

WORLD'S
MOST POPULAR
**Luxury
Hotel
Brands**
LUXURY BRANDING
—
2015





FOREWORD

The internet mediates a new relationship between brands and consumers, putting customers increasingly in control of brand perception over organisations. Advances in technology (apps, niche social networks and crowdsourcing) have continued to empower people beyond their previous role of more or less passive consumers to become proactive critics, champions and commentators.

This shift in power away from companies – the ‘democratisation’ of brands – is changing the art of branding and testing established marketing mechanisms. Unprecedented market transparency means that without doubt brands are being fabricated in the minds of the consumer – the sum of their thoughts and feelings about services and products – rather than in the factory of a producer.

Nowhere is this phenomenon more apparent than in the hospitality industry, in which historically, hoteliers have devised their own star classifications to denote their levels of service and facilities. Accounts vary of how the ‘seven-star’ Burj Al Arab, Jumeirah gained its two additional spurs but the self-styled ‘most luxurious hotel’ in the world exemplifies how arbitrary and subjective an unregulated system of ratings can be.

Beyond the AAA Diamond Ratings and *Forbes* Travel Guide Star Rating, the hospitality industry relies on local grading systems devised variously by tourism organisations, tour operators and travel agencies.

A lack of universally accepted and applied industry standards explains the large number of proprietary benchmarking organisations that band, grade and rate hotel brands.

Meanwhile, the media’s coverage of customer opinion takes the form of annual reader surveys. The *Condé Nast Traveler* Readers’ Choice Survey, for example, tabulates 76,659 reader responses to a series of questions posted on a voting webpage.

Commentators and customers are challenging the value of hotel star ratings and travellers are questioning which sources of information they should trust in the face of the numerous alternative lists that purport to evaluate luxury hotels.

What we do know is that more than brand or media propaganda, today’s digitally-native guest relies on their own experience and, crucially, that relayed by friends and family. This popular commentary has been fuelled by portals such as TripAdvisor, TripExpert, Booking.com and Ctrip and is forcing the industry uncomfortably away from self-rating to being rated.

Travellers are developing a more sophisticated set of references and an opinionated view of the world upon which a truer assessment of the hospitality industry is emerging and shaking up conventional perceptions. This quest for authenticity and the rise of peer-to-peer influence also explains the phenomenal success of Airbnb, which relies solely on visitor reviews and ratings. According to a Reuters article in August 2015, Airbnb is giving “Paris luxury hoteliers a fright”.

Luxury has an uneasy relationship with the ‘mass consumer’ but then again, never has luxury been consumed so *en masse*. It’s an interesting inflection point in the way luxury experiences are produced and consumed.

I hope you enjoy reading the *World’s Most Popular Luxury Hotel Brands, 2015*, which is based on the opinion of more than 2.25m travellers.

I look forward to your feedback.

Piers Schmidt
Founder, Luxury Branding

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Returning from summer vacations and with new hotel experiences fresh in the memory, the Luxury Branding team was interested to learn how well the luxury hotel industry's view of itself accords with that of its guests.

We are familiar with the industry's pantheon of leading brands, which are viewed by hospitality experts as the foremost exemplars of luxury. Less well publicised, however, is whether the guests of luxury hotel brands also consider them to be the best or whether the luxury status quo is just a cunningly curated PR myth.

How do people rate the canon of luxury hotel brands? Does traditional luxury still reign or are the newer brands surpassing the older classics? Do brands even matter to people or is it more about the experience at an individual hotel?

We set out therefore to investigate whether the experience of guests matches up to the conventional wisdom of an insular group of insiders, opinion formers and media – the 'who's who' of the 'luxury' zoo.

Without hearing the customer's voice, it is difficult to know whether there is real substance behind the 'top' luxury hotel brands. Do guests perceive excellence in luxury in the same way as the media and the hotels themselves? What standards do travellers expect from a luxury brand and how well do their portfolios deliver?

We also wondered if by setting expectations so high, the industry might cause a level of disappointment among guests. Can a brand really live up to a self-proclaimed five-star deluxe rating? Or are the underdogs better positioned to delight and exceed guest expectations?

STR Global lists no fewer than 98 hotel brands in the 'Luxury' category of its 2015 Global Chain Scales. With so many global brands positioned as luxury, we wanted to unearth how well and how consistently they deliver on this promise. Can so many brands really be luxury? Should luxury actually be defined by the traveller rather than the industry?

We wished to understand whether the big brands are able to deliver their luxury promise consistently across large and expanding portfolios. Can a luxury hotel concept be translated with integrity across multiple properties, cultures and geographies?

These questions assume additional relevance given that most luxury hotel brands have expanded exponentially in the past two decades. The sample of luxury hotel brands in this study has an average portfolio size of 29 hotels, from which it is possible to estimate that there are more than 2,800 hotels and resorts operated by luxury hotel brands in the world today.

In order to evaluate how paying guests perceive luxury hotel brands, we developed a methodology and series of algorithms on the basis of which we compiled and aggregated customer ratings of luxury hotels on TripAdvisor, the world's largest travel feedback site.

TripAdvisor not only enabled us to view how the individual properties of luxury hotel brands are rated but also to measure how each compared to other hotels in their location, providing unparalleled insights into how luxury hotels stack up against one another and live up to their reputation in the eyes of the paying guest.

2. TripAdvisor



Figure 1

TripAdvisor In Numbers*

375m unique monthly visitors

250m ratings and reviews

5.2m establishments in 123,000 destinations; of which

950,000 hotels, B&Bs, and specialty lodgings

38m candid traveller reviews

160 contributions every minute

*Source: TripAdvisor fact sheet



TripAdvisor has been criticised for the veracity of its content. Are users able to trust the material they read? Who are the reviewers? Are they verified guests or covert members of the hotel's social media team? Are good reviews incentivised and are the bad reviews merely thinly-veiled attempts to blackmail a hotel into a discount or to blag an upgrade?

Perhaps the most serious fault levelled is that many reviews are not balanced evaluations but rather a knee-jerk reaction to something good or bad that happened, usually an isolated incident.

