



Insight by Zonal, Powered by CGA by NielsenIQ

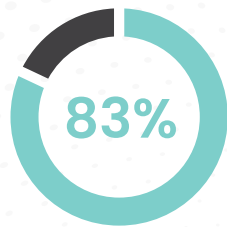
Holidaying at home: what guests want from hotels in 2023

Exclusive consumer research into trends, opportunities and challenges in the UK hotel sector—and how technology is changing the game

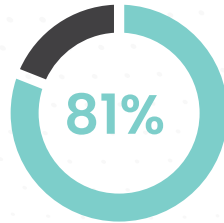


Guests and hotels:

Eight key numbers



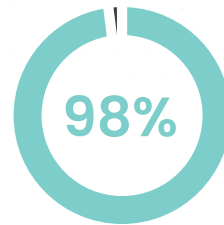
Of consumers who have **used a hotel in the last six months** were satisfied with their most recent visit



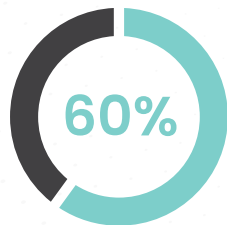
are planning to **stay in a UK hotel in 2023**



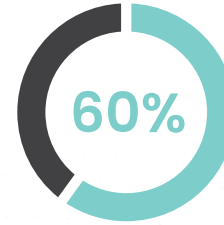
Are **visiting hotels more** often than they did pre-COVID



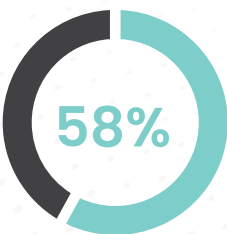
Say **reviews influence** their hotel choices



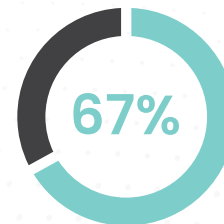
Book through hotels' own websites—the most popular channel



Of 18 to 34 year-olds **visit a hotel's social media pages** before booking



Of those who are visiting hotels less often cite **cost of living increases** as the main reason



Of 18 to 34 year-olds **would be likely to stay in an unmanned / smart hotel**



Hotels in 2023:

Seven top insights

1. The staycation boom continues

COVID and flying restrictions have triggered a wave of staycations since 2020, and it's likely to be another bumper year for domestic travel. The pandemic reminded people of the wealth of attractions and high quality hotels available in the UK, while the cost of living crisis and concerns about the sustainability of air travel have also fuelled the trend. Our latest research shows more than a third **(35%)** of consumers have not visited a hotel abroad in the last year.

Staycations are particularly popular among older people, who have more disposable income than average and greater concerns about travelling abroad. While **58%** of those aged 55+ say they are likely to stay in a hotel abroad in 2023, far more of them **(85%)** are likely to visit one in the UK.

2. Bounceback from COVID

After two years of on-off restrictions, many consumers have made up for lost time in hotels. More than a quarter **(28%)** of those who have visited a hotel in the last six months say they are currently doing so more often than they were before the pandemic—more than those who are visiting less **(21%)**—and the proportion is even higher among 18 to 34 year-olds **(37%)**.

3. One in ten visit weekly

The majority **(83%)** of consumers have visited hotels less than monthly in the last six months, but there is a core of **11%** who stay weekly—mostly well-travelled business people.

4. Young adults are heavily engaged

Younger adults are much more frequent users of hotels than older ones. More than a third **(37%)** of 18 to 34 year-olds have visited at least monthly in the last six months, and nearly a quarter **(23%)** have done so weekly—twice the average among all consumers.

5. Cost of Living crisis presents an opportunity

While hotel stays are rising, high household bills threaten to dampen people's spending. Among consumers who are visiting hotels less often, nearly three in five **(58%)** say it is because of cost of living increases, and the issue is particularly acute for 35 to 54 year-olds **(70%)**, who often have families to support. There are few signs of inflationary pressures easing, so spending on foreign travel is likely to fall in 2023—which opens up new opportunities for domestic hotels.

6. Budget hotels to the fore

With disposable spending so tight, it is no surprise to find that **56%** of hotel visitors in 2022 stayed at a budget, or value-led chain—much more than those who stayed at leisure hotels **(24%)**, boutique hotels **(22%)** or pubs with rooms **(22%)**. Budget chains are comfortably the top choices for consumers.

