

The Hotel Price Index™

Review of global hotel prices: January-June 2012



Hotels.com



INTRODUCTION

The Hotels.com Hotel Price Index™ (HPI®) is a regular survey of hotel prices in major destinations across the world. The HPI is based on bookings made on Hotels.com and prices shown are those actually paid by customers per room night, rather than advertised rates.

Now in its ninth year, the HPI is respected as the definitive report on hotel prices paid around the world and is increasingly used as a reference tool by the media, hoteliers, financial analysts, investors, tourism bodies and academics.

The HPI tracks the real prices paid per room by Hotels.com customers around the world, using a weighted average based on the number of rooms sold in each of the markets in which Hotels.com operates.

The international scale of Hotels.com, in terms of the number of customers, properties and destinations covered, makes the Hotel Price Index one of the most comprehensive benchmarks available, as it incorporates both chain and independent hotels, as well as options such as self-catering and bed & breakfast properties.

This edition looks at the first six months of 2012, comparing the results with the same period in 2011. Approximately 140,000 properties around the world made up the sample set of hotels from which prices were taken.



FOREWORD

Our Hotel Price Index enters its ninth year with news of rising prices across all of the regions in the survey – the first time we’ve been able to say this in five years. In the first half of 2012, the average price paid for a hotel room, regardless of currency, increased by 4%. Some of the world’s largest hotel markets outran this, with the Pacific region up 6% and North America and the Caribbean growing at 5%, a pace that suggests that recovery for the hospitality sector is gathering speed, at least. The news from Europe and the Middle East, perhaps expectedly, is less rosy, with a 1% rise showing that hotel prices match the European economic prospects.

Looking beyond the headline figures, there are some interesting trends to examine more closely.

Enough already

The hotel market has been victim to a full spread of emergencies and disasters over the last four years, both economic and natural – from ash clouds to debt crises, via earthquakes and revolutions. Although these phenomena won’t stop, it looks as if their effect will be less marked on the hotel industry in 2012. Prices in Asia rose 4% overall as Japan bounced back, with significant price increases in its major cities for some travellers. Thailand has seen similar recovery from the floods of



2011 – many major destinations are more expensive than a year ago.

Regions that saw collapsing demand as a result of civil unrest are also recovering. Tunisia, Jordan, Saudi Arabia and have all seen significant rises, and even Egypt, which saw steep price decreases in 2011 as tourists changed travel plans to alternative destinations, seems to have turned a corner.

“The Chinese are coming”

It’s not a new observation that the dependence on growth from China extends beyond its borders – and several major travel destinations can be added to the list. Chinese travellers are now more likely to travel independently, be less worried by visa requirements, and spend more on travel and shopping overseas. Chinese spend on international tourism grew \$18bn in 2011¹ alone. This demand has had an effect on popular travel destinations for Chinese tourists, such as Hong Kong and Taipei which saw rates increasing.

¹ United Nations World Tourism Organisation, “UNWTO World Tourism Barometer” (March 2012) Retrieved 30 May 2012 from <http://mkt.unwto.org/en/barometer>

Club Med

Weaker domestic demand has now really begun to hit hoteliers in the key Southern European markets. Local currency prices fell in Greece, Italy, Spain and Portugal. Although softness in international demand is driving some of this, falling consumer confidence, and spending power, are the bigger issues. The outlook for pricing here may be as difficult to read as the macro economic situation as a whole, but it's likely to mean great deals for those who want, and can afford to travel to some of Europe's top destinations.

Tournament tourism

The impact of the Olympics on London's economy has become a hotly debated topic. It's clear that hotels cut their prices sharply in the run up to the Games, with last-minute rates slightly below summer 2011. Whilst many have come to London, other travellers – mainly for business or in groups – have stayed away, although we do expect them to return later in the year. In other cities, the impact of sporting events on tourism looks to be more universally positive, with strong rises for Kiev on the back of Euro 2012 for example, and Helsinki had its own moment in the sun as host of the European Athletics Championships. The message looks to be that major events do benefit a destination's hoteliers, except perhaps the biggest of them all.

US Recovery – go West

The US market has been in slow recovery since the beginning of 2010, with the latest figures suggesting this is gathering speed. The West Coast leads here, with a local price increase in major cities such as San Francisco and Los Angeles, and further major destinations are following, from New York to Miami. The themes are consistent – increasing conference and business travel, combined with higher consumer spending, produces higher levels of occupancy. The second half of the year, with increasingly mixed economic signals, will be interesting to watch.

So, whether you are an industry analyst or deal-hunting traveller, read on and let Hotels.com be your guide to what's up, what's down, what's new and just who the biggest spending tourists actually are.

David Roche
President, Hotels.com

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The HPI report focuses on two main sources of data:

The first section (Chapter 1) shows the global and regional Hotel Price Index for the first six months of 2012 compared to the same period in 2011.

The Index is compiled from all relevant transactions on Hotels.com during this period, in local currency, weighted to reflect the size of each market. By representing hotel price movements in an index, Hotels.com can illustrate the actual price movements as paid by consumers without foreign exchange fluctuations distorting the picture.

The Index was started in 2004 at 100 and includes all bookings across all star ratings from 1- to 5-star.

The second section (Chapters 2-8) shows hotel prices across the world per room per night as paid by

Eurozone travellers in the first half of 2012 compared to the same period of 2011. This shows the changes in real prices paid by consumers, reflecting both movements in exchange rates and hotel pricing. Prices are rounded to the nearest Euro and percentage figures to the nearest percentage point.

Chapter 9 covers the most popular destinations within Finland and overseas in the first six months of 2012.

The final chapter focuses on some additional travel facts identified by Hotels.com.

Reports are also available in other currencies. Please contact lehdisto@hotels.com.

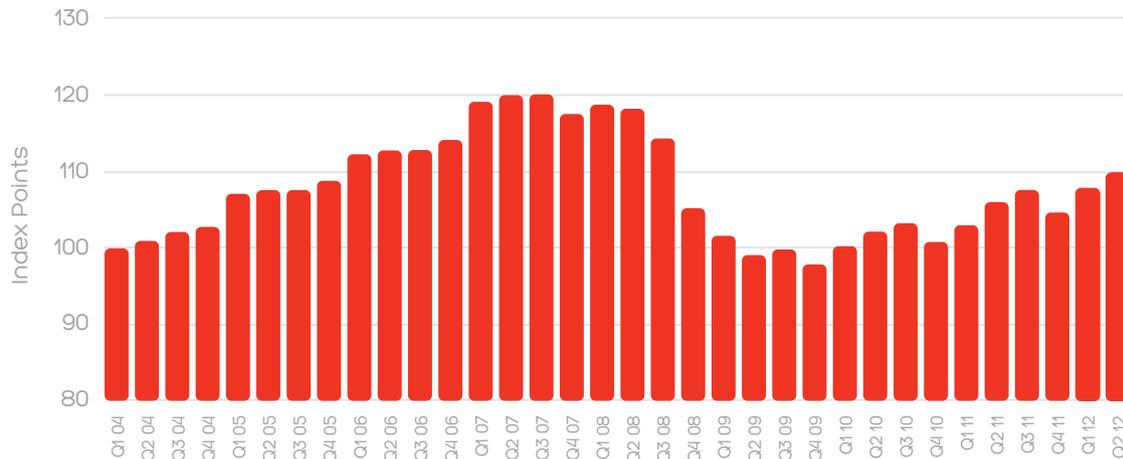
1. GLOBAL PRICE CHANGES

The average price of a hotel room around the world rose 4% in the first half of 2012 compared with the same period of 2011, according to the latest Hotels.com Hotel Price Index, standing at 108 compared to 100 when the Index was launched in 2004.

This remained some way behind its half-year peak of 119 in 2007 and represents great value for travellers, but the recovery is now well-established and prices have risen across the world.

The strong economies of the Pacific basin powered the sharpest rises, North America gained ground and Asia saw prices rebound from the falls of last year, while Europe and Latin America lagged behind. More in-depth analysis into what caused these changes and how this affected individual cities and countries can be found in subsequent chapters.

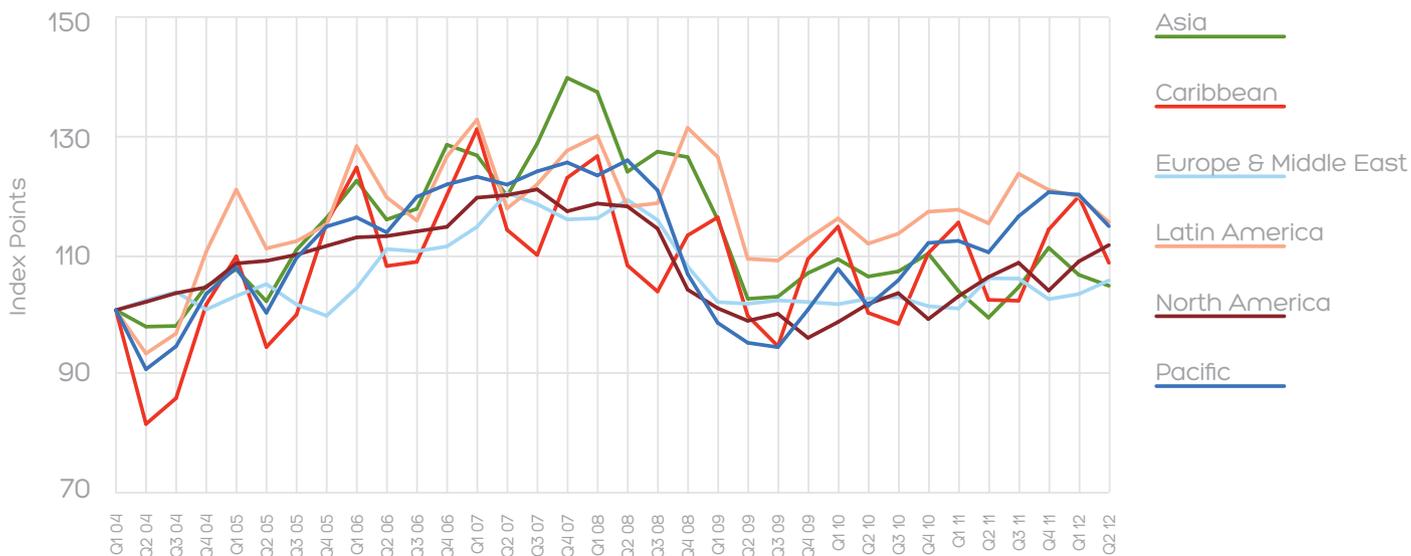
Figure 1 HPI quarterly breakdown from Q1 2004 to Q2 2012 globally



The Pacific forged ahead

- The Pacific again saw the highest percentage increase in average hotel prices, up 6%, fuelled primarily by the healthy Australian market and the buoyancy of its corporate travel sector.
- The Pacific HPI stood at 119 for the first half of 2012, which positioned it behind the Caribbean and tied in second place with Latin America, where prices steadied.
- In spite of this rise, consumers could take heart from the fact that the Pacific Index was still lower than in the first six months of 2007 and nine points less than its half-year peak of 128 in 2008, although prices have risen 21% over the last three years.