In the face of such uncertainties, the risks of putting too much store by TripAdvisor ratings is evident but surely it was ever thus with democracy? Do we neglect or negate the will of the people because the intellectual or educational levels of the electorate doesn't match that of the chattering classes?

It cannot be denied that crowdsourced opinions and reviews have emerged as one of the most disruptive forces of the information age. TripAdvisor is a leader in this field as its key datapoints and its continuing pace of growth demonstrate (Figure 1).

In a world increasingly narrated through social media, the general managers and quality assurance heads of luxury hotel brands we work with are reconciled to the fact that an expensive identity, fancy photography and a slick website do not a luxury brand make. Guest reviews prick the pomp and propaganda of brands that would once have gone unchallenged: no establishment, however fêted, is above a negative review on TripAdvisor.

That said, in the upper echelons of the market, there is still a barely whispered disparagement that TripAdvisor is 'mass market' and not somewhere the 'luxury' traveller visits yet alone contributes reviews.

"Our guests aren't the 'type' to write reviews", one hears but how then do they explain the 5,112 reviews that have been left – presumably by guests and many who describe themselves as "junkies" – of the 30 Aman Resorts?

True, the brand's average number of reviews (165) is lower than the average for all the brands in the sample (1,414) but with an average key count of 35 and lower occupancies the number of guest stays is almost proportionately lower.

The elite traveller may also question whether the people that write reviews are really 'like me'? That's difficult to determine but what we do know is that they have chosen to stay at the same hotel you are presently considering. That says something about your similarity.

It is also important to define terms. What do we mean by 'luxury' traveller? Is it the top 10% of the world's wealthy – Very High Net Worth couples with liquid assets in excess of \$5m and a typical travel file value of \$100,000? Do they fly only in first or business class and book only suites in their favourite hotels? For sure but surely not exclusively.

London is home to some of the most prestigious luxury hotels in the world as well as being the most reviewed city on TripAdvisor. According to HVS¹, luxury hotels account for 12% of London's room supply or approximately 14,900 rooms. Their analysis of 16 of the city's luxury hotels reveals a suite ratio of between 9-61% with the average being 29%.

That means that in London no fewer than 71% of guests are occupying the non-suite rooms of the capital's luxury hotels. Are these guests, who fill the majority of the luxury hotel brands' inventories and spend hard-earned income or corporate budgets in their restaurants, bars and spas, not 'luxury' consumers too?

Hermès shows equal respect to the customer of its fabled Birkins, which may sell for between £7,500-£100,000, and those that may purchase one of its iconic silk scarves for £280 or a timepiece at £1,850. Woe betide a brand that deprecates the guest to whom it offers the majority of its product.

¹ HVS In Focus: London Luxury Hotels, June 2014

3. Methodology

METHODOLOGY

Consulting multiple sources, including industry insiders as well as rankings and lists published by *inter alia* STR Global, *Travel + Leisure*, World Travel Awards, Digital Luxury Group and the Luxury Travel Expert, we compiled a long list of candidate luxury hotel brands.

To qualify for inclusion in the study, a 'brand' needed to comprise more than one hotel and be present in more than one country. Additionally, the majority of its properties had to be commonly recognised as five-star.

For each of the 59 brands that met these criteria, we compiled a listing of its open hotels and this exercise resulted in a sample set of nearly 1,600 properties in 135 countries.

During the week 10-14 August, the research team recorded the TripAdvisor ranking for every property within the sample and weighted this **Pure Rank** by the number of hotels in the location. The result of this calculation is the hotel's **Weighted Ranking**.

To compute the **Rating** for a brand, the total of its **Weighted Rankings** for each hotel was averaged across the number of properties in the portfolio.

Any methodology has its weaknesses and in this case anomalies in the data collected were caused by the way in which TripAdvisor organises locations.

Since the Weighted Ranking measures the performance of a hotel relative to others in the same location, it is important for there to be sufficient properties within each location to make a fair comparison. Some hotels, for example, are situated very remotely and might therefore achieve a Pure Rank of #1 of 1 or #1 of 4 in that location.

After careful analysis of the statistical implications of differently sized competitive sets, it was determined that in locations with fewer than 10 hotels, it wasn't safe to calculate a Weighted Ranking using that parameter.

For these hotels, we augmented their competitive set by considering a larger area. Belmond Sanctuary Lodge in Peru is listed as #1 of 2 hotels in Machu Picchu but when the competitive set is expanded to Sacred Valley, it becomes #13 of 69.

On a very few occasions, it was not possible to expand the competitive set to a number greater than 10, and these hotels were removed from the final calculation of the brand's Rating in order not to skew its results. As there were very few such hotels and a brand's Rating is calculated as the average of all its Weighted Rankings, the removal of one property makes little difference to that Rating. It is fairer to exclude such properties than to include them.

Finally, we sorted the 59 luxury hotel brands by their Rating to determine the *World's Most Popular Luxury Hotel Brands, 2015*.

Worked Example

The Ritz-Carlton, Central Park was ranked #44 of 469 hotels in New York City. We noted its Pure Rank as 44 out of 469.

The 'out of 469' is important because it indicates how well a hotel is doing in relation to the number of competing hotels in that location. Clearly, it is better to be #44 out of 469 than #44 out of 45 because #44 out of 45 means there is only one worse hotel in the location.

The 'out of' number (469) allows the team to weight the Pure Rank (#44) by reference to its competition. Locations with more hotels have more competition and it is therefore harder to rank highly.

The Ritz-Carlton, Central Park received an overall Weighted Ranking of 44 divided by 469 = 0.094.

The average of the 90 The Ritz-Carlton Weighted Rankings was 12.05.

These same calculations were performed for every hotel across all 59 brands.

