

BLUE PAPER:
RESORTS TRENDS
SUMMER 2011





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May 16, 2011

With the summer 2011 leisure travel season kicking off and the worldwide economy recovering, I'd like to share some valuable statistics and insights with you. Using proprietary global research, third party data and our global expertise, Hilton Hotels & Resorts offers a view into the resort segment as travelers aim to satisfy their pent up demand for vacations, rest and relaxation. With a portfolio that includes 71 resorts in 26 countries, our brand explores how the consumer definition of a resort has evolved and zooms in on the guest expectation for resort experiences worldwide.

Our comprehensive research conducted during the past year includes findings from 2,500 online interviews in four countries (United States, United Kingdom, Germany and Russia), specifically targeting travelers who have stayed at a resort for leisure in the past two years. We also conducted resort-specific focus groups in five cities (Los Angeles, Chicago, New York, London and Berlin) along with wholesaler and tour operator interviews in five countries (United States, United Kingdom, Germany, Russia and United Arab Emirates) to gain deeper insights into the resort market. Most recently we just completed a supplementary survey, specifically related to summer 2011 resort travel among U.S. adults who regularly stay in full-service and luxury hotels and resorts.

Our newly compiled data reveals that 27% of upscale travelers already booked their leisure stay for summer 2011 by April 14, 2011, while a full 42% will book within three months prior to departure, with 8% of that group planning to book within two weeks of departure. This confirms that the trend of the shorter booking cycle, even at resorts, could be here to stay.

I hope you find this information both illuminating and helpful. You can read more about our resorts and leisure offerings at www.hiltonglobalmediacenter.com/resorts. As always, we welcome your feedback.

Sincerely,



Bonnie Campagnuolo
Director, Resorts & Product Marketing
Hilton Hotels & Resorts

SECTION ONE

DEFINING A RESORT

The aggressive marketing of resorts and leisure properties by hospitality brands and individual properties alike has led to a broad definition that can easily create confusion for customers, travel agents and wholesalers. Resorts have also evolved from what they once were. Resorts once “had to have” a pool, but now the seasoned traveler expects a greater focus on wellness, a more upscale experience and more of everything included. So what is a resort today? In the minds of the consumer, resorts are defined in a clear way, with specific attributes assigned by global travelers.

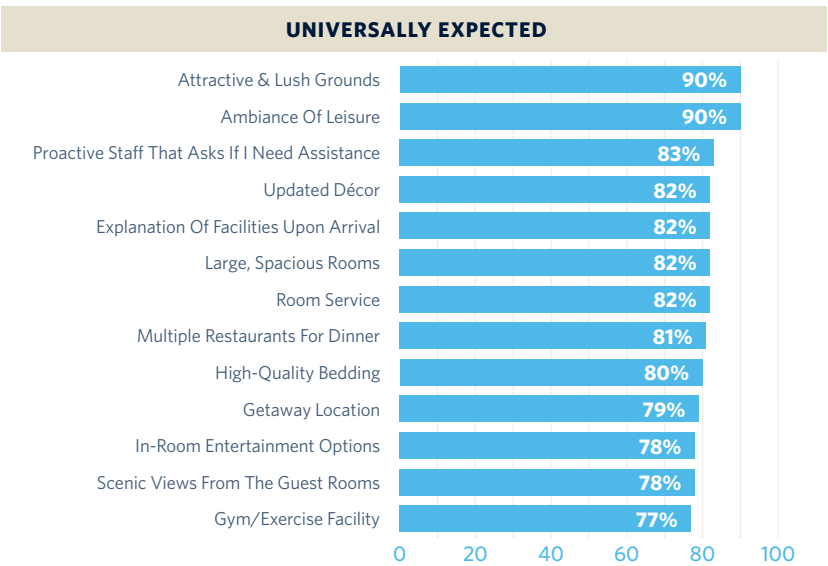
A resort vacation is filled with possibilities and expectations. For many it is the reward for a year’s worth of work, the celebration of a personal milestone, a chance to reconnect with loved ones, a stepping stone to a new adventure, an opportunity to motivate a group, a time to celebrate the rainmakers or simply a moment in time to completely unplug, disconnect and relax. The motivations for going to a resort are as varied as the types of resorts available to guests around the world.

RESORT FACILITIES

What must a property include to be considered a resort?

An overwhelming number of travelers the world over cite attractive and lush grounds, an ambiance of leisure and a proactive staff among the most important expectations for a resort.