Figure 2 HPI quarterly breakdown by region from Q1 2004 to Q2 2012





Johan Svanström

Vice President
Hotels.com APAC

Despite continued political and economic uncertainty and currency fluctuations across Europe and the US, local economic strength in the Asia Pacific region resulted in hotel price rises. Rates in Asia rose modestly while the Pacific region grew notably.

One of the main drivers of these increases has been the continued expansion of low-cost carriers. This has resulted in a travel boom, as air travel within the region becomes more accessible and affordable, and also leads to online booking trends

Japan's first low-cost carrier, Peach, began operations in March of this year and has contributed to Japan's steady recovery following the disasters of early 2011, which had a considerable impact on both inbound and outbound travel during the year. As the country has recovered and travellers have returned, average room rates have risen significantly in Hiroshima and Kyoto while rates in Tokyo have been consistent. The North Asia markets are on the cusp of further low-cost carrier expansion in the next 12 months.

With some of the highest occupancy rates in the world, prices in business hubs, such as Singapore and Hong Kong, continued to climb. India and China both see rising traveller numbers, on the back of fast-growing middle classes.

It is anticipated room and occupancy rates across APAC will continue to rise as demand from business

and leisure travellers outstrips supply in many key markets. Currency fluctuations and global economic outlook uncertainties will however provide some volatility and affect inbound tourism, as observed in, for example, Australia.

However, hotel deals are present all across the region. Travellers will continue to be presented with good opportunities to snap up discounts, so keeping an eye out online is recommended.

In terms of traveller behaviour, with Asia having the largest number of mobile subscribers in the world and a growing propensity to travel, we expect a surge in late notice bookings through mobile devices as travellers become more confident using this channel.

Asia bounced back

- Asian prices recovered well from the falls in the first half of 2011 as confidence returned to the market following the Japanese earthquake, tsunami and nuclear crisis. The HPI increased 4% to stand at 108, matching the global figure.
- This was 18% lower than its high in 2008 but the industry was back on track as travel to and within the region returned.
- The success of the international business centres and major cities in Asia helped push prices up and the number of new routes launched into the market by low cost carriers also boosted travel.

Latin American prices stalled



Javier Escobedo

Vice President

Hotels.com Latin America

The Latin American Hotel Price Index shows a slight variation in comparison to the same period in 2011, with just a 1% increase, so the rate of growth is slowing overall but individual countries continued to register strong performances. Currency fluctuations also impacted the cost of trips abroad for many travellers from the region.

Brazil, for instance, leads the travel and tourism industry in Latin America in terms of absolute figures. Its rate of growth in visitor numbers, fuelled by both leisure and business travel, is also significantly ahead of many other countries in the region. Brazilians enjoyed lowered hotel prices in their own country during the first half of the year. However, due to the devaluation of the Real against major currencies, travellers leaving the country found that prices in many international destinations increased.

With two high profile sporting events in Brazil in the next few years – the 2014 FIFA World Cup and the 2016 Olympic Games, it is expected that infrastructure projects in the larger cities will increase the supply of rooms, delivering considerable improvements in the hotel stock in the run-up to these major tournaments.

The picture was similar in Mexico where local prices showed little variation compared to the previous year. However this scenario changed radically when specific international destinations were taken into consideration, due to the depreciation of the Mexican peso.

Generally speaking, European destinations are interesting options for travellers from Latin America. Prices paid per night on traditional destinations in Europe such as Madrid or Lisbon, showed a negative variation year-on-year and also offer the best value in terms of luxury, since it is possible to stay at 4 or 5 star hotels with far better prices than same category hotels in other regions.

- Despite the continued growth of the stronger economies, hotel prices overall in Latin America flattened during this period and the HPI for the area stood at 119 after a rise of 1%, the same increase as Europe and the Middle East.
- This put Latin America in second place behind the Caribbean and tied with the Pacific.
- Latin American prices were at their highest in 2007 when the Index stood at 129, and rates for the first half of 2012 were still below their 2005 level.

Europe and Middle East growth slowed



Matthew Walls

Vice President
Hotels.com EMEA

In the last six months, we've seen the Eurozone crisis impact more countries in Europe and spread its influence further afield. The situation affected not only domestic demand but also international visitors to former favourites in Southern Europe, such as Greece and Spain in particular with hotel prices falling further. Whilst this isn't great news for hoteliers, it does mean there are some great deals available for consumers looking for some late summer sunshine.

Whilst in 2011 the main external factors of influence were environmental; sport seems to be a predominant driver for 2012. One of the biggest news stories of the period has been the London Olympics. Hotel prices were initially very high but started to come down as the Games approached. The city has been full of tourists from all over the world enjoying the spectacle and many of them would have benefitted from some last-minute bargains.

Other European cities, such as Kiev, benefitted greatly from large sporting events. As one of the hosts of the Euro 2012 football tournament, this destination saw the highest increase across the HPI as a whole. Helsinki also saw its rates climb as host of the European Athletics Championships.

It will be interesting to see how this type of tourism develops with numerous sporting events planned

around the world, but especially as we approach Rio de Janeiro in 2016.

In the Middle East, calmer political seas encouraged a tourism recovery to get underway, with high demand and steep price rises in numerous destinations, such as Sharm El Sheikh and Marrakech. Whilst this is encouraging, the hardest-hit destinations have a way to go before reaching their levels prior to the Arab Spring in 2011.

It has been a turbulent twelve months across Europe and the Middle East with several economic factors impacting the industry – for now, some of these factors seem to be levelling out, bringing recovery to parts of the region in its wake.

- The HPI registered its smallest increase of 1% in Europe and the Middle East, raising the Index to just 103. This was the same figure as in the first half of 2005 and a full 13 points behind the high of 116 reached in 2007 and 2008.
- The impact of the Eurozone crisis was reflected in this result with prices down in many of the major European markets.
- It was a different picture in the Middle East which saw widespread price increases as the area settled down following the uncertainties created by the Arab Spring of 2011.



Victor Owens

Vice President

Hotels.com North America

While London has soaked up the global spotlight this year as host to the world's most revered sporting event, the Hotels.com® Hotel Price Index™ has uncovered many equally amazing cities that deserve to be on your travel itinerary.

A likely driver of the increases in North America is a boost in domestic economic confidence. With gas prices down and interest rates at incredible lows during the first half of the year, many households enjoyed slightly more disposable income. While still not quite up to par with the highs of just a few years ago, times are better for most than in 2008 and 2009, as evidenced by an increase in domestic bookings.

This year, we're also seeing hotel providers look to differentiate themselves from competitors by revamping, upgrading their properties or expanding in the luxury hotel segment, which can account for some of the price increases we've seen.

No matter the hotel star rating, travellers are now, more than ever, looking for value-added packages. The Caribbean, one of the more well-known regions

providing packaged and all-inclusive deals, showed a 3% market growth.

Even with the U.S. economy in limbo, nearly three in five Americans had planned to travel for leisure this summer, according to a recent Summer Travel Poll conducted by Harris Interactive. If you're not sure where exactly to go, here's our expert advice: follow your passion. So if it's rock climbing in Banff, noshing on a Po'boy in New Orleans, taking in the arts in Toronto, or rocking out to indie music in Austin, Hotels.com will find you that perfect itinerary and perfect place.

North America driving forward

- North America saw the second fastest rise in average hotel prices with a growth of 5%, to 109. This still trailed the leaders but the rate of increase accelerated.
- The US economy breathed life into the hotel sector during this period, although the momentum would seem to be slowing as the impact of the Eurozone crisis is felt around the world.
- The good news for travellers was that prices stayed 10 Index points behind their peak in 2007 and were still cheaper than in 2006.

The Caribbean led the way

- The Caribbean sat at the top of the Index table with an HPI of 126 for the first half of 2012, well ahead of the Pacific and Latin America, following a 5% rise in average hotel prices from the H1 2011 figure of 120.
- Rates in the Caribbean are always higher at the start of the year, which is peak holiday season particularly from the US, and this increase only brought rates closer to where they were in 2006 but 10 Index points behind their 2007 level.

Caribbean



North America



2. PRICE CHANGES IN GLOBAL CITY DESTINATIONS

The following sections reflect the actual prices paid by travellers from Finland in Euro (€) during the first half (H1) of 2012 compared to prices paid in Euro for the same period in 2011.

Finnish travellers faced steep price rises in more than two-thirds of the international destinations included in the HPI as the Euro crisis deepened and exchange rates fell against most of the major currencies.

Areas that were facing serious political or natural upheavals in the first six months of 2011 recovered their equilibrium, leading to prices in areas such as the Middle East and Japan returning to more normal levels.

Mixed fortunes for Europe

The Europe and Middle East HPI was in the doldrums with only a 1% increase in H1 2012 but this masked considerable swings across the region.

Nordic capital cities had a mixed performance with three on the rise: Helsinki up 10% to €115, helped by several major international sporting events including the European Athletics Championships in June, Stockholm up 9% to €135 and Oslo up 2% to €112, with two heading in a different direction: Reykjavik down 4% to €93 and Copenhagen dipping 3% to €118. More detail on this and other price moves in Finland can be found in Chapter 4.

The Eurozone crisis continued to impact prices in Athens which saw the average cost of a hotel room fall by another 8% to €73. Rates also fell in many cities and beach resorts across Spain, with Marbella taking the largest hit in the country at minus 11% to €102, followed by Alicante down 9% to €66, Palma de Mallorca falling 6% to €93, and Torremolinos down 5% to €68. Even the ever-popular city of Barcelona saw its prices drop 1% to €105. The same was true in Portugal with Albufeira down 16% to €72 and Lisbon dropping 2% to €77.

