



## **THE OVERWHELMING MAJORITY OF HOTELS DO NOT CHARGE MANDATORY RESORT FEES.**

- The overwhelming majority (93%) of the 53,000+-strong hotel industry does not charge mandatory resort fees.<sup>1</sup>
- Mandatory resort fees have declined over the past decade. According to a comprehensive survey on hotel trends, the percentage of resorts charging mandatory resort fees has remained at or under seven percent since 2000.<sup>2</sup>
- A majority of consumers (63%) have never stayed at a hotel with a mandatory resort fee.<sup>3</sup>

## **HOTELS DISCLOSE MANDATORY RESORT FEES TRANSPARENTLY TO CONSUMERS PRIOR TO BOOKING.**

- Transparency and guest satisfaction are at the core of the industry's business model. Mandatory resort fees generally are fully disclosed up front and clear to the consumer at the time of booking and remain transparent to the consumer.
- When consumers book **directly** with the hotel, either on the hotel's website or through the reservation phone line, all fees, including mandatory resort fees, are usually disclosed up front.
- The details of what charges the mandatory resort fee cover can be obtained from the hotel or its website.
- According to an analysis of resorts compiled by AH&LA, the average price consumers save by packaging amenities together into one fee is approximately \$100, with a range of savings between \$29 to \$300, depending on the resort.

## **CONSUMERS SHOULD BE AWARE THAT MANDATORY RESORT FEES ARE NOT THE SAME AS SERVICE FEES.**

- Mandatory resort fees are amenity fees bundled together so guests do not have to pay individual fees for separate items or services.
- Service fees are additional fees and are considered 'optional' for services or products that guests elect to use, such as later check out times, mini-bar items or in-room movies.

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<sup>1</sup> STR, "The 2014 Lodging Study Hotel Trends: An Inside Look at Popular Amenities and Guest Services." The study consisted of more than 9,600 participants, it is the most comprehensive analysis of the trends in the hotel and lodging industry based on direct feedback from hotels. Respondents are also representative of the geographic makeup of the hotel industry. Released December 2014.

<sup>2</sup> STR, "The 2014 Lodging Study Hotel Trends: An Inside Look at Popular Amenities and Guest Services." Released December 2014.

<sup>3</sup> Axis Nationwide Public Opinion Poll. April 6-10, 2016

- Service fees are also common practice in retail and commerce from banking and mobile fees to extra charges for event tickets.

**TRANSPARENCY AND COMPLIANCE ARE PARAMOUNT FOR THE INDUSTRY. HOTELS HAVE COMPLIED WITH THE FEDERAL TRADE COMMISSION'S (FTC) GUIDELINES ON MANDATORY RESORT FEES.**

- In 2012, the FTC looked into the transparency of resort fees and provided industry guidance. The FTC urged hotels to disclose resort fees upfront and clear to the consumer before the end of the booking process.
- The small percentage of hotels that charge a mandatory resort fee are careful to be compliant with that guidance and work to clearly disclose all fees at the start of the booking process.
- The bottom line is that the hotel industry embraces a competitive business model that is driven by transparency. Ensuring guests have all the necessary information prior to booking their room is central to that model and consumer satisfaction.

**IN GENERAL, CONSUMERS HAVE A POSITIVE PERCEPTION OF MANDATORY RESORT FEES.**

- A strong majority (70%) of consumers have a positive perception of the practice of breaking apart mandatory resort fees from the cost of the room, describing them as transparent, easier and direct.<sup>4</sup>
- Four out of five (80%) consumers say they are willing to pay mandatory resort fees if the amenities are worth it<sup>5</sup>, and the majority (53%) consider the amenities a key factor when booking a hotel.<sup>6</sup>
- The majority of guests (55%) who have stayed at hotels with mandatory resort fees prefer the hotels' current method of having the hotel break out the mandatory resort fee separately from the room price.<sup>7</sup>
- In fact, guest satisfaction for resorts that charge mandatory resort fees is very high. According to an analysis of resorts compiled by AH&LA, the average customer satisfaction rate is approximately 90%.

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<sup>4</sup> Axis Nationwide Public Opinion Poll. April 6-10, 2016

<sup>5</sup> Axis Nationwide Public Opinion Poll. April 6-10, 2016

<sup>6</sup> Axis Nationwide Public Opinion Poll. April 6-10, 2016

<sup>7</sup> Axis Nationwide Public Opinion Poll. April 6-10, 2016