

The Hotelier Pulse Report No.2





Week: May 11th – May, 17th 2020

Welcome to the 2nd Edition of the Hotelier PULSE Report.

Every 2 weeks we survey a number of Hoteliers from across the globe to identify current challenges, opportunities, and trends across the industry. Checking the industry’s vital signs every 2 weeks not only allows us to track the evolution of sentiment as current events unfold, but provide our participants with valuable data and insights.

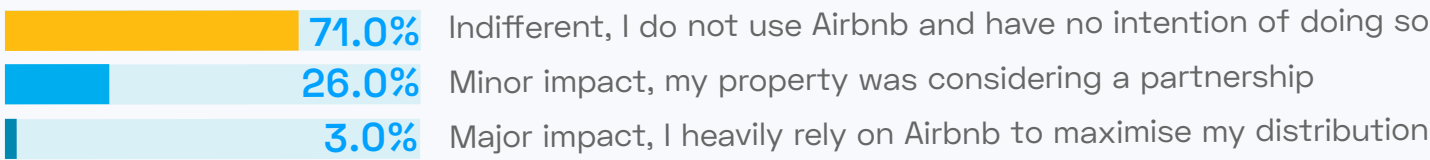
In this 2nd Edition, we highlight key developments compared to the 1st Edition we published 2 weeks ago. Read on to see key findings and the evolution from last week across the industry worldwide.

This Week’s Poll

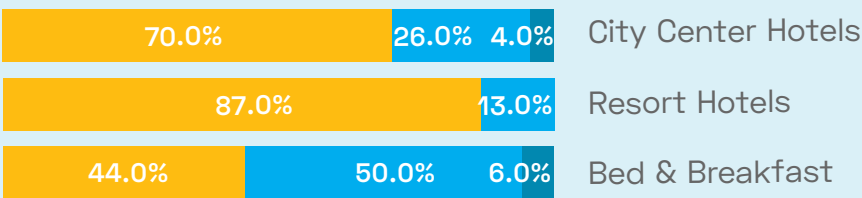
From the 11th to the 17th of May, 2020, after Airbnb announced plans to reduce investment on hotels and luxury properties, we asked Hoteliers what would best describe their opinion and the impact of this event on their property’s distribution.

Only **3.0%** of respondents said the event would have a ‘major impact’ on their property’s distribution. Meanwhile, **71.0%** reported complete indifference to the news because they neither currently rely on Airbnb for distribution nor have plans to do so in the future. The remaining **26.0%** said reducing investment would have a minor impact on their business.

What best describes your opinion and the impact of this event on your property's distribution?



Bed & Breakfasts represented the majority of respondents predicting a major impact in comparison to Resorts and City Center Hotels. **56.0%** of Bed & Breakfasts believe that reduced investment will significantly impact their distribution. The Resorts property segment represented the majority of indifferent respondents at **87.0%**.



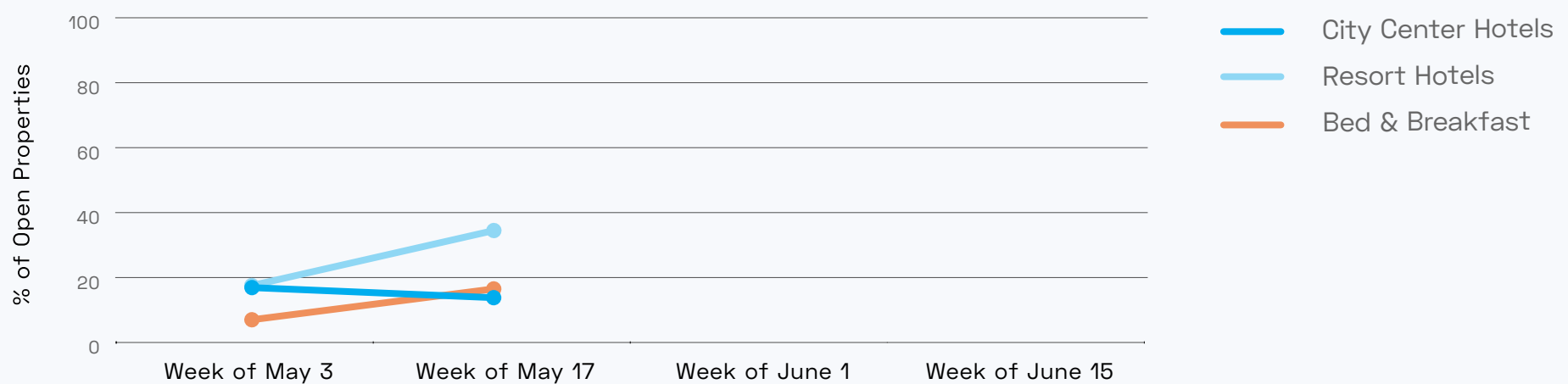
1. How Are Hotels Doing This Week?