In the Italian holiday destinations, Capri remained on top of the table as the most expensive city covered by the HPI with a growth of 15% to €239 but nearby Amalfi fell by 25% to €124, the largest fall in the report. Further north, average prices in Como were up 19% to €131, while Venice grew 3% to €129 and Florence by 1% to €102. In Milan, prices rose by 5% to €111 but in Rome



rates tumbled by 9% to €103.

In the cities of Eastern Europe, growth also slowed or stalled. Budapest was up 3% to €67 but Prague saw no change at €79, Dubrovnik was down by 2% to €125, Krakow down 4% to €69 and Bratislava dropped by a considerable 21% to €68. Only the venues for this year's European Football Championship in June fared better with Kiev the most successful, raising its prices by 27% to €127 and Warsaw up 4% to €82.

In Turkey, Antalya and Istanbul both saw their prices fall by 10% and 6% to €81 and €94 respectively.

There were falls in Switzerland too with prices in Geneva down 7% to €173, with a shift of business away from 5-star properties, although this was still the second highest price in Europe after Capri. In Zurich, rates were down by the same percentage to €144 as hoteliers lowered their rates to be more competitive.

It was a different picture for Eurozone travellers in Germany with its stronger economy. Frankfurt saw an impressive 14% rise to €106, Munich was up 11% also to €106 and the capital Berlin, which traditionally has some of the best value hotel rooms in the country, was up 3% to €79.

The capitals of the Baltic states, popular for short breaks, avoided the knocks affecting other areas with Vilnius up 15% to €64, Tallinn up 14% to €84 and Riga up 8% to €66.



Elsewhere, prices were fairly stable. London, the most expensive European capital, was up 2% to €137 and Paris fell 1% to €115 while Amsterdam was flat at €123 and Brussels was down 2% at €95.

Middle East recovery underway

The return to a calmer political situation in much of the Middle East led to some steep price rises across the region.

Egyptian destinations, in particular, gained from this with Cairo up 14% to €123, higher than two years ago when its H1 2010 rate was €119, and the Red Sea resort of Sharm El Sheikh up 12% to €71, representing great value as it still had some way to go to catch its 2010 rate of €115.

North African holiday hotspots also felt the benefit with Tunis up 6% to €82 and Marrakech up 5% to €78.

Dubai shook off the gloom as occupancy rose particularly from the local market, and prices there soared by 34% to €160, moving it into the Top 10 most expensive cities covered by the HPI at No 8. In Doha, there was a more modest increase of 6% to €146, dropping it outside the Top 10 to No 11. Abu Dhabi was the only major city in the region to buck this trend with a fall of 1% to €114 as slow demand impacted rates.

Japan's revival boosted the whole region

Japan's recuperation following the earthquake, tsunami and nuclear crisis of March 2011 helped rates

soar across Asia, although prices in the country were not yet back to their 2010 levels. Kyoto saw its average price accelerate by 19% to €104, the same level as Tokyo with a rise of 10%, with Osaka up 5% to €73.

Traditional international business centres saw inflated prices with Hong Kong up 17% to €144 following strong demand and Singapore up 8% to €146, boosted by tourist arrivals for major events such as the Singapore Airshow and several international concerts.

However, key up-and-coming cities were rapidly catching their more experienced rivals with Seoul, seeing an influx of tourists from Japan and China, up 20% to €116 and Taipei up 17% to €108, due to an increase in Chinese visitors and an improving hotel stock. In China itself, prices leapt in Beijing by 22% to €73 and also climbed by 4% in Shanghai to €75. In India, Mumbai rose 12% to €116 and New Delhi saw a 5% increase to €78.

Holiday destinations had mixed results. The Indian state of Goa saw the highest increase in the region with rates up 25% to €70 while, in Malaysia, Langkawi rose 8% to €142. In Thailand, the beach resort of Pattaya had an impressive 18% boost to €55, and Phuket increased by 8% to €73. Ko Samui was up by a more modest 2% to €93 but there were falls in Krabi by 13% to €71 and Chiang Mai by 2% to €58. Bali was another faller, down 6% to €100.



Elsewhere, Hanoi, the destination in the HPI with the lowest prices for Eurozone travellers, was down 5% to €45.

The Pacific flexed its muscles

With the fastest-rising HPI, up 6% in the first half of 2012, the Pacific region was driven by the strength of its largest economy, Australia, where prices continued to rise for Eurozone travellers.

Sydney saw its rates advance by 12% to €123, Melbourne was up 8% to €103 and Brisbane up 6% to €128. The highest prices were found in Perth following a 10% increase to €152.

It was a different story in New Zealand where rates in Auckland showed no change at €70 but Wellington dropped 12% to €68.

US destinations bounding ahead

Finnish travellers visiting the US in the first half of 2012 were faced with steep price increases in all 15 of the destinations included in the HPI as the Euro lost value against the Dollar over this period.

Popular sun cities in Florida saw some of the highest rises with Key West and Miami both up 20% to €175 and €134 respectively, Fort Lauderdale up 17% to €117 and Orlando up 13% to €76. Other holiday favourites

also saw rates climb with Las Vegas up 13% to €80, the Grand Canyon up 7% to €95 and New Orleans up 5% to €104.

Major cities were also included in this trend with San Francisco up 19% to €128, Boston up 17% to €160, Chicago up 13% to €126, Seattle up 12% to €120 and San Diego up 10% to €105 with 9% rises in Washington to €140 and Los Angeles to €111. New York retained its position as the most expensive US destination in the HPI, placing it at No 3 in the table, with a more modest lift of 4% to €178.



Price rises in Latin America

The HPI for Latin America may have shown only a slight increase of 1% overall but this result is not reflected in the average hotel prices in the major cities of the region's four largest economies.

In Brazil, which overtook the UK as the world's sixth largest economy earlier this year, Rio de Janeiro experienced a substantial price rise of 24% to €210, making it the second most expensive destination in the HPI, in spite of a decrease in value of the Real of 8% against the Euro over the period. Sao Paulo also registered a rise of 7% to €150.

Mexico City recorded a 10% rise to €84 while the Caribbean resort of Cancun saw prices mount by an impressive 23% to €131. In Colombia, Eurozone travellers paid an additional 8% to visit Bogota with average rates at €116 and, in Argentina, an extra 4% for Buenos Aires at €91.

World Cup fallout

In South Africa, prices in Cape Town rose by 19% to €118 and in Johannesburg by 5% to €119 as the overall room supply reduced with a number of hotels that had been built for the 2010 World Cup either closed or converted into residential apartments.

Figure 3 Average hotel prices in H1 2012 compared with H1 2011

Destination	H1 2012	H1 2011	% change
Capri	€239	€208	15%
Rio de Janeiro	€210	€170	24%
New York	€178	€171	4%
Key West	€175	€146	20%
Geneva	€173	€187	-7%
Moscow	€173	€160	8%
Boston	€160	€137	17%
Dubai	€160	€119	34%
Perth	€152	€138	10%
Sao Paulo	€150	€140	7%
Doha	€146	€137	6%
Singapore	€146	€135	8%
Zurich	€144	€155	-7%
Hong Kong	€144	€122	17%
Langkawi	€142	€131	8%
Washington	€140	€129	9%
London	€137	€134	2%
Stockholm	€135	€123	9%
Monte Carlo	€134	€131	2%
Miami	€134	€112	20%
Como	€131	€111	19%
Cancun	€131	€107	23%

Destination	H1 2012	H1 2011	% change
Venice	€129	€125	3%
Brisbane	€128	€121	6%
San Francisco	€128	€107	19%
Jerusalem	€127	€129	-2%
Kiev	€127	€100	27%
Chicago	€126	€112	13%
Dubrovnik	€125	€127	-2%
Amalfi	€124	€165	-25%
Amsterdam	€123	€124	0%
Sydney	€123	€110	12%
Cairo	€123	€108	14%
Seattle	€120	€107	12%
Johannesburg	€119	€113	5%
Copenhagen	€118	€122	-3%
Cannes	€118	€120	-1%
Cape Town	€118	€99	19%
Fort Lauderdale	€117	€100	17%
Vancouver	€116	€119	-2%
Bogota	€116	€107	8%
Toronto	€116	€104	11%
Mumbai	€116	€103	12%
Seoul	€116	€97	20%
Paris	€115	€114	1%
HELSINKI	€115	€105	10%

Destination	H1 2012	H1 2011	% change
Abu Dhabi	€114	€116	-1%
Oslo	€112	€109	2%
Edinburgh	€111	€110	1%
Milan	€111	€106	5%
Los Angeles	€111	€102	9%
Bruges	€109	€114	-4%
St Petersburg	€108	€110	-1%
Taipei	€108	€92	17%
Munich	€106	€96	11%
Frankfurt	€106	€93	14%
Barcelona	€105	€106	-1%
San Diego	€105	€96	10%
New Orleans	€104	€100	5%
Tokyo	€104	€95	10%
Kyoto	€104	€87	19%
Rome	€103	€114	-9%
Biarritz	€103	€112	-8%
Melbourne	€103	€96	8%
Marbella	€102	€115	-11%
Florence	€102	€101	1%
Bali	€100	€107	-6%
Nice	€100	€104	-4%
Ibiza	€97	€92	5%
Vienna	€96	€100	-4%

Destination	H1 2012	H1 2011	% change
Brussels	€95	€97	-2%
Grand Canyon	€95	€88	7%
Istanbul	€94	€100	-6%
Casablanca	€94	€88	6%
Palma de Mallorca	€93	€99	-6%
Reykjavik	€93	€97	-4%
Ko Samui	€93	€91	2%
Buenos Aires	€91	€88	4%
Benidorm	€89	€90	-1%
Mexico City	€84	€76	10%
Tallinn	€84	€74	14%
Warsaw	€82	€79	4%
Tunis	€82	€78	6%
Antalya	€81	€91	-10%
Madrid	€81	€82	-2%
Las Vegas	€80	€71	13%
Prague	€79	€78	0%
Berlin	€79	€76	3%
Marrakech	€78	€74	5%
New Delhi	€78	€74	5%
Lisbon	€77	€79	-2%
Dublin	€77	€75	3%
Orlando	€76	€67	13%
Shanghai	€75	€72	4%
Athens	€73	€79	-8%

