

# FUTURE PROOF YOUR BUSINESS

**HOSPITALITY IN FOCUS:  
2023 AND BEYOND**

**Exclusive industry insights to benchmark  
and futureproof your business**

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## REPORT SUMMARY

This report presents an overview of critical trends and insights derived from a survey of almost 500 business owners in the UK's vibrant hospitality industry\*. The collaborative research initiative, organised by Clockwork Marketing, seeks to amplify the views of hospitality business owners, and includes hotels, guest accommodation, self-catering cottages as well as holiday parks, restaurants, attractions and campsites. It encompasses many businesses currently assessed and rated by the AA, but also a wide range of non-accredited properties.

The primary objective of this report is to gain insight into how hospitality businesses across the UK perceive key industry trends as well as the outlook for the future. In doing so, benefits the entire industry by providing a platform for these voices to be heard, and fostering a deeper understanding of the challenges and opportunities that lie ahead. This research not only sets the stage for industry standards but also serves as a catalyst for informed decision-making and progress.

\* Research referenced throughout from a survey of 481 individuals. Data was collected through an online survey conducted in July and August 2023, using a publicly accessible link that was promoted within the UK hospitality industry. All survey participants were based in the UK, and inclusion was limited to individuals actively employed by or representing UK hospitality businesses.

## KEY TAKEAWAYS

1

The industry is placing more importance than ever before on responsible and forward-thinking operations, with over two-thirds (68%) viewing sustainability as either extremely or very important to their business.

2

59% of hospitality businesses rate their overall performance for 2023 as very strong or fairly strong.

3

There's a general optimism when it comes to the future of hospitality. The majority of hospitality businesses achieved an average annual occupancy rate of between 41-60% with at least a third achieving 60-80%, with a higher rate forecast for 2024.

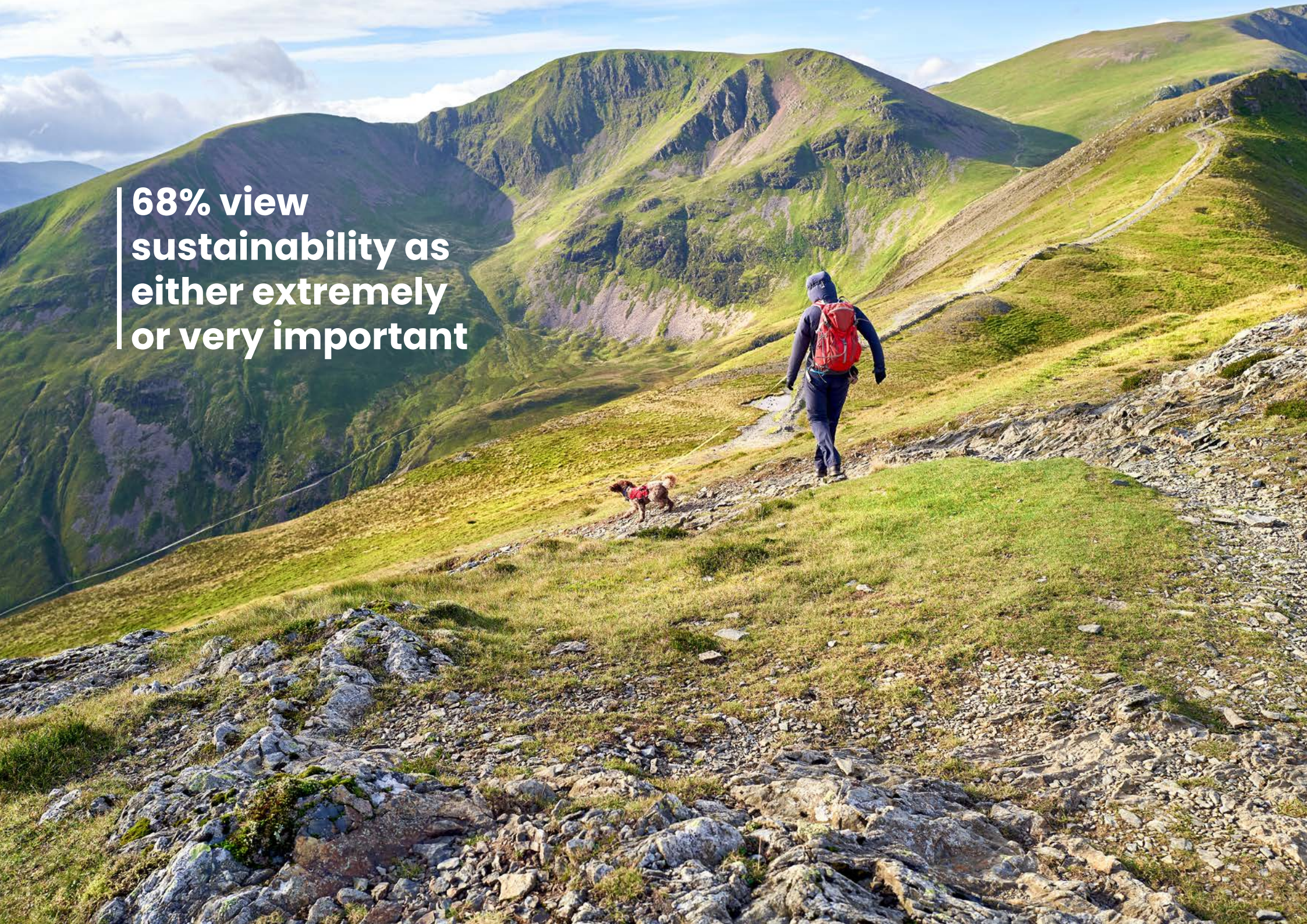
# SECTION 1

## **SUSTAINABILITY, DIVERSITY AND ACCREDITATION**

This section explores the impact of accreditation, sustainability, and diversity on businesses and the broader landscape of hospitality in the UK.



**68% view  
sustainability as  
either extremely  
or very important**





## GREEN IS THE NEW BLACK – THE IMPORTANCE OF SUSTAINABILITY IN THE HOSPITALITY INDUSTRY

### 68% view sustainability as either extremely or very important to their business

Sustainability is now a fundamental aspect of responsible and forward-thinking business operations.

### A notable 73% don't have a sustainability accreditation

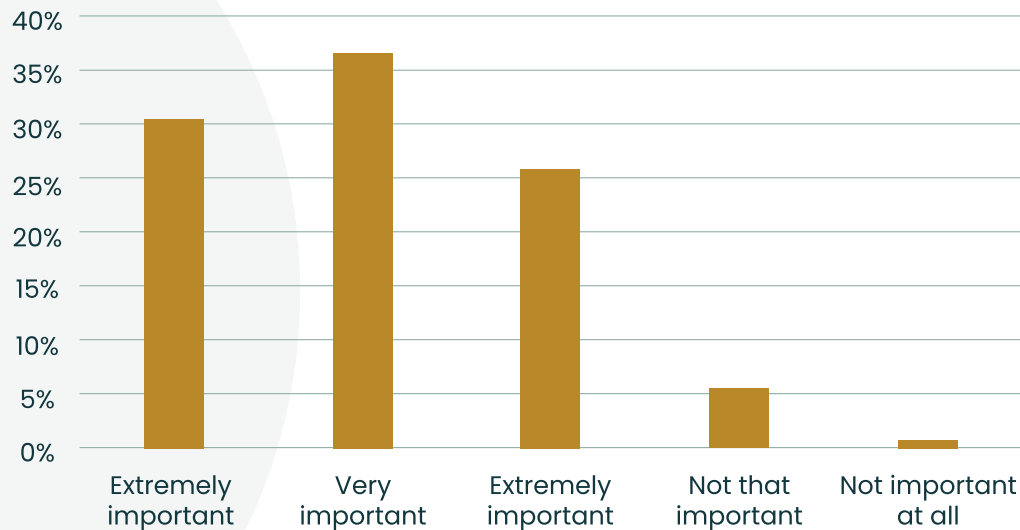
Sustainability accreditations serve as a credible and visible endorsement of a business's commitment to environmentally responsible practices. There's a clear opportunity for establishments to enhance their credibility in the eyes of eco-conscious consumers.

