

Le Meridien Dethrones Upper Upscale Leader JW Marriott

BY MICHAEL B. BAKER

Starwood Hotels & Resorts' artsy Le Meridien brand this year by a hair ended JW Marriott's three-year reign atop the upper upscale tier in *Business Travel News'* 2010 U.S. Hotel Chain Survey, which tabulated ratings from 387 buyers.

The upper upscale tier had the most varied and heated results, and other tiers saw a mix of familiar winners and newly emergent top brands. Among multibrand hotel companies, InterContinental Hotels Group and Hilton Worldwide fared the best, with the former boasting at least a third-place finish in all eligible tiers and the latter garnering three of the top five upscale slots and nearly sweeping the midprice tier with its Hampton brand.

One hundredth of a point separated the total scores of the top four brands in the upper upscale tier, which saw a reversal of fortune for many brands from the 2009 survey. JW Marriott, the top brand in the survey since 2007, fell to third, and last year's third-place brand, the Marriott flagship, fell to twelfth.

IHG's flagship and Accor's Sofi-

tel—like Le Meridien, another brand of French origin—vastly improved their rankings from 2009, on the other hand. InterContinental climbed from eighth to second, and Sofitel tied with JW Marriott for third, up from an 11th place finish last year. Marriott's Renaissance placed fifth, and Starwood's W moved up from 12th to sixth.

Top scores for the individual criteria were divided somewhat evenly among the top six hotels. JW Marriott scored high for arranging group travel and resort meeting facilities; Renaissance was rated the best overall value; and W was honored for its food and tied with JW Marriott for property appearance.

Le Meridien has had a few near misses, placing second last year and in 1999, but this is its first year at the top. Buyers gave it top marks for staff, in-room amenities, non-resort meeting facilities and individual travel arranging capabilities.

The brand, founded in Paris in

1972, has undergone a major overhaul since Starwood acquired it in 2005, when its portfolio consisted of 130 properties, "some fabulous and some not so fabulous," said Eva Ziegler, Le Meridien's global brand leader. It since has removed about



THE CHAMBERS, LE MERIDIEN'S NEW ADDITION

40 hotels and added 17.

"To some extent, less is more," Ziegler said. "The portfolio is now a lot stronger, one which we can build a strong brand on."

The brand renovated 10 properties in recent years and plans to upgrade 50 more, she said. A component of the strategy has been its food

and beverage offerings, particularly coffee and breakfast.

InterContinental always was a corporate travel brand, said Gina LaBarre, IHG's vice president of brand delivery for the Americas, and scored top marks for corporate rate programs and business centers.

While trading down in hotel programs has been a topic of conversation for years, the economic downturn earned InterContinental business from people trading up, she said. "Their plan was to pay X dollars to stay at an upscale property, but they can get that rate at an upper upscale property, so it brings practical luxury," LaBarre said.

Upper upscale hotels in 2009 took a hit comparable to the luxury tier in revenue and rate depletion, said Smith Travel Research vice president of global development Jan Freitag. While occupancy might recover slightly this year, rates still are forecast to drop about 2.4 percent, particularly in the early

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Ritz-Carlton Knocks Off Four Seasons In Punch-Drunk Luxury Tier

BY MICHAEL B. BAKER

Ritz-Carlton wrested top honors in the U.S. Hotel Chain Survey's deluxe tier after a year luxury hoteliers called the most challenging in the tier's history.

Ritz-Carlton and last year's top brand, Four Seasons Hotels and Resorts, have been in a back-and-forth battle for the top slot in the survey for more than a decade. Hilton's Waldorf-

Astoria Collection maintained its third-place ranking from last year, tying Fairmont Hotels & Resorts, which finished fifth in 2009.

Ritz-Carlton scored the best in eight of 13 criteria

used to measure the tier, including staff, arranging group travel, non-resort meeting facilities and the overall price/value relationship. Ritz-Carlton president and COO Simon Cooper said the latter category mattered most in 2009.

"There's no doubt the consumer last year was value-oriented and much more discerning at being cautious and careful," Cooper said. "To lead in that category in 2009 is one that I am very pleased about."

Ritz-Carlton and its competitors faced the combined challenge of falling travel budgets, unprecedented

new supply and a perception issue as companies sought to dissociate corporate travel with luxury travel. Because of the perception issue, some businesses canceled planned meetings that carried penalties as high as the cost of the actual meeting, the company said.

