



# D.K. Shifflet & Associates Ltd.

Excellence in Travel Intelligence®

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## FOR IMMEDIATE RELEASE

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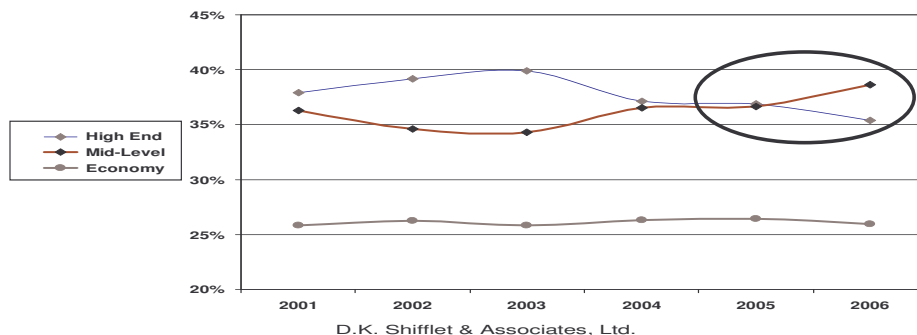
### Hotel Rates Up, So Even High Income Travelers Trade Down

Hotel rates have been steadily increasing by 6-10% for the last few years according to the D.K. Shifflet & Associates *LODGING PERFORMANCE/Monitor*<sup>SM</sup> and recent analysis shows that travelers are now reacting by trading down and trading out.

The DKSA data shows that, while the number of high-income U.S. household earning over \$100,000 annually has been growing, and they pay the highest rates in each hotel segment, even these well-heeled travelers are trading down from high-end to mid-level hotels. In fact they are fundamentally responsible for the 2005 to 2006 share growth in the domestic mid-level hotel segment (see chart below).

“This consumer reaction to hotel rate gains and the resultant loss of domestic market share will put downward pressure on high-end hotel rates and give mid-level hotels an opportunity to increase rates in this dynamic market” said Doug Shifflet, the firm’s CEO. “The findings are particularly significant since high income travelers account for one-third of all domestic hotel room nights.”

#### High Income Domestic Travelers’ Trade Down To Less Expensive Hotels Resulting In High-End Hotels’ Share Loss While The Mid-Level Hotels Gain



Additionally, the survey reveals that travelers are taking shorter trips and have increased their “trade-out” to hotel alternatives, such as cruising, vacation rentals, B&Bs, and fractional ownership properties.

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D.K. Shifflet & Associates Ltd. is the leading U.S. consumer travel research firm. Located in McLean, VA DKSA has, for over 25 years, provided the industry’s most complete consumer based travel data on U.S. residents and their travel worldwide. DKSA’s *DIRECTIONS*<sup>®</sup> *Travel Intelligence System*<sup>SM</sup> contacts over 60,000 U.S. households for detailed travel data each and every month with over 20 years of consumer travel history. The DKSA *TRAVEL PERFORMANCE/Monitor*<sup>SM</sup> captures visitor profiles, volumes, share, guest satisfaction and value ratings, by purpose, time frame and geography, and benchmarks brand performance for all major accommodations types, hotel chains, airlines, rental cars, cruise lines, credit card companies and destination countries, states and cities. These metrics have become the industry standard.

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