80% of people expect that a resort has high quality bedding, while 65% of them expect that a resort offer gourmet food and wine.



**Respondents were allowed multiple responses*

EXPERIENCES SOUGHT

Above all, guests are seeking an emotional payoff from a resort vacation. The number one experience sought is relaxation, with 54% of guests selecting this as their primary reason for a resort vacation. Reconnecting with family was the primary reason for 18% of recent resort travelers. Romance trailed as the third most popular experience sought by resort travelers, with only 9% of respondents selecting this as primary criteria.



"The ambiance of the décor at a resort is different than a hotel. I find that very seductive to be able to come out of your room and you've got a garden, birds or a lot of beautiful things to look at."

RESORT GUEST FROM LOS ANGELES

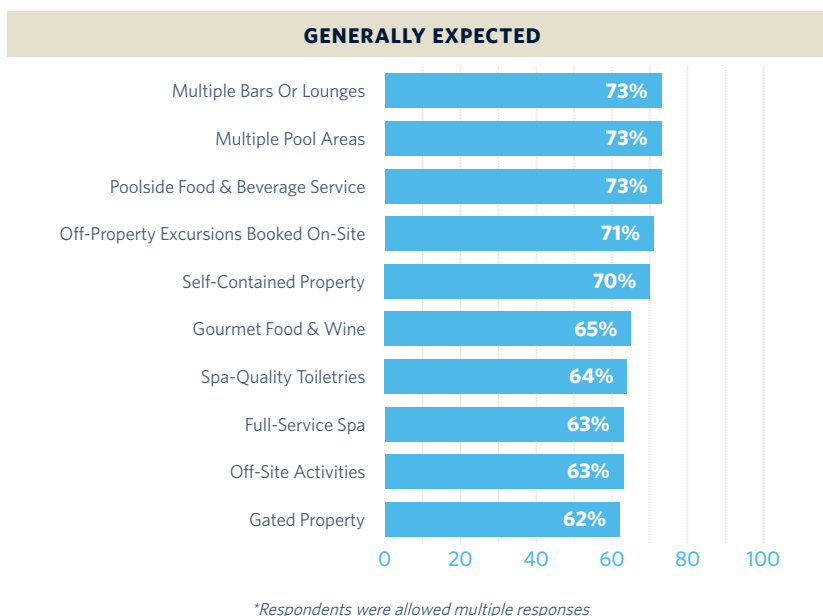


"The architecture [of a resort] is very spacious and generous. It's a little like a city or town."

RESORT GUEST FROM BERLIN



Hilton San Diego Resort & Spa, USA



SECTION TWO CHOOSING A RESORT

Resort vacations are considered a luxury and were a natural casualty while families and companies reduced spending during the recent global economic downturn. However, as we enter 2011 and the busy summer travel season, there is considerably more optimism and willingness to re-engage in traditional travel patterns.

TRAVELER SENTIMENT HIGHEST SINCE APRIL 2007

According to the February 2011 *travelhorizons* survey, the overall Traveler Sentiment Index™ (TSI) now stands at 95.2, up 9.2% from October 2010, and is now at its highest point since April 2007. (TSI is a quarterly measurement of consumer attitudes toward leisure travel based on the following factors: available time and finances, interest, affordability, safety of travel, and quality of service.)

THE SUMMER VACATION FORECAST FOR UPSCALE U.S. TRAVELERS AS OF APRIL 2011



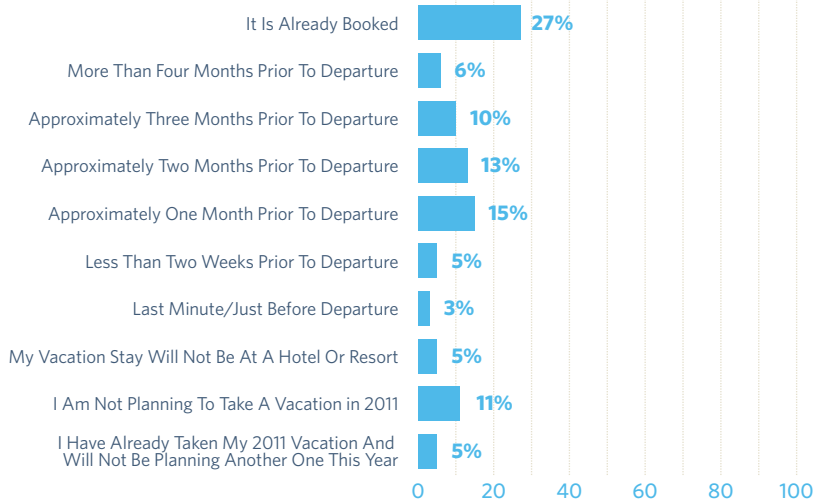
"To me a resort has a much different feel. The high end hotels largely cater to business or professionals whereas at resorts, the minute you step on the property, there is ease."