Compared with 2008, the luxury tier's revenue per available room dropped by about 24 percent, and about two-thirds of that came from rate decline, said Smith Travel Research vice president of global development Jan Freitag. The tier added about 8,000 new rooms in

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2010 Hotel Chain Survey Methodology

Business Travel News' U.S. Hotel Chain Survey annually measures corporate travel buyer opinions of the lodging brands they use. *BTN* e-mailed corporate readers responsible for hotel buying decisions, asking them to rate hotels, arranged by tier, with which they did business in the past year. Equation Research tabulated ratings from 387 respondents.

The survey bases hotel tier division on price point data provided by Smith Travel Research and industry knowledge. Buyers rated hotels in each segment on as many as 13 attributes. Ratings are presented as numerical scores from one to five, with the highest score for each listed in boldface.

BTN reported results only for hotel tiers and chains with significant usage. ■

2010 U.S. HOTEL CHAIN SURVEY

DELUXE

	ARRANGE INDIVIDUAL TRAVEL	ARRANGE GROUP TRAVEL	FACILITIES FOR RESORT MEETINGS	FACILITIES FOR NON-RESORT MEETINGS	CORPORATE RATE PROGRAMS	COMMISSION PAYMENT SYSTEM	QUALITY OF FOOD	HELPFUL COURTEOUS STAFF	PHYSICAL APPEARANCE OF HOTELS	QUALITY OF IN-ROOM AMENITIES	QUALITY OF IN-ROOM BUS. AMENITIES	QUALITY OF BUSINESS CENTER	OVERALL PRICE-VALUE RELATIONSHIP	OVERALL AVERAGE SCORE
1 RITZ-CARLTON	4.53	4.36	4.51	4.34	3.81	3.85	4.58	4.68	4.63	4.58	4.42	4.41	4.15	4.37
2 FOUR SEASONS	4.44	4.28	4.35	4.35	3.79	4.00	4.49	4.64	4.66	4.49	4.39	4.37	4.07	4.33
3 FAIRMONT	4.45	4.29	4.28	4.25	3.98	4.09	4.33	4.36	4.35	4.29	4.16	4.20	3.92	4.23
3 WALDORF-ASTORIA	4.57	4.23	4.40	4.41	4.08	4.23	4.22	4.36	4.27	4.16	4.04	4.08	4.00	4.23
5 MANDARIN ORIENTAL	4.34	4.12	4.23	4.24	3.70	3.68	4.29	4.48	4.46	4.44	4.25	4.36	3.93	4.19
6 ST. REGIS	4.31	4.27	4.00	4.35	3.48	3.83	4.50	4.26	4.30	4.14	4.20	4.14	3.78	4.12
7 LUXURY COLLECTION	4.39	4.11	4.15	4.11	3.78	3.83	4.14	4.18	4.26	4.15	4.15	4.04	3.82	4.09

UPPER UPSCALE

	ARRANGE INDIVIDUAL TRAVEL	ARRANGE GROUP TRAVEL	FACILITIES FOR RESORT MEETINGS	FACILITIES FOR NON-RESORT MEETINGS	CORPORATE RATE PROGRAMS	COMMISSION PAYMENT SYSTEMS	QUALITY OF FOOD	HELPFUL COURTEOUS STAFF	PHYSICAL APPEARANCE OF HOTELS	QUALITY OF IN-ROOM AMENITIES	QUALITY OF IN-ROOM BUS. AMENITIES	QUALITY OF BUSINESS CENTER	OVERALL PRICE-VALUE RELATIONSHIP	OVERALL AVERAGE SCORE
1 LE MERIDIEN	4.43	4.17	3.91	4.13	3.77	3.77	4.13	4.33	4.21	4.14	3.86	3.82	3.74	4.03
2 INTERCONTINENTAL	4.32	4.13	3.91	4.04	3.91	3.63	4.02	4.21	4.18	4.13	3.92	4.02	3.87	4.02
3 JW MARRIOTT	4.34	4.19	4.18	4.12	3.61	3.57	4.06	4.20	4.23	4.04	3.78	3.98	3.85	4.01
3 SOFITEL	4.26	4.00	3.95	3.96	3.85	4.00	4.04	4.00	4.17	4.09	4.00	3.87	3.88	4.01
5 RENAISSANCE	4.36	4.18	3.95	3.96	3.75	3.73	3.89	4.22	4.17	3.88	3.77	3.86	3.98	3.98
6 W	4.29	4.03	3.97	3.97	3.84	3.71	4.14	4.11	4.23	4.06	3.81	3.70	3.63	3.96
7 HILTON	4.33	4.14	4.04	4.11	3.89	3.78	3.85	4.10	3.91	3.85	3.68	3.85	3.83	3.95
7 HYATT	4.22	4.06	4.06	4.11	3.82	3.62	3.90	4.13	4.14	3.88	3.76	3.81	3.88	3.95
9 OMNI	4.23	4.15	3.90	3.94	3.67	3.71	3.91	4.14	4.05	4.00	3.78	3.79	3.92	3.94
10 LOEWS	4.10	3.96	3.71	3.88	3.64	3.68	3.96	4.04	4.04	3.82	3.86	3.91	3.72	3.87
10 WESTIN	4.15	3.89	3.86	3.93	3.69	3.63	3.94	4.13	4.08	3.91	3.69	3.70	3.71	3.87
12 KIMPTON	4.15	3.78	3.56	3.65	3.50	3.68	4.00	4.14	4.19	4.00	3.78	3.72	3.95	3.85
12 MARRIOTT	4.32	4.05	3.94	4.01	3.71	3.51	3.70	4.13	3.95	3.72	3.61	3.69	3.73	3.85
14 SHERATON	4.16	3.84	3.73	3.83	3.76	3.48	3.62	4.01	3.79	3.77	3.61	3.69	3.73	3.77

