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# UK Accommodation Barometer Autumn 2023



Catbells, Cumbria



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## 01 Executive Summary

# A sunnier outlook!

With the impacts of the global pandemic fading, British hoteliers find their business climate full of promise again, as a successful summer kept spirits high. Even in choppy economic waters, business has bounced back, with the future shining brightly for the UK's travel accommodation industry.

**From bust to boom.** UK hoteliers have reasons to be optimistic: all business metrics stayed positive in the Autumn Barometer, with the overall economic situation for businesses seen as better now than during the Summer Barometer. Two-thirds of UK hoteliers considered the development of their business in the last 6 months to be good or very good, compared to a mere 4% who felt it was poor.

**61%**  
of UK hoteliers reported (very) good current economic situation for their business, compared to 46% this summer

The return to travel this summer kept businesses performing strongly into the autumn: 61% of UK hoteliers reported an increase in occupancy rates compared to 54% in the last wave. An improvement in the economic situation also boosted confidence, with 61% of UK hoteliers reporting the situation as good or very good for their business, up from just 46% who said the same a few months ago. This optimism also reflected the mood for the future, as over half of hoteliers felt positive about their businesses' development in the next 6 months.

### Gap between chains and independent properties.

Similar to the dynamics we observed in the EU, there is a gap between chain businesses and independent properties in the UK, although the picture is slightly more mixed. Chains outperformed independent businesses in most metrics, with their leads ranging mostly between 6 and 10 percentage points. Access to financing and capital is where independent hotels lag the most. Just over a third of them reported no difficulty, whereas almost two-thirds of chains enjoyed relatively easy access to funds. The development of average daily rates (ADR) is the only metric where independent properties held a lead, as 47% of them reported (strongly) increased ADR compared to 40% of chain respondents.

**Investment stabilises.** As business confidence rose, UK hoteliers also appeared to stabilise their level of investment. In contrast to the summer wave, when 1 in 4 hoteliers planned to invest more over the following 6 months, the majority of hoteliers are now planning to keep investment steady: 79% of UK respondents said they would invest about the same in the next 6 months as they did in the last 6 months. Similarly, only 15% said they would invest less compared to almost a quarter of accommodations in the summer wave. In other words, the volatility has subsided.



Brick Lane, Shoreditch, London



In the same vein, 82% of UK hoteliers planned to maintain a steady pace of investments into digital transformation, as opposed to around half of respondents during the summer wave. One-third of hoteliers in the summer wave had planned to invest more in digital transformation. This figure went down to one of ten in the autumn wave. Investment in developing sustainability and decarbonisation also stabilised, with 81% planning to invest the same and only 11% planning to invest more.

**Less apprehension towards government policies.** For every three hoteliers who believe government policies to be important for their business, there is only one who thinks the opposite (56% and 18% respectively). Although 1 in 4 UK hoteliers expected the impact of government policies to be harmful, almost a third expected them to be beneficial. This stands in contrast

to results from the summer wave, where equal shares of UK hoteliers found policies either beneficial or harmful. It echoes the trend observed throughout the other surveyed European countries, where government policies are perceived in an increasingly positive light, likely due to the diminished pressure of the pandemic restrictions.

 **1/3**  
of UK hoteliers consider the impact of government policies beneficial to their business, compared to 1/4 who consider them harmful.

Government investments in destination marketing and infrastructure, such as public transportation and high-speed internet access, are seen as having the most positive impact on accommodation businesses. Conversely, taxation and general economic policies around inflation continue to have the most negative impact on businesses.

**New opportunities for local tourism.** The increase in domestic travel due to pandemic-related restrictions shined a new light on local tourism and continues to be one of the greatest opportunities for the UK accommodation sector. UK accommodation providers see offering local experiences and attracting more domestic travellers as their biggest business opportunities – slightly more so than attracting international travellers. Compared to the summer wave, when 72% of businesses highlighted opportunities to attract international travellers, only 47% expressed the same sentiment this time. Brexit and the increased

hurdles for cross-border travel might have had an impact on UK hoteliers' prioritisation.

When it comes to profitability, offering food and drinks on the premises is the strategy UK hoteliers already deploy with confidence. Three out of every four we surveyed believe this enhances their profitability. Most accommodations also incorporate vegan and/or vegetarian choices in their menus, and around two-thirds of them recognize the importance of plastic-free packaging and locally sourced ingredients.

  
**59%**  
of UK hoteliers considered offering local experience as one of the biggest opportunities for their business in the coming 6 months.

Considering the challenges faced by the hospitality sector, cost-related problems are causing the most anxiety. Given the rate of inflation, this is unsurprising. Energy cost remains the biggest issue throughout the European travel industry. In the UK, 80% of hoteliers found the high energy prices to be a challenge, but it is still a drop from 82% in the previous wave. The cost of staff is the fastest-growing category, rising from 41% to 65% in a few short months.

**AI is not a substitute for the guest experience.** While AI-powered business tools such as customer chatbots and dynamic pricing algorithms are all the rage, scepticism around their use in the hotel industry is evident: 3 in 4 UK hoteliers are

not using nor planning to use AI in the coming 6 months. But the share of UK hoteliers using AI rose from 7% to 10% after a fifth of hoteliers in the summer wave said they were considering the applicability of AI to their businesses. Most respondents, however, remain uninterested. Just 15% of UK hoteliers viewed the use of AI as an opportunity, down from 25% in the summer wave.

The seemingly decreased interest in AI might have its root in hoteliers' shifting priorities vis-a-vis the previous three years when going digital was a necessity. Being instinctively wary of placing a bot between themselves and their guests, accommodations seem to rather allocate their limited resources and management attention to other levers that can help grow their business and assure long-term success.

54% of UK hoteliers thought that 'offering targeted discounts' was the best way to maximise occupancy. Investments in aesthetics as well as comfort of the accommodations, were high on the list of priorities (44% and 36%), and so was 'listing on digital platforms' (42%). But pay-per-click digital advertising and promotion on traditional media weren't viewed as favourably (14% and 10%). Ultimately, as hoteliers ride the travel recovery wave, they have access to a wide set of investment opportunities and a diverse toolbox of technological solutions where AI is just one of many digital tools available.

All in all, the accommodation sector seems to have recovered from the misery of the pandemic, and the industry finds itself back in business.



**The European Accommodation Barometer.** The second edition of the UK Accommodation Barometer is based on a survey of 200 executives and managers representing the UK accommodation sectors, and it draws on the findings of an EU Accommodation Barometer, which included an additional 940 participants. It is jointly produced by Booking.com and Statista..