Destination	H1 2012	H1 2011	% change
Osaka	€73	€69	5%
Phuket	€73	€68	8%
Beijing	€73	€60	22%
Albufeira	€72	€86	-16%
Krabi	€71	€82	-13%
Sharm El Sheikh	€71	€64	12%
Auckland	€70	€71	0%
Goa	€70	€56	25%
Krakow	€69	€71	-4%
Bratislava	€68	€85	-21%
Wellington	€68	€77	-12%
Torremolinos	€68	€72	-5%
Budapest	€67	€65	3%
Alicante	€66	€73	-9%
Riga	€66	€61	8%
Bangkok	€65	€61	7%
Vilnius	€64	€56	15%
Ho Chi Minh City	€58	€69	-17%
Chiang Mai	€58	€59	-2%
Pattaya	€55	€46	18%
Phnom Penh	€47	€43	10%
Hanoi	€45	€48	-5%

Figure 4 The biggest percentage price rises in H1 2012 compared with H1 2011

Destination	H1 2012	H1 2011	% change
Dubai	€160	€119	34%
Kiev	€127	€100	27%
Goa	€70	€56	25%
Rio de Janeiro	€210	€170	24%
Cancun	€131	€107	23%
Beijing	€73	€60	22%
Key West	€175	€146	20%
Miami	€134	€112	20%
Seoul	€116	€97	20%
Como	€131	€111	19%
San Francisco	€128	€107	19%
Cape Town	€118	€99	19%
Kyoto	€104	€87	19%
Pattaya	€55	€46	18%
Boston	€160	€137	17%
Hong Kong	€144	€122	17%
Fort Lauderdale	€117	€100	17%
Taipei	€108	€92	17%
Capri	€239	€208	15%
Vilnius	€64	€56	15%
Cairo	€123	€108	14%
Frankfurt	€106	€93	14%



Figure 5 The biggest percentage price falls in H1 2012 compared with H1 2011

Destination	H1 2012	H1 2011	% change
Amalfi	€124	€165	-25%
Bratislava	€68	€85	-21%
Ho Chi Minh City	€58	€69	-17%
Albufeira	€72	€86	-16%
Krabi	€71	€82	-13%
Wellington	€68	€77	-12%
Marbella	€102	€115	-11%
Antalya	€81	€91	-10%
Rome	€103	€114	-9%
Alicante	€66	€73	-9%
Biarritz	€103	€112	-8%
Athens	€73	€79	-8%
Geneva	€173	€187	-7%
Zurich	€144	€155	-7%
Bali	€100	€107	-6%
Istanbul	€94	€100	-6%
Palma de Mallorca	€93	€99	-6%
Torremolinos	€68	€72	-5%



Figure 6 Best value European city break destinations

Destination	Price
Vilnius	€64
Riga	€66
Budapest	€67
Bratislava	€68
Krakow	€69
Athens	€73
Dublin	€77
Lisbon	€77
Berlin	€79
Prague	€79

Figure 7 Best value backpacker destinations

Destination	Price
Hanoi	€45
Phnom Penh	€47
Pattaya	€55
Chiang Mai	€58
Ho Chi Minh City	€58
Bangkok	€65
Goa	€70
Auckland	€70
Krabi	€71
Beijing	€73

Figure 8 Most expensive US destinations

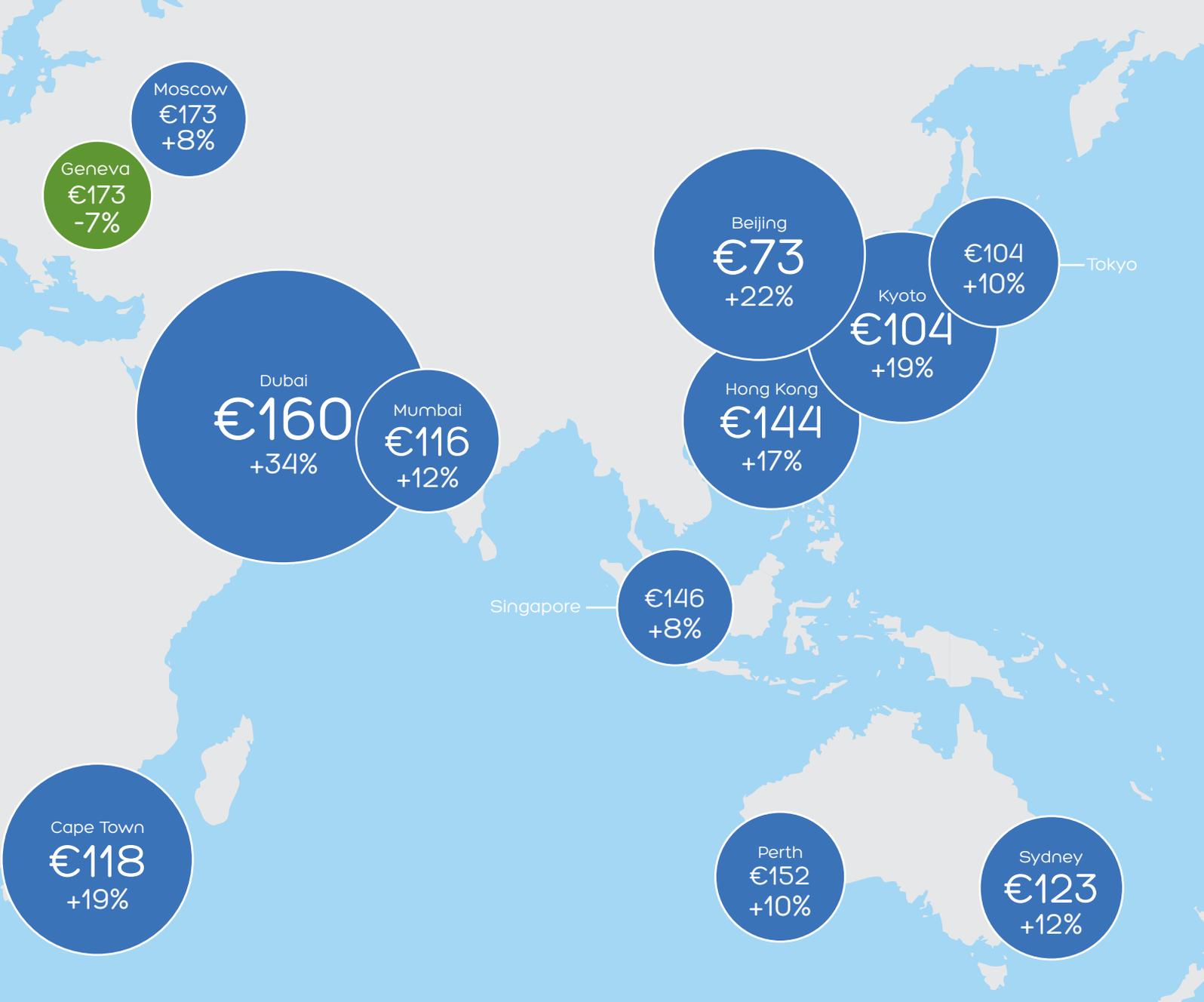
Destination	Price
New York	€178
Key West	€175
Boston	€160
Washington	€140
Miami	€134
San Francisco	€128
Chicago	€126
Seattle	€120
Fort Lauderdale	€117
Los Angeles	€111

Figure 9 Top shopping cities around the world

Destination	Price
New York	€178
Dubai	€160
Singapore	€146
Hong Kong	€144
London	€137
Paris	€115
Milan	€111
Barcelona	€105
Berlin	€79
Bangkok	€65

GLOBAL HOTEL PRICE CHANGES H1 2012 - H1 2011





3. PRICE CHANGES BY COUNTRY

Prices rose for Eurozone travellers in nearly two-thirds of the countries included in the HPI. Rates were affected by the fall in the value of the Euro against many major currencies and the return to a more stable situation in the Middle East and Asia, following the political and natural turmoil in the first half of 2011.

The honeymoon destinations of the Seychelles and Mauritius took the top two slots in the table of average hotel prices with the highest rates of €249, up 10%, and €178, up 17%, respectively.

Finland was the highest Eurozone country with a rate of €112, up 7%, placing it at No 27 in the table of average hotel prices while Switzerland was again the most expensive European country at No 7 with a rate of €150 after a drop of 1%.

Of the countries most affected by the Eurozone crisis, Greece saw a fall of 10% to €81, Portugal was down 4% to €77 and Spain was steadier with rates dipping just 1% to €82. In fact, of the 17 Eurozone countries, rates were down in 11, flat in two and up in only four. Estonia had the highest increase, up 12% to €83, while Slovakia was both the biggest faller and the least expensive Eurozone country, down 18% to an average €69.

In the rest of Europe, Montenegro put in a strong performance and was the fastest European riser overall with rates up 22% to €82, followed by the Ukraine, up 20% to €118, helped by the European Football Championship in June 2012. Bosnia & Herzegovina offered the best value rooms in Europe with an average rate of €53, down 1%.



Switzerland



Ukraine

The Middle East showed signs of a robust recovery with all eight countries in the HPI reporting higher prices. Saudi Arabia had the highest increase in the HPI, up 34%, and the fourth highest price overall at €155, closely followed by the United Arab Emirates, up 29% to €153. Egypt, which experienced a dramatic fall in prices following the 2011 Arab Spring, saw rates rising 3% to €75 as confidence returned, although this was still some way behind its 2010 level of €97.

Several Latin American countries put in a strong performance with the five in the HPI all registering increases and four appearing in the list of high risers. As the third most expensive destination in the HPI, the average cost of a hotel room in Brazil rose 11% to €166. Chile also had one of the fastest growing average rates, up 23% to €114, followed by Colombia, up 15% to €125, and Mexico, up 13% to €108.

In Asia, there were some impressive results as travel returned following the crisis in Japan in March 2011. The faster riser was Taiwan with a 25% rise to €110, followed by Macau and the Philippines, both up 20% to €128 and €76 respectively, then South Korea, up 18% to €115. Japan itself was up 12% to €97, but not yet back to its 2010 rate of €103. China recorded another strong result, up 9% to €93. Cambodia had the lowest average prices in the HPI at €50, up 3%.

Elsewhere, the boom in Australian prices continued with a rise of 10% to €119, fuelled in part by the fall in the value of the Euro against the Australian dollar of 2% over this period. South Africa also had a good start to the year with prices up 11% to €117.

