

# Hotels - UK - 2022

Report Price: £2195 | \$2995 | €2600

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## This report looks at the following areas:

- How the rising cost of living will impact the recovery of the UK hotel market.
- Usage of hotels versus other accommodation in the UK.
- Consumers' intentions to stay in UK hotels, by purpose and type of hotel.
- Expected ways to reduce spending on UK hotel breaks vs opportunities to sell upgrades.
- Key drivers of guest satisfaction levels.
- Consumer perceptions of leading hotel brands versus Airbnb.

While the share of UK adults who stayed in a hotel in the UK returned to its pre-pandemic level in the year to September 2022 (55%), alternative forms of accommodation have risen in popularity. 19% of UK adults stayed in a rental property in the year to September 2022, up from 13% in the year to September 2019. In response to growing competition, hotels have continued to invest in offering "home away from home" experiences through private residences, apartment-style accommodations and rooms that are more comfortable for longer stays.

Consumer confidence remains at a relatively low level as the financial pressures many people are facing look unlikely to ease in the short term. Nevertheless, the majority of consumers still say that they are doing OK financially. Even though some people will have to cut back on the amount of money they spend on UK hotel breaks, there remain people who are financially comfortable enough to spend more.

Hotels are challenged by the increased cost of energy, labour and food and beverages. Alongside energy-saving initiatives, digitisation will be key to increasing efficiency, however, hotels need to ensure staff get sufficient time to interact with guests as customer service has the biggest impact on satisfaction levels.



"As hotel prices will likely rise as a result of soaring inflation, hotels will need to up their game to improve satisfaction levels in areas beyond customer service. Investments to improve the quality of food and drink and room facilities will pay off as these elements have a relatively high impact on the guest experience."

**- Marloes de Vries, Associate Director – Travel, December 2022**

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