Buyers Rate Crowne Plaza As King Of Upscale As Competitors Fall

BY MICHAEL B. BAKER

Travel buyers for the first time this year rated Crowne Plaza as the top upscale/select-service brand in the U.S. Hotel Chain survey, as the brand surged past its competition amid several years of expansion and multimillion-dollar renovations.

Crowne Plaza, ranked ninth out of 11 brands in the 2009 survey, earned top marks in arranging group travel, meeting facilities, corporate rate programs and food quality. The brand, part of In-

terContinental Hotels Group, was one of the few in any tier to hold its score steady year over year, while most other brands had a drop.

Hilton Worldwide's Hilton Garden Inn, historically a strong performer in the survey, maintained its second-place ranking from 2009, this year tying with the fast-growing Hyatt Place brand. Two other Hilton brands, Embassy Suites and Doubletree, rounded out the top five, while last year's top-rated brand, Wyndham Hotels and

Resorts, dropped to sixth.

Crowne Plaza, originally launched several decades ago as the upscale version of Holiday Inn, has benefited in recent years from heavy IHG investment, said Gina LaBarre, the company's vice president of brand delivery for the Americas. It is one of the fastest-growing U.S. brands, having nearly tripled its presence in the past several years. Major renovations include the \$85 million

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UPSCALE/SELECT SERVICE

	ARRANGE INDIVIDUAL TRAVEL	ARRANGE GROUP TRAVEL	FACILITIES FOR RESORT MEETINGS	FACILITIES FOR NON-RESORT MEETINGS	CORPORATE RATE PROGRAMS	COMMISSION PAYMENT SYSTEM	QUALITY OF FOOD	HELPFUL COURTEOUS STAFF	PHYSICAL APPEARANCE OF HOTELS	QUALITY OF IN-ROOM AMENITIES	QUALITY OF IN-ROOM BUS. AMENITIES	QUALITY OF BUSINESS CENTER	OVERALL PRICE-VALUE RELATIONSHIP	OVERALL AVERAGE SCORE
1 CROWNE PLAZA	4.20	4.06	3.76	3.90	3.78	3.58	3.66	3.88	3.85	3.78	3.75	3.81	3.71	3.82
2 HILTON GARDEN INN	4.25	3.89	3.43	3.68	3.77	3.39	3.51	4.17	4.12	3.79	3.62	3.79	3.90	3.79
2 HYATT PLACE	4.15	3.84	3.34	3.55	3.67	3.59	3.57	3.94	4.06	3.98	3.83	3.84	3.90	3.79
4 EMBASSY SUITES	4.16	3.84	3.36	3.68	3.57	3.38	3.58	4.03	3.95	3.78	3.71	3.69	3.81	3.73
5 DOUBLETREE	3.98	3.79	3.46	3.59	3.65	3.27	3.51	4.00	3.81	3.71	3.61	3.62	3.69	3.67
6 WYNDHAM	3.88	3.57	3.47	3.66	3.48	3.35	3.49	3.91	3.86	3.68	3.62	3.59	3.78	3.64
7 FOUR POINTS BY SHERATON	4.04	3.68	3.36	3.58	3.64	3.61	3.48	3.84	3.66	3.61	3.50	3.57	3.65	3.63
8 COURTYARD BY MARRIOTT	4.12	3.67	3.07	3.33	3.52	3.45	3.46	4.01	3.86	3.59	3.58	3.66	3.74	3.62
9 RADISSON	3.93	3.66	3.38	3.60	3.60	3.23	3.39	3.74	3.79	3.53	3.69	3.54	3.69	3.60
9 SPRINGHILL SUITES	4.23	3.67	3.14	3.36	3.53	3.36	3.00	3.94	3.85	3.74	3.63	3.61	3.80	3.60

Upper Upscale Brands Pull Weeds

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months. "The second half of the year will be better than the first half, so we may see some average daily rate increases then," Freitag said.

