

Hotels - UK - November 2016

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“The growing likelihood of rising inflation in the coming months could impact on how much UK consumers are willing to spend on their short break habit. There may well be an accelerated ‘flight to value’ which is likely to increase still further growing the market share of the rapidly expanding budget hotel sector as well as increasing the attractiveness of cheaper alternatives such as Airbnb.”

– **John Worthington, Senior Analyst**

This report looks at the following areas:

- **How hotels can respond to competition from Airbnb**
- **Older guests are under-represented in luxury segment**
- **Hotels can be either a laboratory for new technology or an oasis of human contact in a world of automation**
- **Well-being and the Hygge Hotel**
- **Offering incentives for direct booking**

For many consumers, staying in a hotel is no longer a once in a blue moon, special occasion indulgence, but – like eating out – has now become a far more affordable, regular and casual experience. The hotel market is benefiting, in particular, from the regular short break habit adopted by UK consumers as a way of life. While the budget chain sector is increasingly dominant that also creates opportunities for other tiers and branded concepts as well as unique, independent establishments. The threat from ‘industry disruptors’ like Airbnb is growing but this should be welcomed by hoteliers as an incentive to raise their game, competing not only on price but on the services and experiences that make a hotel stay different. The economic uncertainty of Brexit and threat of terrorism are problems ahead, and the outlook for business travel is particularly challenging, but the Pound’s weakness is a key plus-factor for UK domestic and inbound travel and should benefit hotels.

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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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Table of Contents

Overview

What you need to know

Covered in this Report

Executive Summary

Climate of uncertainty

Figure 1: Total volume forecast of hotel/motel/guesthouse trips (domestic and inbound), 2011-21

Market of two halves

Figure 2: Volume of nights staying in UK hotels by domestic and inbound visitors, 2011-16

Made for China

Figure 3: Inbound tourism (all purposes), top ten source markets by value, 2015

Weak Pound likely to bolster demand for UK trips

Figure 4: Sterling annual average exchange rate against euro and US\$, 2011-15 and spot rate as at 31 October 2016

Market becoming more branded

Figure 5: Top 10 hotels in the UK, by site numbers, October 2016

Boutique/lifestyle leads innovation

Budget dominates but half of guests still use mid-market hotels

Figure 6: Types of hotel stayed in over the past 12 months, September 2016

Hotels lose share of booking

Guests demand flexible approach

Hotel Millennial

Figure 7: Hotel preferences (factors rated as either very important or somewhat important), September 2016

What we think

Issues and Insights

How hotels can respond to competition from Airbnb

The facts

The implications

Older guests are under-represented in luxury segment

The facts

The implications

Hotels can be either a laboratory for new technology or an oasis of human contact in a world of automation

The facts

The implications

Well-being and the Hygge Hotel

The facts

The implications

Offering incentives for direct booking

The facts

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The implications

The Market – What You Need to Know

Flattish growth in 2016 following rise in 2015
 Short leisure breaks robust
 But inbound rise has provided biggest boost
 Terrorism fears are a problem but weak Pound is a plus
 Inflationary pressures could dampen willingness to spend
 Annual hotel trip growth of 2% expected

Market Size, Segment Performance and Forecast

Inbound tourism has been key growth driver for hotels
 Figure 8: Total volume of trips and nights staying in UK hotels/motels/guesthouses, 2011-21
 Figure 9: Volume of trips and nights staying in UK hotels/motels/guesthouses, by domestic and inbound visits, 2011-16

Brexit and beyond
 Consumers set to become even more budget-conscious
 Business travel looks challenging

Forecast
 Figure 10: Total volume forecast of hotel/motel/guesthouse trips (domestic and inbound), 20011-21
 Figure 11: Volume forecast of hotel/motel/guesthouse nights (domestic and inbound), 20011-21

The impact of the EU referendum vote
 Figure 12: Alternative market scenarios for the post-Brexit Hotels market, by volume of trips, 2016-21
 Figure 13: Detailed Post-Brexit scenarios for the post-Brexit Hotels market, by volume of trips, 2016-21

Staycation mark #2 could boost hotel sector

Market Background

The macro-economic context
 Domestic tourism performance up and down
 Figure 14: Domestic tourism market (UK) (all tourism), 2011-16

Robust short break segment
 Figure 15: Domestic tourism by trip volume and purpose, 2011-15

Inbound going from strength to strength
 Figure 16: Total inbound tourism markets (all tourism), 2011-16