### 27% have are still to determine their sustainability plans for 2024

Accreditation schemes can play a pivotal role in assisting businesses in their sustainability efforts by setting standards and offering guidance.

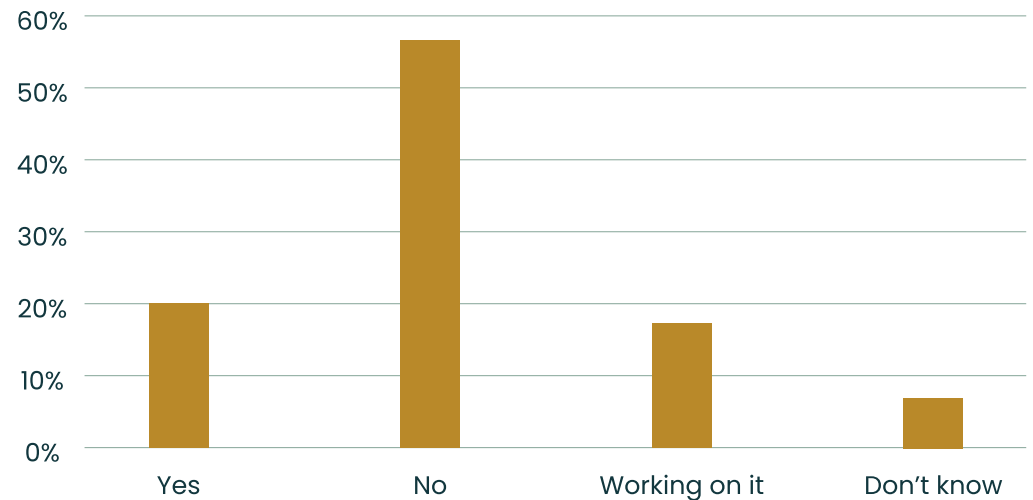
#### How important is sustainability to your business?

477 responses



#### Do you have a sustainability accreditation?

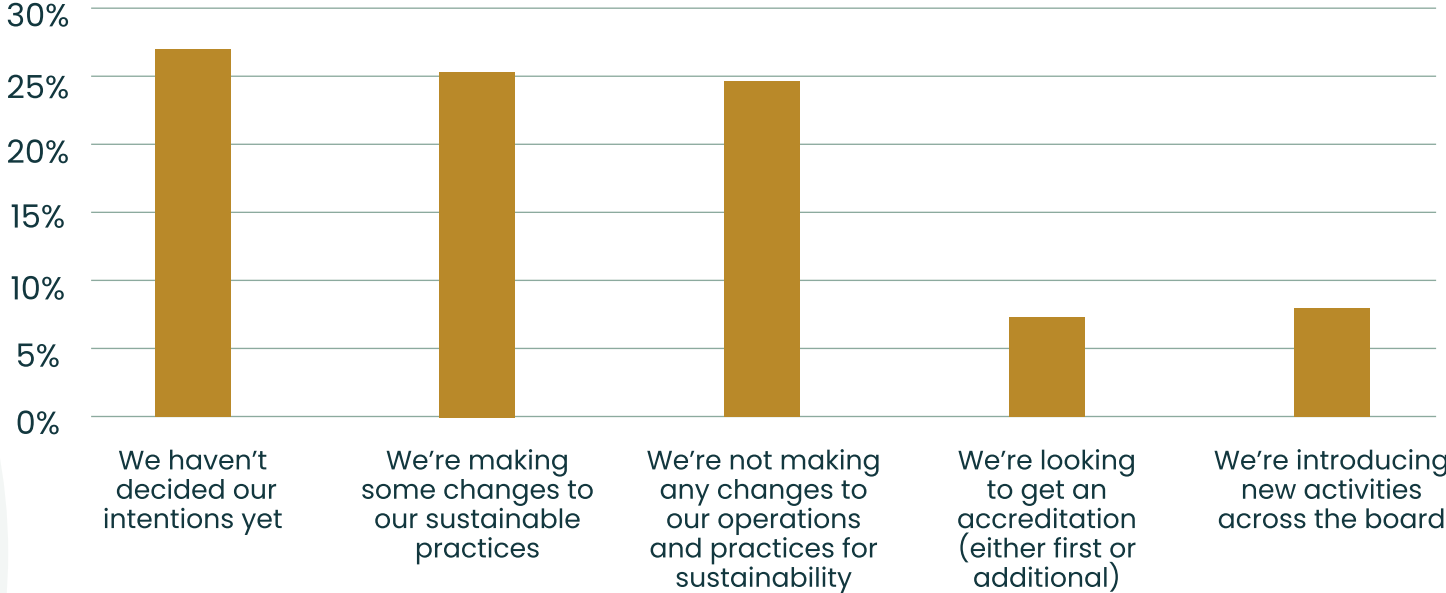
479 responses





# Which statement best summarises your sustainability intentions for 2024?

475 responses



## **Other sustainability intentions for 2024:**

**“We have always had a sustainable business since we opened 19 years ago.”**

**“We are 90% sustainable - no fossil fuels, becoming car free, zero waste etc.”**

**“Keep on going, becoming more sustainable where possible.”**

**“Looking to install an electric vehicle charger for visitors.”**

**“We’re working with our local Zoo and have achieved Sustainable Palm Oil Champion.”**

**“Hoping to increase our sustainable power sources.”**

## ACCESSIBILITY AND DIVERSITY

### The importance of accessibility and diversity

The data revealed that keeping policies and legal statements updated is the most significant factor contributing to the importance of accessibility and diversity for hospitality businesses, underscoring the critical role of compliance and proactive policy management. Updated policies ensure legal compliance, foster inclusivity, enhance guest satisfaction, and provide a competitive advantage.

This focus on diversity and accessibility extends beyond legal compliance and reflects a wider commitment to promote positive change both within and beyond the hospitality sector.

**50%**

**ranked keeping policies and legal statements updated as a contributing factor to the importance of accessibility and diversity.**

**46%**

**ranked providing for dietary requirements and allergies as a contributing factor to the importance of accessibility and diversity.**

**41%**

**ranked communicating their inclusive values and/or accessibility features in their top three.**



**7% reported other factors that contribute to accessibility and diversity:**

***“It’s the right thing to do.”***

***“We are all inclusive in every respect.”***

***“Working in partnership to bring a diversity of perspective to our collection and then finding different ways to tell these to audiences.”***

***“Our basic attitude which translates into everything.”***

## ACCREDITATION

### Accreditation schemes – the cornerstone of the hospitality industry

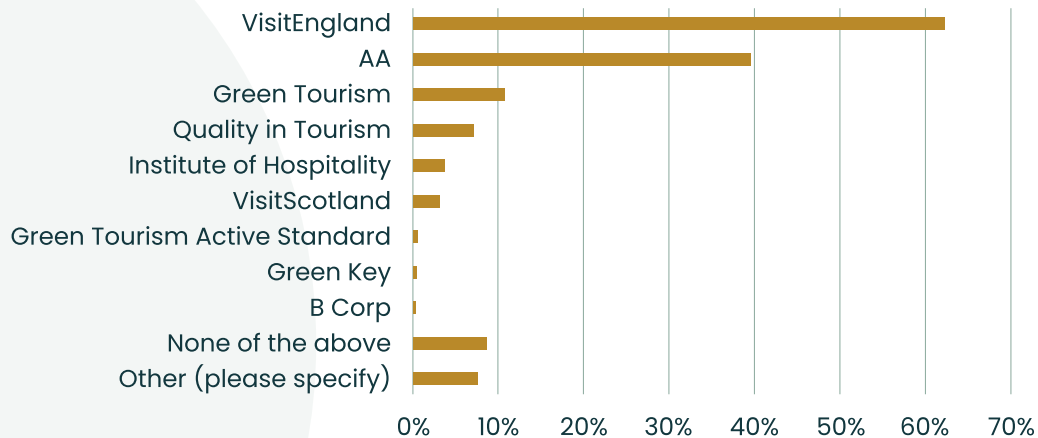
Accreditation schemes play a pivotal role in shaping the hospitality landscape, fostering excellence, and driving business growth. In today's competitive market, where customer expectations continue to rise, being part of an accreditation scheme is increasingly crucial for hospitality businesses.