Sofitel, which has about 70 percent business travel and a particularly high proportion of female business travelers, actually has seen its revenue per available room improve in the past six months, said COO Robert Gaymer-Jones. Like Le Meri-

dien, Sofitel recently has focused on improving quality and brand consistency, culling its portfolio from more than 200 hotels to 130, he said, and upgrading bedding, employee training and such ambient touches as lighting, music and fragrances.

"We're not trying to make it out to be super-luxury in this environment, but a well-managed hotel," Gaymer-Jones said. "We want an experience that may be a French expe-

rience, a feeling of elegance that people might not be expecting."

Upper upscale development will slow this year, but the top brands still report growth, particularly internationally. Sofitel, which still plans to remove a few hotels from its portfolio, aims for a network of about 160 in the next few years, Gaymer-Jones said. It has 20 hotels under development and will open 10 this year, including in Austria, Saudi Arabia and Uruguay. InterContinental also has several upcoming openings in Europe, the Middle East and

Africa, LaBarre said.

Meanwhile, Sofitel and Le Meridien each want to increase their U.S. presence beyond their current handfuls. Le Meridien in February added the Chambers, a boutique hotel in Minneapolis, and Gaymer-Jones said Sofitel is working on developments in Boston, San Francisco and Miami.

JW Marriott in San Antonio in recent weeks opened its largest resort to date, and LaBarre said InterContinental this summer plans to open Midtown Manhattan's first new high-rise hotel since 2002. ■

Hampton Nearly Runs Table, Captures Midprice Category

BY MICHAEL B. BAKER

Hampton Inn this year strengthened its position at the top of the U.S. Hotel Chain Survey's midprice tier, improving its overall score with a near-sweep of every criterion.

The brand, the largest in the Hilton family, also increased its lead among its competitive set. La Quinta Inn & Suites also significantly improved its score from 2009, moving from eighth place to second. InterContinental Hotels Group's Holiday Inn Express and Holiday Inn and Marriott's Fairfield Inn rounded out the top five.

Phil Cordell, senior vice president of brand management for Hampton and Hilton's global head of focused service brands, said the midprice tier benefited from sitting on the "sweet spot of value" during the economic downturn. While 2009 occupancy dropped at Hampton year over year, average daily rate remained relatively steady, he said.

"It's like the consumer who used to shop in an upscale department store who now shops at Target," Cordell said. "Last year was the most challenging year our business has ever recorded, but we had Hampton's fundamental cores of position and value."

Even with rate deterioration from other tiers putting Hampton on an equal rate level in some markets with upscale or even upper upscale properties, the brand still resonated with business travelers because its rate includes add-ons that come with a charge at upper-tier hotels, he said. "The actual rates may be the same from all segments to some degree, but if I can be provided high-speed Internet for free at a midscale property, why should I pay for it at an upscale property?" he said.

La Quinta CEO Wayne Goldberg said his properties are seeing both new business travelers who have traded down from upscale tiers as well as more travelers from companies with whom La Quinta had established relationships but now mandate travel to the midprice tier. "These are companies that are saying, rather than stay in six hotels that are full-service on the upper end, now they're mandating that they stay in three midprice without food and beverage options," he said.

While *Business Travel News* stopped differentiating between midprice with and without food and beverage for survey purposes several years ago, industry research firms still measure the tiers sepa-

rately. The chains without dedicated F&B offerings, such as Hampton and La Quinta, generally are outpacing those with F&B, said Jan Freitag, vice president of global development for Smith Travel Research. The midprice without F&B tier in 2009 actually achieved a higher average daily rate than did the with F&B tier, and the midprice with F&B tier was the only one to see a supply decrease last year, he said.

The hotels without dedicated restaurants also enhanced their breakfast offerings. Hampton, for example, is bringing waffles to all of its hotels this year, Cordell said, and its offerings were sufficient to earn it the tier's top food-quality score.