4. World's Most Popular Luxury Hotel Brands

Units

- + A brand's number of properties worldwide

Best

- + Weighted Ranking of the brand's lowest scoring property where a low number indicates a good ranking (e.g. #1 of 177 hotels in Mauritius)

Worst

- + Weighted Ranking of the brand's highest scoring property where a high number indicates a poor ranking (e.g. #177 of 177 hotels in Mauritius)

Range

- + The difference between the brand's highest and lowest Weighted Rankings – a measure of brand consistency

Rating

- + The average of the Weighted Ranking for every one of the brand's properties that is available for review on TripAdvisor

WORLD'S MOST POPULAR LUXURY HOTEL BRANDS 2015: 1-20

Figure 2

POS	LUXURY HOTEL BRAND	UNITS	BEST	WORST	RANGE	RATING
1	The Ritz-Carlton	90	0.05	54.81	54.77	12.05
2	Oberoi Hotels & Resorts	19	1.71	58.82	57.11	20.96
3	Raffles Hotels & Resorts	12	3.64	93.75	90.11	21.68
4	Langham Hotels and Resorts	17	0.75	219.51	218.76	33.28
5	Rocco Forte Hotels	11	3.73	90.91	87.18	37.17
6	Dorchester Collection	10	5.90	71.43	65.53	41.30
7	Capella Hotels and Resorts	5	8.23	95.24	87.01	47.37
8	Park Hyatt	36	3.10	302.33	299.23	50.27
9	Shangri-La Hotels and Resorts	90	0.97	461.54	460.57	50.84
10	Armani Hotels & Resorts	2	30.09	74.22	44.13	52.16
11	Mandarin Oriental Hotel Group	28	0.25	359.45	359.20	56.49
12	Firmdale Hotels	9	4.75	177.59	172.84	59.71
13	Four Seasons Hotels and Resorts	93	0.51	357.14	356.64	59.97
14	Doyle Collection	8	11.63	147.06	135.43	61.30
15	GHM	5	17.09	164.38	147.29	64.23
16	EDITION Hotels	4	51.33	77.87	26.54	64.29
17	COMO Hotels and Resorts	12	1.50	266.67	265.17	65.14
18	Thompson Hotels	9	14.29	215.83	201.54	65.46
19	LUX* Resorts & Hotels	6	2.93	187.50	184.57	67.45
20	The Peninsula Hotels	10	1.25	178.01	176.76	69.22

WORLD'S MOST POPULAR LUXURY HOTEL BRANDS 2015: 21-40

POS	LUXURY HOTEL BRAND	UNITS	BEST	WORST	RANGE	RATING
21	Six Senses Hotels Resorts Spas	11	6.67	292.68	286.02	84.05
22	Andaz	12	3.26	260.07	256.81	84.45
23	Rosewood Hotels & Resorts	18	0.18	364.22	364.04	87.30
24	Banyan Tree	26	2.46	360.00	357.54	87.74
25	Kempinski	77	3.85	727.27	723.42	88.51
26	St. Regis	34	1.93	307.69	305.76	89.64
27	JW Marriott	80	0.82	588.24	587.42	98.09
28	Conrad Hotels & Resorts	29	2.55	437.50	434.95	100.19
29	Oetker Collection	9	1.12	219.21	218.09	101.26
30	Taj Hotels Resorts and Palaces	26	4.75	500.00	495.25	102.60
31	Jumeirah Group	25	1.95	444.44	442.49	106.67
32	Belmond	31	6.67	628.57	621.90	108.72
33	Dusit Thani	11	50.8	571.4	520.6	109.8
34	Corinthia Hotels	9	11.40	250.00	238.60	110.11
35	Sofitel Luxury Hotels	104	1.02	888.89	887.87	114.08
36	Regent Hotels & Resorts	6	3.00	386.36	383.37	123.55
37	Constance Hotels and Resorts	7	18.87	384.62	365.75	127.99
38	InterContinental Hotels & Resorts	193	0.62	818.90	818.27	129.48
39	Swissôtel Hotels & Resorts	32	3.36	513.04	509.69	131.33
40	Bulgari Hotels & Resorts	3	28.49	333.33	304.84	139.13

WORLD'S MOST POPULAR LUXURY HOTEL BRANDS 2015: 41-59

POS	LUXURY HOTEL BRAND	UNITS	BEST	WORST	RANGE	RATING
41	The Luxury Collection	109	5.07	804.66	799.60	140.43
42	Baglioni Hotels	8	39.17	461.54	422.37	141.86
43	Aman Resorts	30	2.19	384.62	382.42	142.92
44	Trump Hotel Collection	14	12.05	470.59	458.54	143.10
45	Anantara Hotels, Resorts & Spas	39	1.70	846.15	844.45	143.82
46	One&Only Resorts	9	22.73	428.57	405.84	149.12
47	Soho House & Co	10	70.28	269.43	199.15	154.22
48	Auberge Resorts Collection	9	43.48	428.57	385.09	169.88
49	Fairmont Hotels & Resorts	74	1.25	764.71	763.46	174.37
50	Waldorf Astoria Hotels & Resorts	39	0.50	822.22	821.72	176.34
51	Loews Hotels	24	15.71	558.82	543.12	181.24
52	Viceroy Hotels and Resorts	14	58.82	392.70	333.88	194.87
53	RockResorts	6	47.62	529.41	481.79	196.46
54	Cheval Blanc	3	74.07	384.62	310.54	229.34
55	Angsana Hotels & Resorts	13	2.30	625.00	622.70	229.68
56	Morgans Hotel Group	13	37.99	768.74	730.75	237.52
57	W Hotels Worldwide	46	2.81	706.90	704.09	262.19
58	Nikki Beach Hotels & Resorts	2	236.42	300.00	63.58	268.21
59	Ace Hotel	7	35.09	625.00	589.91	351.95
UU/S	Marriott	70	4.52	764.71	760.19	265.97