RESORT GUEST FROM CHICAGO



Hilton Maldives Iru Fushi Resort & Spa, Maldives

WHEN WILL YOU BOOK YOUR SUMMER 2011 VACATION?



*Survey fielded April 12-14, 2011

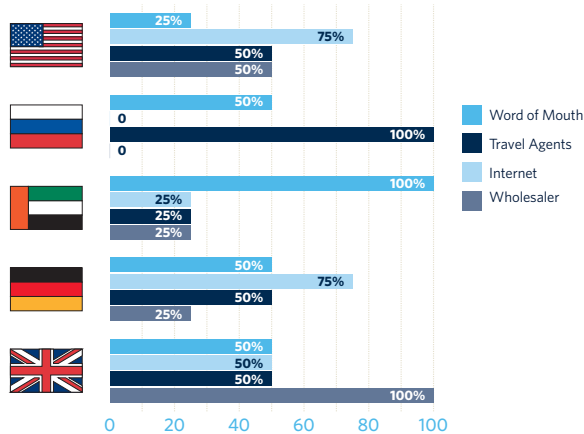
WHEN CHOOSING A RESORT, WHO CAN BE TRUSTED FOR FAIR AND HONEST RECOMMENDATIONS?

Travelers today expect transparency in reviews from bloggers and websites populated by customer reviews. There is no shortage of information available instantly, but resort travelers are not willing to risk their hard-earned leisure time based only on anonymous reviews. Key influencers of resort selections vary by a traveler's home market.

LEGEND



CUSTOMERS GET ADVICE FROM:



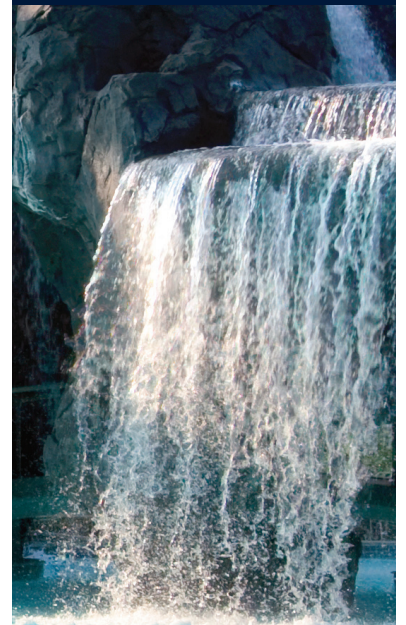
*Flags indicate traveler's home market

*Respondents were allowed multiple responses



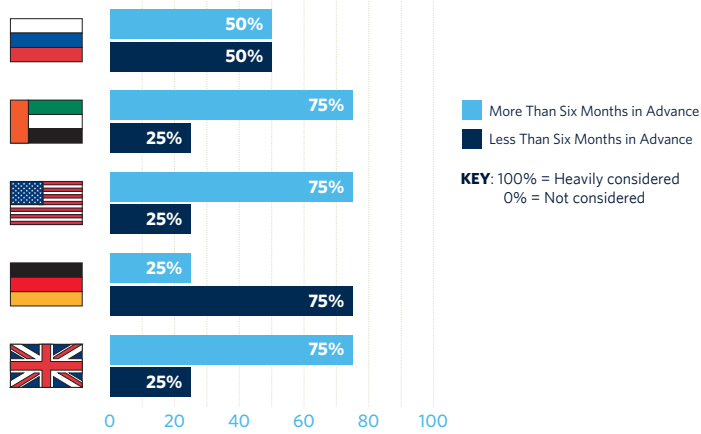
"If it's in Miami, I can do it [booking] myself. If I'm going to Tahiti I need a travel agent"