"Road warriors are choosing the midscale without food and beverage brands, and chances are they're looking for Starbucks for breakfast, Chili's for lunch and T.G.I. Friday's for dinner," Freitag said. "They need a clean room, Internet and some reward points, and that's what sells."

To that point, Hampton has spent

the last several years upgrading the beds, showers and entertainment offerings in its rooms. "Hampton has always been a leader as it relates to physical product," Cordell said. "It shows as we see one or two of our largest competitors going through a brand refresh now."

La Quinta, meanwhile, has invested significant resources into its Internet service, Goldberg said. "It's a major requirement to have high-speed, but today, you really need to provide consistent high-speed with bandwidth that delivers capability," he said. "If you go back a few years, we could have been an innovator and spent millions, ending up with

a platform and solution that is obsolete today, but we combined some innovation ability with the ability to adapt quickly."

The Holiday Inn brands are nearing completion of their own brand relaunch, including better bed and bath products, better exterior lighting and signage and removal of prop-

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HAMPTON'S PHIL CORDELL

MIDPRICE

	ARRANGE INDIVIDUAL TRAVEL	ARRANGE GROUP TRAVEL	FACILITIES FOR MEETINGS	CORPORATE RATE PROGRAMS	COMMISSION PAYMENT SYSTEM	QUALITY OF FOOD	HELPFUL COURTEOUS STAFF	PHYSICAL APPEARANCE OF HOTELS	QUALITY OF IN-ROOM AMENITIES	QUALITY OF IN-ROOM BUS. AMENITIES	QUALITY OF BUSINESS CENTER	OVERALL PRICE-VALUE RELATIONSHIP	OVERALL AVERAGE SCORE
1 HAMPTON INN	4.40	3.98	3.51	3.88	3.87	3.57	4.15	3.96	3.83	3.75	3.71	4.04	3.89
2 LA QUINTA INN & SUITES	4.39	3.67	3.19	3.58	3.47	3.25	4.12	3.84	3.52	3.57	3.70	3.93	3.69
3 HOLIDAY INN EXPRESS	4.14	3.78	3.41	3.59	3.54	3.36	3.87	3.74	3.52	3.57	3.53	3.75	3.65
4 HOLIDAY INN	4.15	3.89	3.62	3.60	3.45	3.40	3.79	3.58	3.55	3.55	3.49	3.64	3.64
5 FAIRFIELD INN	4.30	3.65	3.22	3.41	3.36	3.23	4.03	3.74	3.59	3.48	3.42	3.69	3.59
6 BEST WESTERN	3.97	3.46	3.32	3.23	3.13	3.32	3.71	3.62	3.44	3.45	3.55	3.53	3.48
7 COMFORT INN	3.92	3.41	3.00	3.05	3.16	3.06	3.59	3.49	3.26	3.24	3.25	3.39	3.32

Ritz Leads Recession-Wearied Luxury Tier

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2009, a supply increase of about 8.9 percent.

Many new hotels, planned during better times, faced particular difficulties, said Bjorn Hanson, associate professor at New York University's Tisch Center.

"Some were built with the assumption that things would keep getting better," Hanson said. "The economics were based not on market conditions remaining as good as they were in 2007, but improving to make the economics work."

Amid these difficulties, Ritz-Carlton reevaluated some traditional approaches to service, Cooper said. The process began six years ago, when the brand began initiatives to improve its third-party-generated internal rankings against Four Seasons. It also measured guests who had stayed recently at a Ritz-Carlton

against those who had not been to one in several years.

"When we finished in 2009, we had a statistically better differentiation on every single attribute we were looking for," Cooper said. "We set it as a six-year journey because you don't change perceptions overnight."

Much of the changes centered on training staff to be more adaptive to the variety of guests who stay at a Ritz-Carlton, he said. A business traveler who arrives in a suit, for example, would warrant a different approach than a 20-something traveler who arrives in casual clothing.

Ritz-Carlton also has changed its approach to food, for which it received top survey marks, focusing its efforts on partnering with well-known chefs instead of offering traditional dining options.

"The restaurant deals we've done with Wolfgang

Puck and Eric Ripert are partly to keep our guests and partly to make the dining experience at a Ritz-Carlton a destination in and of itself," Cooper said.

To help earn its top scores in arranging group travel, Ritz-Carlton countered the perception issue, as did many of its competitors, by offering unprecedented group packages, throwing in concessions like free nights and free Internet usage, company spokesperson Vivian Deuschl said. It also increased social responsibility components to meetings, replacing recreational activities with work activities at orphanages or wildlife preserves, she said.

