>	<b>20%</b>

- Income and travel purpose do not show differentiation on loyalty intentions

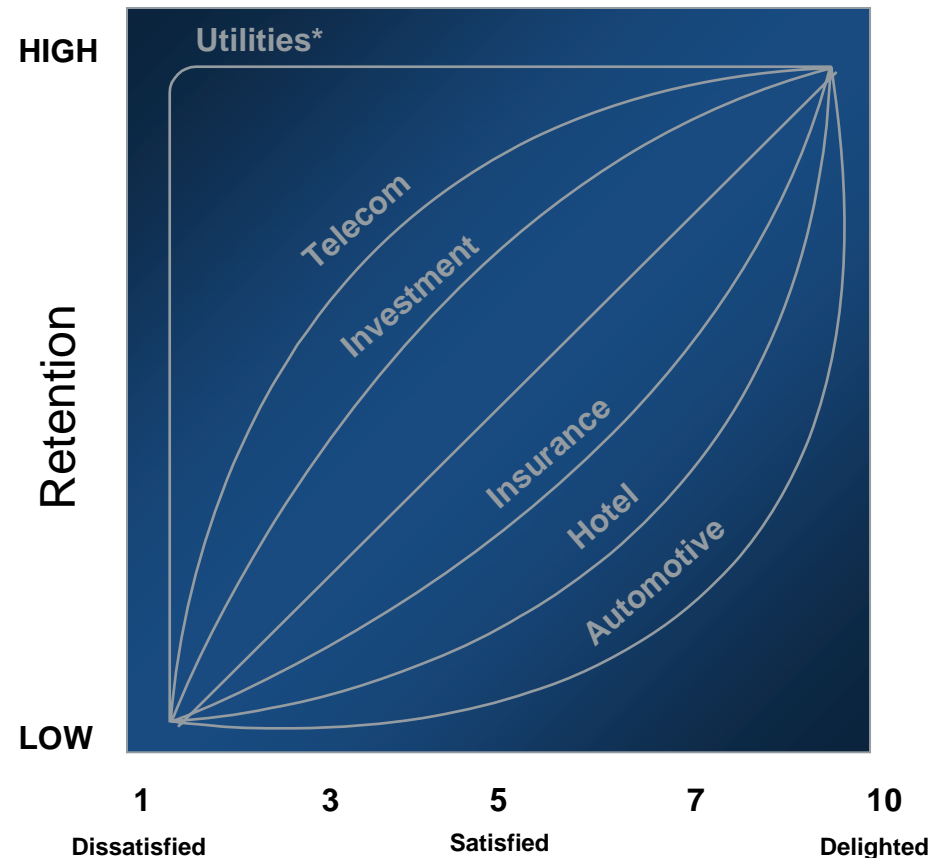


# Relationship of satisfaction to business outcomes



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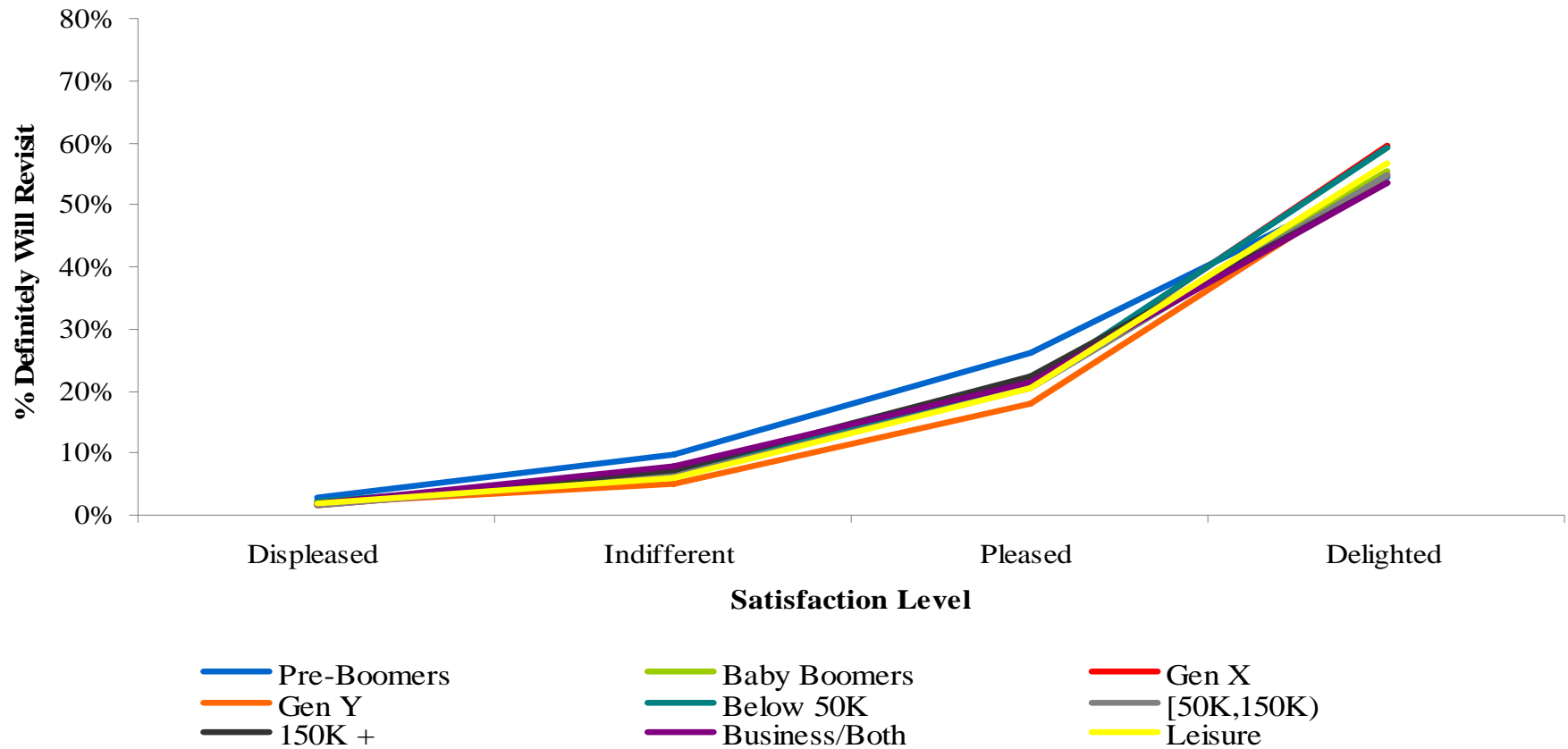
- In competitive, high-involvement industries with many choices, delighting customers drives retention
- In less-competitive, low-involvement industries with little or no choice, customers remain loyal unless they are very dissatisfied



Source: Harvard Business Review: Nov-Dec '95; J.D. Power and Associates research  
\*Utilities in regulated markets

# THE SAME relationship of satisfaction to business outcomes

Revisit Intention by Satisfaction Level



# Summary

- **There are differences in the guest groups**