5. Commentary

10 KEY INSIGHTS

10 KEY INSIGHTS

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Figure 3

POS	LUXURY HOTEL BRAND	UNITS	BEST	WORST	RANGE
1 (16)	EDITION Hotels	4	51.33	77.87	26.54
2 (10)	Armani Hotels & Resorts	2	30.09	74.22	44.13
3 (1)	The Ritz-Carlton	90	0.05	54.81	54.77
4 (2)	Oberoi Hotels & Resorts	19	1.71	58.82	57.11
5 (58)	Nikki Beach Hotels & Resorts	2	236.42	300.00	63.58
6 (6)	Dorchester Collection	10	5.90	71.43	65.53
7 (7)	Capella Hotels and Resorts	5	8.23	95.24	87.01
8 (5)	Rocco Forte Hotels	11	3.73	90.91	87.18
9 (3)	Raffles Hotels & Resorts	12	3.64	93.75	90.11
10 (14)	Doyle Collection	8	11.63	147.06	135.43

World's Most Popular Luxury Hotel Brands 2015, ranked by brand consistency
 (Figures in brackets represent position in main table)

I. EXCELLENTLY CONSISTENT

Brand consistency is important to customers and should be one of the defining attributes of a branded property versus an independent. Guests rightly hold expectations based on a brand's reputation and their own prior experience with it. If they stay in a hotel, which is part of a brand but fails to meet the expectations it sets, they will be dissatisfied. Their trust in the brand will be dented and the brand image becomes tarnished. Reliability and predictability are integral components of brand loyalty. Selecting hotels according to brand should remove some of the risk but if the brand is inconsistent this is no longer true.

Figure 2 records two equally important scores for each of the luxury hotel brands evaluated in our study.

The **Rating** (final column) indicates a brand's overall measure of popularity, which is calculated as the average of the **Weighted Rankings** for every one of the brand's properties available for review on TripAdvisor. It is on the basis of this score that the table has been ranked to determine the *World's Most Popular Luxury Hotel Brands, 2015*.

The previous column (6) contains the **Range** score for each brand. Range is calculated as the difference between a brand's highest and lowest Weighted Rankings - their best and worst performing properties - and is our measure of brand consistency. The lower the number, the more consistently the brand is ranked by its reviewers on TripAdvisor.

Although brand consistency is important, more important is consistent excellence. This is illustrated by reference to the Range scores of The Ritz-Carlton and Armani Hotels & Resorts. Although The Ritz-Carlton places first for Rating, its Range score (54.77) is higher than that of Armani (44.13).

Technically, Armani is marginally more consistent but a glance at the best and worst Weighted Ranking for each brand (The Ritz-Carlton: 0.05/54.81, Armani: 30.09/74.22) reveals that while Armani's best and worst Weighted Ranking scores are closer together, both are considerably higher numbers than those of The Ritz-Carlton, indicating a lower level of satisfaction at both the brand's best and its worst property.

The two properties of Nikki Beach Hotels & Resorts enjoy Weighted Rankings that are relatively close (236.42/300.00) but unfortunately they are consistently poor in their ranking, which explains why they chart at only 58 in the overall table.

Only two brands - EDITION and Armani - score better than The Ritz-Carlton on Range, which is remarkable when you consider that the consistency of both brands is measured across only four and two properties respectively compared to the 90 properties of our Most Popular brand.

Indeed, for many of the names in our study, the consistency of their brand relates directly to the size of their property portfolio.

The average number of properties for the brands surveyed is 29. However, 13 of the 20 Most Popular brands have 12 or fewer units. This makes The Ritz-Carlton's performance all the more impressive. Shangri-La (90 units) and Four Seasons (93 units) are the only other brands of real scale that feature in the Top 20.

With the exception of The Ritz-Carlton, the 10 most consistent brands (see Figure 3) have fewer than 20 properties in their portfolios, with eight of them operating fewer than 12 hotels or resorts. Despite thorough documentation and enforcement of standard operating procedures (SOPs), it is evidently difficult to maintain excellence and consistency as you grow.

It is sometimes said that 175 is the optimum number of keys for a luxury hotel but what is the optimum number of properties for a luxury brand? How big is too big? Or is the number irrelevant so long as your SOPs and quality management enable you to maintain consistency throughout?

In terms of consistency, the difference between monolithic brands (e.g. Mandarin Oriental) and collection brands (e.g. The Luxury Collection) is marginal (Monolithic: 407.2 vs. Collection: 307.5) when we might expect a monolithic brand with globalised SOPs to perform with significantly greater consistency.



THE RITZ - CARLTON

II. ALL THAT GLISTERS IS NOT THE GOLD STANDARD

In the 2015 global ranking, The Ritz-Carlton is the World's Most Popular Luxury Hotel Brand and attains this position by a considerable margin.

In fact, The Ritz-Carlton is nearly twice as popular as its nearest rival, Oberoi Hotels & Resorts, with the gap between the two being the second largest among the Top 20.

The performance of The Ritz-Carlton and its nearly 40,000 global employees is particularly impressive given that the brand was rated by guests across no fewer than 90 hotels and resorts. Also featuring 90 properties, Shangri-La Hotels and Resorts ranks 9th in our table but with a Rating that is four times poorer. With 93 properties, arch-rival Four Seasons Hotels and Resorts manages only a few more hotels and yet charts in a disappointing 13th place and with an average Rating that is nearly five times poorer than that of The Ritz-Carlton.

This illustrates how consistency is one of the most critical components in being a successful global luxury hotel brand, and a lack of consistency being a key reason why other brands, such as Starwood's The Luxury Collection, performed less well.

Furthermore, the majority of The Ritz-Carlton's hotels are in competitive locations, so where they have done well, they have done very well.

A regular winner of major awards from industry, media and consumer organisations, in July 2015, The Ritz-Carlton became the 2015 recipient of the J.D. Power 2015 North America Hotel Guest Satisfaction Index Study for the luxury segment.

Fully acquired by Marriott International in 1998, there may have been initial grumblings about how a flag, which to many represented the epitome of luxury, would fare under the ownership of the "4,000 property bedroom factory".

However, any such misgivings seem to have been misplaced. Under the direction of just three presidents since 1983 (Horst Schulze, Simon Cooper and incumbent Herve Humler who was part of the original management team), there has been a notable continuity of leadership over more than 30 years.