Of the 74 countries included in the HPI, prices rose in 48, fell in 22 and were flat in four.



Figure 10 Average hotel prices by country in H1 2012 compared with H1 2011

Destination	H1 2012	H1 2011	% change
Seychelles	€249	€226	10%
Mauritius	€178	€152	17%
Brazil	€166	€150	11%
Saudi Arabia	€155	€116	34%
United Arab Emirates	€153	€118	29%
Israel	€150	€140	7%
Switzerland	€150	€151	-1%
Qatar	€146	€137	6%
Singapore	€146	€135	8%
Russia	€136	€133	3%
Monaco	€134	€133	1%
Macau	€128	€107	20%
Sweden	€126	€116	9%
Colombia	€125	€109	15%
Panama	€123	€105	17%
Norway	€121	€117	4%
United States of America	€121	€114	6%
Australia	€119	€108	10%
Denmark	€118	€121	-2%
Ukraine	€118	€98	20%
South Africa	€117	€105	11%
United Kingdom	€116	€115	1%
South Korea	€115	€97	18%
Canada	€114	€105	8%

Destination	H1 2012	H1 2011	% change
Chile	€114	€92	23%
Croatia	€113	€115	-1%
FINLAND	€112	€104	7%
Netherlands	€110	€110	0%
Taiwan	€110	€88	25%
Mexico	€108	€95	13%
Lebanon	€107	€103	4%
Italy	€103	€105	-2%
Slovenia	€100	€109	-8%
Austria	€98	€99	-1%
Japan	€97	€87	12%
Indonesia	€96	€96	0%
Belgium	€95	€98	-3%
Luxembourg	€95	€98	-3%
Argentina	€94	€90	4%
Iceland	€94	€97	-3%
China	€93	€86	9%
Germany	€91	€88	3%
Turkey	€91	€97	-6%
Malaysia	€89	€86	4%
Costa Rica	€88	€80	11%
Cyprus	€87	€86	1%
France	€87	€88	-2%
Estonia	€83	€74	12%
Montenegro	€82	€67	22%
Spain	€82	€83	-1%

Destination	H1 2012	H1 2011	% change
Greece	€81	€89	-10%
Ireland	€81	€81	0%
India	€80	€82	-2%
Morocco	€80	€77	4%
Czech Republic	€78	€79	0%
Guatemala	€77	€71	8%
Portugal	€77	€81	-4%
Philippines	€76	€63	20%
Poland	€76	€76	-1%
Egypt	€75	€73	3%
Serbia	€75	€79	-6%
Malta	€73	€77	-5%
New Zealand	€73	€73	-1%
Thailand	€73	€68	7%
Romania	€69	€68	1%
Slovakia	€69	€84	-18%
Latvia	€68	€63	7%
Hungary	€67	€65	3%
Tunisia	€67	€61	10%
Lithuania	€61	€58	5%
Vietnam	€58	€62	-7%
Bulgaria	€55	€53	3%
Bosnia & Herzegovina	€53	€53	-1%
Cambodia	€50	€48	3%



Figure 11 The biggest percentage price rises in H1 2012 compared with H1 2011

Destination	H1 2012	H1 2011	% change
Saudi Arabia	€155	€116	34%
United Arab Emirates	€153	€118	29%
Taiwan	€110	€88	25%
Chile	€114	€92	23%
Montenegro	€82	€67	22%
Philippines	€76	€63	20%
Macau	€128	€107	20%
Ukraine	€118	€98	20%
South Korea	€115	€97	18%
Panama	€123	€105	17%
Mauritius	€178	€152	17%
Colombia	€125	€109	15%
Mexico	€108	€95	13%
Estonia	€83	€74	12%
Japan	€97	€87	12%
Brazil	€166	€150	11%
South Africa	€117	€105	11%
Costa Rica	€88	€80	11%
Tunisia	€67	€61	10%
Seychelles	€249	€226	10%
Australia	€119	€108	10%

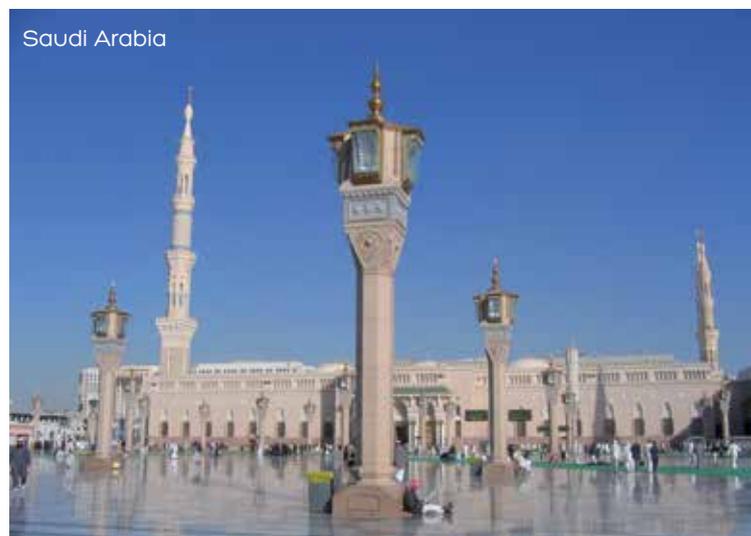
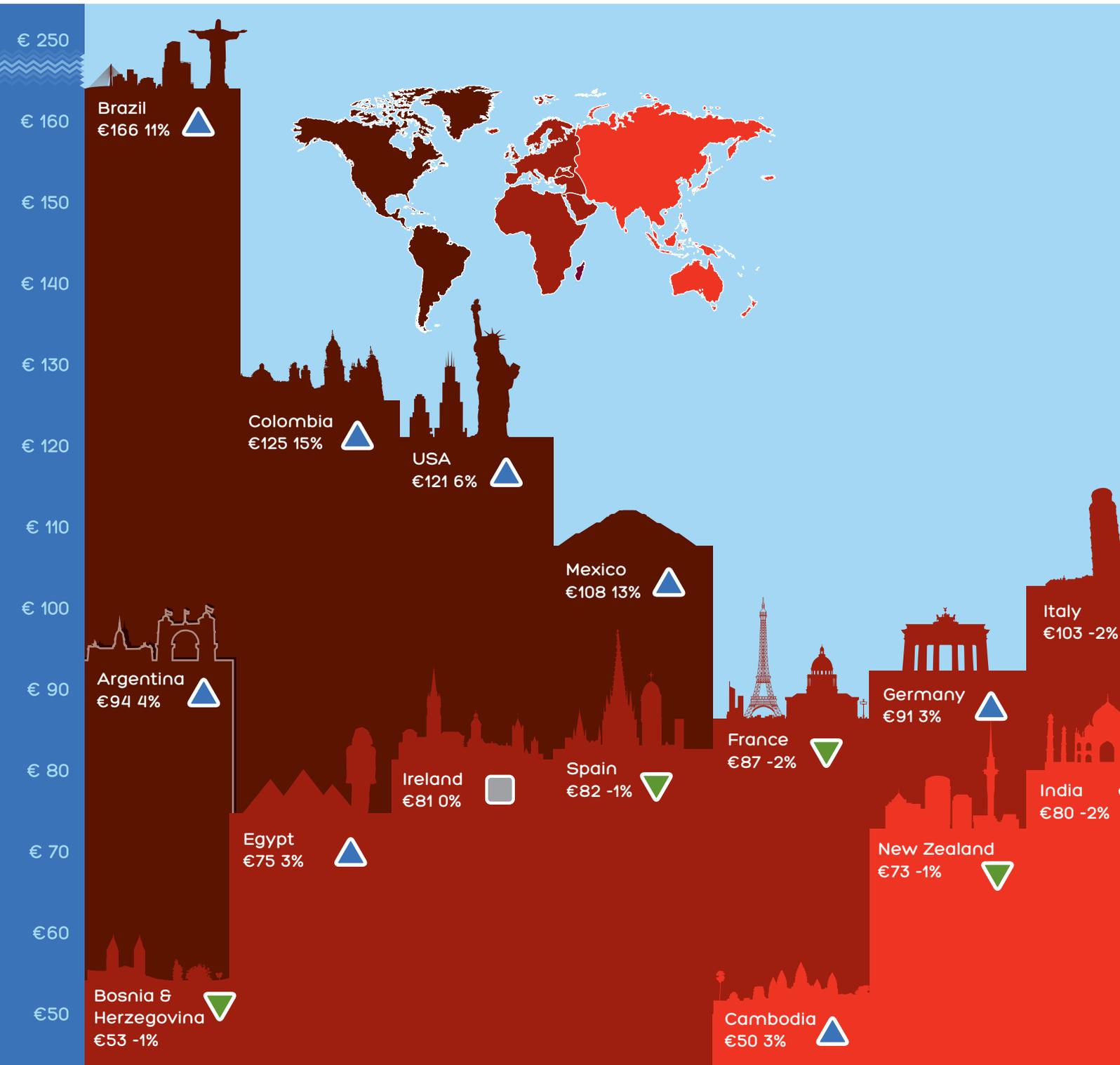


Figure 12 The biggest percentage price falls in H1 2012 compared with H1 2011

Destination	H1 2012	H1 2011	% change
Slovakia	€69	€84	-18%
Greece	€81	€89	-10%
Slovenia	€100	€109	-8%
Vietnam	€58	€62	-7%
Serbia	€75	€79	-6%
Turkey	€91	€97	-6%
Malta	€73	€77	-5%
Portugal	€77	€81	-4%
Iceland	€94	€97	-3%
Luxembourg	€95	€98	-3%
Belgium	€95	€98	-3%
Italy	€103	€105	-2%
Denmark	€118	€121	-2%
France	€87	€88	-2%
India	€80	€82	-2%







GLOBAL HOTEL PRICE CHANGES BY COUNTRY H1 2012 - H1 2011

4. FOCUS ON FINLAND

Average hotel room rates were up 7% overall to €112 in Finland for the first half of 2012 as the country recovered from the economic downturn in 2008/2009.

Helsinki drove much of this increase with major international sporting events in the first half of the year, such as the International Ice Hockey Federation World Championships in May and the European Athletics Championships in June. The city is also the World Design Capital for 2012 and this higher world profile attracted more foreign visitors which led to price increases of 10% to €115 for the first half of the year.