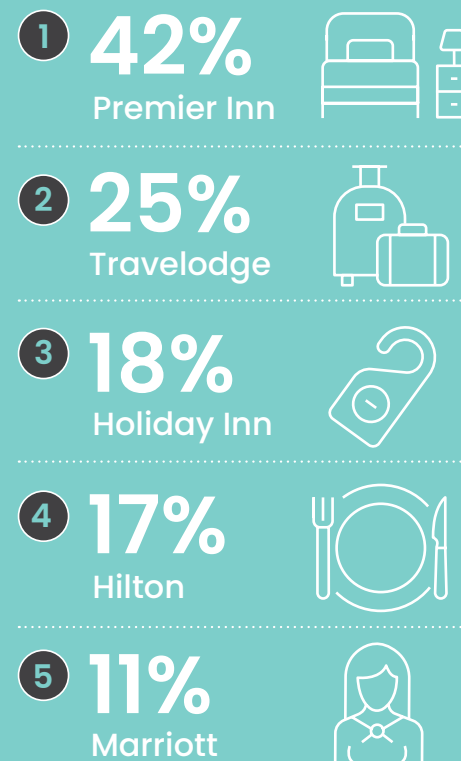
7. A wide range of occasions

Nearly half **(48%)** of hotel visitors in 2022 said they stayed for a weekend break—the most popular occasion ahead of holidays **(31%)**. But with celebrations or functions **(19%)**, day trips **(17%)**, work stays **(14%)** and journey stop-offs **(14%)** all part of the mix, hotels clearly have a very broad appeal. Younger adults tend to over-index for work and day trips, including to visit spa and leisure facilities.



Big hotel brands: Top five

Which of these hotel brands did you visit in 2022?



How consumers find hotels:

Five top discovery tools

Our research reveals the many ways guests select their hotels, with valuable lessons for hotel promotion and advertising strategies.

1. Review sites

Review websites have transformed hotel searches, and nearly nine in 10 **(87%)** consumers who have visited a hotel in the last six months say they are likely to look at a hotel's reviews before booking. Even more say reviews definitely **(53%)** or somewhat influence **(45%)** their decisions. TripAdvisor and Google are the top two review aggregators.

2. Hotels' websites

Despite the growth in third party booking and review platforms, hotels' own websites remain as crucial as ever. Just over half **(52%)** of consumers use them for research.

3. Social media

While older consumers prefer hotels' websites, younger adults are turning to social media. Three in five **(60%)** of those aged 18 to 34 say they visit a hotel's social media pages before booking—18 percentage points higher the average.

4. Booking apps

Third party booking apps are used by more than a third **(37%)** of consumers to find rooms now, with Booking.com, typically used by **58%** of consumers, comfortably the most popular.

5. Recommendations

Word of mouth is crucial in hotel research. A third **(32%)** of consumers say they use recommendations from family and friends to find hotels, while smaller numbers get tip-offs from websites **(15%)** and influencers or celebrities **(8%)**.



Picking a hotel: The five top drivers

What do consumers look for in a hotel? Zonal and CGA's research points to two big factors: price and location. But hygiene, service and reviews all matter too.

What do you consider when choosing a hotel?

1 **66%**
Price

2 **61%**
Location

3 **41%**
Hygiene standards

4 **39%**
Good customer service

5 **38%**
Online reviews



Review websites: The five most used

Where do you usually write your reviews about hotels?

1 **50%**
TripAdvisor



2 **44%**
Hotel's website



3 **25%**
Google



4 **23%**
Booking app like Booking.com



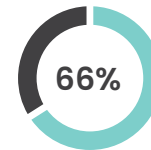
5 **18%**
Hotel's social media account



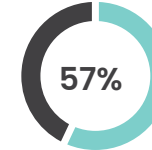


Amenities: The most wanted

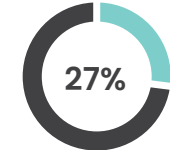
Research into amenities shows how wi-fi is a must-have for many hotel guests, alongside food and drink, room amenities and parking.