The research indicates an increasing number of businesses recognise the value of accreditation schemes, with over half (54%) considering them extremely or very important to their operations. 62% of those surveyed are members of VisitEngland's accreditation scheme and 40% members of AA's scheme, showing the significance of these two accreditation bodies and their status in the hospitality industry.

In an era where consumers are seeking authenticity, safety and quality, accreditation schemes have become not just an option but a necessity for hospitality businesses aiming to thrive in the industry.

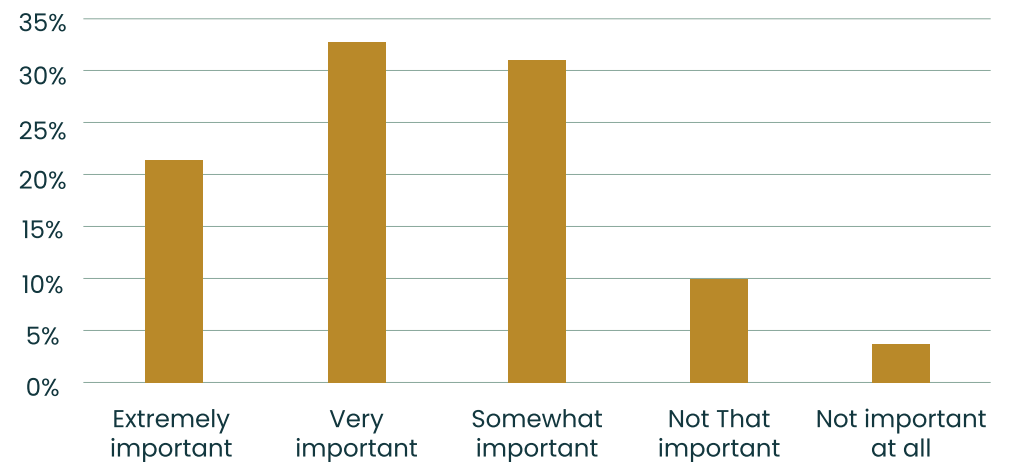
#### Which accreditation schemes are you a member of?

477 responses



#### How important are accreditation schemes to your business?

479 responses



**An additional 9% reported they were not a member of any of the schemes listed and a further 8% reported they were members of other schemes.**

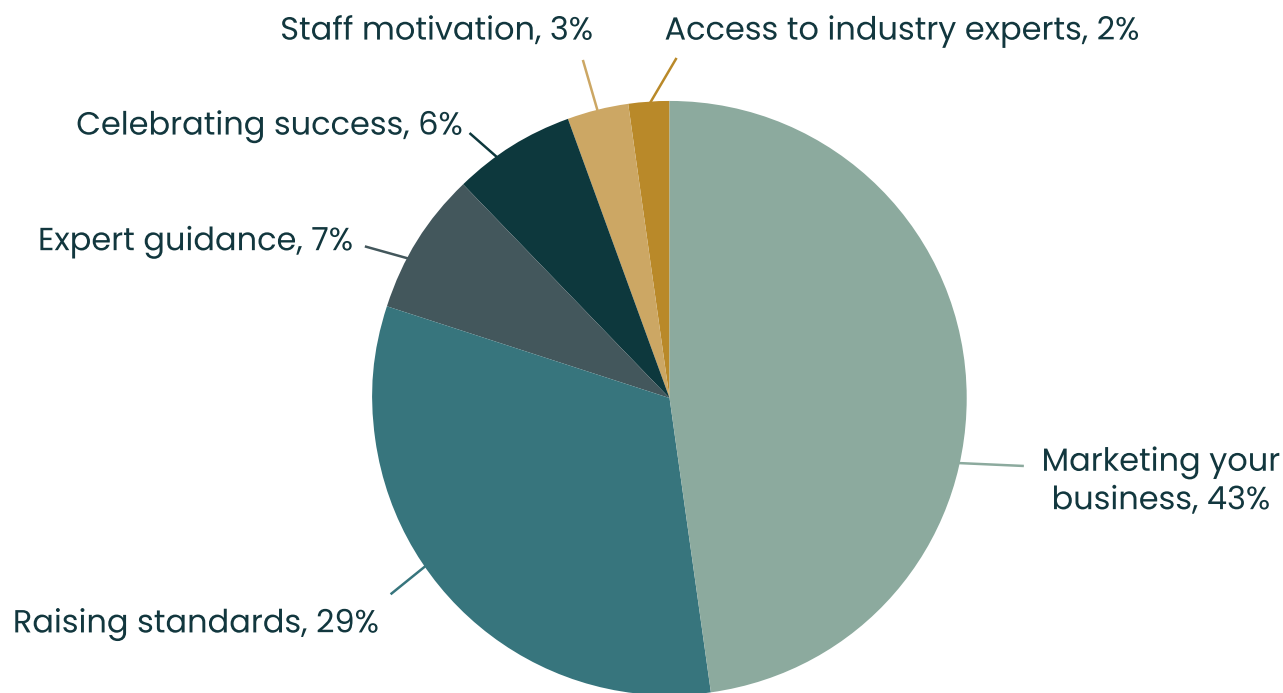
## BENEFITS FOR BUSINESSES

Almost half (43%) of respondents cited the biggest benefit of being accredited is helping to market their business. Accreditation schemes often offer marketing support, which can include promotions, visibility and recognition. This assistance can significantly boost reach and attract a wider customer base.

Additionally, 29% of respondents mentioned that accreditation helped raise standards within their businesses. Accreditation schemes often require businesses to meet specific quality benchmarks, which, when followed, lead to improvements in service, safety, and overall guest experience.

### What is the biggest benefit to being accredited?

472 responses





**10% reported other reasons for being accredited:**

**“Proves we’re safe and legal.”**

**“Giving guests confidence. Reputation – for guests, transient as well as corporate accounts, and to attract talent.”**

**“Shows you are a legitimate business within the sector.”**

**“That guests feel reassured that we do exist and are as advertised, as we have been independently assessed. Benchmarking and best practice.”**

**“Maintaining, improving and advising on new standards.”**

# SECTION 2

## **RECENT PERFORMANCE**

**59% rate their business performance as very or fairly strong in 2023**





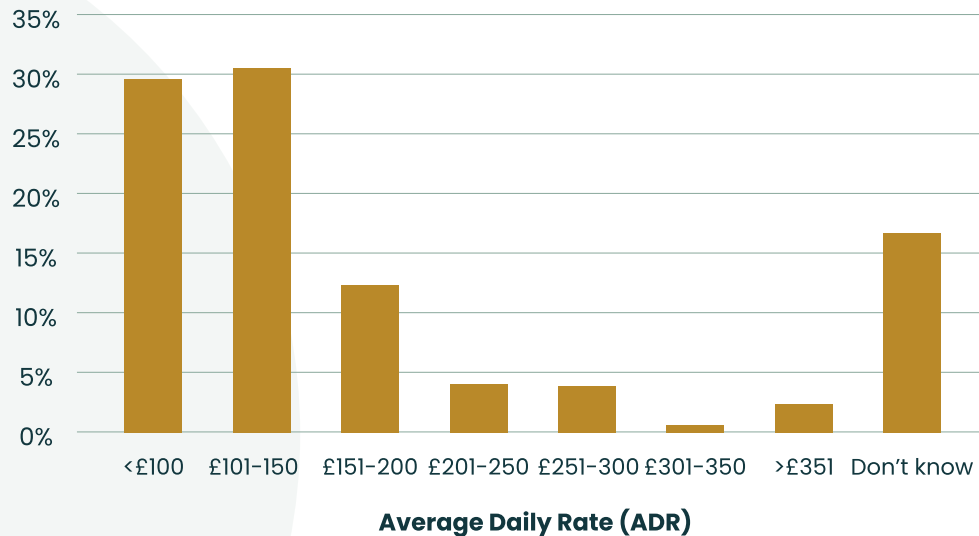
## OCCUPANCY RATES

**An array of different accommodation types responded to the survey. The majority of hospitality businesses achieved an average annual occupancy rate of between 41-60% with at least a third achieving 60-80%, with a higher rate forecast for 2024**

The hotels and self catering sectors in particular have had a strong showing here. Businesses achieving higher rates may have excelled in pricing, marketing, and service quality, while others might benefit from diversification and tailored strategies to enhance their market share and resilience. This underscores the industry's diversity, with factors such as location, competition, and market conditions influencing occupancy levels.