All of the 59 brands in our study benefit from the lustre of being considered and generally graded as 'luxury'. However, as the results attest and as the Prince of Morocco reminds us in *The Merchant of Venice* "all that glisters is not gold".

The Ritz-Carlton stands head and shoulders above its peers and even appears to have institutionalised the ability to spin gold. Indeed, many would attribute its sustained success to the company's 'Gold Standards', the values and philosophy by which it operates and which lays the foundation for the brand.

The six Gold Standards (The Credo, The Motto, The Three Steps of Service, Service Values, The 6th Diamond and The Employee Promise), each with several components – there are no fewer than 12 Service Values, for instance – are particularly thorough but hardly unique in the industry. Former executives from The Ritz-Carlton populate senior positions in many of the industry's luxury brands and yet with the possible exception of Capella Hotels and Resorts, another child of Horst Schulze, few have managed to replicate the effectiveness of these precepts.

So, what is making the difference? This may be as productive a question as asking for the recipe for Coca-Cola but surely the truth lies, on the one hand, with the brand's ability to inculcate the Gold Standards within every employee through, for example, the daily line-up, and, on the other, its willingness to truly empower and recognise the contribution of each and every employee to the company's brand of service.



Oberoi Hotels & Resorts

III. FAMILY PRIDE - OBEROI HOTELS & RESORTS

Oberoi Hotels & Resorts achieves second place in our study of the World's Most Popular Luxury Hotel Brands 2015.

Although we were surprised by this result, perhaps we shouldn't have been as, at the time of writing, visitors to the Oberoi website are greeted with a celebratory thank you note. The note appreciates the readers of *Travel + Leisure* for selecting Oberoi as the 'World's Best Hotel Brand' in the magazine's 2015 World's Best Awards, beating Aman Hotels & Resorts and The Peninsula Hotels into second and third place.

The same – almost exclusively American – readership anoints The Oberoi Udaivilas as the 2015 Best Hotel in the World and its Top 20 list includes three of the brand's properties, all of which have featured on the list for 10 consecutive years.

Global luxury chains have made little or no inroads to India itself. Four Seasons Hotels and Resorts, for example, has only one hotel in the whole of India; fewer than it has in many European cities or even the tiny Republic of Maldives and The Ritz-Carlton is present in only one city too. Equally, the country's own leading luxury brands – Oberoi, Taj and Leela – have made only modest advances outside India. As a result, Indian hospitality has not made the same name for itself as its South East Asian counterparts.

Oberoi's is the story of a single, hands-on family. The brand was founded in 1934 by Rai Bahadur Mohan Singh Oberoi (1898-2002), who was sometimes called the Conrad Hilton of India and was a renowned stickler for detail.

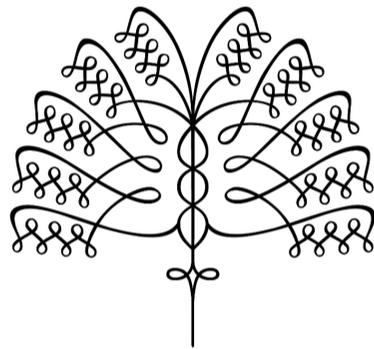
Today, Oberoi operates 30 hotels, a Nile Cruiser and a Motor Vessel in the backwaters of Kerala under the luxury Oberoi and five-star Trident brands.

Chaired by the founder's son – whose mantra is reportedly "attention to detail and people management" – Prithvi Raj Singh "Biki" Oberoi maintains his father's focus on thoroughness. This is perhaps best exemplified by the group's operation of its own hotel and culinary training program to identify and develop talent in preference to recruiting from open schools. Biki's own son, Vikram, assumed the role of CEO in April 2015.

Continuity and shared family values appear to have contributed towards a uniformity of performance that places the brand in fourth position – just behind The Ritz-Carlton – for brand consistency.

Oberoi is now on the move and is expanding beyond its original Indian city base where there is a glut of rooms in the domestic luxury segment. Branching out into new locations, such as Mauritius and Indonesia, the brand has crept up and taken the luxury hospitality industry by surprise, with several of the existing luxury hotel reports not acknowledging its strong performance versus competitors.

The brand's recently opened Dubai property (June 2013) – its first in the UAE – is garnering both praise and more awards in this highly competitive destination.



RAFFLES
HOTELS & RESORTS

IV. WHERE SERVICE IS A BREEZE – RAFFLES HOTELS & RESORTS

Ranking third on the list and behind Oberoi Hotels & Resorts by only the slimmest of margins, is Raffles Hotels & Resorts, a brand – dating back 128 years – with one of the oldest pedigrees in the hospitality industry.

From the colonial splendour of the original Raffles Singapore to Cambodia, China, UAE, Saudi Arabia, Seychelles, the Philippines, Paris, Istanbul and Jakarta, the Raffles name is undoubtedly one of the most evocative in the industry and synonymous to many with luxury, glamour and adventure.

According to the description on the website of its parent company, FRHI Hotels & Resorts, Raffles Hotels & Resorts “epitomises enchanting experiences, embodying global sophistication and residential charm. Imbued with heartfelt service that is intuitive and unobtrusive ‘like a gentle breeze’, its hotels are rated as among the best in the world and are elevated as legends and landmarks, beyond mere hotels and resorts.”

You’d be forgiven for thinking that’s waxing a little too lyrical but there’s no doubting that the reviews Raffles’ guests have left on TripAdvisor do indeed rate the brand as among the “best in the world” so perhaps there’s no harm in allowing a little poetry into our corporate lives?

That said, the Raffles brand promise of a special kind of “thoughtful, personal and discreet service to well-travelled guests”, is somewhat more prosaic but having been honed over many years at the Singapore property, all 12 of the properties we surveyed were rated very highly.

Of these 12, no fewer than seven (58%) ranked third or higher in their respective locations with three properties ranked in first position.

The brand’s lowest ranked property came in at a very respectable 20th, which is notable and impressive for being in the highly-saturated market of Beijing with its 5,488 hotels listed on TripAdvisor.

