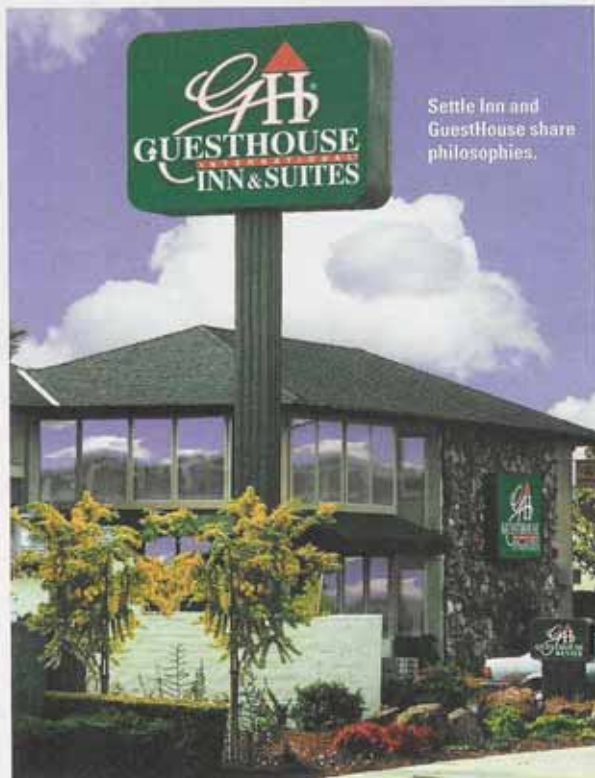


BRAND Report

TRENDS AND NEWS FROM THE CHAINS



Settle Inn and GuestHouse share philosophies.

SETTLE INN BUYS GUESTHOUSE

Two lodging chains with similar franchising philosophies are now one company. In early December, South Dakota-based Settle Inn purchased the GuestHouse International system from ShoLodge, Inc. With 70 properties in 22 states and China, GuestHouse dwarfs the Settle Inn network, which has seven properties in five midwestern states.

Despite the disparity in size of the two systems, the brands share a franchisee-friendly operating philosophy as well as positions in the upper economy and mid-scale segments of the hotel market. Settle Inn recently scored a near-perfect rating (99.3 percent) in fair franchising by the American Association of Franchisees and Dealers.

"Both Settle Inn and GuestHouse give owners entrepreneurial freedom and deliver personalized, essential services without the cost of inflexibility that is common in today's lodging industry," says Tim O'Connor, Settle Inn's senior vice president of brand management.

The combination should allow both brands to grow more aggressively. In the past year, GuestHouse converted 11 properties, including one in China, to the brand. And in '07, management hopes to add 20 new Settle Inn and 30 GuestHouse properties.

"Our philosophy in franchise support is identical to the successful philosophy exhibited by GuestHouse In-

ternational," says Brendan Watters, president and CEO of Settle Inn and the new combined company. "Our strategy will be to maintain that philosophy through great employees who deliver legendary service that rewards our guests like no other brand in our industry sector."

Sneak Peek at Cambria

Airline passengers traveling through the Boise, ID airport over the holidays got a sneak peek at Choice Hotels' latest product offering, Cambria Suites. Last month, Choice opened a full-size, fully furnished replica of a Cambria guest suite on the lower level of the airport terminal.

The model, which was open to visitors until the middle of January, previews the first Cambria Suites property, which opens in March in Boise. Choice officials will move and reassemble the model suite at airports and other locations around the country.



The Cambria model suite in Boise

Guests Can Access Airports

Airport hotels in Dallas and Detroit are part of a new Transportation Security Administration test program that allows qualified overnight guests of the properties to go through security screening to visit shops and restaurants in the airports' terminals. However, the stringent requirements and red tape involved in the program make it doubtful that many guests will go through the ordeal to eat at an airport restaurant or buy some makeup.

Properties participating in the pilot program are the Grand Hyatt DFW next to Terminal D at the DFW Airport and the Westin Hotel in Detroit connected to the McNamara Terminal at the Detroit Metro Airport.



Grand Hyatt DFW is next to Terminal D