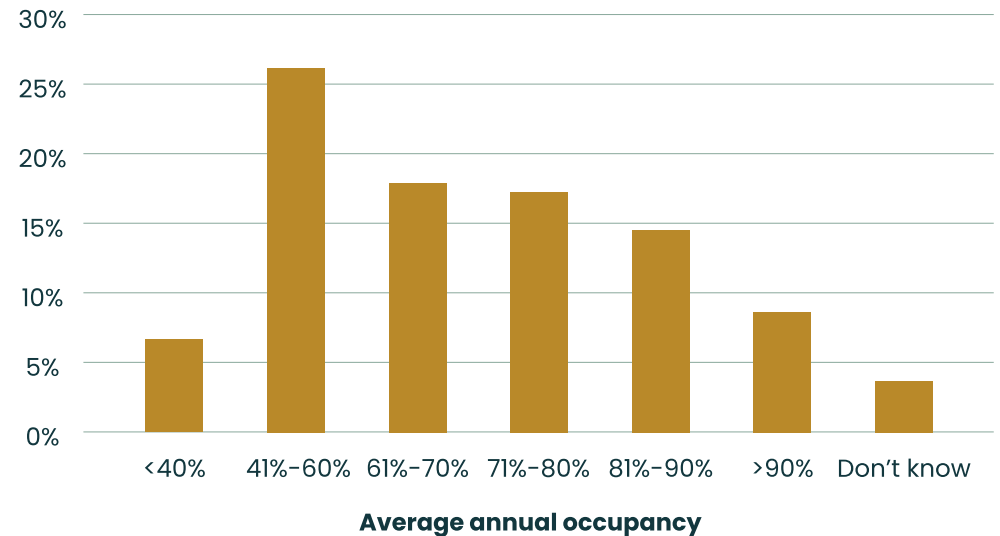
**What was your 2022 Average Daily Rate (ADR) = Room Revenue/ Rooms Sold**

423 responses



**What was your average annual occupancy for 2022?**

424 responses



## INDUSTRY PERFORMANCE IN 2023

### Inbound Tourism is growing

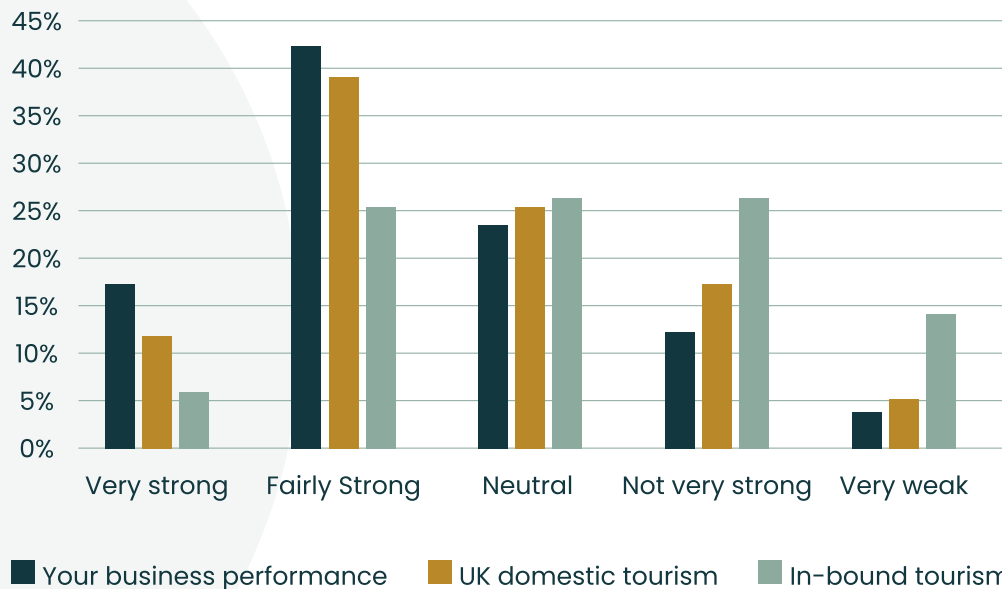
While 59% of hospitality businesses rate their overall performance for 2023 as very strong or fairly strong, 41% feel inbound tourism could be stronger.

This showcases how establishments have been adapting. Many business have thrived by focusing on local markets or diversifying revenue streams. Regional disparities and the importance of the domestic market play significant roles here.

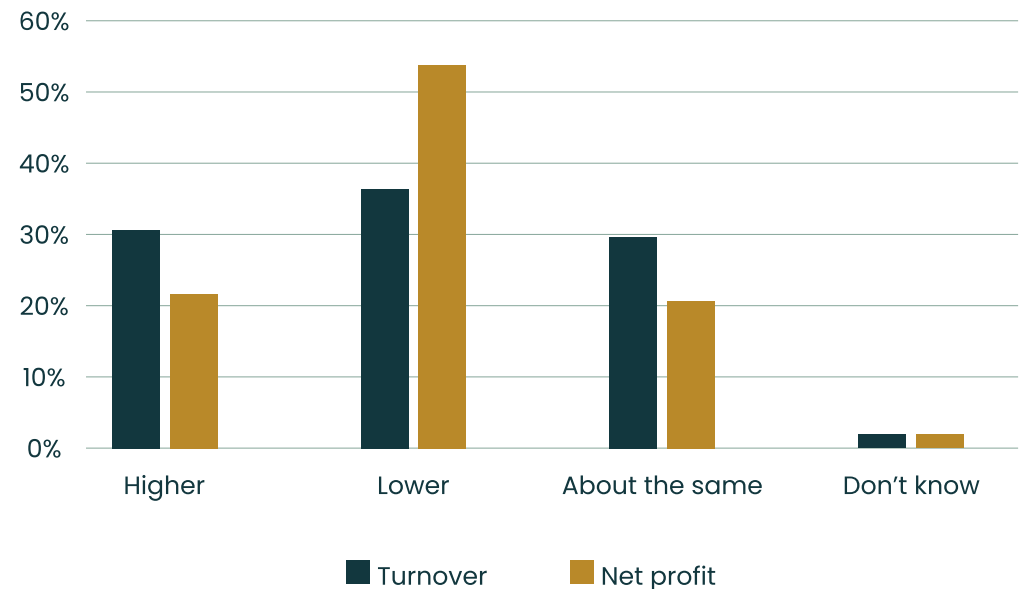
### 54% of hospitality businesses foresee reduced net profits in 2023 compared to 2022

This decline reflects ongoing challenges, including rising costs, and consumer uncertainties. To navigate these complexities, businesses must prioritise adaptability, efficiency, and innovative strategies while closely monitoring their investments and exploring opportunities for resilience in the competitive landscape.

How do you rate the following for 2023?



What would you forecast your turnover and profit will be in 2023 compared to 2022?