- Younger generations are more critical about their experience and more demanding of fast and easy-to-use services
- Gen Y are more reliant on recommendation/reputation when selecting a hotel to stay (less experience) and younger generations are less loyal to a brand
- Being the tech savvy generations, they make reservations more online (also through mobile device), base the hotel selection more on online review and use Internet service more at hotel



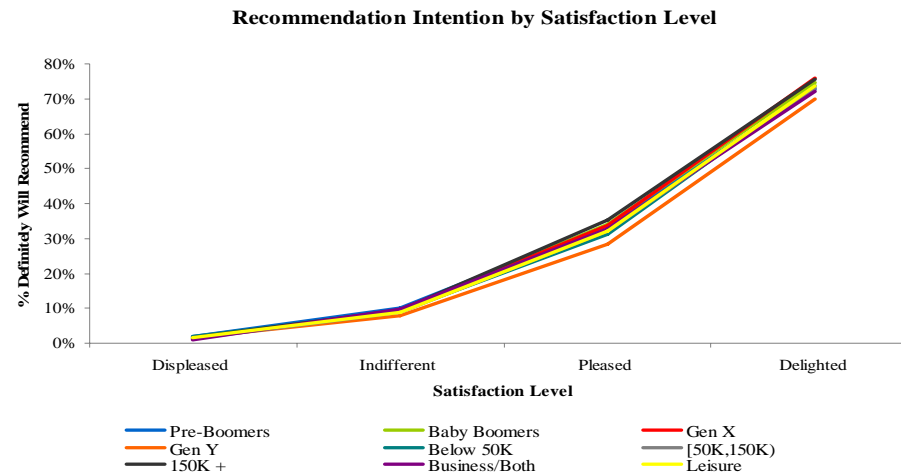
# Summary

- Higher income group stays in higher end hotels and price is a lesser concern when selecting a hotel to stay, but cost (given quality and service) is still among the most important factors in driving satisfaction
- Business travelers rely more on F & B at the hotel and the hotel services such as business facilities, Internet and voice mail/fax services