Kuopio in central Finland also had a strong showing, up 6% to €100, followed closely by Jyväskylä, up 5% to €108. Rates in the important business and cultural centre of Turku were flat at €100 and Tampere was the only destination to register a small negative change, down 1% to €111.

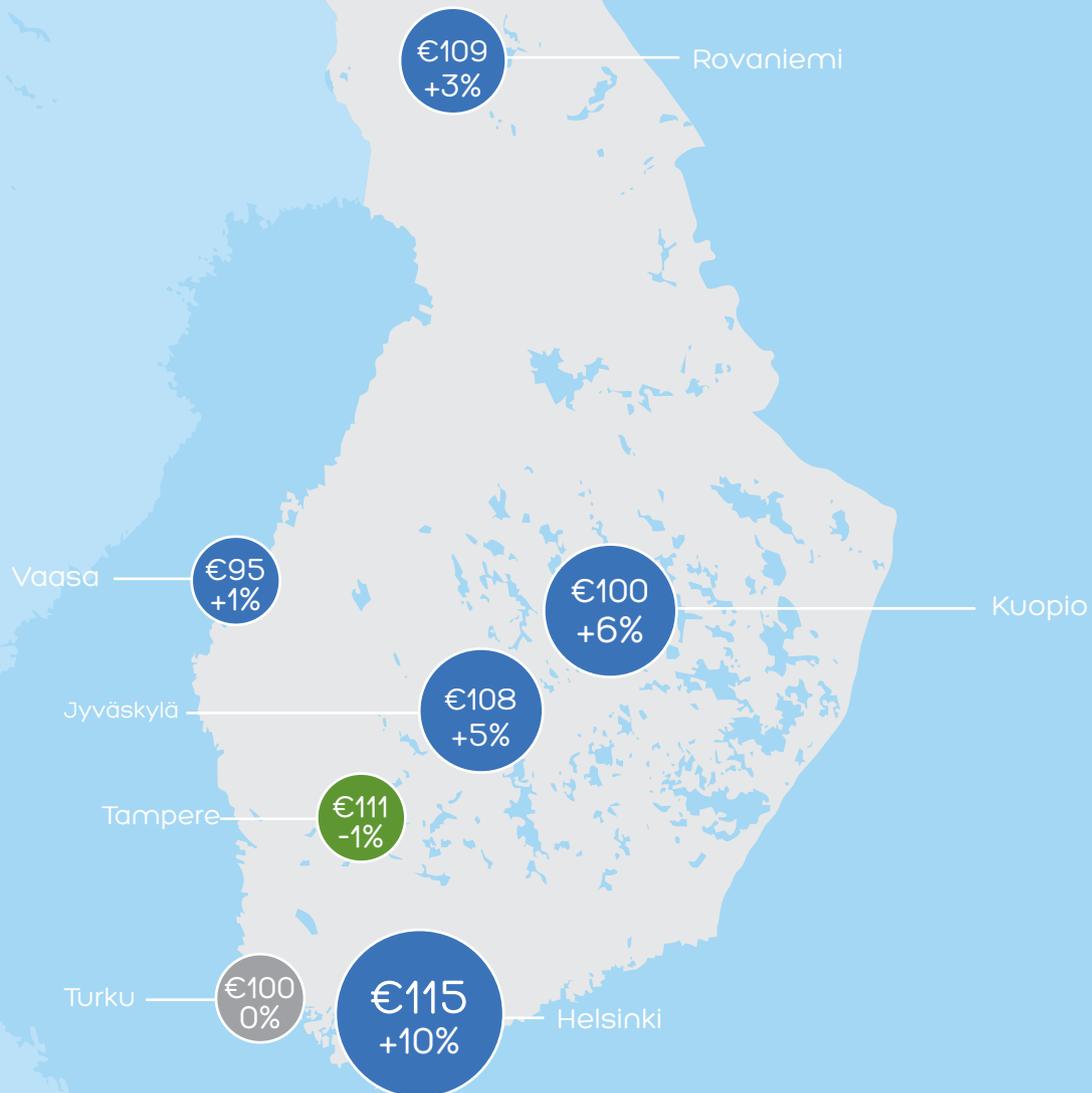


Figure 13 Average room prices and changes in H1 2012 across Finland

Destination	H1 2012	H1 2011	% change
Helsinki	€115	€105	10%
Tampere	€111	€112	-1%
Rovaniemi	€109	€106	3%
Jyväskylä	€108	€103	5%
Kuopio	€100	€95	6%
Turku	€100	€99	0%
Vaasa	€95	€94	1%



FINLAND HOTEL PRICE CHANGES H1 2012 - H1 2011



5. PRICES PAID AT HOME AND AWAY

Travelling overseas

With an average figure of €105, Finnish travellers featured towards the bottom of the table of biggest spenders abroad at No 22, in spite of a €4 rise in the average amount paid, compared to last year, as the value of the Euro fell.

The Top 10 biggest spending nations remained the same but there was considerable movement in the table. The Japanese spent the most away from home once again on €142, €15 more than the same period last year, followed by the Australians on €135, moving up from third place to second, and the Swiss on €133, bumped down to third.

The Chinese moved up one place to sixth, parting with an average €124 compared to €113 for the first six months of 2011, and the Brazilians paid €123 against €111 in the first six months of 2011, climbing three places from tenth to joint seventh with Russia. The Swedes moved down from seventh to tenth in spite of the fact that they paid slightly more, spending €121 this year compared to €114 in 2011.

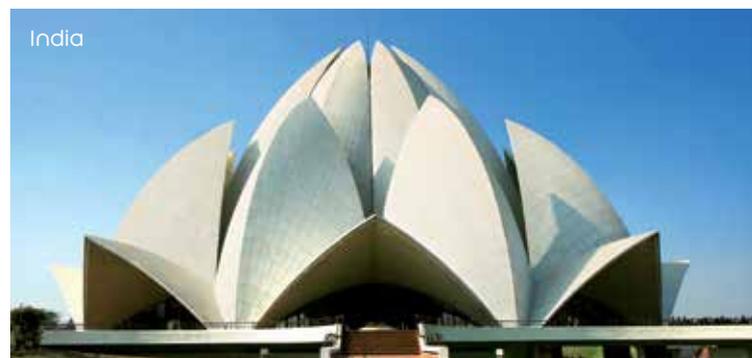
Outside the Top 10, in the Eurozone, the biggest spenders were the Austrians, paying an average €113 a night while those with the best eye for a bargain away from home were the Dutch on €104. However, the Mexicans were the savviest nationality overall with an average spend of €95, up €11 from 2011.

Travelling at home

Travellers from Finland were the highest spending Eurozone nation paying €112 for a night away at home, placing them at No 9 in the table, spending €8 less on average as domestic hotel prices increased.

The top three held their places in the first half of 2012, with the Swiss paying the most when travelling at home on €154, although down €3 on last year, followed by Norway and Singapore both on €141 but down €4 and up €11 respectively. The Australians again moved up the table from seventh to fourth on €135, an extra €18 a night. The South Koreans moved into the Top 10 at No 6 on €118.

At the other end of the table, those looking for best value at home were the Indians on €70 a night, up €4 on last year, followed by the Spanish on €72, down €6, and the Chinese on €73, a big drop on last year of €17 a night.



More at home or away?

Of the 26 countries analysed, 19 nationalities paid more for their hotel rooms abroad than at home with Finnish travellers spending an average €7 more domestically than abroad.

Those from Singapore paid €32 a night more for a local hotel room, followed by the Swiss with a €21 difference and the Norwegians with an €12 variation.

Conversely, when travelling abroad compared to within their own borders, the nationality with the greatest price differential was the Chinese who spent €51 a night more. They were followed by the Indians with a €39 difference, and the New Zealanders and Japanese both with €37.

Figure 14 Average room prices paid by travellers when travelling overseas versus those paid within their own countries

Country	Away	Country	Away	Country	Home	Country	Home
Japan	€142	Ireland	€112	Switzerland	€154	United Kingdom	€98
Australia	€135	Denmark	€111	Norway	€141	Netherlands	€98
Switzerland	€133	South Korea	€110	Singapore	€141	USA	€96
USA	€132	Hong Kong	€110	Australia	€135	Austria	€91
Norway	€129	Singapore	€109	Sweden	€122	Germany	€88
China	€124	India	€109	South Korea	€118	Italy	€86
Russia	€123	France	€107	Russia	€116	New Zealand	€82
Brazil	€123	Italy	€106	Denmark	€113	Ireland	€82
United Kingdom	€122	FINLAND	€105	FINLAND	€112	France	€81
Sweden	€121	Germany	€105	Hong Kong	€109	Mexico	€81
New Zealand	€119	Spain	€105	Canada	€108	China	€73
Canada	€116	Netherlands	€104	Brazil	€107	Spain	€72
Austria	€113	Mexico	€95	Japan	€105	India	€70

6. WHERE TO STAY FOR €150 A NIGHT

With the emphasis on value for money, Eurozone travellers with €150 in their pocket to spend on a night's accommodation could enjoy a wide choice of cities offering a 5-star room for less than this price. High-end bargains could be found in the eight European cities of Berlin, Brussels, Budapest, Lisbon, Pisa, Prague, Tallinn and Warsaw as well as Marrakech in North Africa and Beijing, the only long-haul destination.

Another 34 cities offered 4-star rooms for €150 or less with 18 in Europe including Edinburgh, Madrid, Rome, and Stockholm, eight in Asia including Guangzhou and Shanghai in China, Chicago, Las Vegas and Orlando in the US as well as Cape Town, Dubai, Melbourne, Mexico City and Sydney elsewhere in the world.

This sum could also buy 4-star lodging in Helsinki but only 3-star in London and 2-star in New York.