Although the overall result is excellent, when the consistency of Raffles is compared with that of The Ritz-Carlton and Oberoi, the Range is found to be nearly double of the brands that pipped it to first and second place. (Figure 3)

Oberoi came first or second in 13 of its 19 locations (68%) and its lowest ranked property came 6th, placing it 4th for consistency.

The Ritz-Carlton came 3rd for consistency despite having 90 properties compared to Raffles’ 12.

With properties historically concentrated in Asia and the Middle East, Raffles appears to be embarking on a new phase of expansion, with openings in key destinations scheduled over the next two years. The brand recently opened its second European property in Istanbul to widespread critical acclaim.

With four further hotels currently in development, one of which is scheduled to open in Warsaw in 2017, it seems that the brand’s influence in the West looks set to continue.

AMAN
JUNKIE

V. AMANJUNKIES OR AMANJUNK?

Without doubt, the most controversial result in our study is the shock appearance of Aman Hotels & Resorts, the darling of luxury hotel aficionados, in a lowly 43rd position.

According to many industry insiders, Aman is the Rolls-Royce of hospitality so why is it rated so poorly? Put simply, Aman properties do not achieve good ratings on TripAdvisor.

A typical rebuttal of these findings will be that the type of people who patronise Aman's growing collection of boutique properties are too busy being important and pursuing luxury travel itineraries to bother with TripAdvisor. But a closer look at the data reveals this reaction for what it is – the triumph of affection over fact.

After all, somebody must have submitted the 5,112 reviews we included and they can't all have been 'lottery winners', people benefitting from low seasons discounts or philistines taking the cheap rooms – because there aren't many of those to be found at an Aman. No, these 5,000 or so people are real Aman customers and they are equally entitled to their opinion as anyone else.

Naturally, we were keen to probe a little deeper into Aman's poor showing and an examination of the reviews beyond the overall rating that guests must first enter to initiate a review revealed that the brand fares most poorly for 'value', one of the six subsequent rating criteria offered to the site's users.

A night at an Aman hotel can cost between \$1,000 - \$9,000 per room and guest expectations are accordingly extremely high. Just as a Rolls-Royce is not merely a mode of transport, Aman guests are not paying for food and lodgings but rather an exceptional experience, for lifelong memories. All too often and increasingly of late, it seems that the experience fails to live up to the lofty expectations created by the brand.

A common misconception is that all Aman customers are extremely wealthy and would not think twice about spending \$2,000 a night to stay at these resorts. Of course, this applies to some guests, but others save up and would prefer to stay four nights at an Aman Resort rather than spending two weeks at a lesser resort. Those four nights are therefore supposed to be exceptional but this isn't always the case.

During the final preparation of this study, September's issue of industry newsletter *The Gallivanter's Guide* dropped onto the doormat. The back page each month provides a useful round-up of industry gossip, promulgating news and addressing the concerns of the "high-end travellers" who subscribe to the publication.

Immediately following news of Amanemu, the brand's latest opening in Japan, Gallivanter's Gossip refers to the upcoming court case between the brand's new owner, Vladislav Doronin, and founder Adrian Zecha. It continues, "Given the huge changes within Aman, can Zecha ever revert to the roots of Amanresorts, and will Amanjunkies cope with the new regime's seeming intolerance for their expectations? I am receiving increasing numbers of emails from readers who feel sidelined by Aman's new breed of GMs. Interesting times." Indeed.

The case of Aman highlights important considerations about the role that reputation and expectations play in guest satisfaction. As the saying goes, "if you don't expect anything you can't be disappointed". Conversely, if you expect complete perfection you can only be disappointed. There is no doubt that the locations, architecture, atmosphere and detail of service at most Aman properties are excellent. However, something as small and insignificant as a broken light bulb becomes very significant when considered in the context of such high expectations and the price premium being paid to stay. Nothing less than perfection will do and it's clear that Aman's crown is slipping.

VI. LONGEVITY AND LEGACY



FOUR SEASONS *Hotels and Resorts*

The study suggests that despite the recent rapid influx of so-called luxury ‘lifestyle’ brands, traditional hospitality still reigns.

Nine of the Top 10 luxury hotel brands operate what one might term ‘grand’ hotels, in the traditional style. Less conservative luxury hotel brands e.g. Armani (10), Firmdale (12), EDITION (16), COMO (17), Thompson (18) and Andaz (22) rank notably lower.

Morgans Hotel Group (56) and W Hotels Worldwide (57), pioneer and developer of the ‘boutique’ hotel genre have run out of steam and slump out the Top 50. Both urgently require a reboot.

It seems that luxury travellers prefer a classic luxury experience and that success is based on maintaining exceptional service and experiences, rather than trying too hard to be contemporary and fashionable.

Four Seasons Hotels and Resorts (13)

The second shock result is the 13th place of Four Seasons Hotels and Resorts, which one commentator describes as “five-star familiarity for the homesick plutocrat”.

With only a few more properties than The Ritz-Carlton, we expected these two giants of the luxury hotel world to be fighting neck and neck, like Mercedes and Ferrari, for pole position.

The data suggests that the Four Seasons – once the byword for impeccable standards – is failing to maintain consistency as its portfolio grows. Despite no fewer than 17 properties placing first in their locations, a sizeable number performed badly enough to diminish the brand’s overall ranking.

Notable culprits were Canary Wharf, New York, Dubai and Marrakech. Whilst this legendary group continues to wow its guests at its resort properties worldwide, it seems that some of its city product has now begun to fall short of the competition.

Has a shift in management emphasis from hospitality to real estate come home to roost?



ST REGIS NEW YORK

St. Regis (26) Waldorf Astoria (50)

With St. Regis at 26th and Waldorf Astoria at 50th, we were also surprised that these illustrious brands placed so low on the list.

Both were created as brands from an original New York trophy but a lack of coherence across both portfolios suggests that translating an iconic hotel into a global brand isn’t as easy as it may appear.

Both brands are supposed to be the luxury flagships of their respective groups (Starwood Hotels and Resorts Worldwide and Hilton Worldwide).