But concerns over terrorism are a threat
 Figure 17: Inbound tourism by trip volume and purpose, 2011-15

Chinese visitor growth an opportunity for hotels
 Figure 18: Inbound tourism (all purposes), top ten source markets by value, 2015

Cost of a UK hotel break drops 13%
 Figure 19: Sterling annual average exchange rate against euro and US\$, 2011-15 and spot rate as at 31 October 2016
 Figure 20: City break holiday living costs, 2016

Key Players – What You Need to Know

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Budget sector drives majority of supply growth
 Supply surges after post-Olympic lull
 Premier Inn has most positive brand perceptions
 Proliferation of boutique brands
 New ways to wellness
 New hotel themes
 Room service by AI

Market Share

Dramatic growth of branded budget sector
 Figure 21: Estimated number of UK hotels and rooms by type of hotel, 2015
 Figure 22: Estimated growth in number of UK hotel rooms by type of hotel, 2007-15
 Rapid growth has continued in 2016
 Risk of over-supply
 Market leaders
 Figure 23: Top 20 hotels in the UK, by site numbers, October 2016

Launch Activity and Innovation

Boutique boom
 Down with the kids
 Themed hotels: kids TV, gaming and gin
 Cultural content and events
 Convenience shopping
 Wellness
 Humans
 The purple pound

Hotel Brand Research

Brand map
 Figure 24: Attitudes towards and usage of selected brands, September 2016
 Key brand metrics
 Figure 25: Key metrics for selected brands, September 2016
 Brand attitudes: Hilton scores highest on quality
 Figure 26: Attitudes, by brand, September 2016
 Brand personality: Best Western suffers jaded image
 Figure 27: Brand personality – macro image, September 2016
 Premier Inn – honest and reliable
 Figure 28: Brand personality – micro image, September 2016
 Brand analysis
 Premier Inn seen as best value brand
 Figure 29: User profile of Premier Inn, September 2016

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Brand analysis

Marriott needs to convince the uninitiated

Figure 30: User profile of Marriott, September 2016

Brand analysis

Hilton exclusive but worth it

Figure 31: User profile of Hilton, September 2016

Brand analysis

Holiday Inn seen as friendlier than upscale brands

Figure 32: User profile of Holiday Inn, September 2016

Brand analysis

Mercure less well known but high "excellence" rating

Figure 33: User profile of Mercure, September 2016

Brand analysis

Best Western tackling problems with major re-brand

Figure 34: User profile of Best Western, September 2016

Brand analysis

'Basic' Travelodge struggles to shrug off past image

Figure 35: User profile of Travelodge, September 2016

Brand analysis

The Consumer – What You Need To Know

Independent opportunity

Over-45s the most drawn to mid-market hotels

Third party booking grows

Older guests most likely to post reviews

High-tech versus low-tech

Consumers expect greater flexibility

Local knowledge

Networking hotels

Overall Accommodation Use

Opportunity for independents in heavily branded industry

Figure 36: Types of accommodation stayed in over the past 12 months, September 2016

P2P threat

Hotel Use – Type, Frequency and Purpose

Ageing population offers opportunities for mid-market hotels

Figure 37: Types of hotel stayed in over the past 12 months, September 2016

Figure 38: Types of hotel stayed in over the past 12 months, by age group, September 2016

But older guests less likely to choose luxury

Mix and match hotel guests

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One in five is a 'Frequent Guest'

Figure 39: Number of hotel stays over the past 12 months, September 2016

Figure 40: demographic profile of frequent hotel guests (4+ stays)

Shorter holiday patterns good for hotels

Figure 41: Purpose of last hotel stay, September 2016

Business and leisure combinations

Hotel Booking Process

Downward drift of direct booking

Figure 42: Method of booking last hotel stay, September 2016

The battle for the customer

Who are the influencers?

Figure 43: Use of hotel customer review sites, September 2016

Figure 44: Use of hotel customer review sites, by type of hotel stayed in, September 2016

Interest in more personalised reviews

Figure 45: Opinions on customer review sites, September 2016

Attitudes, Preferences & Opportunities

Hotel tech-lovers vs Tech-escapers

Figure 46: Attitudes towards hotel technology, September 2016

Most guests are highly budget-minded

Greater flexibility demanded

Figure 47: Hotel preferences, September 2016

Figure 48: Hotel preferences (factors rated as either very important or somewhat important), September 2016

Insider dealing

Hotel Hygge

Millennial matters

Appendix

Definition

Abbreviations

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