Choice Hotels International Opens its 69th Annual Convention, Showcasing Strategic Investments Designed to Power the Future of Franchise Ownership

Company's Scale and Innovation-First Mindset Continue to Help Drive Franchisee Revenue and Reduce Operational Costs

LAS VEGAS, April 30, 2025 / PRNewswire/ -- Choice Hotels International, Inc. (NYSE: CHH), one of the world's largest lodging franchisors, opened its 69th Annual Convention in Las Vegas this week with a keynote by President and CEO Patrick Pacious, setting the tone for three days centered on a single mission: "Powering the Future" for hotel owners and their businesses. The event brings together thousands of owners, operators, and industry partners for nearly 100 educational sessions, a trade show where owners can connect with hundreds of qualified vendors, and brand sessions to hear from Choice leaders about recent performance success and where the company is investing to help drive revenue and lower costs.

"Everything we do at Choice Hotels is about delivering value to hotel owners. The stronger we and our franchisees grow together, the more we can re-invest in their future success," said Pacious.

Pacious opened with a clear message: Choice Hotels is not just bigger — it's better and stronger. The company's growth has allowed it to attract a more resilient and higher income customer, including more business travelers who now represent 40% of all stays. Its upscale and above brand portfolio grew rooms by 44% last year and with more than 7,500 hotels worldwide, the company is leveraging its growing size to strengthen value for owners, helping to increase revenue opportunities, reduce operating costs, and fuel long-term business success. Some of the results Choice and its owners have achieved include:

- Loyalty membership has surged past 70 million, with members booking direct more often, staying longer, and spending more. The revamped program's enhancements — longer booking windows, premium room redemptions, and exclusive experiences — have helped drive a 30% increase in redemptions and 13% growth in average length of stay.
- Over 6% year-over-year increase in converting lookers into direct bookers as a result of the ChoiceHotels.com refresh, with upscale online booking conversion up more than 14% in the first quarter of 2025.
- Area Directors helped owners find over \$25 million in potential operational cost savings last year, an average of \$33,000 per participating property.
- A new food group purchasing program shows an average savings of 9% on food costs, based on market-basket comparisons since the program launched in July 2024 to March 2025.
- In 2024, hotels that used ChoiceROCS, a consultancy program designed to help drive increased revenue by leveraging functional expertise and advanced data analytics to provide pricing and strategy recommendations, saw a 100-basis-point premium in RevPAR Index versus hotels not using the program. In total, ChoiceROCS drove \$81 million in incremental revenue to participating properties.

The scale of the company has helped facilitate the strategic investments in proprietary tech tools, the loyalty program, and an owner success system that helps its hotels stand out from the competition. "Becoming bigger has allowed us to build a better and stronger business for you," Pacious told the crowd.

Scale That Works for Hotel Owners

In a competitive high-cost landscape, scale and attracting more and different customers are essential. From negotiating reduced OTA fees and leveraging Choice's scale with suppliers, Choice delivers tangible results for its franchise owners. In Q4 2024, group business revenue jumped 45% year-over-year, and transient business revenue in upper midscale rose 20%.

Through strategic partnerships — with AAA, AARP, Preferred Hotels & Resorts, and Westgate Resorts — a strengthened Choice Privileges loyalty program, and more, Choice Hotels is drawing more guests directly to its properties and marketing channels. AARP members booked over 1.1 million room nights at Choice hotels in 2024, and the average return on investment for hotels with an official AAA appointment is \$50,000.

Innovation for the Long Haul

Choice continues to lead at the intersection of hospitality, franchising, and technology. The company has been leveraging Artificial Intelligence for over 5 years now, and is harnessing its power to deliver personalized marketing, smarter revenue management, and new tools to help owners grow their business.

Last year, Choice Hotels launched an ambitious endeavor to develop and implement a suite of cuttingedge, complementary and needle-moving capabilities to be delivered over the next two years. These consist of four areas:

- Empowering franchisees across all segments to manage rates with greater flexibility.
- Driving more occupancy from small-to-mid-sized companies by making it easier for them to do business through a self-serve platform, with no new increased labor costs for hotels.
- Attracting and retaining new and existing guests through enhanced, AI-ready digital marketing capabilities that enable delivery of personalized messages to drive the right customers to hotels.
- An Al-infused, streamlined group travel system that will help franchisees identify the optimal
 opportunity and respond to requests for proposals.

A Segment Leader Built for What's Next

The company has earned its reputation as a leader in midscale and extended stay, and Pacious made clear that the company intends to stay ahead by continuing to invest where it matters most. Choice recently launched new, cost-effective prototypes for Comfort and Country Inn & Suites, refining their brand identities and introducing new brand features to drive growth and success. And with one in every four midscale hotels in the U.S. flying a Quality Inn flag — a brand that celebrated its <u>85th anniversary</u> last year — Choice is helping owners capture the full potential of their share of today's competitive travel economy.

In extended stay, Choice continues to lead. In 2024, Choice brands accounted for half of all economy and midscale extended stay hotels open and under construction. Last year, the company celebrated the opening of its 500th property, and continues to innovate from the front with transformative solutions like "Lobby in a Box" and "Kitchen in a Box," which make conversions easier and faster. Its midscale Everhome Suites brand is growing at a rapid pace, with 25 hotels projected to be open by the end of 2025. And the WoodSpring Suites brand continues to operate under a proven formula, with gross operating profits above 55%.

In the upscale and upper upscale segments, where Pacious declared that "today's Choice is the industry's one to watch," the company's growing presence is fueled by a strong commitment to success, strategic investments and the rollout of a series of <u>brand refreshes</u> designed to stand out in a sea of sameness. In 2024 alone, upscale-and-above room count rose to over 110,000 rooms, and Choice Privileges members now benefit from access to 180,000 upscale rooms, including through partnerships with Westgate Resorts and Preferred Hotels & Resorts.

Pacious closed with a message of momentum: Choice Hotels is delivering and has bold plans for tomorrow. From midscale and extended stay leadership to Al-powered transformation, Choice's scale isn't just making it bigger — it's making it better. That scale, combined with a relentless commitment to innovation, is powering new possibilities for hotel owners ready to grow alongside one of the industry's most forward-looking franchisors.

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About Choice Hotels®

Choice Hotels International, Inc. (NYSE: CHH) is one of the largest lodging franchisors in the world, with over 7,500 hotels, representing more than 650,000 rooms, in 46 countries and territories. A wide-ranging portfolio of 22 brands, from full-service upper upscale properties to midscale, extended stay, and economy enables Choice® to meet travelers' needs in more places and for more occasions while driving more value for franchise owners and shareholders. The award-winning Choice Privileges® rewards program and co-brand credit card options provide members with a fast and easy way to earn reward nights and personalized perks. For more information, visit www.choicehotels.com.

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