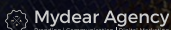


YHS Rankings 2016



By Hospitality Students.
Worldwide.

YHS Rankings 2016



March 2016

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www.yhsglobal.com

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Introduction

Young Hoteliers Summit

The Young Hoteliers Summit (YHS) acts towards improving professional opportunities for young talent in hospitality by fostering a dialogue on employment between hospitality companies, educational institutions and the future leaders in the hospitality industry. It ultimately develops actionable proposals, aligning its three main stakeholders regarding their mutual expectations, capacities and aspirations.

This report has been generated with the aim of putting global hotel companies in the spotlight by showing the perception of young talent worldwide. This project was conducted in order to identify employment challenges and employer preferences of hospitality students, which inevitably offers employers and educational institutions an insight into the views and priorities of the millennial hospitality students.

YHS Rankings

The YHS Rankings are an integral component towards achieving the mission of YHS, which is to improve opportunities for young talent by putting global hotel companies in the spotlight. Since 2010, hospitality students worldwide have been asked to give their perception of hotel companies in terms of employers and recruiters.

In 2016, these rankings of the top companies were generated through a survey completed by over 1,800 participants from 156 different hospitality schools across 111 nationalities. The research touched base on a diverse array of employment topics such as sources of information, work-life balance, pursuit of further education and other key decision makers involved in choosing an employer and job position.

Methodology

YHS Rankings 2016 was constructed with a different approach as compared to last year's survey; in partnership with MyDear Agency, a new methodological approach was developed to ensure the reliability and future use of this report for brand awareness assessment as well as evaluating the importance of the different criteria for a career choice.

In order to choose the brands to be featured in this study, STR data has been collected and analyzed. ADR classification was then applied to segment hotel brands. We have used STR data to analyze the number of properties/rooms/countries and continents in which the brands are

operating. As this is an international study with regards to the different brands around the world, the following criteria were defined:

- Luxury & Upper Upscale segment: brand must be present in at least 3 countries
- Upscale & Upper Midscale segment: brand must be present in at least 4 countries and must have at least 7 properties
- Midscale & Budget segment: brand must satisfy a minimum amount of properties and rooms (238 properties and 17,898 rooms)

Different criteria have been used for the different segments due to the specificity of each one of the markets. The luxury and upscale market are particularly dependent on brand name, but in terms of size, some brands are smaller in number of properties/rooms and countries present. On the other hand, Bob Brotherton, an Emeritus Professor at Emirates Academy of Hospitality Management, stated on his research '*Critical success factors in UK budget hotel operations*' that Midscale & Budget hotels are "highly dependent on the number of properties and the difference in amenities in order to thrive and be economically viable" (Brotherton, 2004).

However, it is worth noting that there is a brand that was included in the study without fulfilling the aforementioned criteria: YOTEL. As a new and innovative brand, YOTEL was included in the Midscale & Budget scale in order to test how a fresh brand could disrupt the competition in the Midscale & Budget hotel market. Such idea has been implemented from YHS Rankings 2015's feedback.

The Survey

Sample: in numbers

1,886

Number of responses

156

Participating schools

75%

Current students comprise a majority of the respondents

111

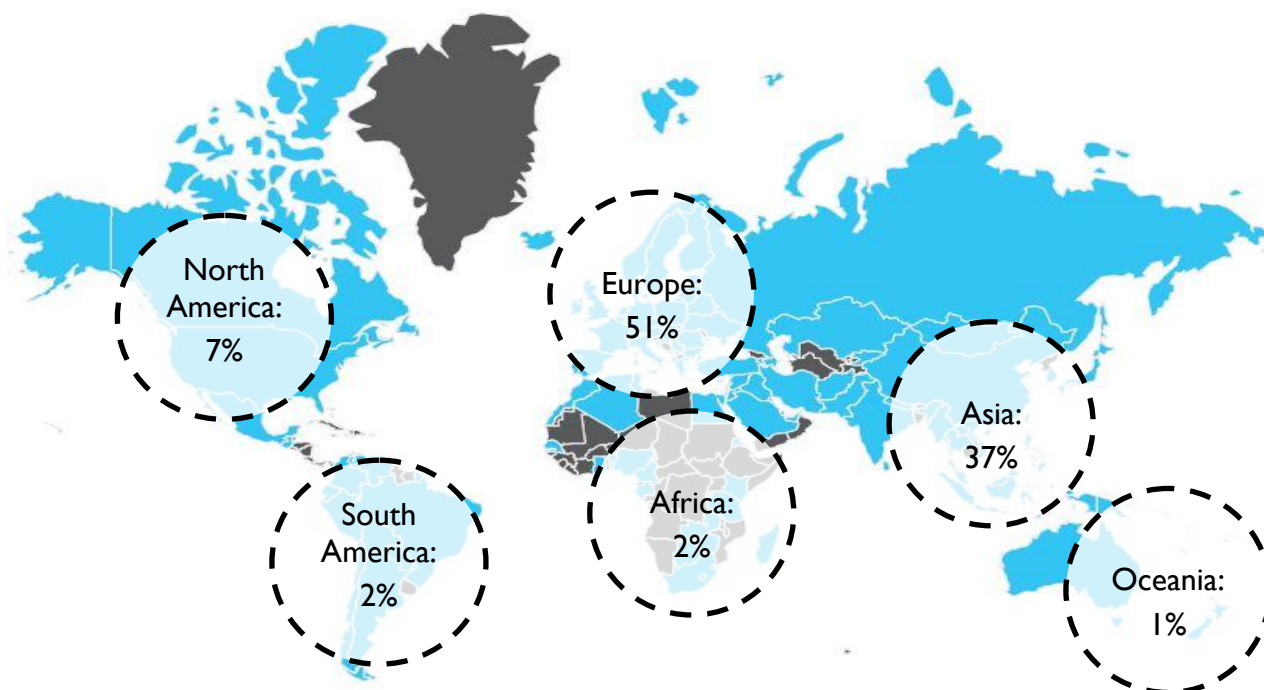
Nationalities involved in the study

69%

Completion rate

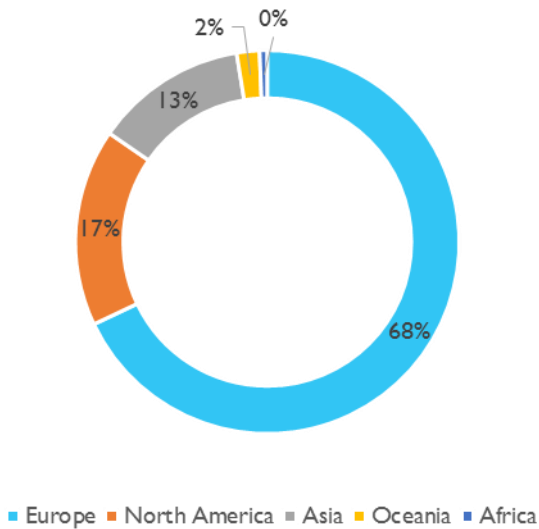
61%

Students graduating before 2018

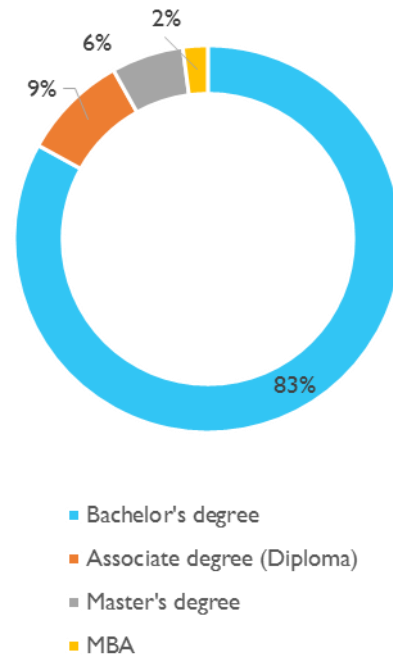


The above geographical map presents the origin of the respondents by countries (highlighted in blue). The percentage represents continent of origin of the respondents.

