Hotels: Inc Impact of COVID-19 - UK - December 2020

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This report looks at the following areas:

- **The impact of COVID-19 on hotels – including domestic and inbound markets.**
- **Hotel usage by consumers in Great Britain over the past three years – budget, mid-market and luxury.**
- **Consumer perceptions of leading hotel brands versus Airbnb.**
- **Consumer intentions, preferences and attitudes towards staying in hotels while COVID-19 is still a threat.**
- **Company and product trends during the pandemic and the legacy of COVID-19 for hotels.**

The events of 2020 have triggered a collective urge for indulgence and escapism. 74% of people who would consider staying in a hotel in the coming months agree that 'Booking a luxury hotel to escape everything appeals to me'. The roll-out of the vaccination programme will help to release pent-up demand for leisure travel among UK consumers. However, inbound travel will be slower to bounce back. Hotel revenues slumped overall by an estimated 70% in 2020 and are not expected to return to pre-COVID levels until 2025.

A significant proportion of business guests may never return in a post-COVID era of corporate cost-cutting and virtual conferencing. Hotels will need to pivot further towards the leisure market. The pandemic is also likely to lead to diminished hotel supply. This is likely to intensify the rising competitive threat to hotels from Airbnb.

Experiences in general and regular mini-breaks in particular have become a high priority for consumers. These lifestyle trends will bolster renewed growth and continue to drive innovation in the hotel industry in the years ahead.

"When the UK finally emerges from its COVID nightmare there is likely to be a surge of interest in experiences such as luxury hotel weekends away as people celebrate the return of normal life. Special occasion breaks cancelled during the pandemic (milestone birthdays etc) will offer particular opportunities. Over-50s have been the least inclined to visit hotels in recent months but plans to vaccinate this group by Easter 2020 should see a release of pent-up demand among older travellers." – **John Worthington, Senior Analyst**

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All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

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About Mintel

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