Calton Hill, Edinburgh, Scotland

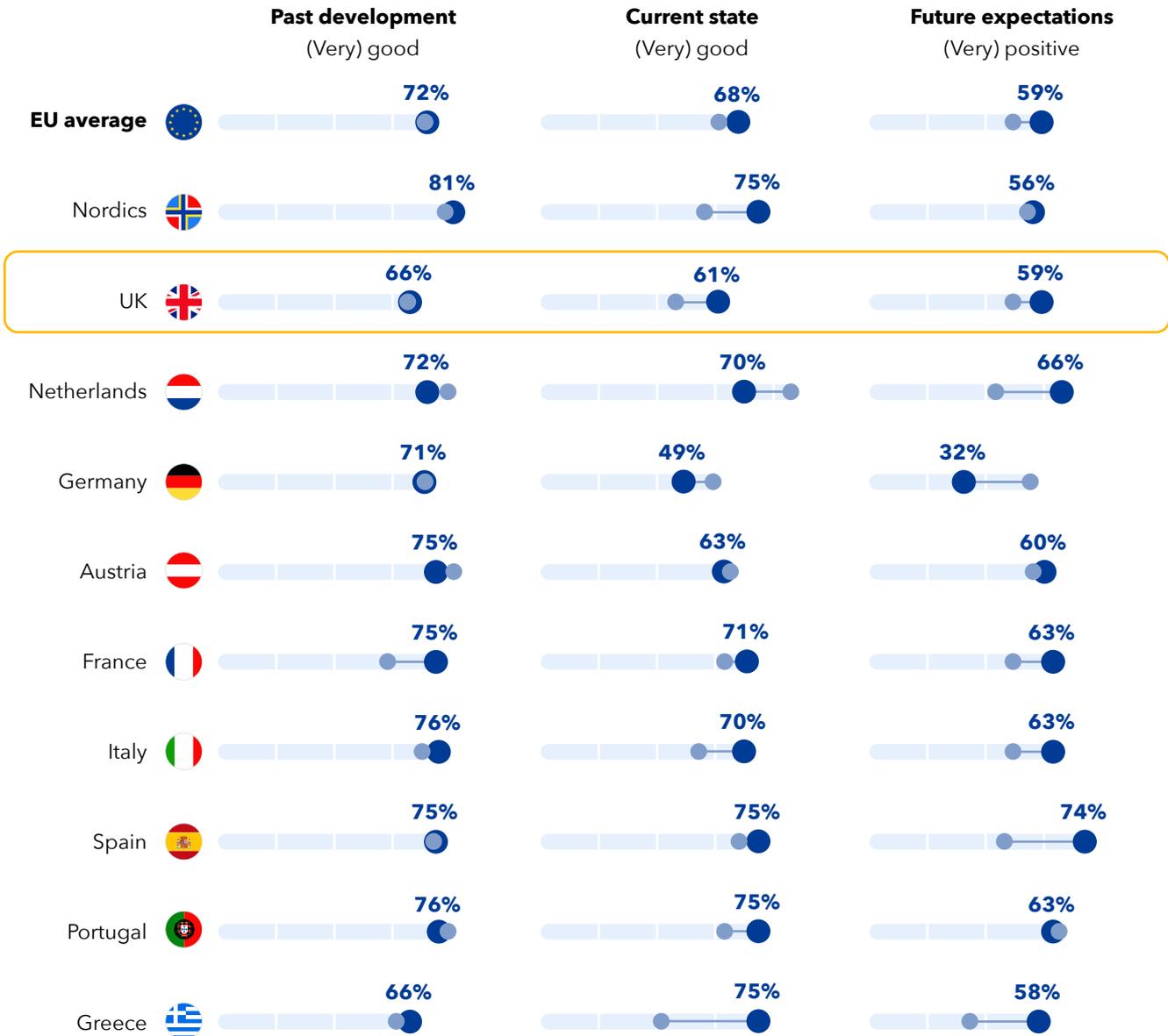


## 02 Economic Situation and Investments

In the two decades leading up to 2019, the travel & tourism sector enjoyed a growth rate higher than that of the rest of the economy and, according to WTTC, reached 9.9% of the national GDP. Expectedly, this share dropped quite dramatically during the years of travel restrictions but came back to 9.5% in 2022. After a very successful summer season, the expectations for 2023 are sky-high. UK hoteliers could rejoice over marked improvements in many key performance metrics, and the future looks bright again.

**Accommodations' perception of their economic development**

● Summer 2023 ● Autumn 2023



The majority of UK hoteliers rated their business development in the past six months as (very) good (66%), which is on par with the positive attitudes (65%) measured in the Summer Barometer earlier this year, signalling continued recovery in the accommodation sector. More tellingly, only 4% of those surveyed reported poor business development, meaning

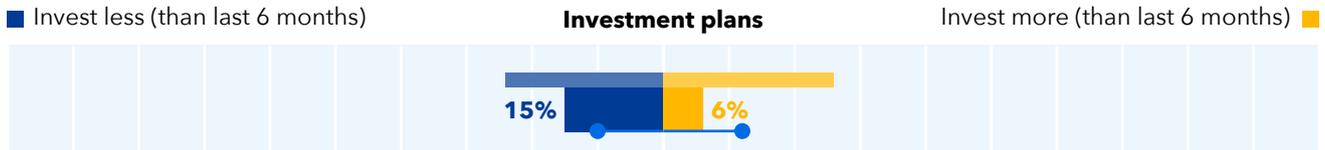
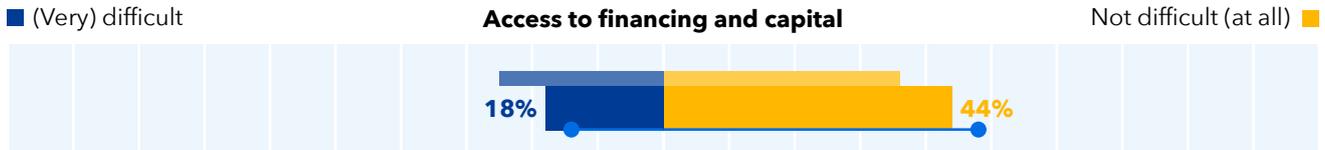
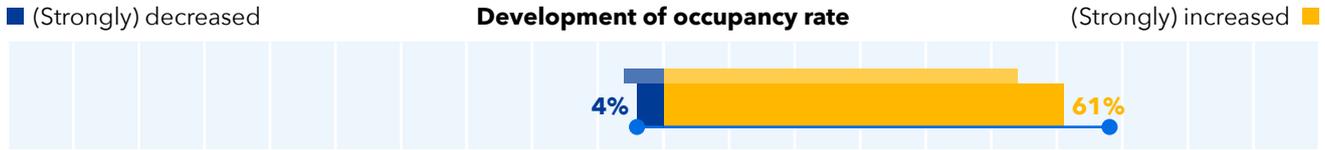
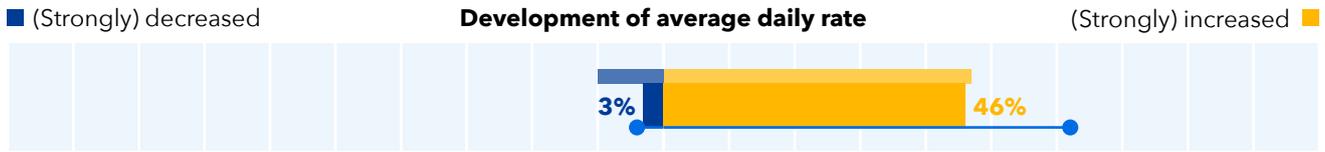
that for every British hotelier who reported having a rough time in the last half year, there are 16 who said the exact opposite.

Sentiments regarding the current and future economic situation of the accommodation business are painting an even brighter picture: compared to the last wave, UK

hoteliers felt considerably better in these areas, with now the majority of them revealing positive (expected) developments, compared to less than half that said so in the summer wave. Even though the UK results don't stand out compared to some EU countries, they depict a clear upward trajectory which signals a bright future for the industry.

**Accommodations' perception of business development in the last 6 months**

■ Autumn 2023 ■ Summer 2023 ● EU average autumn 2023



In terms of other key performance metrics, 46% of British hoteliers saw increases in their average daily rates (ADRs), on par with the summer wave result (45%). However, far fewer UK respondents reported decreases in ADRs (autumn 3%, summer 10%), which shows that the rate of satisfaction with ADR development is on the upswing.

The assessment of the occupancy rate development saw a greater jump from 54% positive view in the summer to 61% in the autumn. Access to financing and capital improved too, as is the case in the EU. In terms of investment plans, 15% of UK accommodation providers stated that they would be investing less in the near future, and only 6% stated that they intended to invest more. The great majority of UK hoteliers opted to maintain the current course of investment, suggesting a broader sector-wide stabilisation.

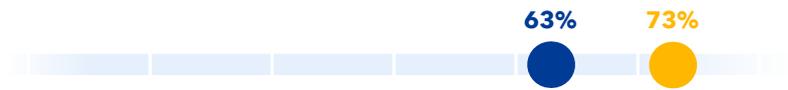
Similar to what we observed in the EU, in the UK a gap also exists between independent businesses and chain hotels. Chains perform better than independent properties across the key metrics, although compared to the EU, the gap is smaller. Chains' lead is the most prominent when it comes to access to funds: 63% of UK chain hotels reported no difficulty in this respect, compared to just 36% of independent properties. Independent hotels only outperformed chains when it comes to the development of average daily rates (ADRs), where they enjoy a lead of seven percentage points.



● Independent business ● Chain business ● EU average

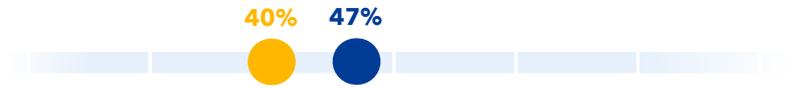
**General development in the past 6 months**

(Very) good



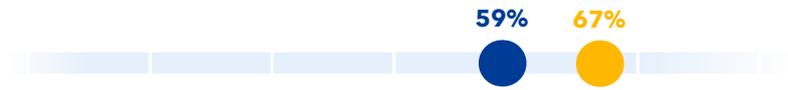
**Development of average daily rate**

(Strongly) increased



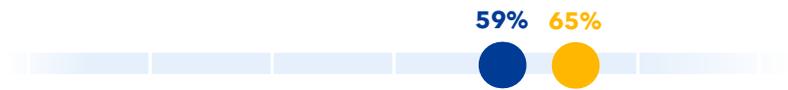
**Development of occupancy rate**

(Strongly) increased



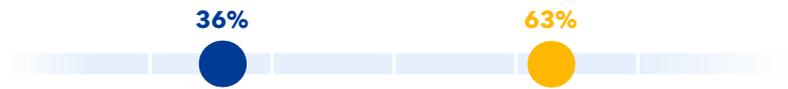
**Current economic situation**

(Very) good



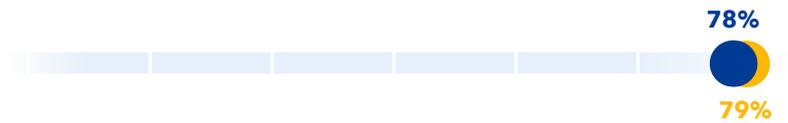
**Access to financing and capital**

Not difficult (at all)