Institutions by region

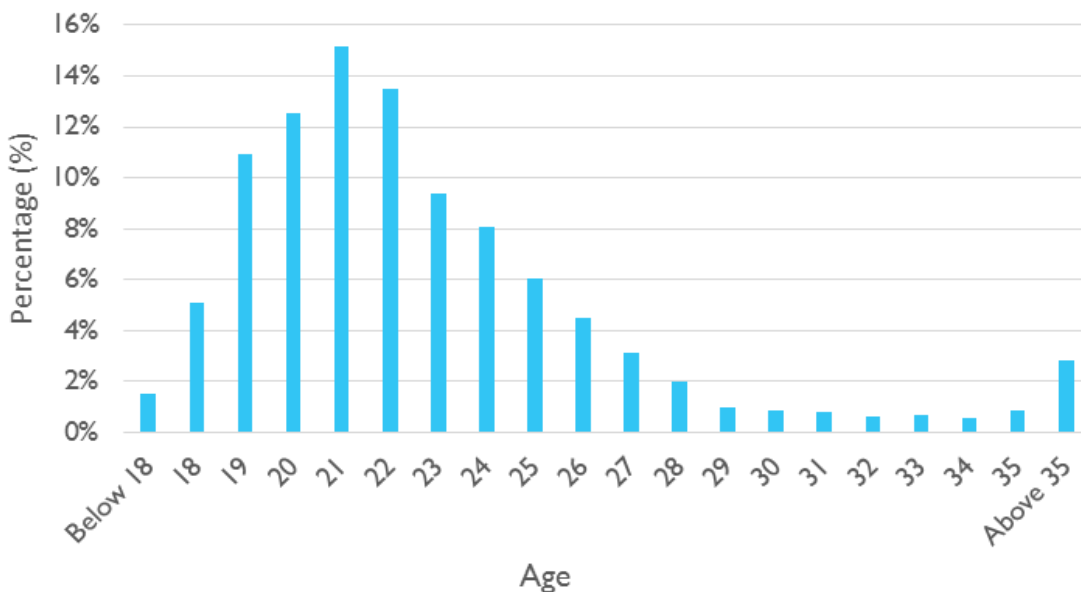


Respondents' hospitality education



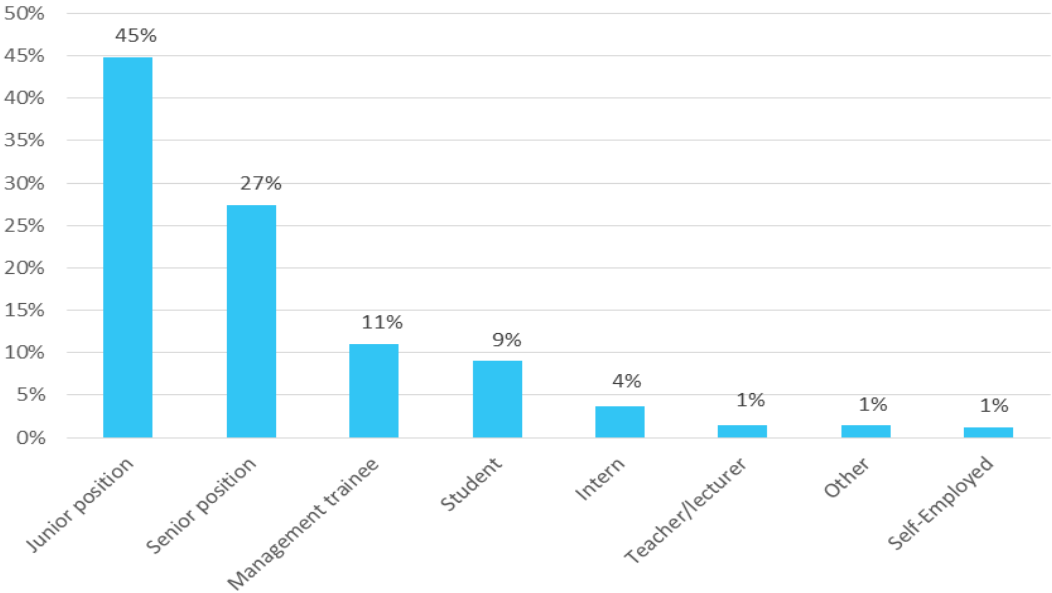
Students hailing from 156 hospitality management schools participated in the study; most of the schools are based in Europe, especially France, while a fair amount of schools are based in North America and Asia. The respondents' hospitality education background varies, with a majority being an undergraduate student or alumni in hospitality management.

Respondents by age



The distribution is skewed to the right as 75% of the respondents are current students. By including alumni (the remaining 25%), we also have several outliers which go together with the distribution of the survey. The average age of our correspondents is 22.8 years old.

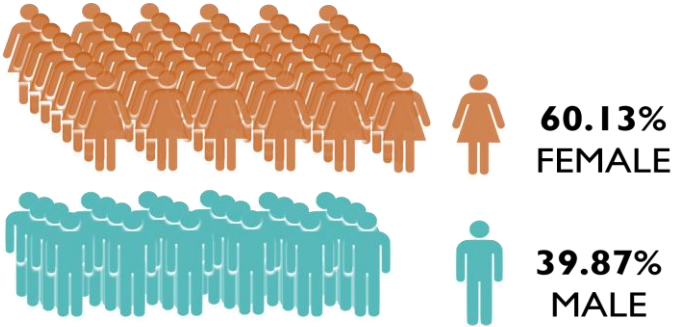
Alumni – Current position



The majority of the alumni that have answered the survey are employed as either a junior or a senior position within a company. About 11% of the alumni have decided to pursue a management training and 9% of the students have an interest in pursuing further studies. A slight change concerning alumni’s opinions will be discussed on page 9 under “Student future aspirations”.