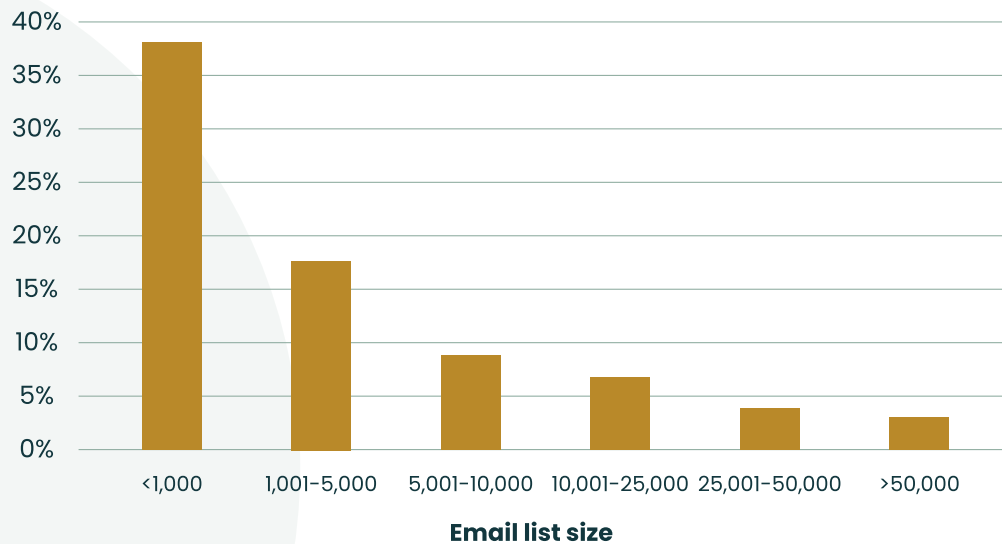
## MARKETING YOUR BUSINESS

### The role of email marketing

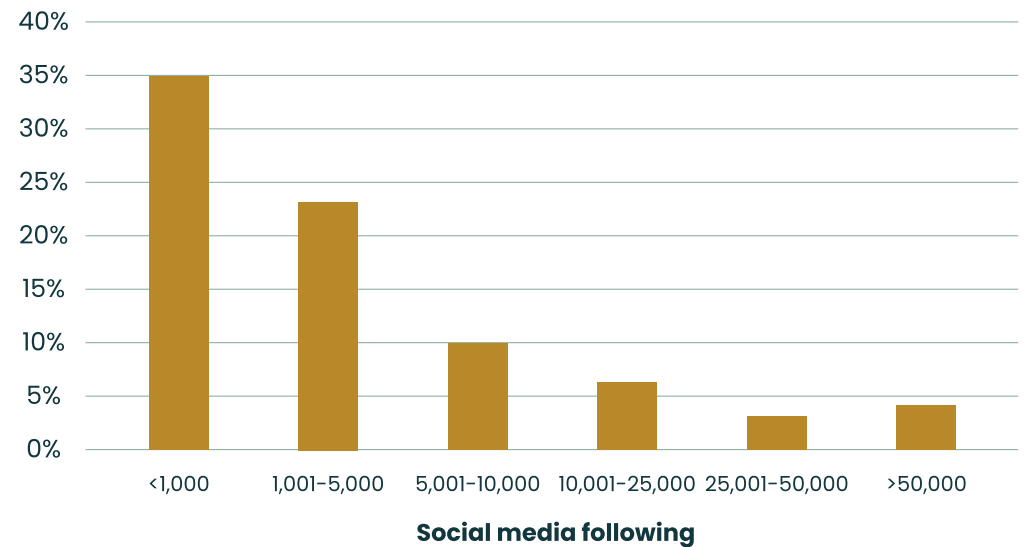
**37% OF HOSPITALITY BUSINESSES HAVE LESS THAN 1,000 SUBSCRIBERS ON THEIR EMAIL MARKETING LISTS, WITH 23% OF RESPONDENTS NOT KNOWING THEIR EMAIL LIST SIZE AT ALL**

This suggests there's room for growth in list-building efforts, emphasising the importance of personalised engagement, retention, and resource allocation. Smaller subscriber counts can be an opportunity to focus on quality over quantity, optimising email marketing impact.

#### Marketing your business: What is your email list size? How many subscribers do you have?



#### What is your social following across all Social Media networks?



### Social networking

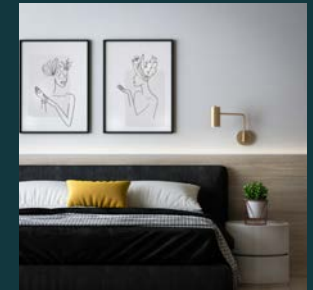
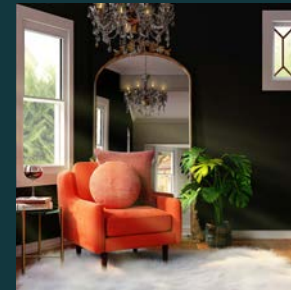
35% of hospitality businesses surveyed reported fewer than 1,000 social media followers across all their social media networks, with 19% lacking knowledge of their following altogether. This reflects room for growth in online engagement, emphasising the importance of measurement, content strategy, and resource allocation. A robust social media presence can enhance competitiveness, customer engagement, and audience targeting in the highly competitive hospitality industry.



## MARKETING TIP

One effective strategy your hospitality business can use to increase online engagement and grow your social following is 'user generated content' (UGC). This is unsolicited content that people post about your business that can be easily searched and used (with permissions) to build strong engagement.

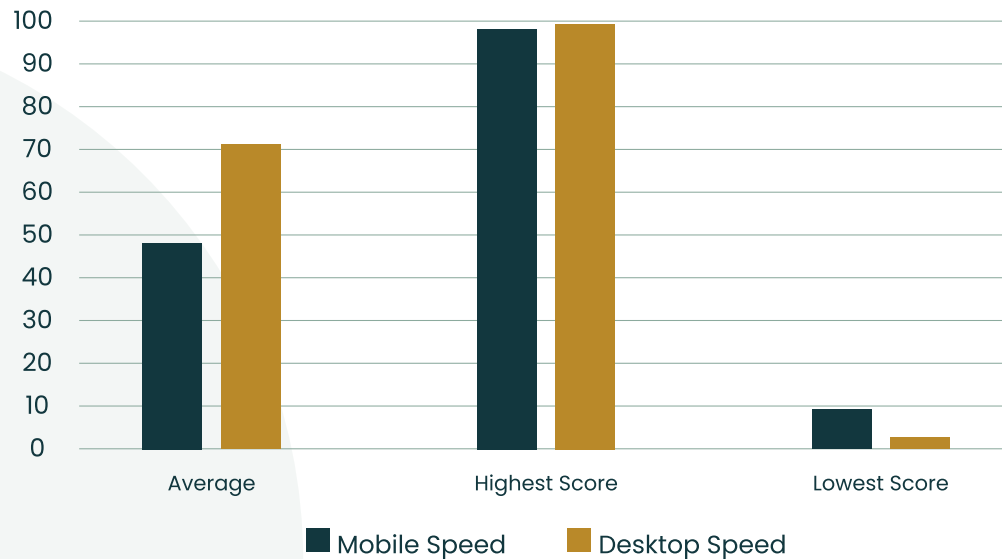
Encourage your guests to take photos during their stay or meal with you, signposting them to the hashtags, user accounts or locations to tag in their posts. Then you can easily find this through a search later online and re-share their photos (with permission) to your feed. This will help to grow your following as the post gets shown on your guests' profile and feed, expanding your reach to their friends and family, as well as getting engagement such as likes, comments and shares.



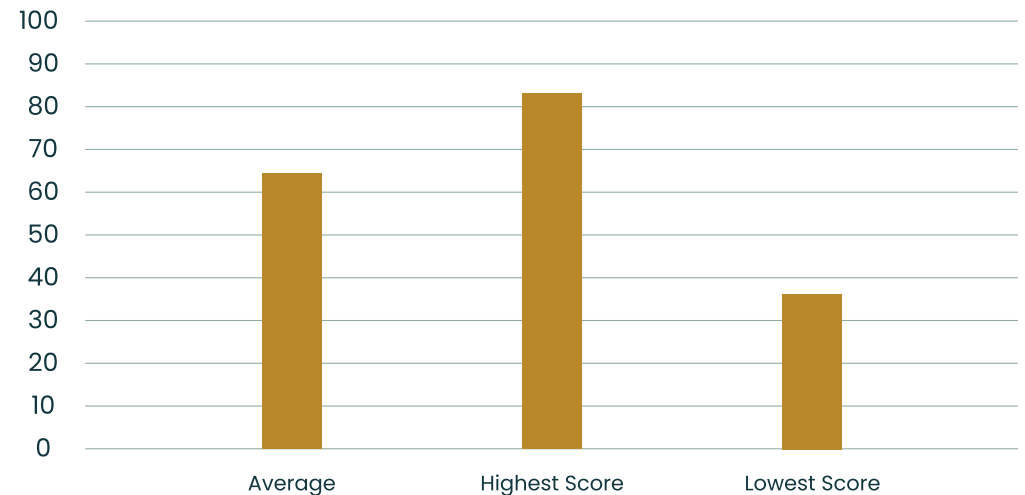
## WEBSITE SPEED

All respondents were asked to provide their website url which were run through industry standard testing tools. Fast websites perform better in search engines like Google. There are many factors that affect the speed of a website, such as using the latest technology and having great hosting. Google PageSpeed Insights is a tool that will measure a website's speed, some Search Engine Optimisation factors and recommends how to improve it. The free tool provides a score for your site as viewed on a mobile and on a desktop/laptop. Good scores (out of 100) are over 75 for mobile and over 90 for a desktop/laptop. The average scores across respondents was 48 on mobile and 72 on desktop, significantly below target.