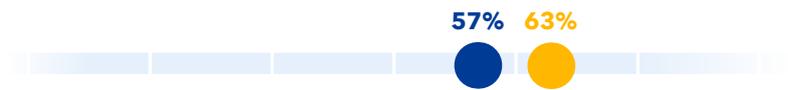
**Investment plans**

Invest about the same (as the last 6 months)



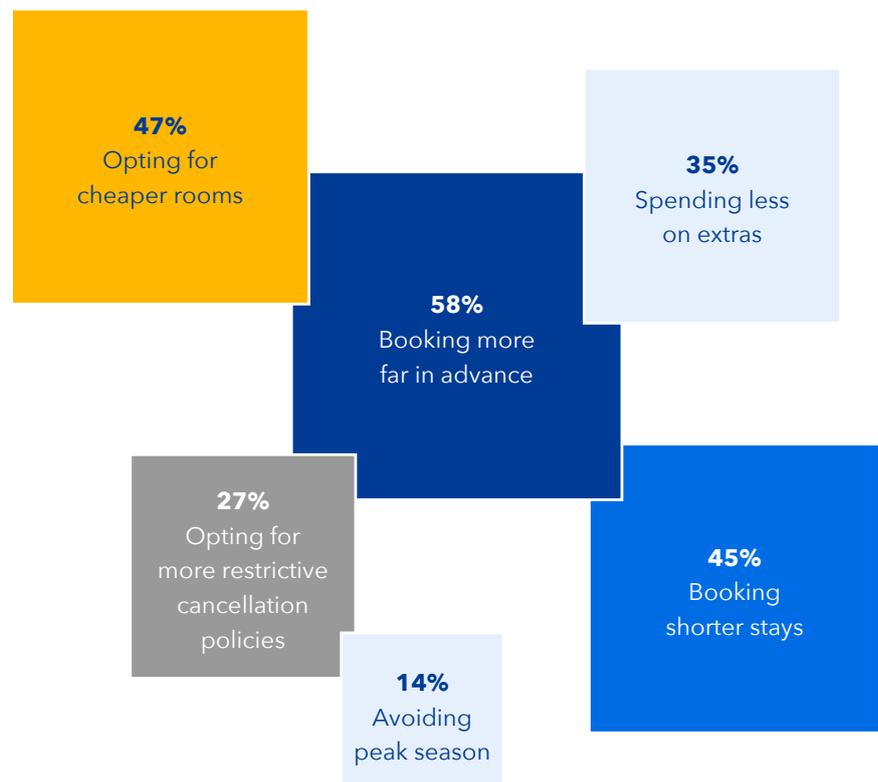
**Economic situation in the next 6 months**

(Very) positive



When it comes to changes in consumer behaviours, the UK holiday accommodation market has noticed that guests are booking further in advance, with 58% of respondents stating that this was the most significant development in guest behaviour. The next biggest trends were opting for cheaper rooms (47%) and booking shorter stays (45%). Customers opting for more restrictive cancellation policies (27%) and avoiding peak season (14%) were less significant behavioural trends. These observations aren't too different from what the neighbouring countries are experiencing.

**Guest behavior development. Consumers are...**





Giants Causeway, Belfast



## 03

# Challenges and Opportunities

As the war in Ukraine and high inflation continue to push energy prices up, this topic has, predictably, been identified as the biggest challenge for the UK and European hoteliers alike. The cost of staff came in as a close second. In terms of the opportunities available to the accommodation industry, offering local experiences topped the chart for UK hoteliers. It was followed by attracting more domestic travellers – perhaps a higher priority now, given the added complexities of post-Brexit travel, or due to people avoiding flying for climate-related reasons.

Challenges (now or expected for the next 6 months)	EU average	Nordics	UK	Netherlands	Germany	Austria	France	Italy	Spain	Portugal	Greece
											
Energy cost	78%	79%	80%	83%	86%	80%	84%	78%	79%	66%	76%
Cost of staff	62%	63%	65%	61%	74%	64%	69%	61%	58%	60%	65%
Cost of inputs and services	52%	61%	49%	59%	67%	43%	69%	48%	40%	43%	45%
Acquiring/retaining staff	50%	48%	46%	53%	73%	69%	53%	39%	45%	48%	41%
Taxation	49%	48%	49%	42%	68%	61%	48%	40%	54%	44%	41%
Decarbonisation	45%	53%	43%	44%	64%	69%	49%	31%	44%	35%	36%
Sustainability	43%	50%	36%	50%	48%	51%	48%	44%	44%	36%	40%
Investments	42%	44%	39%	37%	56%	60%	40%	34%	39%	28%	45%
Price sensitivity of customers	42%	38%	33%	43%	69%	61%	35%	33%	25%	34%	41%
Economic uncertainty*	40%	28%	37%	37%	54%	61%	35%	38%	45%	28%	35%
Consumer expectations	35%	36%	28%	31%	59%	64%	24%	31%	33%	26%	25%
Competition from other accommodation providers	31%	28%	30%	27%	31%	34%	40%	35%	21%	25%	38%
Shifting consumer trends	30%	33%	21%	21%	43%	45%	28%	34%	24%	23%	28%
Changes in consumer spending behavior	30%	30%	26%	21%	54%	41%	31%	26%	29%	19%	26%
Digitalisation	29%	21%	29%	26%	39%	46%	30%	30%	35%	14%	18%
Access to financing/capital	28%	23%	26%	21%	36%	24%	30%	28%	24%	28%	33%
Customer acquisition	28%	30%	31%	22%	44%	40%	26%	25%	19%	24%	18%
Competition from other destinations	26%	21%	24%	20%	32%	35%	29%	24%	25%	21%	29%
Regulation	25%	21%	14%	13%	57%	41%	24%	15%	23%	19%	23%
Deprioritisation of travel expenditure	25%	21%	13%	14%	39%	45%	19%	26%	25%	21%	26%
Connection/accessibility	17%	26%	17%	14%	31%	25%	10%	15%	14%	18%	13%
Travel restrictions	8%	8%	7%	10%	14%	14%	8%	3%	6%	6%	8%

\*"Overall economic conditions" in 2022 and 1st wave 2023

## Challenges

As is the case in many other European countries this year, cost-related concerns are at the front of UK hotelier's minds. Energy costs were the biggest challenge facing British properties, with 80% of them stating that this is the case. Cost of staff was the next most significant category with 65% of responses - only Germany and France scored higher.

Cost of inputs and services, taxation, and acquiring and retaining staff are next on the line, with around half of British hoteliers listing them as concerns. Only 21% of UK accommodations stated that shifting consumer trends were a challenge, and regulation was only a concern for 14% of respondents. Travel restrictions scored the lowest with 7%, another sign of the post-pandemic normalisation.

## Opportunities

In terms of opportunities, the top spot for UK hoteliers alike was offering local experiences, which is echoed across the whole of the European continent. 59% of UK accommodation providers stated this as their top opportunity for the next six months versus 62% of European hoteliers. Attracting more domestic travellers was the next biggest opportunity for just over half of British hoteliers (52%), perhaps due to the more straightforward nature of domestic travel in a post-Brexit world.