RESORT GUEST FROM NEW YORK

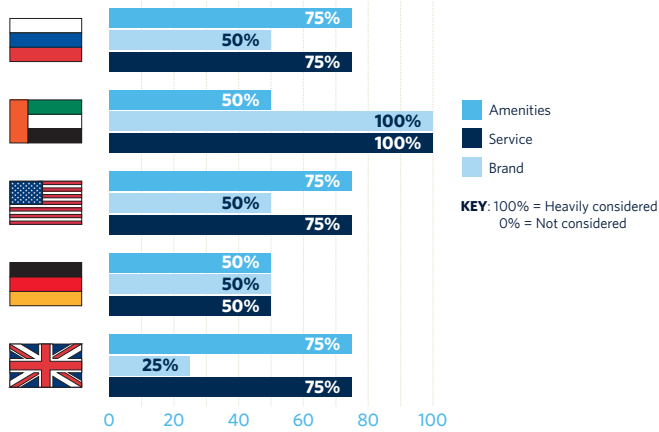


Hilton Waikoloa Village, USA

TIMING OF RESORT BOOKING:



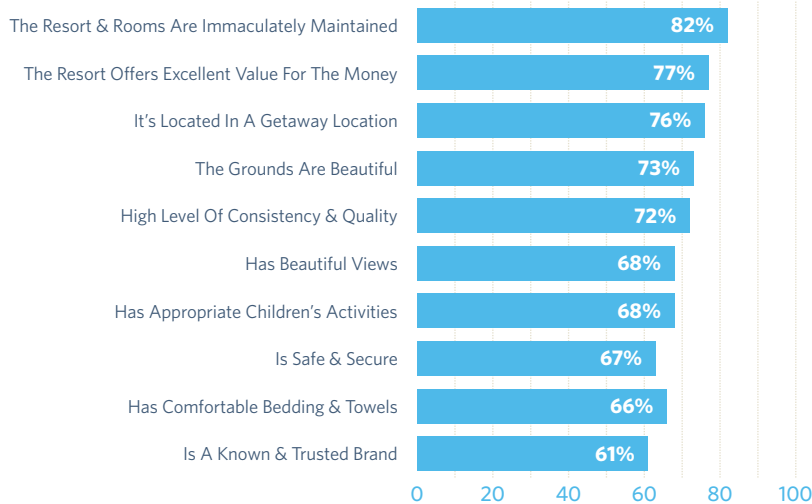
MOST IMPORTANT RESORT FEATURES:



*Flags indicate traveler's home market
*Respondents were allowed multiple responses

Global resort companies and brands who want to connect with their customers around the globe — from the initial spark of an idea, through the reservation process, the vacation itself and possibly, the rebooking process — need to meet their customers on the preferred platform. For global brands, one method of booking has not made all others irrelevant. Many guests find the planning to be stressful, worrying that they have not made the best decision, while others find pleasure in the planning and anticipation of a great vacation.

THE MOST IMPORTANT DECISION FACTORS FOR WHERE TO BOOK



*Respondents were allowed multiple responses

"I don't really trust the internet because I keep thinking that the hotel owners wrote the testimonials themselves."

RESORT GUEST FROM BERLIN

"Sometimes I phone just to make sure I've got what room I want. You don't have the confidence when you're booking online."

RESORT GUEST FROM LONDON

Hilton Seychelles
Northolme Resort & Spa, Seychelles

SECTION THREE

THE EIGHT TYPES OF RESORT GUESTS

The diverse experiences sought by resort travelers creates a varied resort product offering around the world. The identity each resort creates, both on-property and through its website and presence in the global marketplace, has a great impact on which group will gravitate toward it.

RELAXATION

Relaxation travelers frequent the spa, water activities such as snorkeling and they love live entertainment. Most important for this traveler, beyond the destination is the pool area accommodations and beautiful views.

ROMANCE

Compared with other experience seekers, Romance travelers place a great deal of emphasis on accommodations and fine dining. Also, high-quality bedding is a top requirement.

INDULGENCE

Indulgent travelers place significantly greater importance on the spa, while spacious guest rooms, a proactive staff and room service are also important factors.

FAMILY

Multiple pool areas and dining options are priorities for families visiting resorts. Family travelers tend to use the gym and spa and attend live entertainment shows.

PARTY/SOCIALIZE

This group looks for nightlife activities, bars and lounges and a great pool environment with full service food and beverage.

EDUCATION & HEALTH

The vast majority of Education & Health travelers plan to hike and scuba dive and find excursions to be important when deciding where to stay. This group also prefers a gated property.

ADVENTURERS

Adventurers place a great level of importance on excursions offered at resorts, while dining options, accommodations and the pool area are less important.

ALL-INCLUSIVE

The majority of this group is parents and they tend to stay an average of two nights longer than other resort guests. The expectation is that the resort includes all beverages, meals and entertainment in the price of their stay.