Gender

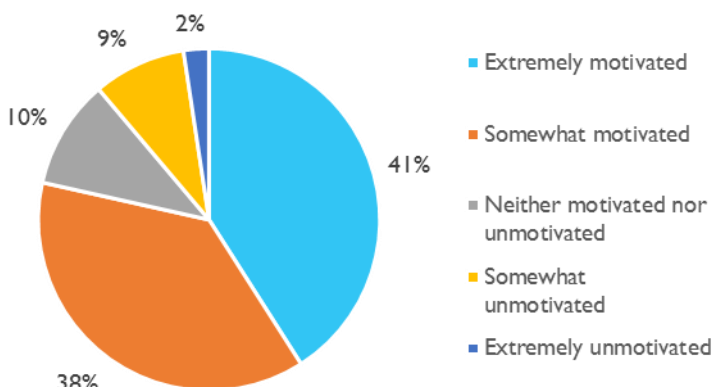
The percentage of females present on this study is approximately 60% versus 40% of males.



Part I: Career Path Analysis

Motivation

How motivated are you in pursuing a career in traditional hospitality?

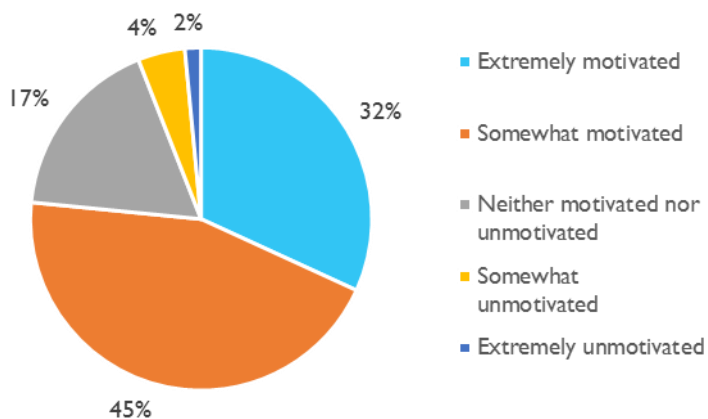


“41% of the respondents have stated that they are extremely motivated to pursue a career in traditional hospitality.”

However, a trend can be observed towards a relative indecision as 38% of the respondents answered that they are somewhat motivated

to work on this industry, while 10% of the respondents are neither motivated nor unmotivated. Hotel brands should be focusing on motivating this 48% of respondents, so that they become extremely motivated to work in traditional hospitality roles. They have had the necessary training and education, and when coupled with the right motivation, these respondents may become the future of the operational hospitality industry.

How motivated are you in pursuing a career in hospitality consulting?

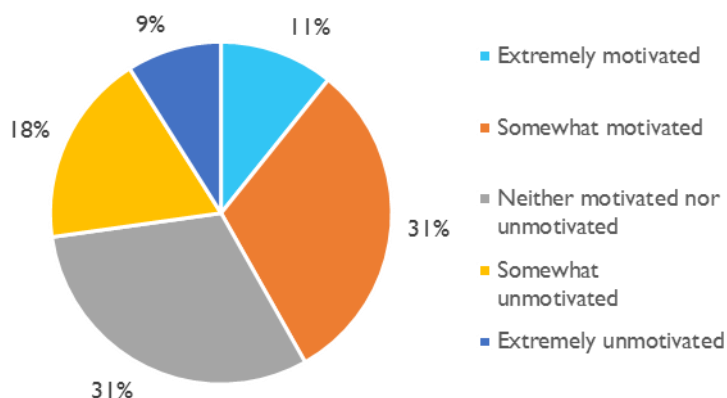


“1 in 3 respondents demonstrated a great level of motivation to work in hospitality consulting in the future.”

45% of the respondents are somewhat interested in working in this field, with 17% still being indecisive. Towards the lower tiers

of motivation, about 6% of the correspondents are somewhat unmotivated or extremely unmotivated – a percentage fairly small compared to the chart of traditional hospitality.

How motivated are you in pursuing a career in an OTA?



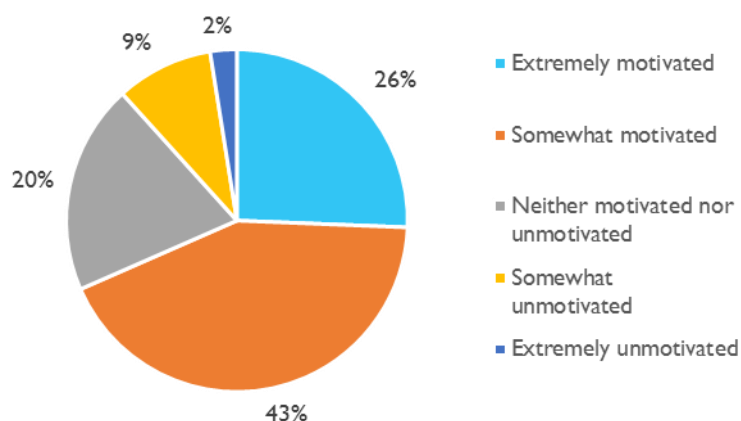
Respondents' opinions on this question vary widely.

“Only 11% of the students demonstrated a real motivation to work for OTAs.”

Meanwhile, 31% of the students stated that they are somewhat motivated towards a career in this

area, while another 31% are indecisive. Roughly about 27% of the respondents stated that they would be unmotivated to work in the field.

How motivated are you in pursuing a career in a hospitality start-up company?

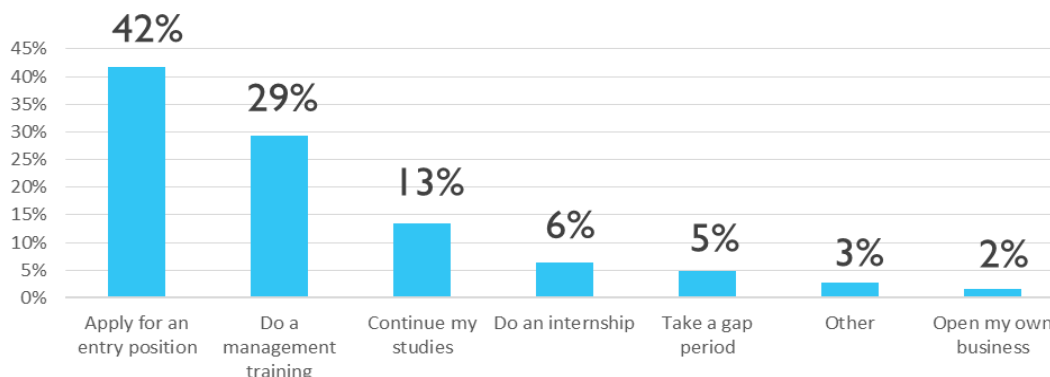


“About one-fourth of respondents are greatly motivated to work in hospitality start-ups.”