Figure 15 The star rating that can be purchased with €150 a night in the world's top cities

Destination	€150
Beijing	★★★★★
Berlin	★★★★★
Brussels	★★★★★
Budapest	★★★★★
Lisbon	★★★★★
Marrakech	★★★★★
Pisa	★★★★★
Prague	★★★★★
Tallinn	★★★★★
Warsaw	★★★★★
Amsterdam	★★★★
Bali	★★★★
Bangkok	★★★★
Barcelona	★★★★
Benidorm	★★★★
Biarritz	★★★★
Cape Town	★★★★
Chicago	★★★★
Copenhagen	★★★★
Dubai	★★★★
Dublin	★★★★
Edinburgh	★★★★

Destination	€150
Frankfurt	★★★★
Guangzhou	★★★★
HELSINKI	★★★★
Istanbul	★★★★
Las Vegas	★★★★
Madrid	★★★★
Melbourne	★★★★
Mexico City	★★★★
Milan	★★★★
Mumbai	★★★★
Munich	★★★★
New Delhi	★★★★
Orlando	★★★★
Oslo	★★★★
Rome	★★★★
Seoul	★★★★
Shanghai	★★★★
Stockholm	★★★★
Sydney	★★★★
Taipei	★★★★
Vienna	★★★★
Zurich	★★★★
Boston	★★★
Cancun	★★★

Destination	€150
Geneva	★★★
Hong Kong	★★★
Jerusalem	★★★
London	★★★
Los Angeles	★★★
Miami	★★★
Montreal	★★★
Moscow	★★★
Nice	★★★
Paris	★★★
San Francisco	★★★
Seattle	★★★
Singapore	★★★
Tokyo	★★★
Toronto	★★★
Vancouver	★★★
Venice	★★★
Washington	★★★
New York	★★

7. AVERAGE ROOM PRICES BY STAR RATING

For the HPI, Hotels.com analysed the average prices paid for hotel rooms across different star ratings in the world's top cities to help consumers make the most of their budget. With 5-star rates across the world starting at a cost-effective €89 and going as high as €388 on average per night, it makes sense to research a range of destinations before making the final decision on where to go.

At €388, it was Tokyo that took the top spot, overtaking New York on €381 as the city with the most expensive 5-star rooms, while Los Angeles on €380 was also close to catching the US East Coast city.

Once again, Warsaw offered the best deal on 5-star accommodation with average prices at €89 a night and the Polish capital also had a very competitive 4-star rate of €84. Marrakech was not far behind with €95 for 5-star and €75 for 4-star.

At the other end of the scale, Bangkok, Shanghai and New Delhi offered the lowest 2-star prices at €26, €28 and €30 respectively. For an inexpensive trip in Europe, Budapest had an unbeatable €35 average.

In the Eurozone, Lisbon at €129, Brussels at €130 and Berlin at €134 had the lowest average rates for 5-star rooms, while the lowest 4-star price of €83 was found in Berlin, Lisbon and Madrid. The Portuguese capital also had the lowest 2-star rate at €45, followed by Tallinn on €49. Helsinki represented great value with prices in the 5- and 4-star range both lower than the Eurozone average at €194 and €121 respectively.

Hotel star ratings explained

There is no universal star rating system. Each country has its own and, in some cases such as the UK, more than one. This means that travellers should be aware of a possible disparity of standards and facilities when booking rooms with the same star ratings in different countries.

Figure 16 Average hotel room prices by star rating during H1 2012

Destination	★★	★★★★	★★★★★	★★★★★
Amsterdam	€92	€109	€138	€204
Bali	€39	€65	€116	€246
Bangkok	€26	€38	€78	€160
Barcelona	€70	€94	€115	€208
Beijing	€45	€49	€89	€149
Benidorm	€50	€80	€101	N/A
Berlin	€61	€64	€83	€134
Biarritz	€70	€97	€131	€296
Boston	€114	€147	€207	€338
Brussels	€72	€89	€100	€130
Budapest	€35	€51	€73	€111
Buenos Aires	€45	€73	€110	N/A
Cancun	€49	€109	€196	€253
Cape Town	N/A	€98	€99	€209
Chicago	€76	€127	€149	€302
Copenhagen	€81	€111	€142	€226

Destination	★★	★★★★	★★★★★	★★★★★
Dubai	€80	€83	€114	€278
Dublin	€51	€68	€86	€172
Edinburgh	€81	€93	€124	€189
Frankfurt	€88	€90	€109	€176
Geneva	€116	€142	€178	€358
Guangzhou	N/A	€64	€115	€204
Helsinki	€72	€106	€121	€194
Hong Kong	€46	€110	€167	€284
Istanbul	€48	€72	€99	€160
Jerusalem	€80	€114	€155	€237
Las Vegas	€43	€51	€94	€164
Lisbon	€45	€58	€83	€129
London	€89	€113	€160	€291
Los Angeles	€79	€116	€240	€380
Madrid	€57	€77	€83	€159
Marrakech	N/A	€53	€75	€95
Melbourne	€44	€86	€114	N/A
Mexico City	€54	€71	€123	N/A
Miami	€84	€138	€230	N/A
Milan	€81	€82	€117	€312
Montreal	€80	€118	€162	N/A
Moscow	N/A	€124	€162	€264
Mumbai	€48	€87	€121	€169
Munich	€77	€90	€119	€191
New Delhi	€30	€47	€121	€158

Destination	★★	★★★★	★★★★★	★★★★★
New York	€129	€183	€228	€381
Nice	€66	€86	€156	€236
Orlando	€53	€84	€142	N/A
Oslo	€66	€107	€124	€180
Paris	€82	€112	€174	€364
Pisa	N/A	€62	€85	€142
Prague	€51	€60	€82	€133
Rome	€80	€95	€108	€273
San Francisco	€96	€144	€186	N/A
Seattle	€92	€116	€174	N/A
Seoul	€74	€90	€130	€240
Shanghai	€28	€53	€75	€174
Singapore	€64	€121	€169	€296
Stockholm	€98	€114	€145	€183
Sydney	€49	€101	€135	€219
Taipei	€45	€94	€139	N/A
Tallinn	€49	€63	€96	€149
Tokyo	€65	€97	€183	€388
Toronto	€90	€115	€158	N/A
Vancouver	€91	€113	€161	N/A
Venice	€88	€105	€151	€288
Vienna	€56	€80	€94	€155
Warsaw	€59	€75	€84	€89
Washington	€101	€142	€196	N/A
Zurich	€95	€145	€148	€186

Figure 17 Top 10 most expensive cities for 5-star hotels in H1 2012

Destination	★★★★★
Tokyo	€388
New York	€381
Los Angeles	€380
Paris	€364
Geneva	€358
Boston	€338
Milan	€312
Chicago	€302
Biarritz	€296
Singapore	€296

Figure 18 Affordable luxury: Top 10 destinations with the best-value 5-star hotels in H1 2012

Destination	★★★★★
Warsaw	€89
Marrakech	€95
Budapest	€111
Lisbon	€129
Brussels	€130
Prague	€133
Berlin	€134
Pisa	€142
Beijing	€149
Tallinn	€149

8. LUXURY FOR LESS

Eurozone travellers searching for top-of-the-range hotel accommodation were able to benefit from some significant price falls across the world in the first half of 2012.

With hoteliers lowering their rates, Zurich saw 5-star rates falling dramatically by 21% to €186 and 4-star charges were down 6% to €148. Geneva's 4-star rates also fell by 8% to €178.

Luxury became more affordable in a number of destinations. Bali's 5-star prices fell by 13% to €246 and New Delhi dropped by the same percentage to €158. In Europe, Biarritz and Frankfurt both slid 10% to €296 and €176 respectively. Madrid, Mumbai, Vienna, Marrakech, Prague and Brussels all had single digit percentage falls.

Jerusalem, Biarritz and Pisa all experienced the largest drop in 4-star charges, down 12% to €155, €131 and €85



Zurich

respectively, while Rome fell 10% to €108. Cape Town fell 5% to €99 and New Delhi by 4% to €121.

Figure 19 The falling cost of luxury: where prices at top-end hotels fell by the greatest extent between H1 2012 and H1 2011

Destination	Star Rating	H1 2012	H1 2011	% change
Zurich	★★★★★	€186	€234	-21%
New Delhi	★★★★★	€158	€182	-13%
Bali	★★★★★	€246	€281	-13%
Biarritz	★★★★	€131	€149	-12%
Pisa	★★★★	€85	€97	-12%
Jerusalem	★★★★	€155	€176	-12%
Frankfurt	★★★★★	€176	€196	-10%
Rome	★★★★	€108	€120	-10%
Biarritz	★★★★★	€296	€328	-10%
Geneva	★★★★	€178	€193	-8%
Madrid	★★★★★	€159	€170	-7%
Zurich	★★★★	€148	€157	-6%
Mumbai	★★★★★	€169	€180	-6%
Vienna	★★★★★	€155	€165	-6%
Vancouver	★★★★	€161	€172	-6%
Marrakech	★★★★★	€95	€100	-5%
Cape Town	★★★★	€99	€105	-5%
Prague	★★★★★	€133	€140	-5%
Brussels	★★★★★	€130	€137	-5%
New Delhi	★★★★	€121	€125	-4%

9. TRAVEL HABITS

Top overseas destinations for Finnish travellers

New York and London remained the two most popular destinations for Finnish travellers, with last year's third place, Tallinn dropping out of the Top 10 to be replaced by Rome with a climb of three places, as the Finns spread their wings a little further.

This could also be seen in the fact that the more traditional destinations of Gdansk, Miami, Munich, Riga and Prague fell out of the Top 20 to be replaced by Bangkok, Los Angeles, Milan, Singapore and Vienna. Phuket was another popular long-haul destination that climbed six places up the table to No 10 while Budapest fell out of favour, dropping five places to No 16.

The three other Scandinavian capitals all moved up the chart with Copenhagen travelling farthest, up four places to No 6, Stockholm up one to No 8 and Oslo up two to No 12.



Figure 20 Top overseas destinations for Finnish travellers in H1 2012

Rank	Destination
1	New York
2	London
3	Rome
4	Paris
5	Berlin
6	Copenhagen
7	Barcelona
8	Stockholm
9	Amsterdam
10	Phuket
11	Tallinn
12	Oslo
13	Nice
14	Bangkok
15	Las Vegas
16	Budapest
17	Vienna
18	Milan
19	Los Angeles
20	Singapore

Top Finnish destinations for travellers from overseas

The top five destinations in Finland for travellers from overseas remained the same, with the capital Helsinki in first place. The choices showed a good spread over the country from Rovaniemi and Levi close to the Arctic Circle, Kuopio and Jyväskylä in the centre to Turku, the seaport in the south-west corner.



Figure 21 Top Finnish destinations for overseas travellers in H1 2012

Rank	Destination
1	HELSINKI
2	Turku
3	Tampere
4	Vaasa
5	Rovaniemi
6	Jyväskylä
7	Levi
8	Lahti
9	Kuopio
10	Lappeenranta

10. TRAVEL TALK

Olympic Update

Now that the London Games are over and the razzmatazz has died down, there is a chance to take a calm look at what happened to hotel prices for the Olympic period, to see what consumers actually paid.