Neither group can be pleased that despite powerful brand names and global recognition, their luxury offerings are failing to make the grade.

VII. LIFESTYLE LIFESPAN



Armani Hotels & Resorts (10)

With only two properties to its name, although situated in the highly competitive markets of Dubai and Milan, Armani Hotels & Resorts is placed in a highly respectable 10th position.

While numerous fashion houses and luxury brands have attempted the alluring transition into the ultimate lifestyle stage – hospitality – it would appear that despite initial hiccups, Armani has emerged on top. Despite talk of a London property at Admiralty Arch, development remains slow – presumably the cost of Mr Armani’s design being part of the problem.

Rival Bulgari Hotels & Resorts lags far behind in 40th place, while the much vaunted Cheval Blanc by LVMH fails to make the Top 50.



EDITION (16)

Despite early industry scepticism about his “unlikely marriage” with Marriott International, Ian Schrager is back on form with their collaborative EDITION brand.

Four “personal, intimate, individualised” EDITIONs help the brand to 16th place on the list with particularly good performances in the tough markets of New York and Miami. While Marriott is arguably the antithesis of everything Schrager has done up to now, it seems that this coupling has delivered exactly what the modern luxury traveller is seeking – a place where the distinction between work and home life can be blurred.

One&Only Resorts (46)

From its spectacular launch in 2002 to the opening of the game-changing One&Only Reethi Rah, Maldives three years later, One&Only Resorts quickly established itself as a major player on the global circuit despite only having a handful of properties to its name.

Although its development efforts were halted by the global economic crisis, the brand has recommenced expansion with two recent openings in Australia. Distracted by the departures of Paul Jones and then Sol Kerzner himself on the parent company’s sale to Investment Corporation of Dubai, One&Only must do more to live up to its name.



LUX* Resorts & Hotels (19)

LUX* Resorts & Hotels is a surprise entrant and is also the only pure play resort operator featuring in the Top 20.

Led by Paul Jones, the former President of One&Only Resorts, LUX* is an innovative boutique operator of resorts in Mauritius, Réunion Island and Maldives but now spreading its ‘Lighter.Brighter’ brand of luxury hospitality to the Middle East (Ajman) and China.

A fresh and appealing concept delivered through Jones’ obsessive focus on world-class service and eye-catching marketing has brought this small Mauritian operator to the attention of the world.

VIII. A STAR TOO FAR?



Jumeirah Group (31)

For a brand that's as frequently garlanded with awards and accolades as Jumeirah Hotels & Resorts, its ranking in 31st place is surprising. This is despite the brand's now closer association with the Burj Al Arab, the world's only 'seven-star' hotel, which quietly adopted the Jumeirah moniker in late 2014.

Intriguingly, although the Burj Al Arab has been voted the Best Hotel in the World three years in a row by readers of the British *Daily Telegraph*, several of Jumeirah's other Dubai resorts ranked higher than Burj Al Arab Jumeirah in the study, implying that the property is not living up to its reputation. Once again, we are seeing that the TripAdvisor guest, at least, is unhappy about the relationship between price and value.

It would seem that hotel star rankings are not always helpful from the brand or customer's perspective. Setting expectations too high, can create a greater risk of disappointment.

Jumeirah has undergone a successful expansion drive since its launch in 1997 and its birth as a brand proper in 2005. Growing from beyond its base of owned hotels in Dubai, London and New York, Jumeirah now manages 25 hotels, which Group CEO Gerald Lawless expects to rise to 46 properties by 2020. The 10 year strategy is for 75 hotels worldwide by 2023.

Although it boasts the Burj Al Arab as its flagship, a poor Range score of 442.49 places Jumeirah in 39th position in terms of brand consistency.

The vexed question of quantity over quality rears its head again.

Figure 4

POS	LUXURY HOTEL BRAND	UNITS	BEST	WORST	RANGE	RATING
1 (2)	Oberoi Hotels & Resorts	19	1.71	58.82	57.11	20.96
2 (3)	Raffles Hotels & Resorts	12	3.64	93.75	90.11	21.68
3 (9)	Shangri-La Hotels and Resorts	90	0.97	461.54	460.57	50.84
4 (11)	Mandarin Oriental Hotel Group	28	0.25	359.45	359.20	56.49
5 (15)	GHM	5	17.09	164.38	147.29	64.23
6 (17)	COMO Hotels and Resorts	12	1.50	266.67	265.17	65.14
7 (20)	The Peninsula Hotels	10	1.25	178.01	176.76	69.22
8 (21)	Six Senses Hotels Resorts Spas	11	6.67	292.68	286.02	84.05
9 (24)	Banyan Tree	26	2.46	360.00	357.54	87.74
10 (30)	Taj Hotels Resorts and Palaces	26	4.75	500.00	495.25	102.60

World's Most Popular Asian Luxury Hotel Brands 2015
 (Figures in brackets represent position in main table)

IX. EASTERN PROMISE



The Peninsula Hotels (20)

Many yards of printers' ink have been spent on discussing the relative styles and qualities of Asian hospitality versus its European or North American cousins.

Facing fewer opportunities at home in recent years, hotel groups out of Asia have been making advances into Europe and the US. Shangri-La Hotels and Resorts has opened in Vancouver, Paris, Toronto, Istanbul and London with properties in development as far afield as Qatar and Ghana. The Peninsula Hotels opened its first European hotel in Paris in August 2014.

Peninsula is a small chain of only 10 hotels and many people attribute the brand's stellar reputation for quality and consistency to this very fact.

So, at 20th, Peninsula has not performed as well as expected. Again the explanation comes down to consistency. Peninsula's Asian hotels scored considerably better than their sister properties in the West with its least popular hotels located in Paris and Beverley Hills.

We observe a similar story for Shangri-La, Banyan Tree and Taj Hotels Resorts and Palaces.

With the exception of Oberoi Hotels & Resorts, which is the leading Asian brand in the study (see Figure 4), the consistency of these findings suggests that Asian hospitality, while very successful at home, does not always translate as well in the West.