Although all properties continue to be largely affected, the percentage of 'complete shutdown' has decreased from **85.4%** to **79.0%** over the course of 2 weeks since the 11th of May. This indicates an upswing of hotels slowly opening their doors, leading to the **3.5%** increase in hotels with major restrictions. On the bright side, the percentage of Hoteliers in the 'Recovery' and 'Minor Restrictions' stage has more than doubled from **2.1%** to **5.0%** over the past fortnight.

1.1 Covid Impact On Your Hotel: What Best Describes it?



This week, **13.7%** of the respondents from city hotels said the hotel was open (Vs **16.9%** last week) which was the only hotel type showing a descendent move. Both Resorts and B&Bs increased its openings, however Resort Hotel register a bigger jump, more than doubling the % of hotels opened: from **14.3%** 2 weeks ago to **35.5%** this week.

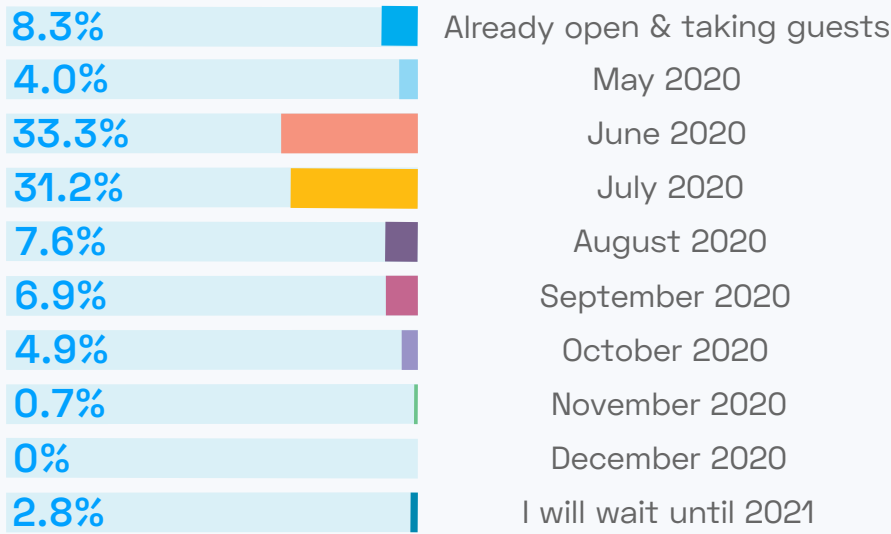


This week, we found that **12.0%** of properties are already receiving guests in comparison to **8.3%** two weeks ago. City Center Hotels and Resorts are the only properties currently receiving guests, while all Bed & Breakfasts in the poll are still closed. However, Bed & Breakfast respondents said they will not wait until 2021 to start accepting guests.

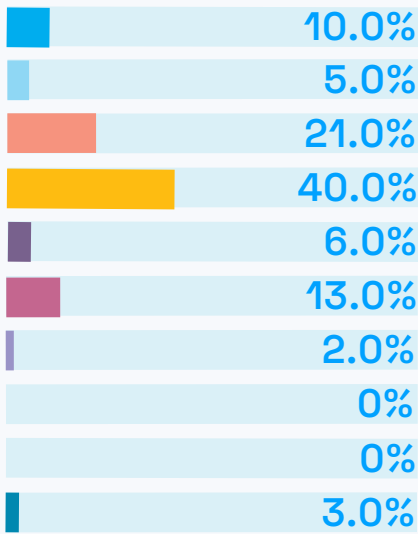
The expectation of when hotels will reopen appears to have been delayed from June to July 2020. In our first survey 2 weeks ago, **33.0%** of respondents revealed the intention to reopen in June compared to only **21.0%** this week. Analyzing the same timescale, **40.0%** of respondents now expect that their property will reopen in July, in comparison to **31.0%** two weeks ago.