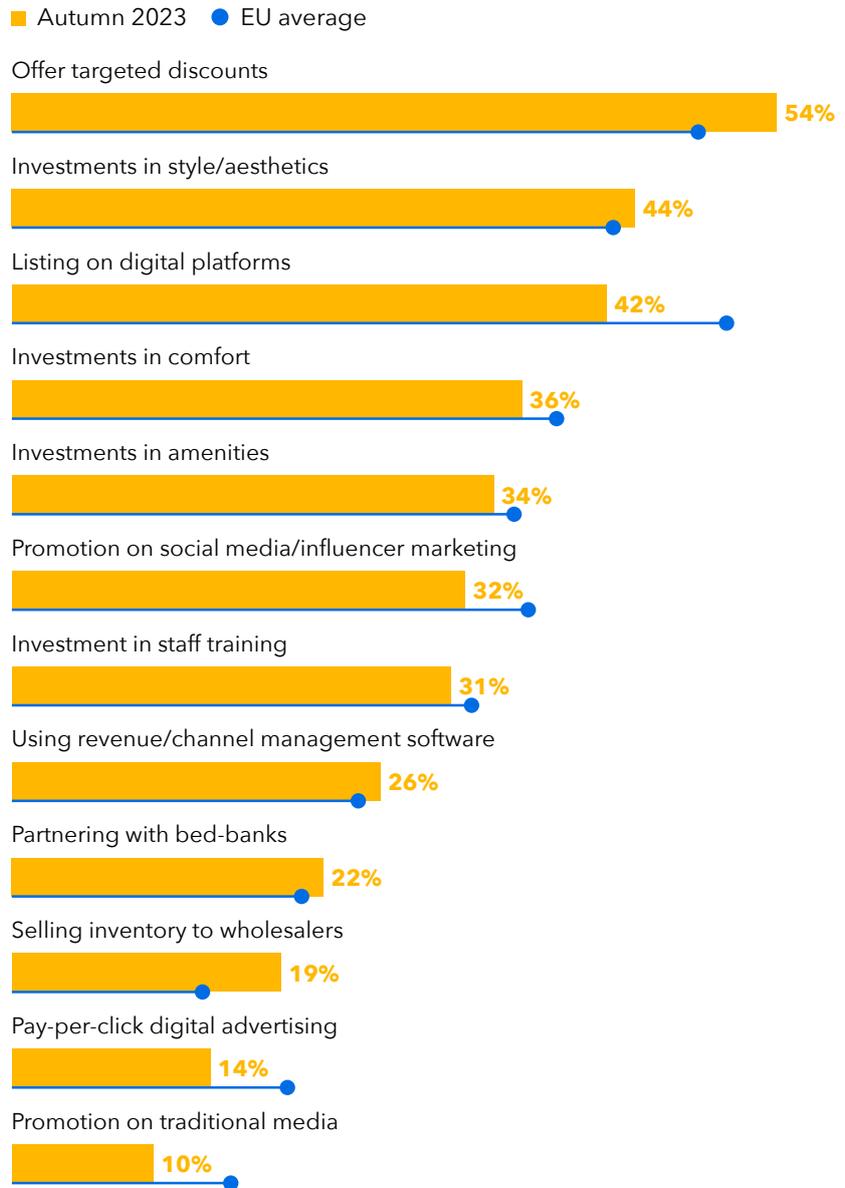
### Top opportunities (now or expected for the next 6 months)



The use of artificial intelligence was the lowest-scoring factor in the UK (15%). As a human-centric business, hoteliers seem more reluctant to place AI between themselves and their guests, especially following a long period of pandemic-related restrictions that limited personal interaction. Instead, they prefer to prioritise opportunities that attract travellers back, among which are also increasing social media/online marketing activities (47%) and upselling/selling additional services (41%).

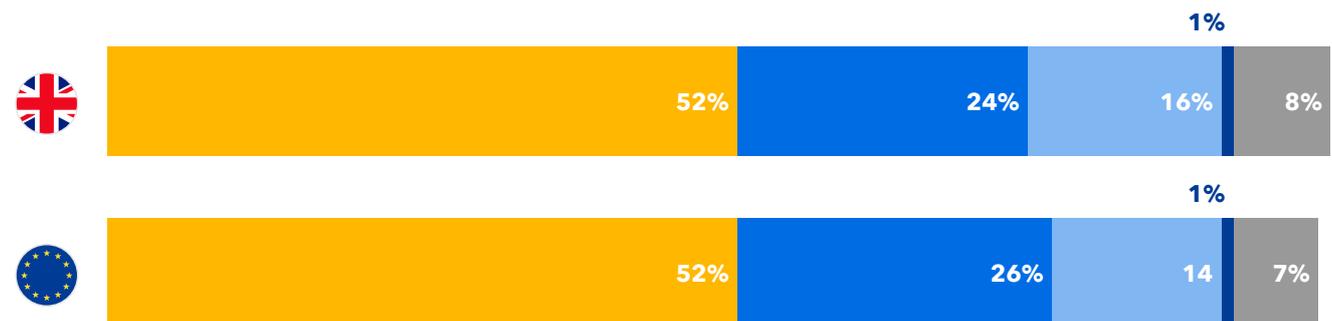
In terms of the most effective ways of maximising occupancy, over half of UK accommodation providers (54%) stated that offering targeted discounts was the most reliable method, followed by investments in style/aesthetics (44%). In the EU average, the most effective tool was listing on digital platforms (51%), followed by targeted discounts (49%). In the UK, listing the property on digital platforms was the third most effective tool (42%), perhaps connected to the growing relative importance of domestic travel. Promotion on traditional media was deemed the least effective tool in both the UK and the EU as a whole (10% and 16%, respectively).

**Most effective tools/investment priorities to maximize occupancy**  
(Multiple answers possible)



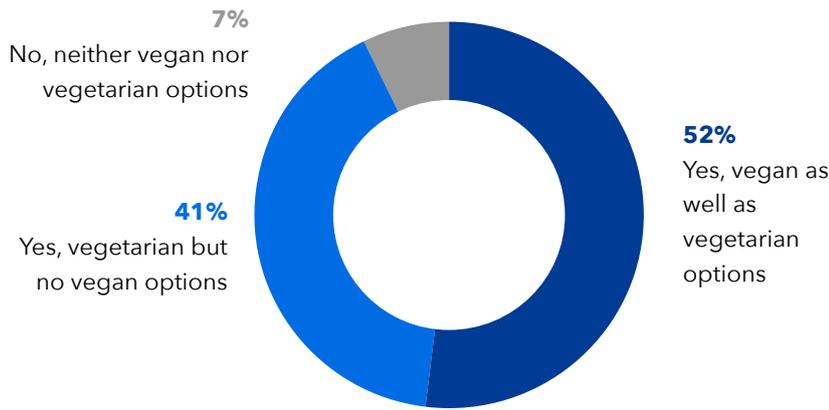
**Food and drink's contribution to overall business success**

- An important contributor
- A minor contributor
- A necessity, but not really a contributor
- Decrease profitability
- We don't offer food and drinks



Percentage totals may differ from 100% due to rounding

**Does your accommodation business offer vegan/vegetarian options?**



**Only 8%**  
of UK hoteliers don't offer food and drinks



Offering culinary services was seen by many UK hoteliers as having a contribution to their overall profitability, with just over half (52%) seeing this as an important profit driver and a further one-quarter (24%) stating it was a minor factor, in line with the EU average. Only 8% said they don't offer food and drinks.

In terms of the types of diets that UK accommodation businesses cater for, 52% of local hoteliers mentioned vegan and vegetarian options and a

further 41% offer vegetarian although not vegan options. The number of hoteliers offering neither vegan nor vegetarian options was just under 10% both in the UK and in the EU.

Plastic-free packaging was deemed the biggest trend impacting consumer preferences, with 70% of British hoteliers stating that they strongly agreed with this. By contrast, in the EU, sustainably and/or regionally sourced foods took the top spot.

**Aspects of food and drinks that are becoming more important for accommodation business**

■ (Strongly) disagree ■ (Strongly) agree ● EU average

Vegan/vegetarian food options



Sustainably/regionally sources food options



Plastic free packaging options for food and drinks





Llanrwst, Wales

## 04 Digitalization and Sustainability

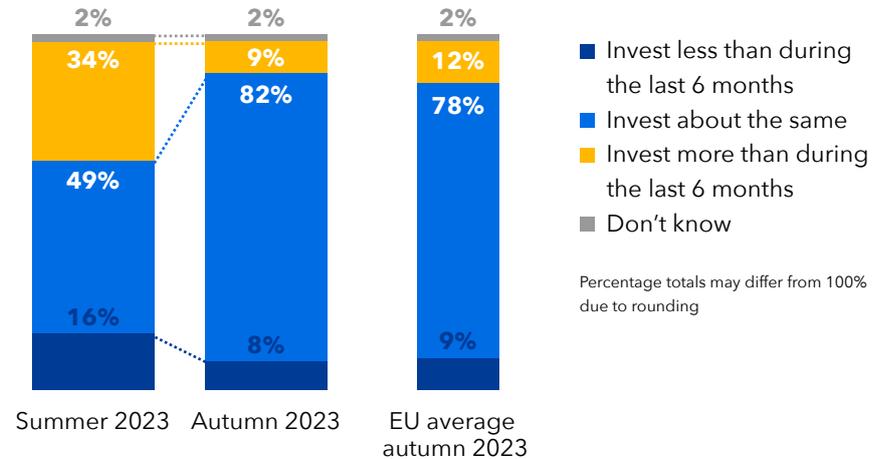
The digital and green transitions remain key topics for British accommodations, and investments in these areas are set to remain stable in the next six months. The accommodation website and real-time booking engine are important digital tools that UK hoteliers look to master in order to transform their business digitally, and roughly one quarter showed interest in artificial intelligence. In light of the widespread energy price hikes in Europe, it is hardly surprising that energy efficiency is the top priority in terms of a greener business model.

## Digital transformation

With regard to their plans to invest in the digitalization of their businesses over the next six months, it appears that UK properties are generally expecting to maintain their investment volumes: 82% of UK accommodation businesses stated that they intend to invest about the same, versus 78% of their European counterparts. Meanwhile, 9% of British hoteliers said they would be investing more; and 8% said they would be investing less.