43% are somewhat motivated and 20% of the respondents are still unsure towards the notion. The motivation level of pursuing a career in a hospitality start-up

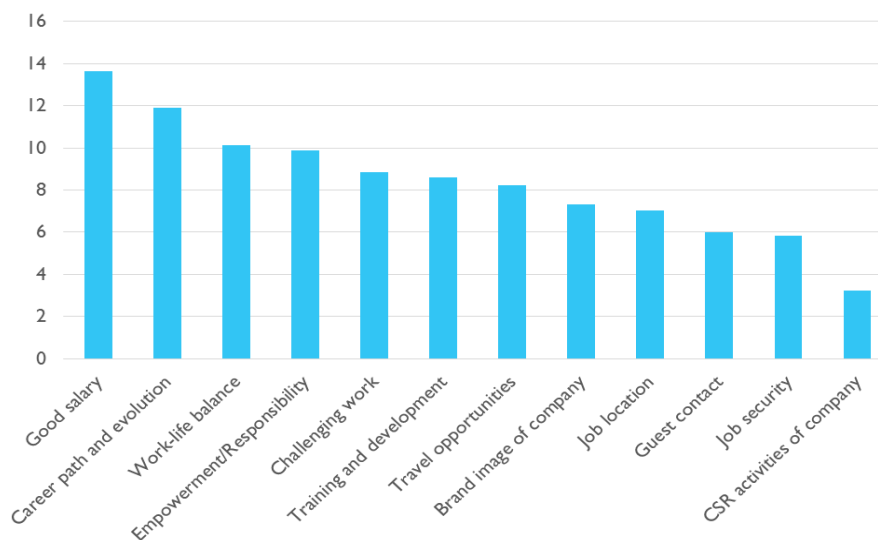
company is below the motivation of working in traditional hospitality and hospitality consulting; however, as the notion of start-ups is becoming increasingly popular due to the hype in the tech industry, we expect the level of motivation to work for start-ups in the hospitality industry to increase in the future.

Student future aspirations



A considerable amount of students would be interested in applying for an entry level position after graduating (42%). These students plan to find a job right after graduation rather than continuing their studies in pursuit of better career opportunities (13%). Surprisingly, 29% of students would be interested in doing a management training program in a hotel company. This can be linked with the perception that doing a management training program would increase career prospects and lead to a faster career progression. However, In comparison with the previous graph on “Alumni – current position” on page 6, we can observe a slight change concerning management training. Although 29% of students mentioned their interest in doing a management training after their studies, only 11% of the alumni are actually enrolled in a management training program.

What are the most important factors when choosing a career?



This question aims to measure the importance of extrinsic vs. intrinsic motivation factors. Participants were assigned to distribute 100 points across 13 different facets. The graph above is the average allocated points for each facet.

Young hoteliers consider **salary** to be the most important motivator on average when choosing a future career. It is, however, the factor with the highest variance among students that shows not everyone considers it as the most important component when choosing their future employer. It is also interesting to observe that among females, although salary is still ranked number 1, the maximum amount of points allocated was only 75, versus 100 points by males.

Nevertheless, a good salary remains a subjective factor which depends on economical and geographical contexts combined with the level of competition in the labor market. So once this criteria is fulfilled, the “**career path and evolution**” appears to be the second most important factor when choosing a future employer.

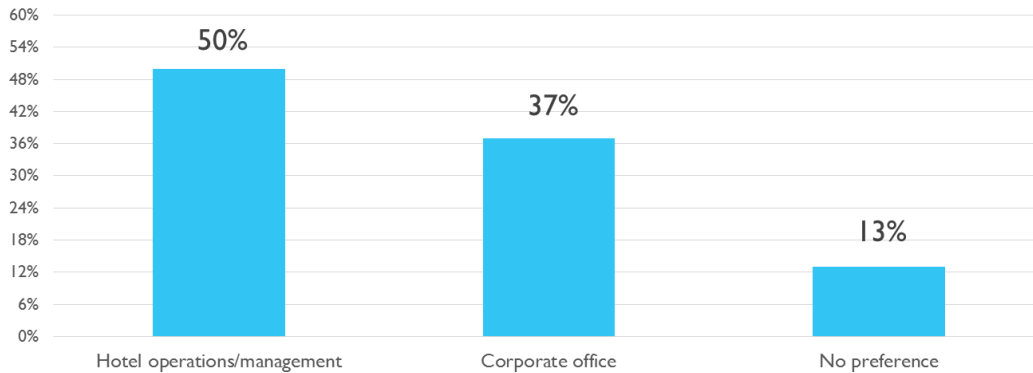
Millennials are particularly keen to progress in their careers. Promotions are seen as a recognition of their added value and commitment to a hotel brand, making it the second most important factor in choosing a career. The hospitality industry can attract future talent not only through their management training programs, but also by additional training and unique experiences that will help them later with greater opportunities for career advancement. Naturally, “Empowerment/responsibility” and “Training and development” as an important factor rises to the fourth and sixth positions, respectively.

Millennials consider a rich personal life as an important factor. It’s well documented that work-life balance is one of the most bemoaned topics in the hospitality industry; however, this could be an opportunity for employers to significantly drive employee retention among millennials.

Beyond salary and working conditions, to win the race for future talent, hotel brands must develop and share a vision that aligns with the future aspiration of the millennials and their career paths.

Respondents' preference

Ideal entry-level job in the hospitality industry

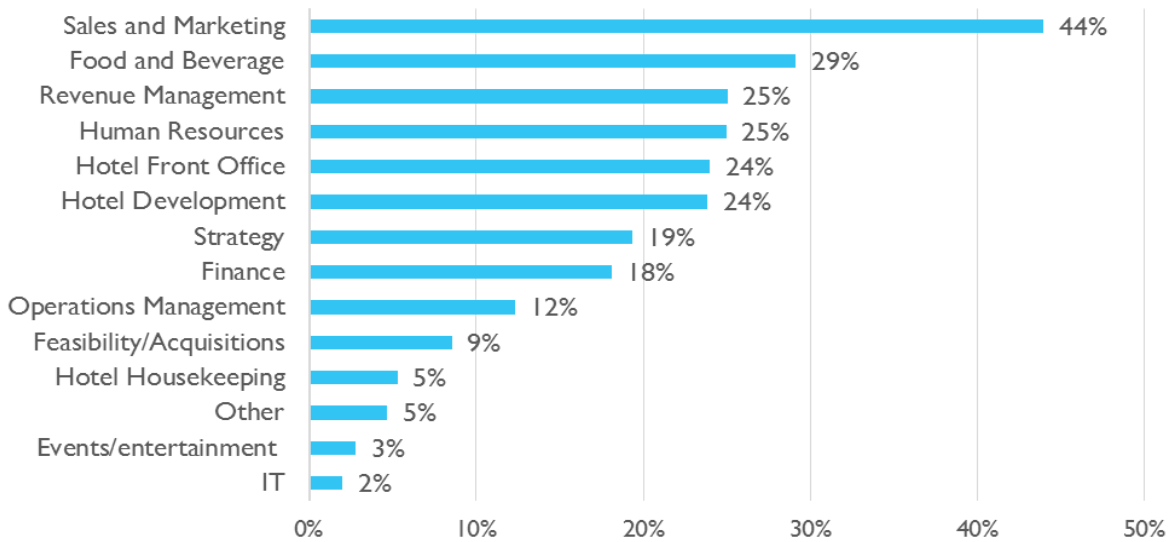


From the graph we can deduce that hotel operations and management positions are still highly sought after by young hoteliers.