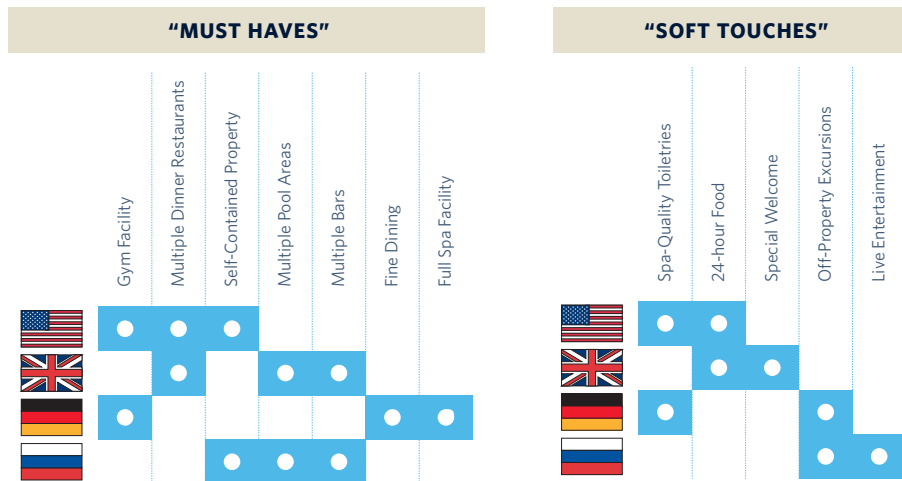


*Hilton Seychelles LaBriz Resort & Spa,
Seychelles*

SECTION FOUR RESORTS AROUND THE WORLD

Around the globe, resort guests from certain regions look for different features in their vacation experience. In addition to the resort amenities considered a “must have,” expectations for additional add-ons vary greatly by country.

Add-ons and soft touches based on traveler’s home market (ranked in descending order).



SECTION FIVE OVERVIEW OF SOURCES OF RESEARCH

QUANTITATIVE *April 2011*

2,018 adult U.S. respondents
Commissioned by Hilton Worldwide

QUANTITATIVE *September 2010*

Conducted by Lieberman Research Worldwide – Global Online Interviews
United States, United Kingdom, Germany & Russia
2,581 adult respondents
Commissioned by Hilton Worldwide

QUALITATIVE *May 2010*

Conducted by Consumer Intelligence
Ten focus groups in five cities
Los Angeles, Chicago, New York, London & Berlin
Commissioned by Hilton Worldwide

QUALITATIVE *May 2010*

Conducted by Boston Consulting Group
Wholesaler/tour operator interviews conducted in
United States, United Kingdom, Germany, Russia & Middle East (UAE)
Commissioned by Hilton Worldwide



Hilton Oceanfront Resort
Hilton Head Island, USA

ABOUT HILTON RESORTS

For travelers seeking relaxation and rejuvenation, Hilton Resorts are among the best properties within Hilton Hotels & Resorts, the flagship brand of Hilton Worldwide, and offer locally-inspired upscale resort experiences in the most sought-after destinations.

The Hilton Resorts portfolio includes 71 resorts in 26 countries in four regions: Americas, Asia-Pacific, Europe, Middle East and Africa.

The Hilton Resorts collection is continuing to grow. The following properties have either opened recently or are in the opening pipeline:

- Hilton Seychelles Labriz Resort & Spa (Seychelles) – Q1 2011
- Hilton Bodrum Turkbuku Resort & Spa (Turkey) – Q2 2011
- Hilton Queenstown (New Zealand) – Q2 2011
- Hilton Marsa Alam Nubian Resort (Egypt) – Q3 2011
- Hilton Hangzhou Qiandao Lake Resort (China) – Q3 2011
- Hilton Makadi Resort (Egypt) – Q1 2012
- Hilton Iguazu (Argentina) – Q2 2012
- Hilton Carlsbad Oceanfront Resort & Spa (USA) – Q3 2012
- Hilton Hainan Clearwater Bay Resort (China) – Q3 2012
- Hilton Zhongshan Resort (China) – Q2 2013
- Hilton Mina El Arab Resort (UAE) – Q3 2013

FOR MORE INFORMATION AND PHOTOGRAPHY:

www.hilton.com/resorts

www.hiltonglobalmediacenter.com/resorts

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Hilton Luxor Resort & Spa, Egypt



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