One in ten UK accommodation businesses (10%) already use artificial intelligence tools and 13% intend to integrate them into their businesses within the next six months. While the proportion

### Investment plans regarding digital transformation over the next 6 months

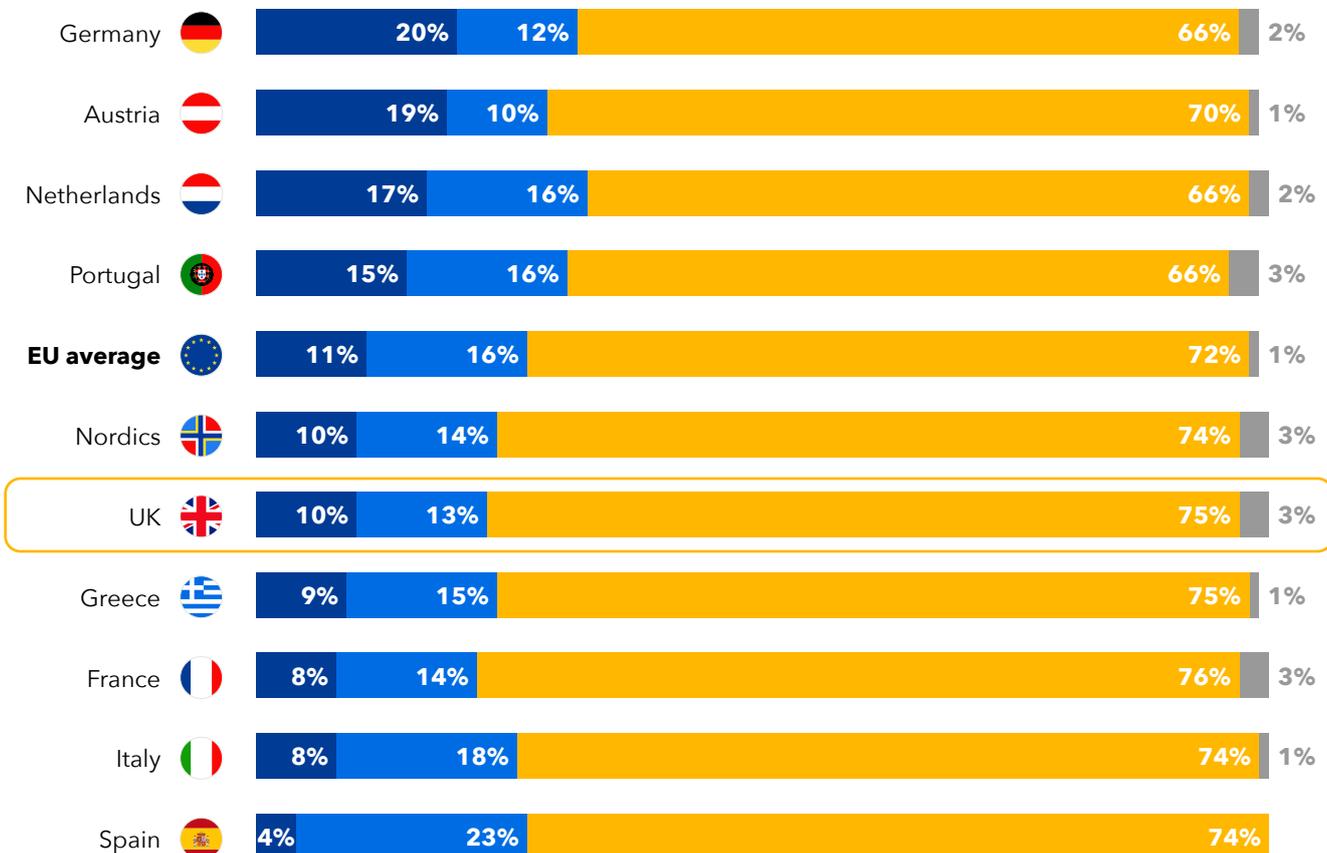


of British hoteliers stating that they do not intend to use AI is high at three-quarters of respondents (75%), similar figures are seen across Europe

and may be driven by the industry's understanding of their business as one that provides primarily human-centred experiences.

### Use of artificial intelligence (AI) such as customer chatbot, dynamic pricing algorithm

■ Yes, we already use AI ■ Not yet, but we plan to use AI in the next 6 months  
■ No, we do not currently use or plan to use AI ■ Don't know



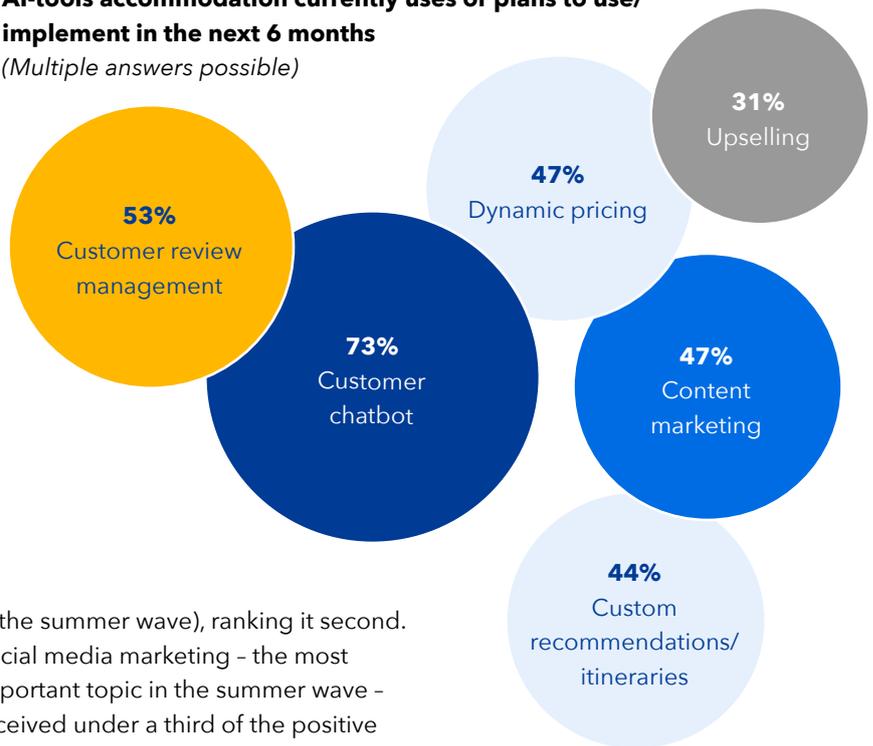
Percentage totals may differ from 100% due to rounding

In the UK, customer chatbot is the most popular AI tool among the hoteliers that have either already used AI or are planning on doing so, chosen by three-quarters of them. By contrast, just over half (58%) of AI pioneers in the EU said the same. Customer review management was mentioned as an important AI-based tool by 53% of UK respondents, while dynamic pricing and content marketing were each chosen by 47%.

In line with the Europe-wide survey results, the accommodation website is the main digitalization topic for UK hoteliers. Almost twice as many respondents recognized its importance in the autumn (57%) compared to the summer (30%). Real-time booking engines also became a more prominent topic, receiving 37% of endorsing responses (versus 22%

