

Hotels - UK - November 2015

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“The hotel market is less commoditised than the airline industry which means that hoteliers have an easier time coaxing guests to buy into a more personalised experience.

The key to this personalisation will be the acquisition of customer data; however, most guests are extremely wary of their online security, especially when it comes to sharing location and social media data.”

– Fergal McGivney, Travel and Technology Analyst

This report looks at the following areas:

- How open are consumers to Airbnb-style accommodation?
- How to drive more direct bookings?

In 2014, a dip in the domestic segment led to a poor performance in the overall hotel market; total trips fell by 2.9% to 59.5 million. However, this is expected to recover in 2015, with total trips predicted to rise by 5.7% to 62.9 million. Based on anticipation of a strong performance from the inbound segment, coupled with a growth in pipeline supply, Mintel expects the market to increase to a total of 69.5 million trips taken by 2020.

Airbnb-style lodging accommodation is still in its infancy with just 3% penetration, although this is up from 2% a year earlier. This is likely to grow with the amendment of the 1973 Greater London Council Act in the summer of 2015 which means Londoners can now legally rent their properties to holidaymakers without fear of prosecution.

Hoteliers will need to address the issue of third party booking agents as 33% of consumers use this method compared to 36% who book direct. One way of doing this is incentivising consumers to book direct, allowing them access to customisable services and products. To do this, it will be important to secure the right kinds of customer data to ensure services can be personalised and tailored to each guest. While most are open to sharing at least some kind of data, they are particularly cautious about sharing their location and social media information, both valuable forms of data for the customisation process.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Best Western must appeal to younger consumers

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Hotels should use gamification to encourage direct bookings

Current holiday data can facilitate an 'always-on' concierge service via mobile

Holidaymakers unfazed by negative press for hotel review sites Over the past year, there have been concerns over transparency surrounding hotel reviews on popular travel websites such as TripAdvisor and Yelp. In December 2014, TripAdvisor was fined €500,000 by Italy's competition authority over reviews it deemed to be misleading.

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