1.2 I am confident that my hotel will re-open and take guests in:

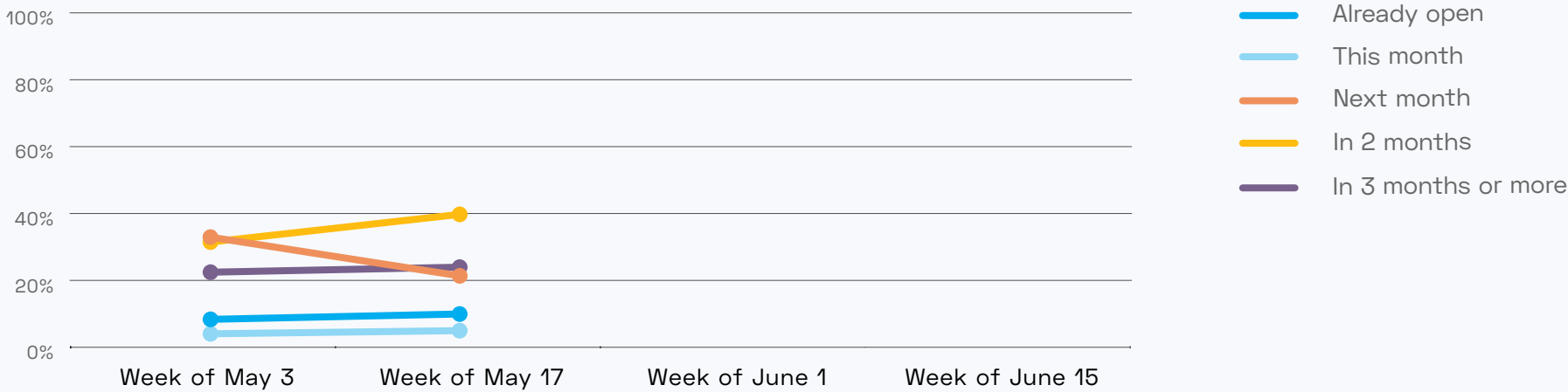
2 Weeks Ago



This Week



One important note, the percentage of forecasted openings in September almost doubled over the past 2 weeks: from **6.9%** to **13.0%**.



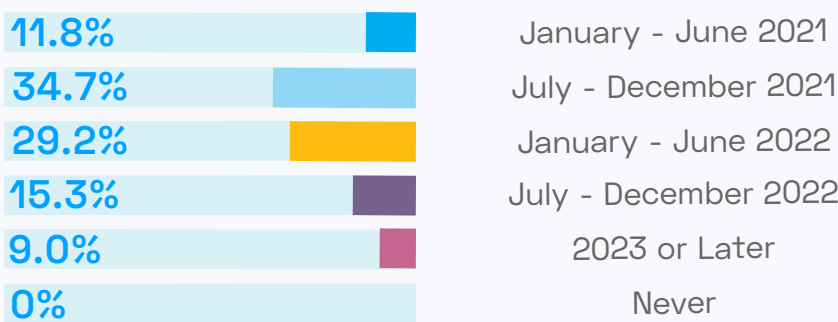
2. Financial Recovery Forecast

The sentiment appears to be more optimistic regarding financial recovery. While 2 weeks ago less than **50.0%** of respondents expected business revenue to return to 2019 levels by 2021, this week the percentage has increased to **59.0%**.

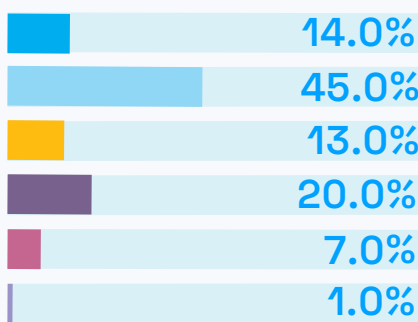
However, there has also been a notable increase in the percentage of respondents that believe their business will only recover to 2019 levels during the 2nd semester of 2022 - from **15.3%** to **20.0%** this week.