**AI-tools accommodation currently uses or plans to use/ implement in the next 6 months**

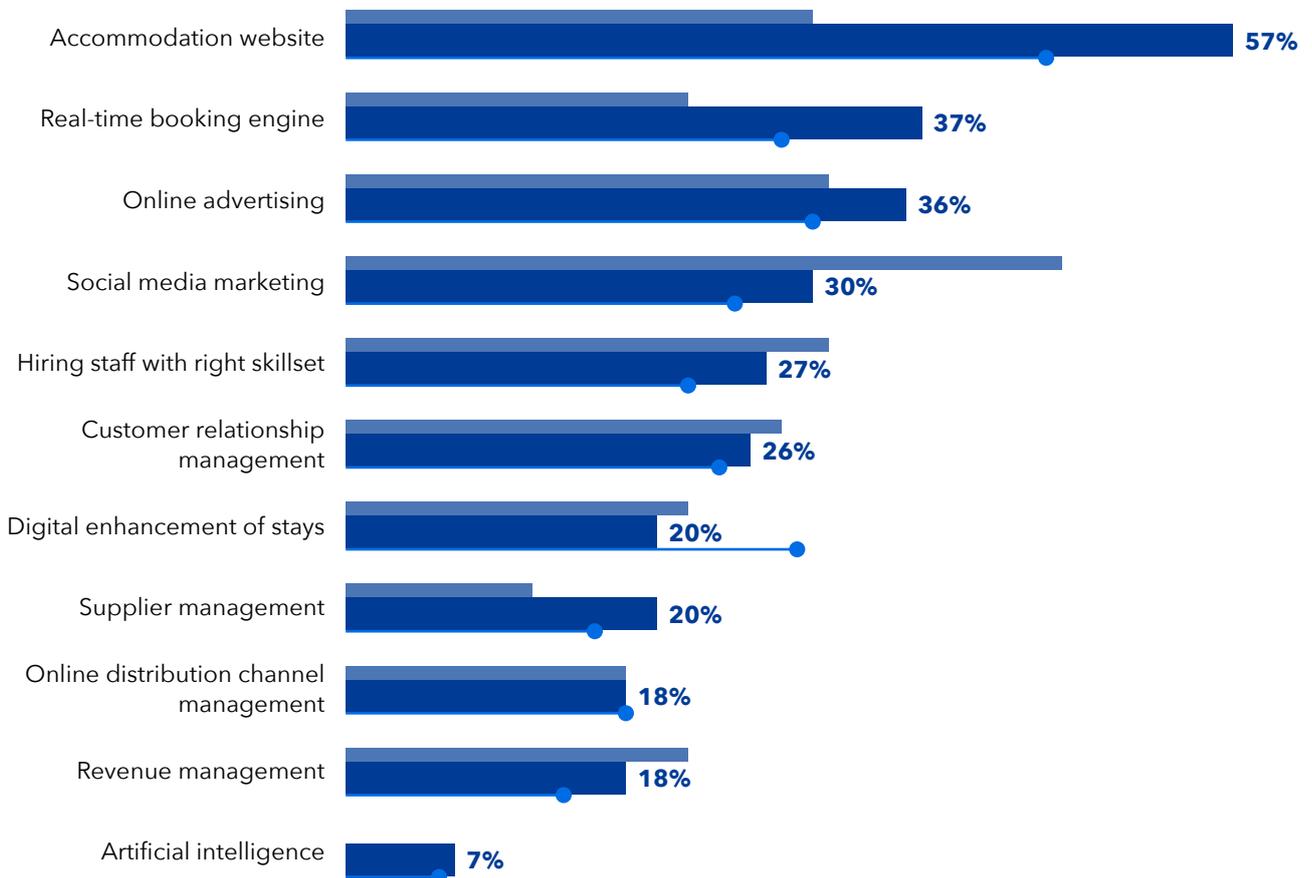
(Multiple answers possible)



in the summer wave), ranking it second. Social media marketing - the most important topic in the summer wave - received under a third of the positive responses this time, ranking it fourth.

**Top topics with regard to digital transformation**

■ Autumn 2023 ■ Summer 2023 ● EU average autumn 2023



## Sustainability

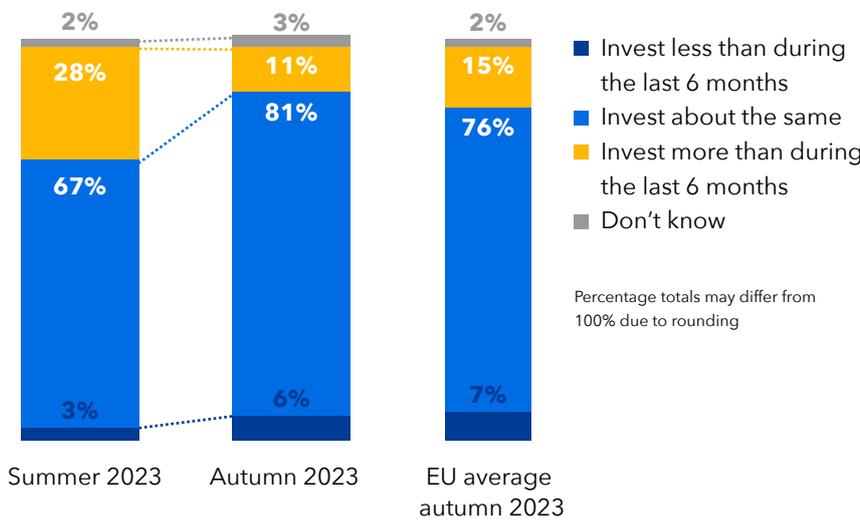
Similar to planned investments in digitalization, capital allocations for sustainability also look set to remain stable. 81% of British hoteliers stated that they would be investing about the same in the next six months. In the EU report, this figure stood at 76% - suggesting that the era of volatility is coming to an end. Still, the balance of investment appetite or lack thereof is

pointing towards continued growth. Only 6% said they would be investing less, and 11% said they would be investing more.

As is the case across Europe, energy efficiency was deemed the most important sustainability investment, with 69% of respondents stating that it was their top priority (EU: 63%).

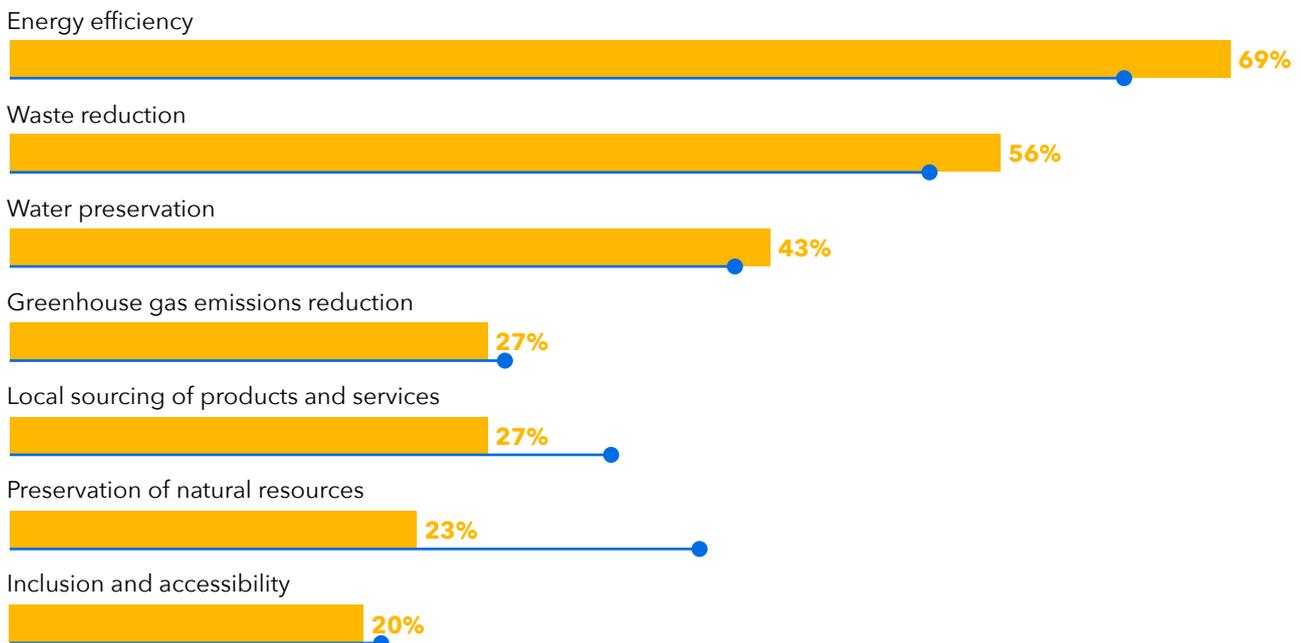
Waste reduction was the second priority for investment in the UK, receiving 56% of the responses (EU: 52%). Preservation of natural resources was a bigger priority in continental Europe, while water preservation was a bigger focus in the UK, receiving 43% of responses and ranking third on the list.