### Website Speed



### Domain Authority



## DOMAIN AUTHORITY

The domain authority of a website is a Search Engine Optimisation measurement of a website's ability to be ranked, not how well it ranks. With constant changes to Google's algorithm, your website needs to be kept up-to-date with the latest ranking factors. These results come from WooRank. Great results are 80 and above. While the average score was 65, only 2% of properties had a domain authority over 80 and none scored over 85.

# SECTION 3

## **LOOKING AHEAD TO 2024**

As we cast our gaze toward the future of the UK hospitality industry in 2024 and beyond, our goal is to empower businesses with the knowledge and insights needed to adapt and flourish in the face of uncertainty.



**49% believe ease  
of travel will be  
the biggest trend**



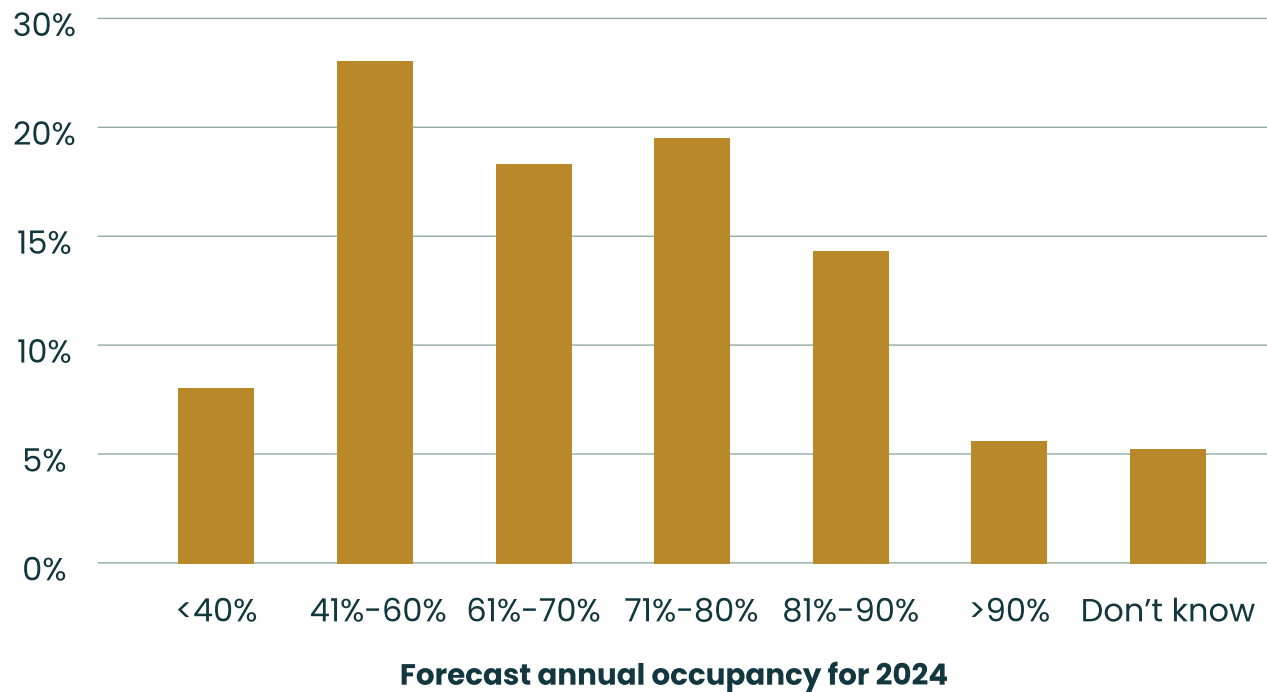


## OCCUPANCY RATES

There's general optimism when it comes to the future of hospitality, but there's a cautious outlook within the industry which is not surprising given the many challenges the sector has faced in the past few years. This projection has several important implications and offers insights into the potential challenges and opportunities that hospitality businesses may face in the coming year.

### What do you forecast your annual occupancy will be for 2024?

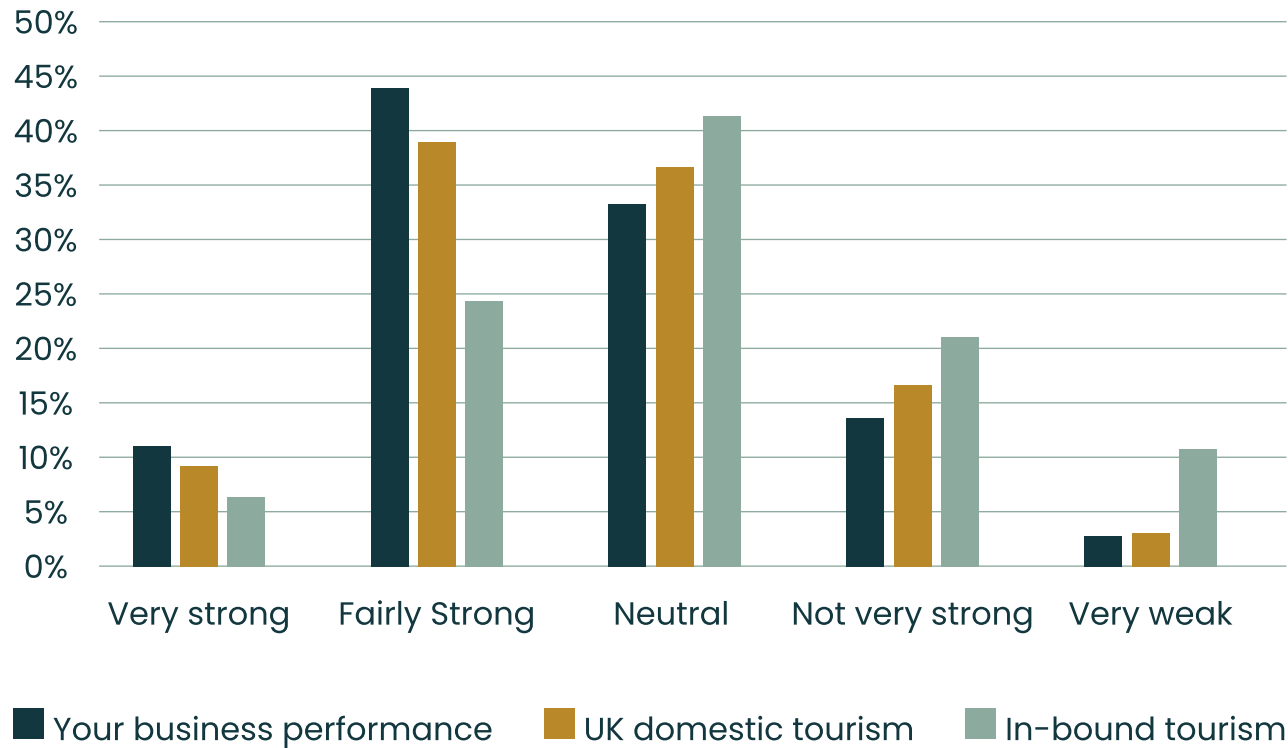
389 responses



## PROSPECTS FOR 2024

The data indicates that 55% of hospitality businesses surveyed rated their prospects for 2024 as “very strong” or “fairly strong” in terms of business performance. This is a significant testament to the resilience and optimism within the industry. This level of confidence is particularly noteworthy in the context of the challenges the sector has faced, including the aftermath of the pandemic, the cost-of-living crisis and increased costs.