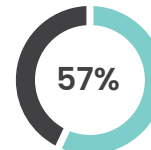
Availability of Wi-Fi



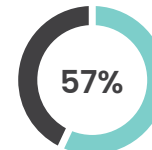
Restaurant / bar



Swimming pool



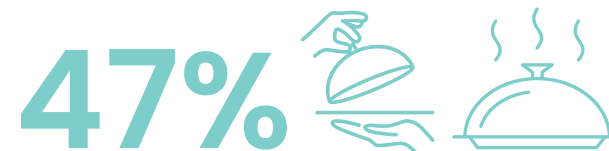
In-room amenities (TV, iron etc)



Parking

Ordering in: Food deliveries and room service

As with many other hotel behaviours, young people have very different attitudes to the older generations when it comes to food delivery and click and collect services in hotels. Nearly two thirds (**64%**) of 18 to 34 year-olds say they are likely to order food for delivery, compared to just (**13%**) of those aged 55+. This is often because the price, quality or variety of food that is available in hotels doesn't meet their needs. While nearly half (**47%**) of consumers have ordered room service in a hotel, this can frustrate them too—especially when prices are too high, menus are limited and service is slow.



of consumers have ordered room service in a hotel

Book it up

Go Technology's latest research reveals how consumers reserve their rooms now—and what hotels can do to encourage them to book direct more often.

Online platforms now dominate hotel bookings, and consumers enjoy their convenience. But despite the rise of third party sites, many people still prefer to reserve a room directly through hotels' own websites. Three in five (**60%**) of those who have visited in the last six months say they do so, ahead of leading aggregators like Booking.com (see box). Social media platforms are increasingly important sources of bookings too and, while only small numbers have booked a hotel via Facebook (**11%**), Instagram (**11%**) and Twitter (**9%**) so far, many more would be interested in doing so.

However, some consumers remain frustrated by aspects of booking technology. Only around half say methods like third party websites (**53%**), hotels' websites (**50%**) and hotel apps (**45%**) are easy to use. There are also issues around trust, with consumers scoring booking methods only modestly on this metric.

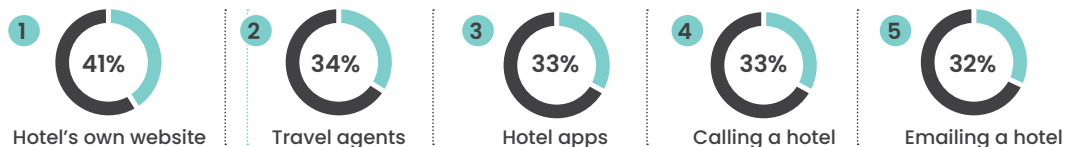
The commission issue

While third-party booking platforms have helped some hotels become more visible to consumers, the commissions that are paid to them have become a major concern in the industry. It is a much less prominent issue for the public: while more than a third (**37%**) have booked via an online agent like Booking.com, only half (**50%**) realised that these sites take a slice of the booking cost.

Educating consumers is key, **63%** say knowledge of commissions makes them likely to book direct through the hotel's website. But if hotels are to encourage more people to go direct to them, they need to ensure that their booking platforms are user-friendly, up to date, responsive and secure. This reinforces the sense of trust that is so important in decision-making. It's not always easy to attract people away from booking aggregators, because they have become engrained in people's habits—but the significant benefit to RevPAR makes the effort worthwhile.

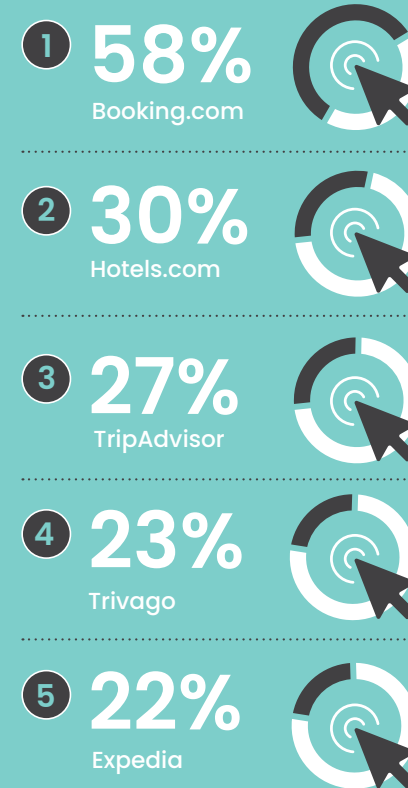
Trust issues

Do you consider these booking methods trustworthy?



Big booking brands

Which of these websites do you typically use to book UK hotels?



Hotel technology

What do consumers want from technology in hotels? Our research indicates they are primarily focused on staying connected and making their stay more seamless.

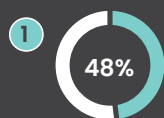
When asked about different technologies, **77%** say in-room wireless charging ports in rooms would appeal to them. Next most popular are solutions for tasks like ordering towels (**72%**), mobile guides to the area (**65%**) and in-room tablets to control room facilities (**64%**). Innovations including tech lounges (**46%**) and online concierges (**44%**) are attractive too.