### Investments plans regarding the development of sustainability & decarbonisation over the next 6 months



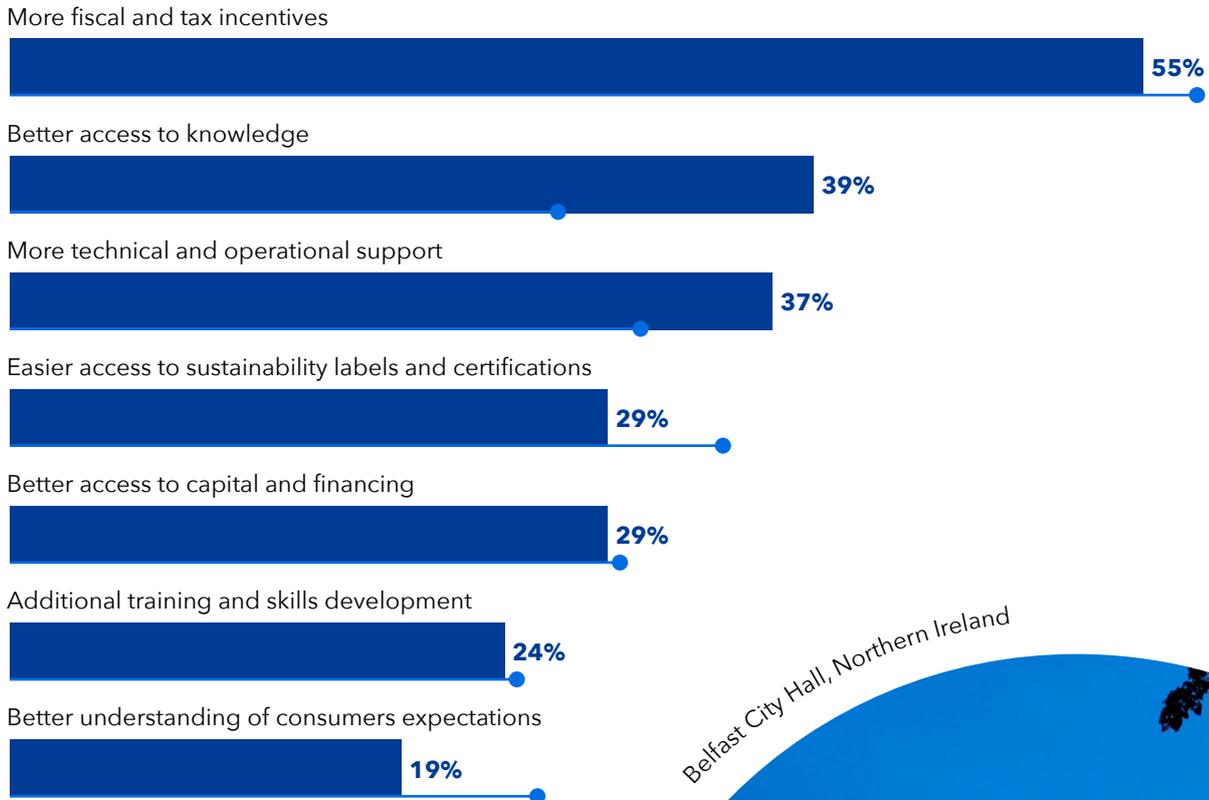
### Top sustainability investments

■ Autumn 2023 ● EU average



**Areas that can help accelerating the development towards a more sustainable and climate-friendly model**

■ Autumn 2023 ● EU average



As seen elsewhere in Europe, fiscal and tax incentives were deemed the biggest contributing factor towards a more sustainable business model, as 55% of UK hoteliers stated that this is the case. While better access to knowledge ranked second with 39% of UK respondents, easier access to sustainability labels and certifications occupied the second spot in the EU average with 35% of responses.



**4 in 5**  
**British hoteliers**

stated that they would be investing about the same in sustainability in the next six months



Tower Bridge and City Hall, London

## 05

# Government Policies and Support

Government policies have a growing significance to British hoteliers in the autumn wave when compared to the summer wave and are perceived more favourably too. With business back to normal, UK accommodations look to policymakers to help their business grow by investing in areas such as infrastructure and destination marketing.

In an evaluation of the importance of government policies, 56% of those surveyed believe that they are important, up from 46% in the summer wave. The share of hoteliers that said the opposite, meanwhile, decreased from 25% to 18%. This higher appreciation of the significance

of policies is a development in the opposite direction compared to most other European countries, where policies were perceived as less important wave-on-wave.

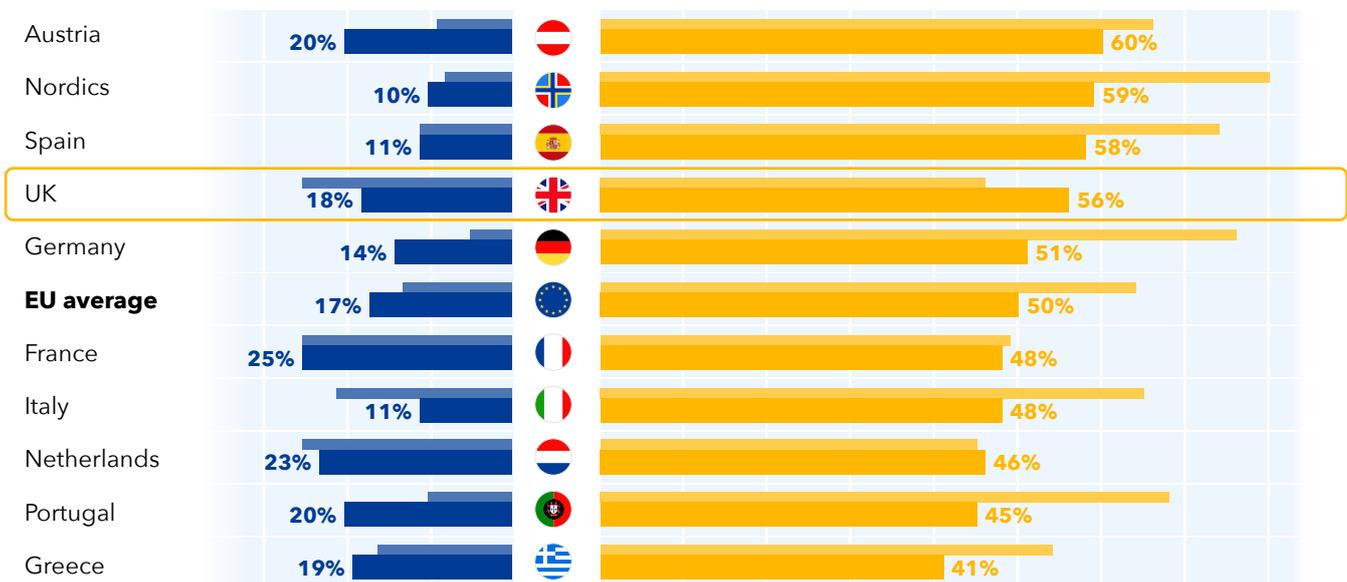
In the summer, just 19% of UK hoteliers believed that policies were

beneficial. By autumn, however, nearly one-third (32%) concurred, overtaking the share of hoteliers who held the opposite opinion (24%). This turn of the tide can also be observed Europe-wide, where policies were perceived with less apprehension overall.

■ Autumn 2023 ■ Summer 2023 ■ Autumn 2022

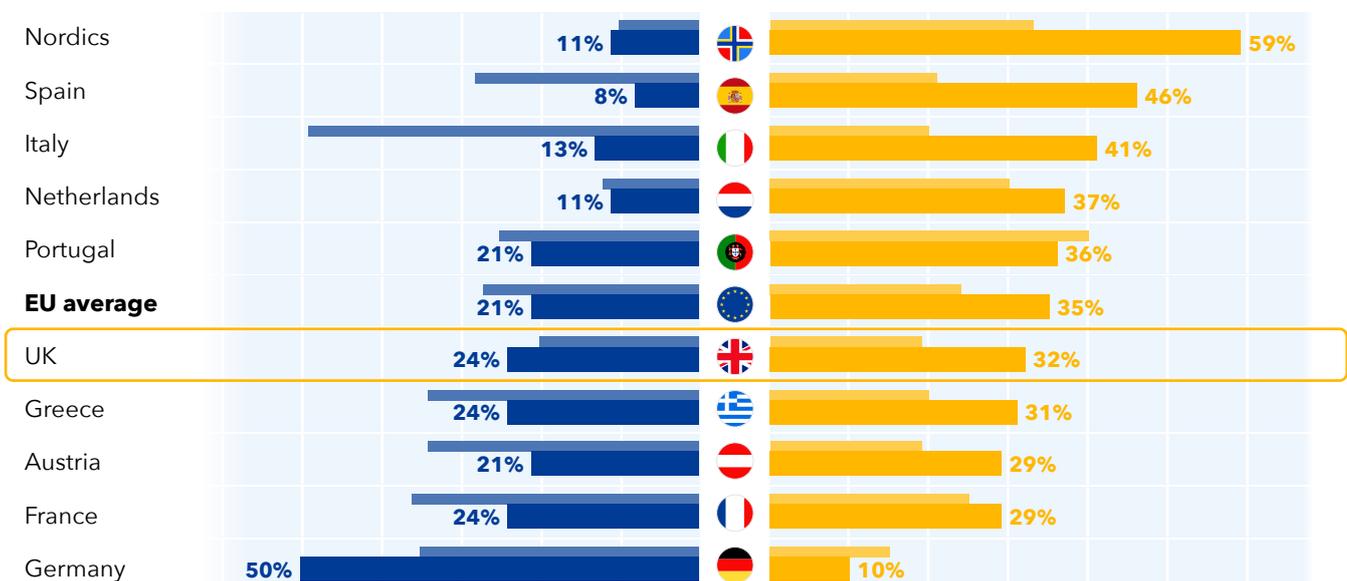
### Importance of government policies

■ Not (at all) important ■ (Very) important



### Expected impact of government policies

■ (Very) harmful ■ (Very) beneficial



In terms of the specific policies and their impact, British hoteliers rated infrastructure investments most favourably, with 39% of positive responses in the autumn. This was matched by the desire to see more government investment in destination marketing.