This result is mainly influenced by current students who prefer to kick-start their careers in hotel operations as opposed to alumni, who prefer corporate offices.

Moreover, alumni seem to have a clearer picture of their career path and are more decisive over their careers, as the variable "no preference" is significantly lower compared to students.

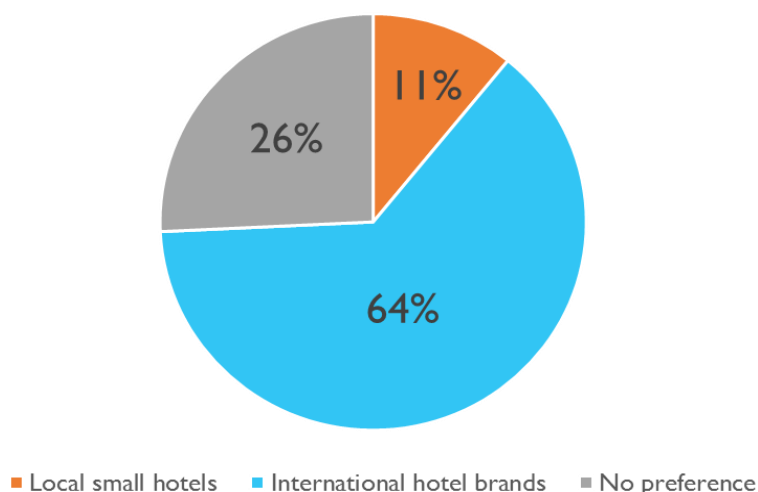
Which department would you start your career in?



Sales and Marketing is the most popular department which most of the respondents would be inclined to start their career in. Customer-facing hospitality roles continue to be extremely important for the global hospitality population, with F&B and Hotel Front Office achieving second and fifth position respectively. Hotel Housekeeping, however, is considered one of the least important segments in which students would like to work for in the future.

Concerning the differences by gender, on average females seem to be more attracted to Sales and Marketing and Human Resources roles on corporate level, and Hotel Front Office in the operational field. Males on average seem to be more attracted to Finance and Revenue Management positions as far as corporate roles are concerned and more interested in F&B regarding hotel operations.

For which category of hotels are you more willing to work for?



The majority of students continue to be extremely interested in international hotel brands, with a small percentage of people interested in small local hotels (11%). More than a quarter of the respondents are still indecisive or show no preference concerning the size of the company. Small hotel companies should therefore focus their attention on offering innovative recruitment packages that differentiate themselves from the traditional corporate packages in order to drive millennials' interest.

Top-of-mind Awareness

Top-of-mind Awareness, or also known as TOMA, is a measure of how readily a brand name or concept comes to the respondents' minds. The questions were designed to analyze what were the first three hotel brands that would come to the respondents' minds, as well as the first

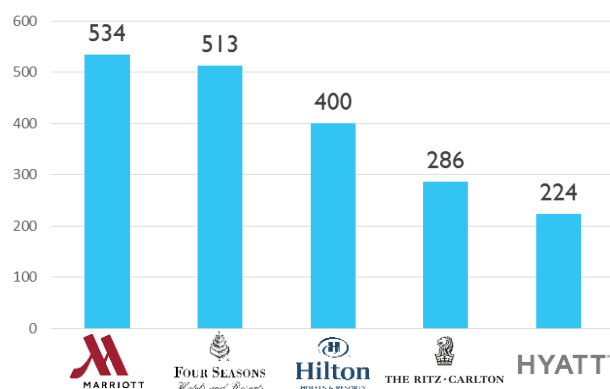
three hotel brands they would love to work for. In doing so we are able to have an understanding what are the companies that students would naturally be attracted to either by personal interest or by an effective brand marketing strategy.

The results were then filtered to avoid misspellings and to standardize the brand names (some responses were recorded in different languages). It was also interesting to observe that a large percentage of the respondents mentioned large hotel groups rather than hotel brands. This could be due to two different reasons:

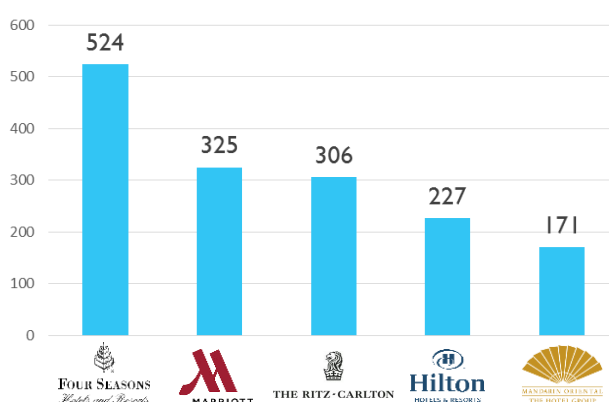
1. There might have been a confusion between hotel brands and hotel groups, either due to misinterpretation of the question or students' limited knowledge of the difference.
2. Some students are more interested in working for their favorite hotel group rather than working for a specific hotel brand within that hotel group.

We aggregated the compiled brand names and the results are as follows:

Brands Known



Brands to Work For



The survey shows that **the most well-known brand** (and/or chain in this case) in the hospitality industry is “**Marriott**” with 534 mentions (note: this is separate from “JW Marriott”). “**Four Seasons**” follows in second place with 513 mentions, and subsequently by Hilton, the Ritz-Carlton and Hyatt (and/or chain in this case as well).

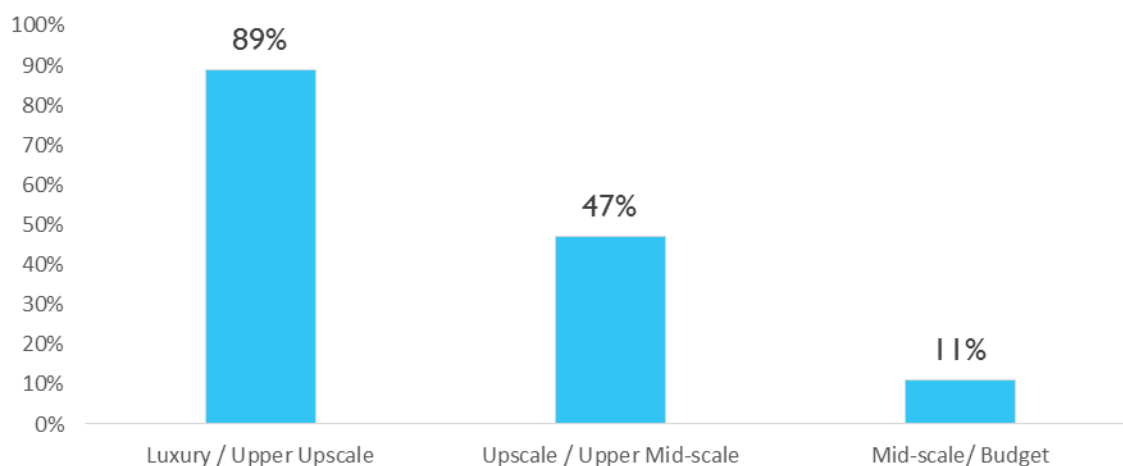
However, when the respondents were asked about brands they would love to work for, “**Four Seasons**” **won the first place** by a large margin – a staggering **38% ahead of the runner-up**, “**Marriott**”. They were then followed by the Ritz-Carlton, Hilton, and Mandarin Oriental with the third, fourth and fifth positions, respectively. It is also worth noting that Mandarin

Oriental is one of the two brands from Asia that made it to the Top 10 of both rankings (the other being Shangri-La), but is the only one that made it to the 'Top 5 Brands to Work For'.

