

Budget Hotels - UK - August 2009

Report Price: £1500 / \$3000 / €2250

What is this report about?

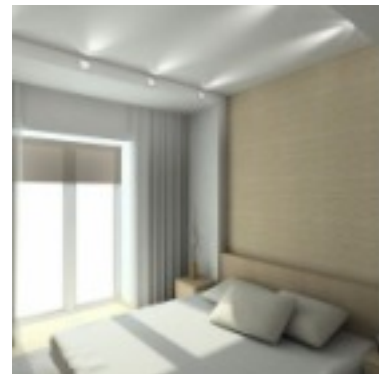
Unlike many of the sectors in the travel market, budget hotels find themselves well placed to face down the recession. Businesses have cut budgets and many commercial travellers have turned to the budget chains in place of the mid-market hotels they had previously been using. Leisure travellers have increasingly considered budget options as a way of making their holiday pounds stretch. And with the number of overseas holidays being taken falling for the first time in over a decade, many have predicted that 2009 will be characterised by more UK residents holidaying at home than ever before.

Key issues covered in the analysis

- Mintel forecasts that despite a tough year, the budget hotels market will bounce back quickly, growing in value every year after 2009 to reach almost £1.5 billion in 2014.
- The sector continued to grow in importance during 2008. We estimate that budget hotels currently make up 10.3% of the total hotel market by value.
- The number of branded budget hotels in the UK will reach almost 1,500 by the end of 2009. The number of bedrooms available will top 100,000.
- Price remains the most important usage driver. Over seven-in-ten of those that have stayed at a budget hotel at some point say that price had the most influence on their choice.
- Operators face a 'one-night' barrier to use from many.
- 14 million say that budget hotels are OK if it's just for one night while only 5 million believe they are a good option for a multiple-night stay
- Having said that, the recession is changing attitudes. 4 million say they would rather pay for a better quality hotel (down from 5.5 million in 2007) and 13 million believe that they are more likely to use budget hotels as money gets tighter.

Scope of the report

Budget hotels are on the whole purpose-built, branded accommodation units with a minimum of 50 rooms and standard low prices. Individual units are often known as lodges, inns or – less commonly now – motels. Originally located close to motorways and busy roads, budget hotels have also become more common in city-centre locations.



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