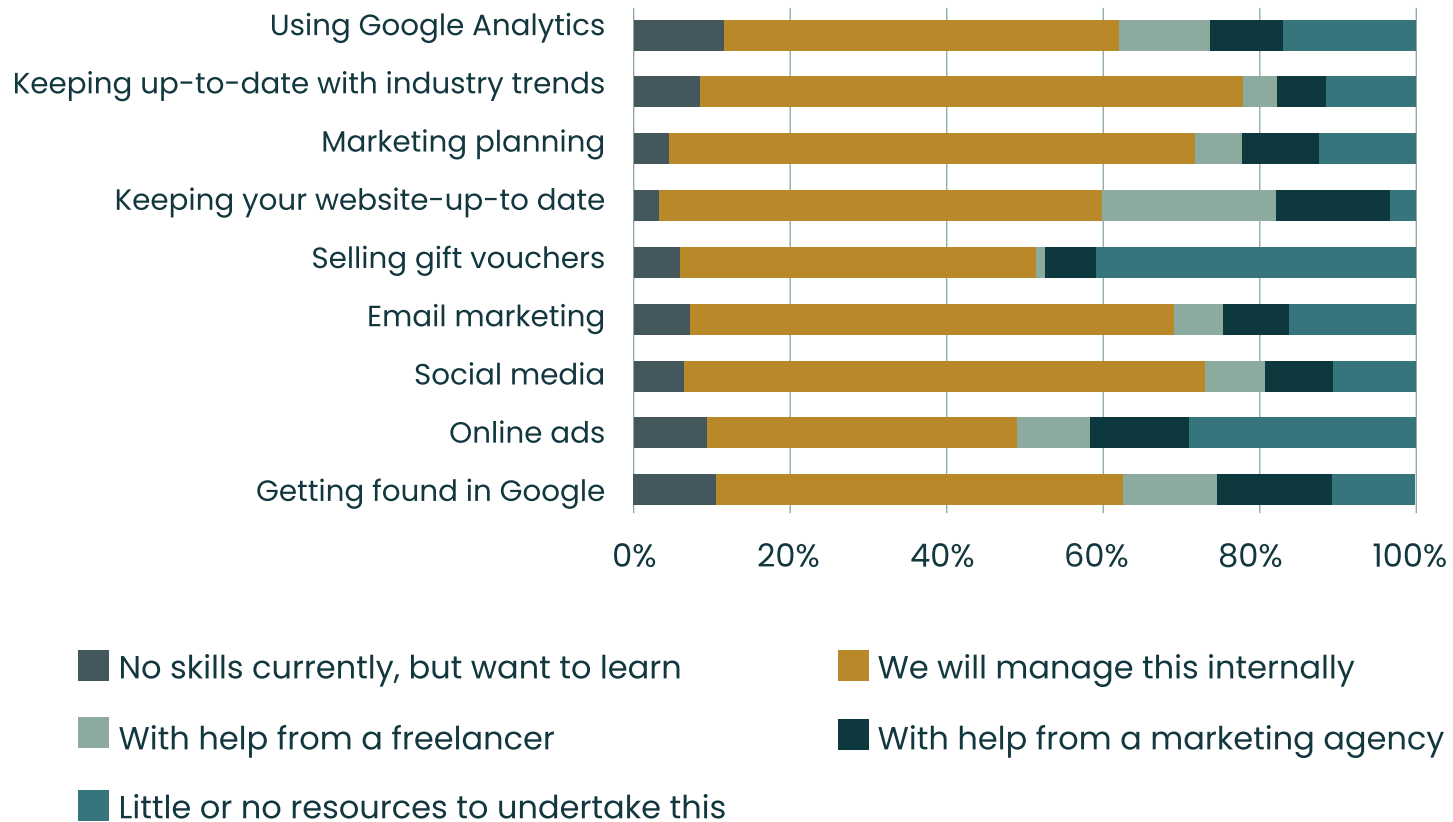
### How do you rate the prospects for 2024?



## THE FUTURE OF HOSPITALITY MARKETING

Our research showed most hospitality businesses plan to handle their marketing internally in 2024. This approach reflects cost efficiency, in-house expertise, tailored strategies, adaptability, and alignment with business goals. It also underscores the importance of brand consistency and data security. While businesses opt for internal management, they may still seek external expertise when needed.

### How will you undertake marketing activity in 2024?



## MARKETING CHALLENGES

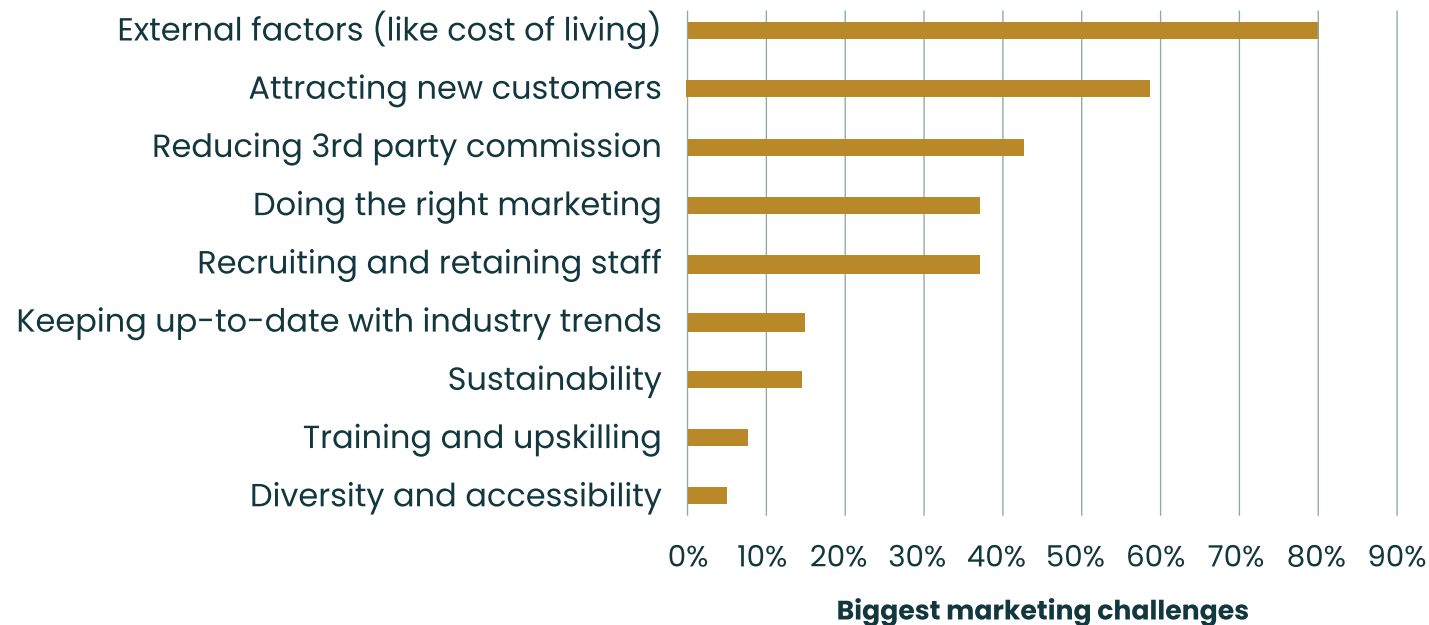
The data reveals that hospitality industry predicts the biggest marketing challenges in 2024 to be external factors, such as the cost of living and energy bills. This alongside the challenge of attracting new customers provides valuable insights into the complex landscape that hospitality businesses anticipate in the coming year.

Hospitality businesses may need to carefully evaluate their pricing strategies to remain competitive while accommodating consumer budgets. Implementing energy-efficient practices and technologies can help mitigate the impact of rising energy costs while aligning with sustainability goals.

Being part of an accreditation scheme can significantly bolster a hospitality business's ability to attract new customers. These schemes offer a variety of advantages that not only enhance the business's reputation but also build trust and appeal to potential guests.