There are three different responses (first, second and third top-of-mind brands) for each question. However, after further analysis we saw that the frequency of the brands chosen for the first, second, and third positions were extremely similar, and thus our decision to amalgamate the results for all three responses in each question.

This TOMA study highlights the fact that famous brands are not necessarily the same brands people would love to work for. In addition to that, this could also be useful for students who are looking for potential career and growth within the hospitality industry, as the information above may be able to act as a guide in choosing their coveted employer. For the hotel brands, this information is crucial because it highlights their presence in young hoteliers' minds – both for their brand awareness as well as their attractiveness as an employer.

Preferred segment



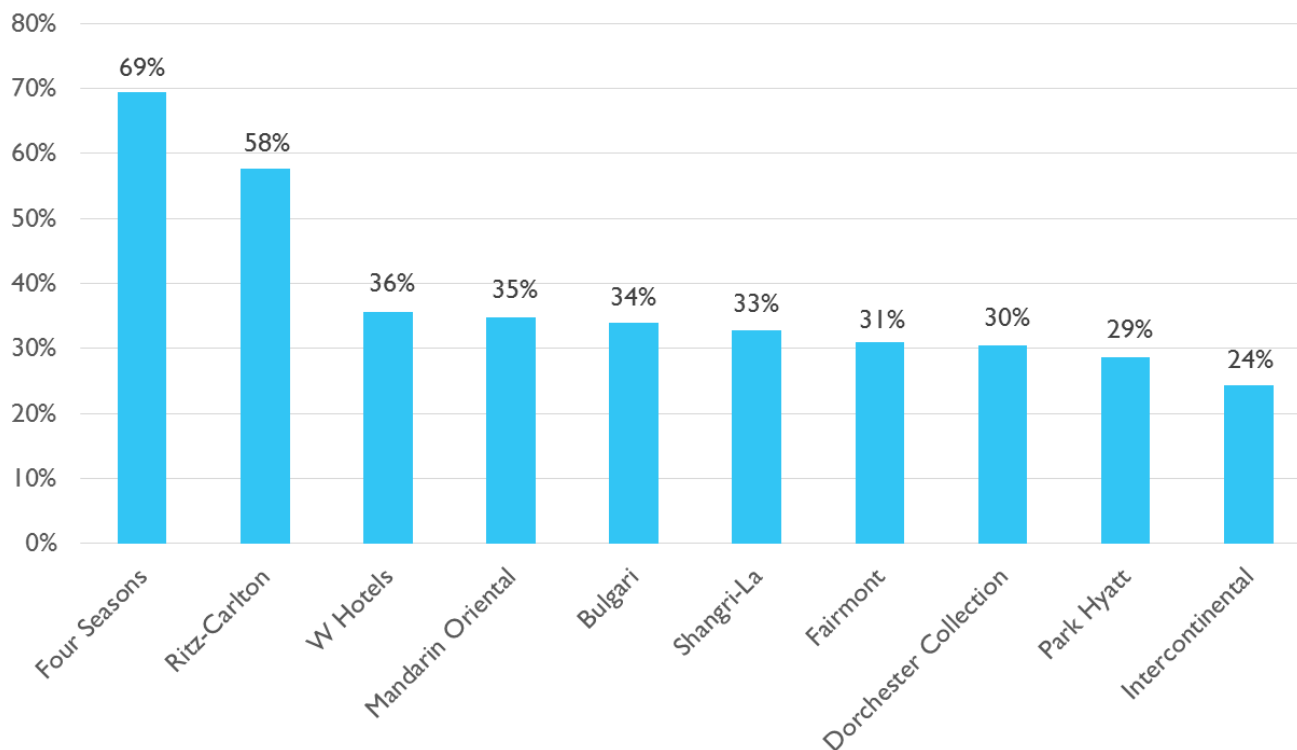
Luxury is the preferred segment within the hospitality industry for which students are interested in working for. Concerning other segments, the Upscale & Upper Midscale segments continue to interest students and act as an alternative to luxury.

Part 2: Most Desired Brands – YHS RANKINGS 2016

In order to define the Winners of the YHS rankings 2016, we have combined two domains in their relative proportions – “brands respondents would love to work for” and “brands respondents would work for should any opportunity rise.”

Luxury & Upper Upscale brands

In this segment, the top 2 players seem to be extremely well-established both in brand awareness and attractiveness to young talent. The result is extremely consolidated and variance between the first 3 places is very significant, which denotes strong brand preference.



1st Place – Four Seasons



YHS is proud to congratulate **Four Seasons Hotels & Resorts** on their 1st rank in the YHS Rankings 2016 – Luxury & Upper Upscale Segment, with almost 70% of the respondents choosing Four Seasons as the most attractive brand for young hoteliers.

2nd Place – Ritz-Carlton



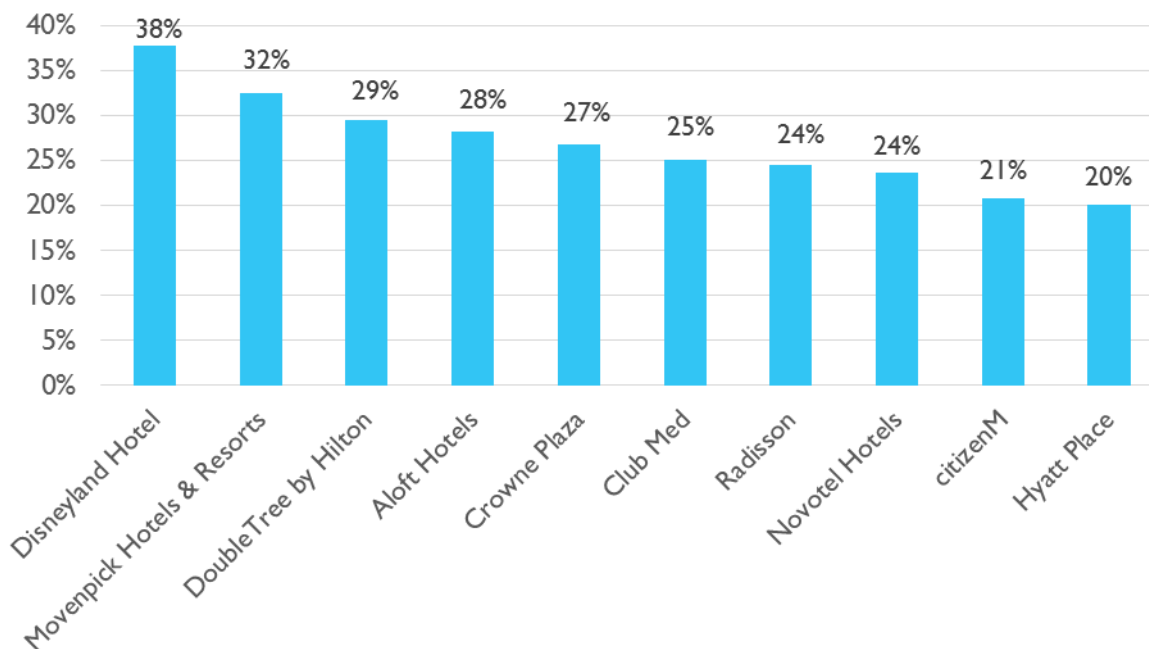
YHS is proud to congratulate **Ritz-Carlton** on their 2nd rank in the YHS Rankings 2016 – Luxury & Upper Upscale Segment, with 58% of the respondents choosing Ritz-Carlton as the most attractive brand for young hoteliers.