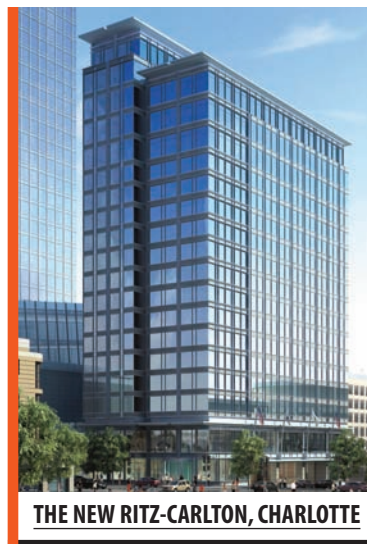
"We've had to be extremely creative with planners and bosses, and our salespeople had to work twice as hard to attract new meetings while retaining what they were losing," Deuschl said.

Four Seasons this year earned the top score in only one metric: its hotels' physical appearance. The Waldorf-Astoria Collection, in only its second year of showing enough usage to be included in the survey, topped four metrics, including ar-

there are some signs of improvement. Smith Travel Research reported it was the only tier to see a year-over-year increase in occupancy during the fourth quarter of 2009, though Freitag said the question remains as to whether business is fully re-

turning or that more people simply are taking advantage of lower rates.

Supply growth also is slowing, with the number of hotels under construction this year down about 60 percent from last year's levels, according to Freitag. Even so, the major brands all have openings slated this year: among them, Fairmont in Pittsburgh, Saudi Arabia and Beijing; Four Seasons in Marrakech, Denver and Beirut; and Ritz-Carlton in Dubai, Shanghai and Hong Kong, where it will open the tallest hotel in the world. ■



THE NEW RITZ-CARLTON, CHARLOTTE

ranging group travel and corporate rate programs.

Luxury hotels still face a tough year in 2010, but

Crowne Plaza Investment Pays Off

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lion upgrade of its flagship Times Square property in New York. "A lot of money has gone into this brand, with about half a billion dollars invested in renovation," LaBarre said.

Crowne Plaza also reorganized its sales team in late 2008. "When the bottom fell off of the market, we increased our sales force by 25 percent," LaBarre said. "We organized it so corporate accounts get one point of contact, and we've been able to deliver a better experience from a sales perspective."

Hilton Garden Inn rated the highest in four categories: arranging individual travel, staff, physical appearance and, in a tie with Hyatt Place, the overall price/value relationship. Hyatt Place, making its second survey appearance in the brand's short history, scored high-

est in three additional categories: the quality of in-room and business amenities and its business center.

Up from sixth place last year, Hyatt Place in only three years has grown to about 150 hotels in North America, said Gary Dollens, Hyatt's global head of franchise and select brands.

The brand grew out of Hyatt's acquisition of AmeriSuites, which gave it leverage to grow the brand quick-

ly, but Hyatt only put its name on the AmeriSuites properties after conversions, he said.

Hyatt Place, along with extended stay brand Summerfield Suites, has given Hyatt a presence in several secondary markets where it never operated before, such as Salt Lake City and Charleston, S.C., Dollens said. As a result, "We were very gratified this year with our acceptance in the request-for-proposals process for the corporate market," he said.

Although it ranked seventh overall, Starwood Hotels & Resorts' Four

Points by Sheraton brand had the highest-rated commission payment system in the tier, an honor it repeated from 2009.

Upscale occupancy this year should remain about flat, said Jan Freitag, vice president of global development for Smith Travel Research, but it's one of the fastest-growing tiers in terms of supply.

"The properties aren't that expensive and don't take that long to build when you compare it to a luxury hotel," Freitag said, "which could take five years from conception." ■

Midprice Sees Development Slow

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erties that do not meet brand standards. Gina LaBarre, IHG's vice president of brand delivery for the Americas, said the brand has relaunched more than 1,800 hotels globally, and following property removal, about 40 percent of the brand is now less than 10 years old.

While the midprice tier faces supply growth declines,

they are not the same level as the upper tiers, Hampton's Cordell said, as midprice hotels often can be financed through local banks, rather than the large banks that are reluctant to finance large hotels and resorts. "We're going to see declines in development this year, but not fall-off-the-cliff declines," he said.

Hampton plans to open 80 to 100 hotels this year, compared with 150 in 2009, Cordell said. The brand is focusing on urban markets, such as Chicago and Manhattan, as well as its first hotels overseas in Europe. ■