### What do you foresee as the three biggest marketing challenges for 2024?

392 responses





**6% of responders foresee other marketing challenges for 2024:**

**“Airbnbs, which are not regulated.”**

**“Investing in the business when costs are so high.”**

**“Repeat bookings by making visitors feel welcome and special.”**

**“Keeping prices reasonable whilst suffering higher costs.”**

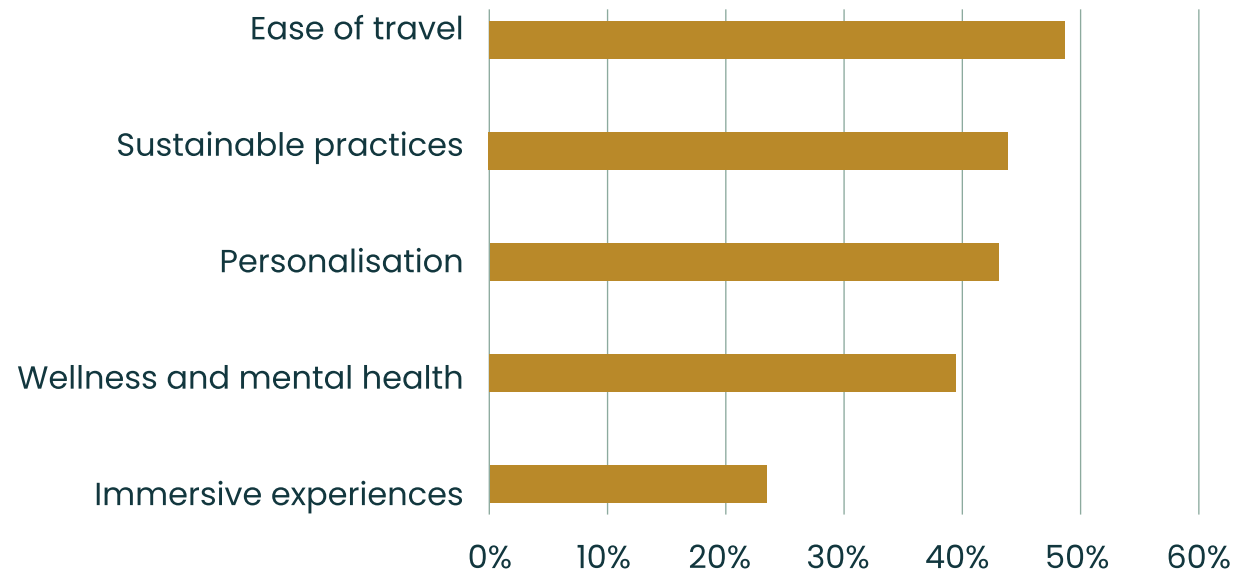
## TOP 5 UK HOSPITALITY TRENDS FOR 2024

### | 49% BELIEVE EASE OF TRAVEL WILL BE THE BIGGEST HOSPITALITY TREND

Anticipating the prominence of ease of travel as a major trend for 2024 signifies an industry keenly attuned to the changing needs and expectations of travellers. This trend suggests a strong commitment to enhancing the overall travel experience, from booking and transportation to accommodation and leisure activities. As travel becomes increasingly accessible, businesses that prioritise seamless travel experiences can gain a competitive edge.

### What do you predict the biggest trends will be for the UK hospitality industry in 2024?

380 responses



**8% of responders predicted other trends for 2024:**

**"Buying and supplying local produce."**

**"Car-free holidays."**

**"Responsive (dynamic) pricing."**

**"Lack of demand due to 'cost of living' crisis."**

**"Education vacations."**



## **ACTIONS FOR HOSPITALITY BUSINESSES**

**Clare Bushby, Managing Director, Clockwork Marketing shares key actions hospitality businesses can take to maximise the findings of this research.**

All hospitality businesses lose a percentage of customers each year. You can't rely solely on loyal guests to keep your occupancy high, as they are a smaller percentage compared to new customers, and not that loyal.

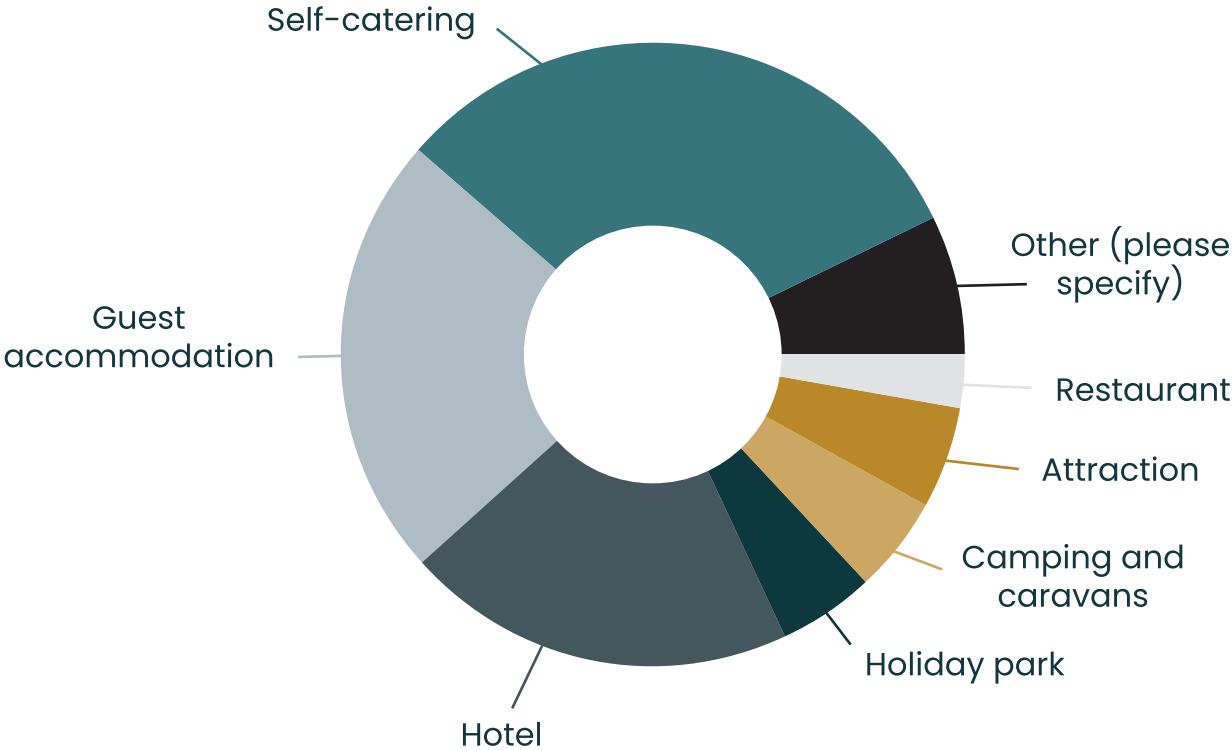
Consistent and ongoing marketing is key to building your hotel brand and attracting new guests to gain a larger market share. Those with a bigger customer base aren't as affected as much by fickle guests. Constantly attracting new guests will put you in a stronger position than your competitors, especially if there's a wider downturn, helping you weather any choppy waters.

Additionally, understanding tomorrow's travellers' needs, wants and behaviour can also help you stand out, which is why a report like "Hospitality in Focus: 2023 and Beyond" is so important. Using the findings alongside digital marketing is key to ensuring you gain solid return on investment for any spend and make your marketing go further.

## METHODOLOGY

Data was collected through an online survey conducted in July and August 2023, using a publicly accessible link that was promoted within the UK hospitality industry. All survey participants were based in the UK, and inclusion was limited to individuals actively employed by or representing UK hospitality businesses. A total of 481 individuals successfully completed the survey.

### BUSINESS TYPES





## SURVEY PARTNERS



### About Clockwork Marketing

Clockwork Marketing is a specialist hospitality and hotel marketing agency. Through emotive creativity, we bring your guest experience to life, setting your business at the heart of desirable travel. Colouring travel dreams since '92.

For over 30 years we've provided marketing services exclusively to UK hospitality businesses including marketing strategy, branding and design, website development, digital marketing and gift voucher shops.

**[www.clock-work.co.uk](http://www.clock-work.co.uk)**



### About AA Media

AA Media connects the UK with travel ideas and rated hospitality businesses. It includes AA Hotel & Hospitality Services, which rates and publishes information about the hospitality industry, including hotels, guest accommodation and restaurants. They introduced the renowned star rating scheme for quality in 1908 and have inspected restaurants for the Rosette award since 1956. Every year, they publish a well-established range of lifestyle publications such as the camping and restaurant guides. All AA-rated places are featured on **[RatedTrips.com](http://RatedTrips.com)**.

To become an AA scheme member, join via the official website  
**[www.ratedtrips.com/get-AA-rated](http://www.ratedtrips.com/get-AA-rated)**