3rd Place – W Hotels



YHS is proud to congratulate **W Hotels** on their 3rd rank in the YHS Rankings 2016 – Luxury & Upper Upscale Segment, with 36% of the respondents choosing W Hotels as the most attractive brand for young hoteliers.

Upscale & Upper Midscale brands



For this segment we can observe a rather concentrated result. In terms of variance, it is much more dispersed across different brands. This also means that respondents are less certain on which brands they would choose on this segment, and it also underlines that there is still marketing potential for companies to prove their attractiveness for young professionals.

1st Place – Disneyland Hotel



YHS is proud to congratulate **Disneyland Hotel** on their 1st rank in the YHS Rankings 2016 – Upscale & Upper Midscale Segment, with almost 38% of the respondents choosing Disneyland Hotel as the most attractive brand for young hoteliers.

2nd Place – Mövenpick Hotels & Resorts



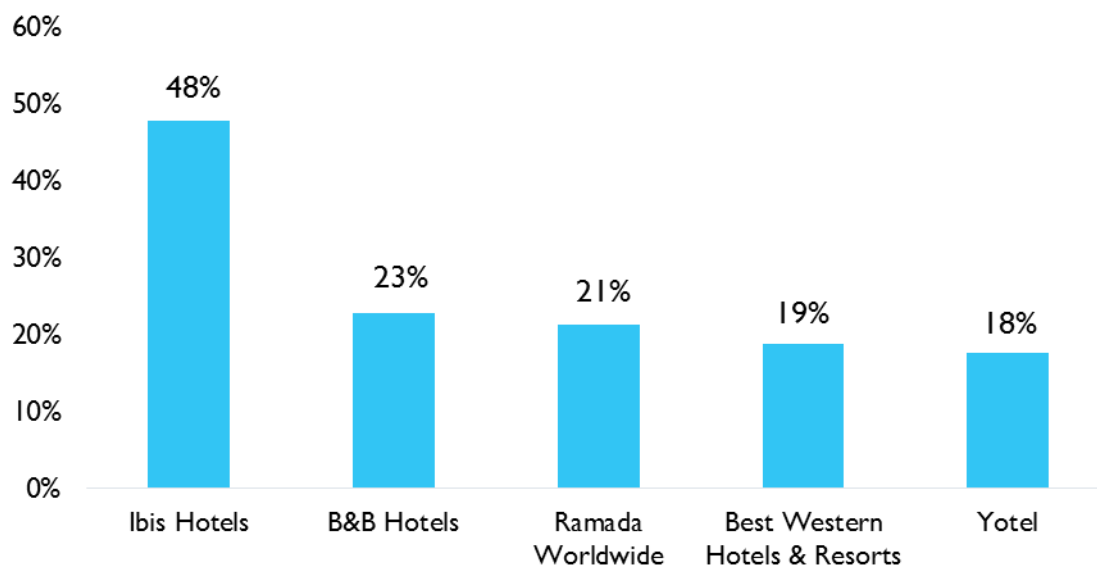
YHS is proud to congratulate **Mövenpick Hotels & Resorts** on their 2nd rank in the YHS Rankings 2016 – Upscale & Upper Midscale Segment, with 32% of the respondents choosing Mövenpick Hotels & Resorts as the most attractive brand for young hoteliers.

3rd Place – DoubleTree by Hilton



YHS is proud to congratulate **DoubleTree by Hilton** on their 3rd rank in the YHS Rankings 2016 – Upscale & Upper Midscale Segment, with 29% of the respondents choosing DoubleTree by Hilton as the most attractive brand for young hoteliers.

Midscale & Budget brands



In the Midscale & Budget market, we can see a large gap between the top two hotel brands, while there is only slight variance between the remaining brands. This underlines an exceptionally strong player in the market and there is a lot of competition between the rest of the brands in terms of talent retention. However, this also presents a potential for the runners-up to get ahead of its competitors. It is also interesting to observe how innovative brands, despite their small size, can disrupt the market in terms of attractiveness for young hoteliers.

1st Place – Ibis Hotels



YHS is proud to congratulate **Ibis Hotels** on their 1st rank in the YHS Rankings 2016 – Midscale & Budget Segment, with almost 48% of the respondents choosing Ibis Hotels as the most attractive brand for young hoteliers.

2nd Place – B&B Hotels



YHS is proud to congratulate **B&B Hotels** on their 2nd rank in the YHS Rankings 2016 – Midscale & Budget Segment, with 23% of the respondents choosing B&B Hotels as the most attractive brand for young hoteliers.

3rd Place – Ramada Worldwide



YHS is proud to congratulate **Ramada Worldwide** on their 3rd rank in the YHS Rankings 2016 – Midscale & Budget Segment, with 21% of the respondents choosing Ramada Worldwide as the most attractive brand for young hoteliers.

Most attractive brands by nationality

Country (nationality)	Luxury & Upper Upscale	Upscale & Upper Midscale	Midscale & Budget
 China	Four Seasons	Disneyland Hotels	Ibis Hotels
 Switzerland	Four Seasons	Mövenpick Hotels	Ibis Hotels
 France	Four Seasons	ClubMed Hotels	Ibis Hotels
 USA	Four Seasons	DoubleTree by Hilton	La Quinta Inns & Suites
 Lebanon	Four Seasons	Mövenpick Hotels	Ramada Worldwide
 Canada	Four Seasons	DoubleTree by Hilton	Yotel