# Summary

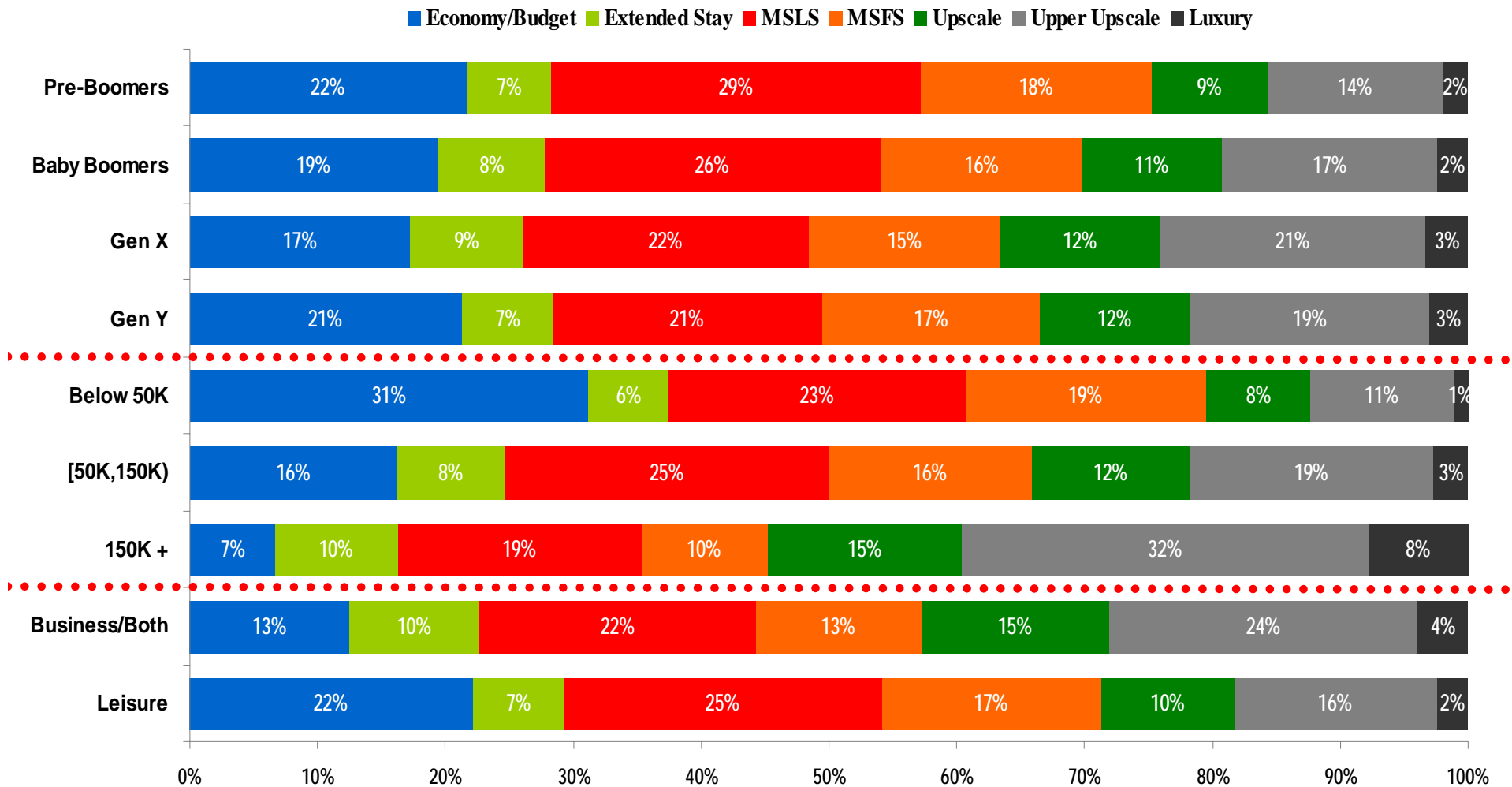
- However, in the end, two important aspects are similar across the groups
- The importance of drivers of satisfaction is the same (room and cost are the two most important)
- Without exception, there is strong and same relationship between satisfaction and business benefits (advocacy and revisit intentions)



# Q & A



# Which Hotels Do the Various Guest Groups Stay?



# How do Guests Make the Hotel Reservations?