X. IS LUXURY A REALITY?

Although this study of TripAdvisor ratings was focused on luxury hotel brands, we wished to understand how the 59 individual brands and the sample as a whole performed when compared to a leading brand from outside the segment.

Interested to establish whether the 'Luxury' comp set outperforms a leading brand from the category below, we selected Marriott as a significant representative from the upper upscale chain scale or segment. However, instead of rating all 500 Marriott hotels worldwide, we examined only those in the locations where there is also a hotel of The Ritz-Carlton. On this basis, we evaluated Marriott hotels in 70 of the 90 locations where there were also The Ritz-Carlton hotels or resorts.

The results were reassuring, instructive and revealed the strength and effectiveness of Marriott International's brand portfolio and management.

We discovered that Marriott's average Weighted Ranking of 265.97 is significantly below the average Rating of the 59 brands that we surveyed (118.69). This finding suggests that, as a group, the luxury brands do merit their higher rating and cost.

Marriott's best scoring property (4.52) would have placed it at 32nd position sorted by this criterium alone and its worst scoring property (764.71) would have taken joint 53rd position with the worst Fairmont property.

If it was a luxury brand, Marriott would rank 58th on our list, while Marriott International's own luxury brand extension, JW Marriott, ranked 27th with a Rating that was 2.7 times better than its upper upscale sibling, which itself performed eight times worse than group flagship brand, The Ritz-Carlton.

These results demonstrate how a group, such as Marriott International, justifies the presence of multiple luxury brands within its brand architecture. JW Marriott effectively straddles the gap between Marriott itself and The Ritz-Carlton.

While Marriott's average Weighted Ranking (265.97) was significantly lower than that of The Ritz-Carlton (12.05) and JW (98.09), Marriott ranked only just behind W Hotels Worldwide (262.19) and fared better than two luxury hotel brands in the study: Nikki Beach Hotels & Resorts (268.21) and Ace Hotel (351.95).

On this evidence, Marriott International's brand architecture seems to be well designed and serving different segments effectively. The main line, Marriott, sits comfortably beneath JW Marriott (27), which falls appreciably below Edition (16), both of which sit behind the luxury flagship, The Ritz-Carlton, in the number one spot.

The only blot on the copybook of Marriott International is the poor performance of Bulgari Hotels & Resorts (40), which underperforms not only The Ritz-Carlton but EDITION and JW too. Bulgari has three new properties slated for 2017 and it will be fascinating to see if these openings in China and Dubai are able to give the brand a fresh impetus.

The exercise with Marriott shows the importance of value and the role of brands in setting and managing expectations; if a guest pays for and expects luxury but receives an upper upscale experience, they are less likely to be satisfied than one who pays less for a similar experience.

6. Q&A

Did your clients commission this report or collaborate with you on its creation?

No, Luxury Branding conducted this report independently with no involvement from any third parties. None of the hotel brands had any prior knowledge that this study was being carried out.

What right do you, as an agency, have to write an “independent” report?

Although we do have relationships with some of the brands, the data that we used is in the public domain and objective. All we did was compile and analyse the impartial reviews of 2.25 million luxury hotel guests.

Did you feature clients for your own benefit?

Although some of our past and present clients performed well and have therefore received credit where credit is due, others have not done so well and may therefore be disappointed by the results.

Ok then, so why have you published this report?

The aim of this study and report is to provide a piece of thought leadership and insight to an industry that we service. We aim to stimulate an interesting conversation. We also wanted to build awareness of our firm and expand our team’s knowledge of the luxury hotel industry.

Did TripAdvisor work with you on this?

TripAdvisor are aware that we collected and analysed their data and that we are publishing this report, however they did not play any part in creating it.

Why did you decide to use TripAdvisor as your source when it has a questionable reputation?

TripAdvisor is the largest database of luxury consumer opinion in the world. Fact. We accept that there may be the odd inaccurate or even fake review but its sheer scale creates a self-enforcing equilibrium which cancels out the anomalies.

The scale of TripAdvisor enabled us to consider the feedback of 2.25 million travellers, which is believed to be the biggest sample of its kind.

How does TripAdvisor calculate its ratings?

TripAdvisor do not disclose the detail of its own algorithms but the three key elements are the quantity, quality and recency of reviews.

Since you collected your data in August, are the results are now out of date?

Like any survey, these result are a snapshot in time. However, it takes a large number of new reviews to significantly change the Pure Rank of an individual hotel and even more for any such changes to affect the performance of a brand, as the brand Rating is the average of all its hotels.

Why are luxury hotel brands such as The Leading Hotels of the World, Small Luxury Hotels of the World Ltd, Preferred Hotels and Resorts, and Relais & Chateau not included?

While these organisations and others like them, are indeed hospitality brands, they are not hotel operators, which is the focus of this study. Consortia provide a range of support services from marketing and reservations to quality control however they are not hoteliers.

So why have you included hotel collections such as The Luxury Collection, Dorchester Collection, Rocco Forte, Belmond and Firmdale?

Branded collections are still brands even though they do not operate with a monolithic architecture. A brand is more than a name or a logo and unlike members of LHW or SLH, for example, the hotels in these and other branded collections are operated by the same management company. There is an expectation from the guest that there will be an identifiable and consistent service philosophy and standards across the properties presented by the collection.

7. About Luxury Branding

LUXURY BRANDING

Luxury Branding is an agency that provides Consulting, Creative and Communications services to the global luxury industry.

Founded by Piers Schmidt in 2002, the firm has served an impressive roster of leading brands in the hospitality, retail, luxury products and premium financial services industries, enabling them to connect valuably with audiences around the world.

Current assignments are being undertaken in Europe and North America and from South East Asia to Southern Africa.

For further information about the *World's Most Popular Luxury Hotel Brands, 2015* or about Luxury Branding, please contact Katie Lark at katie.l@luxury-branding.com

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Acknowledgement and Credits

ACKNOWLEDGEMENT AND CREDITS

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