In the lead-up to the games, expectations were high, with hotel prices for stays during the Games up by as much as 119% in January. However, as the Opening Ceremony approached, prices began to drop as hoteliers reduced their rates to boost occupancy - so much so in the end that the average daily rate fell below that of the same time last year for last-minute bookings.

The final year-on-year increase for all bookings taken for the Olympic Games since August 2011 was £146,

an increase of 31%. However, anyone who held their nerve to wait for a late bargain was rewarded with an average rate of £108, down 3% on the same period last year, in the week before the end of the event.

There is no doubt that the legacy for the capital with regard to its hotel supply will be very positive. With new hotel openings, more than 12,000 rooms were added to the market in the run-up to the Games, bringing the total to more than 140,000. Many other properties also completed major refurbishments.

This improved hotel stock, together with the benefits of the exceptional global media coverage achieved throughout the Games, means that London will reap the rewards in 2013 and beyond.



Chinese International Travel Monitor

In July 2012, Hotels.com launched the Chinese International Travel Monitor (CITM) giving an insight into how the rise of the Chinese traveller is changing the dynamics of the global hotel market.

The number of Chinese travellers making international trips was up by 22%ⁱⁱ in 2011, compared to 2010, and experts predict China is on track to overtake Germany and the US as the world's largest outbound tourism market in the next few yearsⁱⁱⁱ.

Surveying more than 5,000 hoteliers around the world, the CITM found the majority of respondents envisage the boom in outbound Chinese travel continuing. One in five (22%) expect to see an increase by as much as 40%.

The report also observed that the profile of Chinese guests is changing as they become increasingly more independent, confident, younger and more familiar with foreign cultures and customs.

With the ongoing economic uncertainty in key markets, catering to Chinese travellers should be high on the list of priorities for hotels. It is clear that many hoteliers are starting to adapt, offering Mandarin-speaking staff, translated materials, Chinese menus, entertainment

options and the China UnionPay card services for payments.

Johan Svanström, Vice President of Hotels.com Asia Pacific, commented: "The Chinese made a staggering 70 million^{iv} international trips in 2011 and, while many of these were to Hong Kong and Macau, the number going further afield is growing significantly. Implementing strategies to cater specifically to this burgeoning source market is moving from a nice-to-have to a competitive necessity."

For a full copy of the CITM report, please contact lehdisto@hotels.com

Services that hotels are planning to add

41%



Chinese TV programmes

42%



Mandarin speaking staff

46%



Chinese food menus

54%



Hotel website in Chinese

53%



Chinese newspapers

62%



China UnionPay partnership

ii Figures sourced from The Annual Report of China Outbound Tourism Development 2012, released by the National Tourism Administration and China Tourism Academy: <http://eng.ctaweb.org/>

iii Thraenhart, Jens (2012) Essential China Travel Trends. China Travel Trends Retrieved: 29 May 2012 from http://www.chinatraveltrendsbook.com/downloads/Essential_China_Travel_Trends_Dragon_Edition.pdf

iv Figures sourced from The Annual Report of China Outbound Tourism Development 2012

Biggest changes in travellers from China compared to ten years ago, as identified by hoteliers in the CITM



Club Sandwich Index

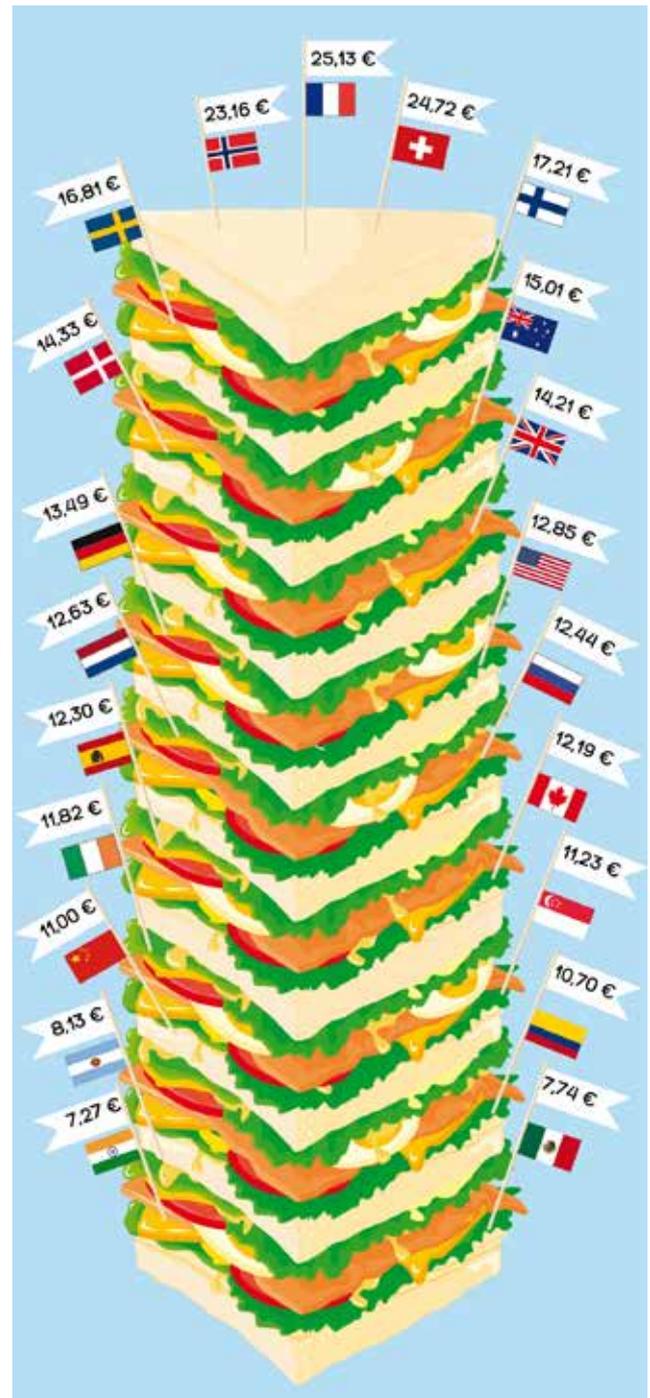
The world's most romantic city, Paris, has been named the most expensive city in the world for a Club Sandwich, according to research by Hotels.com. The classic chicken, bacon, egg, lettuce and mayo sandwich, available in hotels the world over, was used as a measure of affordability by the hotel expert. The Club Sandwich Index (CSI) gave holiday-makers an indication of the costs associated with their holiday destination, using one of the most common items on any hotel menu around the world as a barometer.

The CSI average price was calculated by taking the real prices paid by guests for a Club Sandwich in 30 hotels in a major city of each country measured. In total, Hotels.com surveyed the Club Sandwich prices in 750 hotels in the 5, 4 and 3-star category across 26 countries.

In the French capital, the Paris average cost came in at €25.13. The second most expensive city was found to be Geneva, where the sandwich cost an average €24.72, followed by €23.16 for a Club in Oslo. The cheapest city of those surveyed was New Delhi at just €7.27.

Finland came towards the top of the table with a club sandwich in Helsinki costing €17.21 on average.

A video interview with chef, restaurateur and TV host John Torode making the perfect club sandwich can be found at <http://www.youtube.com/watch?v=S45AYGYIDL4>.



Japanese food on the tip of the world's tongue

Japanese food could one day rule the world after being voted global travellers' third favourite culinary delight, a new worldwide food survey from Hotels.com reveals. The survey, which questioned more than 27,000 travellers, shows there is now tough competition for more traditional favourites such as Italian and French cuisine from food from the Far East.

Although international travellers do still favour Italian (32%) and French (24%) cuisine, with them taking first and second spot in the rankings, the dishes from the 'Land of the Rising Sun' Japan are gaining in popularity with more cosmopolitan palates. Eighteen percent of all people surveyed favoured Sushi, Tempura, Ramen and Japanese Soba, particularly when it comes to fine dining.

Several other Asian countries appear in the Top Ten list, including China (13%), Thailand (8%), Taiwan and India (5%). The popularity of Paella and Tapas could have contributed to Spain clinching fifth place (11%) on the list, while those who love Burger and Fries helped the USA secure sixth place (10%) in the table.

The world's best food when on holiday

Position	Country	Votes in %
1	Italy	32%
2	France	24%
3	Japan	18%
4	China	13%
5	Spain	11%
6	USA	10%
7	Mexico	8%
8	Thailand	8%
9	Taiwan	5%
10	India	5%



ABOUT HOTELS.COM

Hotels.com is a leading online accommodation booking website with almost 155,000 properties around the world, ranging from international chains and all-inclusive resorts to local favourites and bed & breakfasts, together with all the information needed to book the perfect stay. There are more than 85 Hotels.com sites worldwide in Europe, North, Central and South America, Asia Pacific, the Middle East and South Africa, the majority of which are in localised languages. The Finnish site was launched in 2003.

Hotels.com benefits from one of the largest hotel contracting teams in the industry, negotiating the best rates for its customers, and offers frequent sales, special deals and promotions. Regular customer e-newsletters provide exclusive offers and advance warning of up-coming sales. There are more than 6.5 million reviews on the site from users who have actually stayed in the hotels to ensure customers can make an informed choice when booking.

Through its industry-leading loyalty programme Welcome Rewards available in all markets, customers can earn a free night for every 10 nights stayed at more than 65,000 hotels, subject to Welcome Rewards terms and conditions as set out at www.hotels.com. Under its Price Match Guarantee, if a customer can find a lower price on a prepaid hotel, Hotels.com will refund the difference, subject to the Price Match terms and

conditions set out on Hotels.com.

Travellers can book online or by contacting one of the multilingual call centres. Special apps for mobile phones and tablets can also be downloaded at www.hotels.com enabling customers to book on the go with access to 20,000 last minute deals.

Amongst other awards through the years, in 2012 ByteLevel recognised Hotels.com as a Top 5 Best Global Website for 2012. The ByteLevel report card evaluates websites on global reach, global navigation, global/mobile architecture and localization and social efforts. Hotels.com was also once again named "Best Overall Customer Experience", according to a study by Keynote Competitive Research.

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