Some consumers think tech can handle the hotel experience from end to end. Two thirds (**67%**) of 18 to 34 year-olds say they would be likely to stay in an unmanned or smart hotel. But they don't appeal to everyone, and fewer than a quarter (**23%**) in the 55+ age group would stay in one.

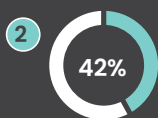
Among those who are turned off by the idea, **85%** say it is because they prefer human interaction. This is an important reminder that technology and human interaction must work hand-in-hand to achieve the right balance of digital and face-to-face solutions, and ensuring that tech facilitates rather than diminishes human interaction, is vital.



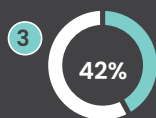
Which of these hotel facilities do you expect to see more of in the future?



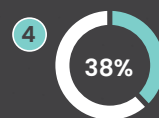
Automated check-in



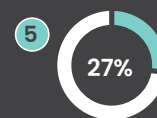
Room service ordering app



Digital key with mobile phone



Phone-controlled lights etc



Biometric room key

Online check-in/out: the pros and cons

Around a third of consumers say they used automated check-in (**32%**) and check-out (**30%**) during 2022, and this feature is likely to become an integral part of the hotel experience in the years ahead. There is a clear demand for it: nearly half (**46%**) of consumers say they would prefer to book a hotel that offers online check-in and check-out—rising to **61%** of 18 to 34 year-olds.

But it's vital that this tech works. Consumers want it to be easier and faster than conventional checking in and out, and they can easily get frustrated when it doesn't work, especially when no staff are around to help. It's an area of digital engagement that can satisfy guests—but when it goes wrong it can damage the brand.



How to improve the hotel experience and drive bookings: Five takeaways

1. Find the right balance of tech

There's plenty of demand for technology in hotels—but only if it enhances the stay. Innovations like automated check-ins, digital keys and in-room smartphone controls are all here to stay, but they have to work consistently well to head off frustrations.

2. Be responsive

Consumers expect hotels to be quick to engage when needed. **42%** say good responsiveness to messages and emails would encourage them to book directly and this is vital in protecting brand reputation.

3. Offers and promotions

With household budgets under such pressure, smart use of deals will drive hotel bookings in 2023. Four in five (**83%**) consumers say a discount on a future visit would encourage them to visit a hotel again.

4. Leverage social media

As well as promoting hotels, platforms like Facebook and Instagram can convert browsers into bookers. **43%** of consumers agree a button to reserve direct through social media would make their booking easier.

5. Focus on food

Despite delivery platforms taking share from hotel restaurants as guests order in, the opportunity clearly exists to convert guests to diners. A third say great and easy to find online menus (**34%**) and positive reviews (**34%**) would encourage them to pre-book a restaurant table in a hotel, but with nearly half (**47%**) encouraged by a discount, price promotions may be the most effective tactic.





The view from CGA

"It's been a tumultuous three years for hospitality in the UK, but the staycation boom has been a rare upside. Hotels have responded very well to the surge in demand, and the quality and variety of accommodation have never been higher. Our research shows how guests are satisfied and engaged, but there are great opportunities to grow sales again this year—especially through the smart use of tech. Engagement and responsiveness across websites, social media and review and booking platforms can attract even more visitors, while in-hotel and in-room innovations can help retain them. As ever, brands that stay closely attuned to guests' needs and respond nimbly will have the best chance of success in 2023 and beyond."

Karl Chessell, CGA Director - hospitality operators and food, EMEA



The view from Zonal

"UK hotels are well placed to capitalise on the trend for staycations this year, with our research showing that consumers are shifting away from hotels abroad as the cost of living crisis squeezes spending. Hoteliers looking to maximise RevPAR and boost F&B sales this summer need to explore how technology can be used to streamline and enhance the guest experience. There is clear consumer demand for hotel tech such as automated check-in and check-out (nearly half of guests said they would prefer to book a hotel that offers this) but there is balance to be had in the use of tech alongside face-to-face service. The operators who get this right will be those that emerge ahead of the competition."

Stewart Moss, Managing Director, High Level Software, part of the Zonal family

About the report

This report is based on an exclusive bespoke survey of around 2,000 nationally representative consumers from Zonal in association with CGA by NielsenIQ.

For more information about the research, please contact info@zonal.co.uk