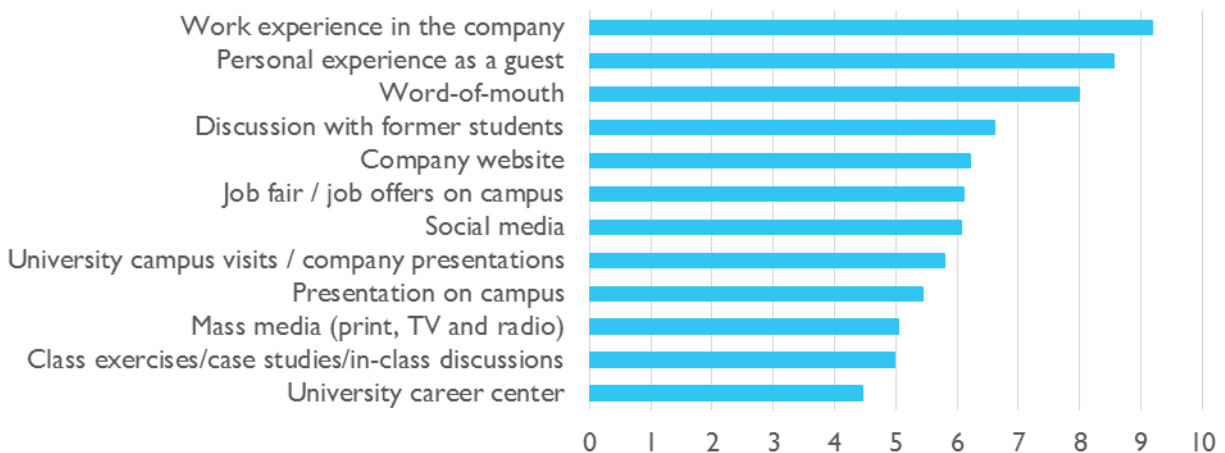
We aggregated and analyzed the responses from the top 6 countries with the highest number of respondents (by nationality). We drew a conclusion that there is an exceptionally similar pattern across the six countries.

Four Seasons Hotels & Resorts is the most coveted brand in the Luxury & Upper Upscale segment in China, Switzerland, France, USA, Lebanon and Canada. However, unlike the previous analysis on page 15 on the global rankings of Luxury & Upper Upscale brands, Four Season's first position across the six countries above is not as etched in stone. Several other Luxury & Upper Upscale brands were only a small margin away; Dorchester Collection in France, Ritz-Carlton in the US and Lebanon (on a par with Fairmont in the latter) ranked 2nd place.

In the Upscale & Upper Midscale market, we are also seeing a similar pattern. Mövenpick Hotels & Resorts is ranked 1st in Switzerland and Lebanon, while DoubleTree by Hilton is ranked 1st in USA and Canada. ClubMed Hotels, having a strong presence in France, comes second in Switzerland. Disneyland Hotels particularly attracted respondents from China; we believe this might have been bolstered by the hype of the forthcoming Shanghai Disney Resort – Disney's first destination resort in Mainland China – which is slated to start operating in June 2016. Nonetheless, Disneyland Hotels also have a relatively strong presence in the other countries, being the second nominee in the Upscale & Upper Midscale segment in France and Canada.

In the Midscale & Budget market, the top winner is even sturdier. In China, Switzerland and France, Ibis Hotels took the lion's share by taking the lead in the three markets with a relatively wide gap from the runner-ups. Brands such as La Quinta Inns and Ramada Worldwide are predominantly strong in their home countries, USA, winning the 1st and 5th position respectively. Ramada Worldwide is in fact also strong in the Middle Eastern market, successfully secured the 1st position in Lebanon's Midscale & Budget segment. Interestingly Yotel, despite being a relatively new player, is particularly popular among European and North American respondents, winning 1st place in Canada and 2nd place in Switzerland.

The most influential factors when forming an opinion on a hotel company



Respondents continue to value first-hand experience most when forming an opinion about a company. **Work experience in the company** continues to be the most important factor when choosing a company to work in the future. In order to form this opinion, internships play a vital role for talent recruitment and interest in the company. Employers should consider internships more seriously and regard interns as future brand ambassadors rather than temporary employees in the company. Similarly, guest experience with the brand is also an extremely important factor in defining which companies respondents identify themselves with.

Subsequently comes second-hand experience, or indirect experience, through other people such as family, friends and colleagues. This is significantly coherent with today's world, considering the growing reliance of reviews – whether online or 'offline' – in decision-making. An example of this trend in the hospitality industry would be the fact that TripAdvisor's reviews may be considered more important than the star rating of a hotel.

Following these characteristics, company websites and career fairs have a more relevant impact on young hoteliers rather than traditional mass media and university career centers. As

millennials are constantly connected online, social media – placed 7th – becomes a reinforcement on the previously mentioned factors.

Our question to the industry: How would a different allocation in spending towards the development of internships benefit hotel companies in years to come?

**YHS Rankings Survey 2016**

Make your voice count in the industry and take your chance to win over CHF 2'000 worth of vouchers from Expedia



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End of Report

Industry Takeaways

- “...on average females seem to be more attracted to Sales and Marketing and Human Resources roles on corporate level, and Hotel Front Office in the operational field. Males on average seem to be more attracted to Finance and Revenue Management positions as far as corporate roles are concerned and more interested in F&B regarding hotel operations.”
- “Although 29% of students mentioned their interest in doing a management training after their studies, only 11% of the alumni are actually enrolled in a management training program.”
- “This TOMA study highlights the fact that famous brands are not necessarily the same brands people would love to work for”
- In the Luxury & Upper Upscale market, “the top 2 players seem to be extremely well-established both in brand awareness and attractiveness to young talent. The result is extremely consolidated and variance between the first 3 places is very significant, which denotes strong brand preference.”
- In the Upscale & Upper Midscale and Budget & Midscale markets, the gap between one hotel brand to another is relatively narrow, thus there is a chance for new entrants to disrupt the market.
- “Work experience in the company continues to be the most important factor when choosing a company to work in the future.” With that being said, all top four factors are related to experience, whether it’s direct or indirect.
- Salary, career path & evolution and work-life balance are among the few top factors in choosing a future career.

Limitations

There are several limitations associated with this study

- Although different nationalities are represented in the study, a majority are students or alumni of hospitality schools in Switzerland.

- “China” represents People’s Republic of China (PRC); this does not include Hong Kong Special Administrative Region (SAR) and Macau SAR.
- The purpose of this study is to discover the trends of the industry rather than being country specific due to the size of the sample.
- Access to a limited number of universities and the fact that some universities did not want to participate in the study lowered the potential diversity.
- Consortiums and other hotels associations were left out of the study to ensure a sound methodology
- Age of the respondents, although the majority of the respondents are young hoteliers the survey was also distributed to previous alumni. For this reason we have 5% of our respondents which have an age of 35 years or above.
- Top-of-mind awareness, despite being a good brand awareness gauge, might be somewhat less accurate in this study. Many hotel brands share the same name with its holding groups (e.g. Marriott International and Marriott as a brand), and thus we cannot predict if the respondent meant the group or the brand. In addition to that, the question was meant to gauge brand awareness, but many respondents answered with hotel groups instead.

Further Research

Study could be conducted on a yearly basis in order to see a year-on-year, gradual trend change. The study can perhaps also be distributed earlier in order to get more responses from students of participating schools.

Special Thanks

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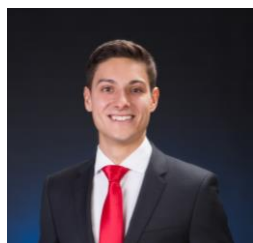
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