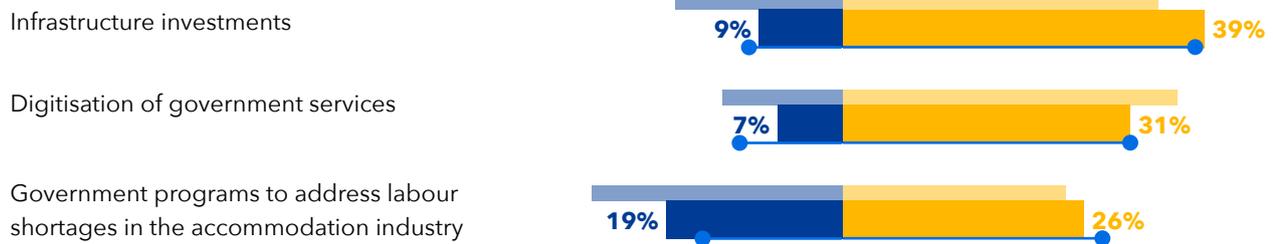
On the negative side, taxation was voted the most likely to have a negative impact – a trend seen throughout Europe. More than half of UK accommodation businesses (57%) stated that they expected tax-related policies to have a detrimental impact. Overall economic policies and employment regulations came in next with 37% and 36% of responses, respectively.

**Expected impact of the following aspects of governmental policies**

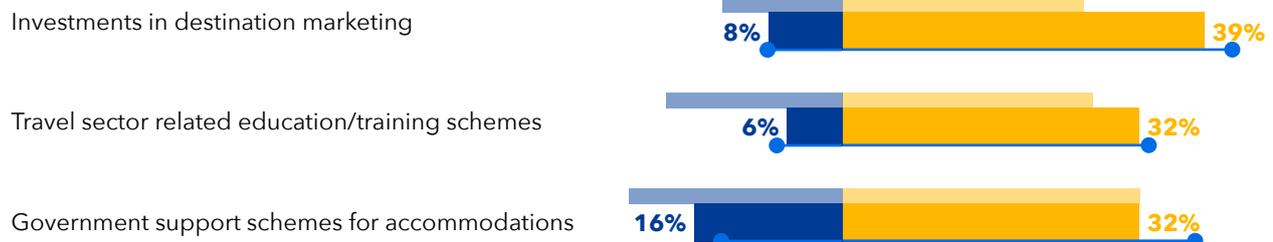
■ Autumn 2023 ■ Summer 2023 ● EU average autumn 2023

■ Negative ■ Positive

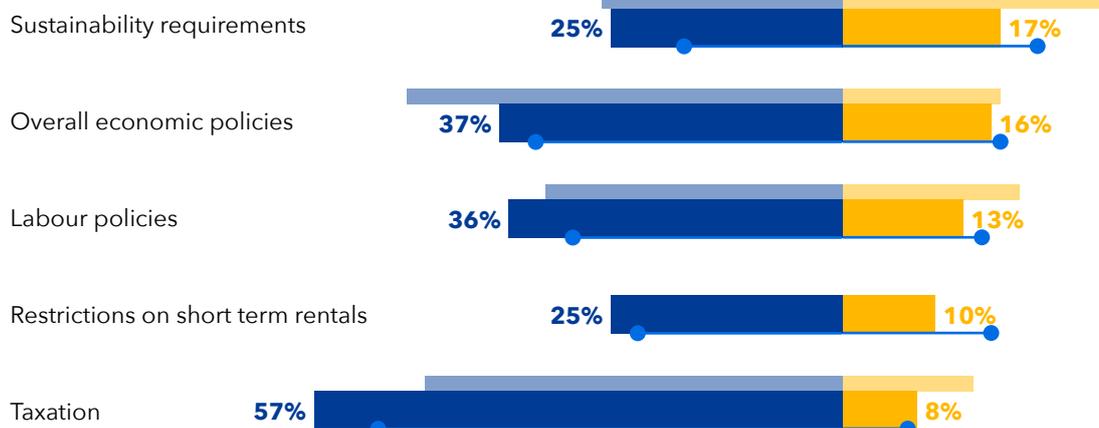
**General government services/programs**



**Travel & tourism-related services/programs**



**Finances and regulations**





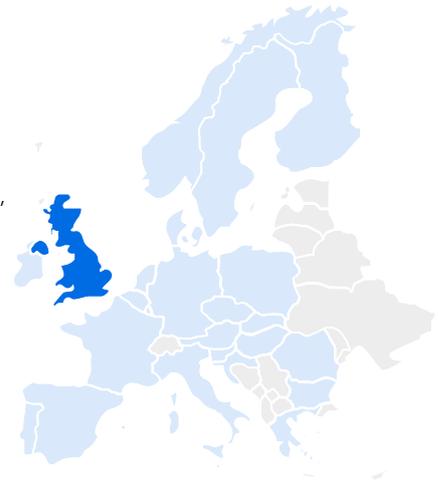
New Forest, Brockenhurst



## Methodology

## Methodology

The survey was conducted by Statista and took place between July 17th and August 29th, 2023 via telephone interviews. 940 executives and managers from the EU travel accommodation sector participated in the survey. 80 respondents were interviewed from each country and region which included Austria, France, Greece, Italy, the Nordics (Sweden, Denmark, Norway, and Finland), Portugal, Spain, 90 respondents each from Germany and the Netherlands\*, as well as 200 from the rest of Europe (Poland, Romania, Belgium, Czechia, Hungary, Bulgaria, Slovenia, Slovakia, Ireland, Croatia). For the UK sample 200 UK hoteliers were interviewed during the survey period.

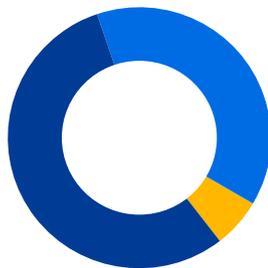


Summer 2023 data is based on the 2023 European Accommodation barometer, held between March 28th and May 15th which had a sample size of 1,240 respondents, 200 of which were from the UK.

\*The EU average was calculated as an average of all countries and regions mentioned above, excluding the UK and the German and Dutch sample was weighted proportionally.

### Position

**56%**  
Hotel manager, managing director, CEO, owner



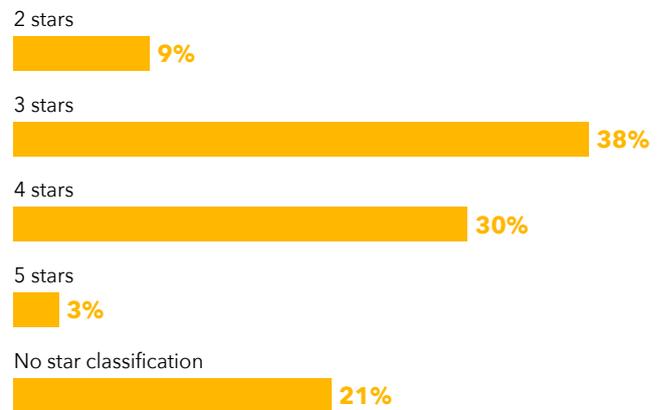
**39%**  
Deputy hotel manager

**6%**  
Team/Department management

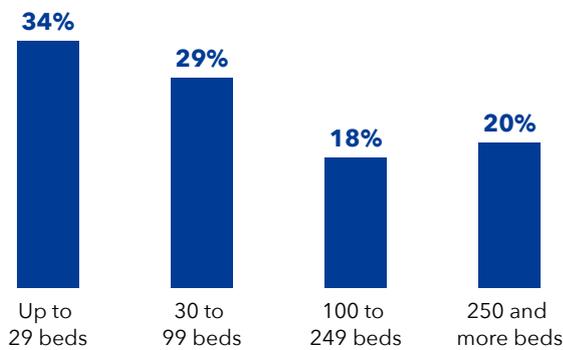
### Business type



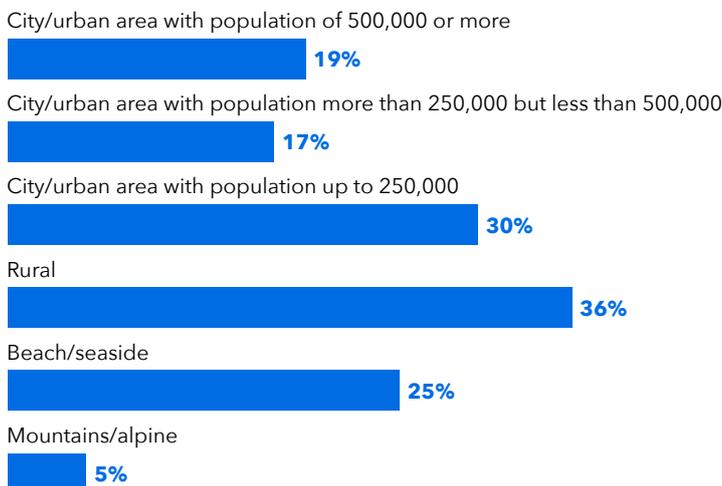
### Star classification



### Number of beds



### Accommodation location



### Accommodation type



**Booking.com**

**statista** 