2.1 When do you think your business will recover to the same financial position as 2019?

2 Weeks Ago



This Week

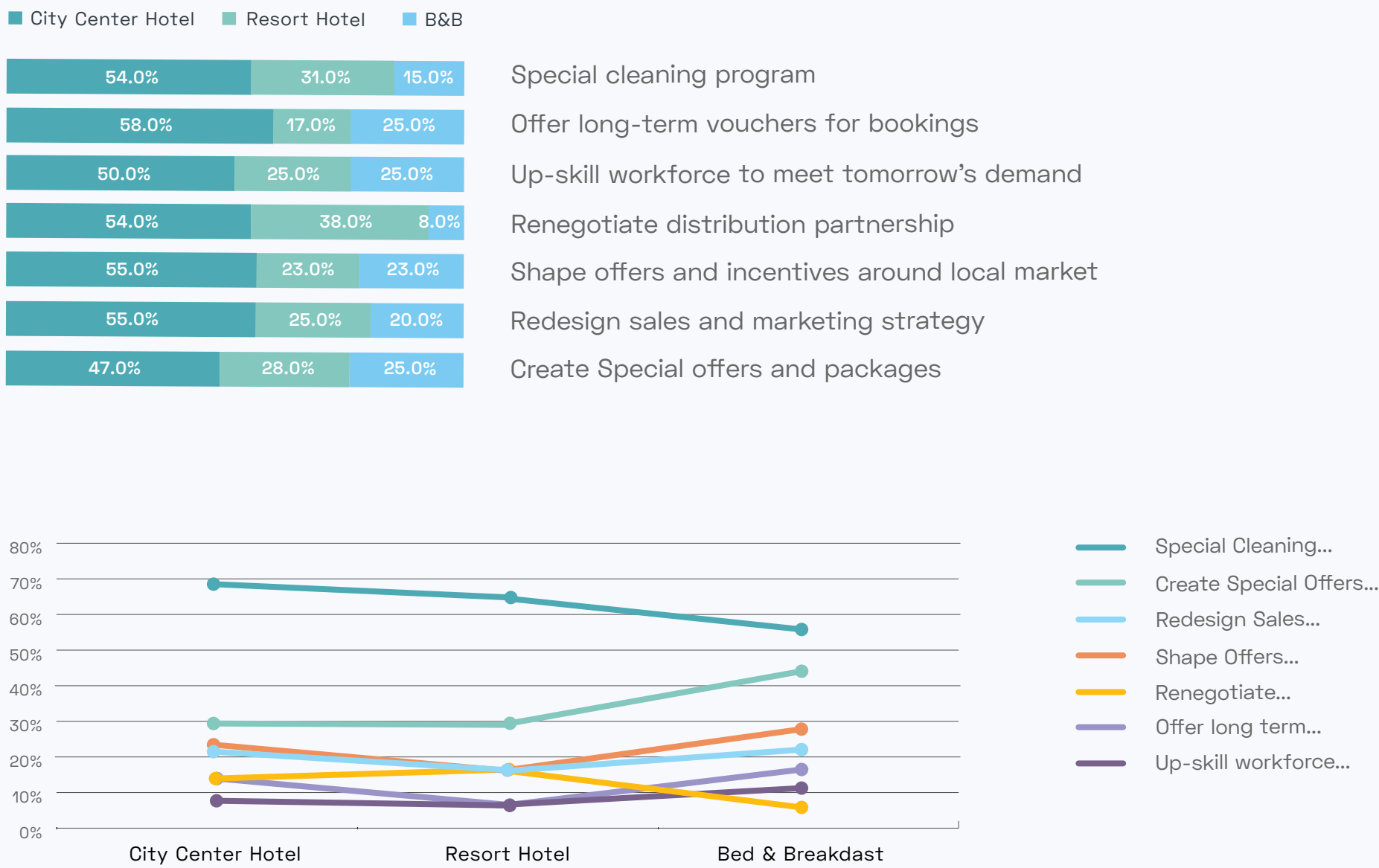


3. Concerns, Key Priorities and Short-Term Strategies to Prepare for the Upturn

When asking the respondents about top priorities, putting an enhanced cleaning program in place to accommodate guests' Health & Safety concerns continues to be the priority for every type of hotel as it was 2 weeks ago. **68.6%** of city center hotels respondents said that this was clearly on their agenda as top priority, while **65.5%** of Resorts respondents and **55.7%** of Bed & Breakfasts felt exactly the same.

Directly below implementing an enhanced cleaning program, creating special offers and packages to generate new bookings also remain the top of mind of the majority of the respondents from all property segments. As for less prioritized actions, both Resorts and City Center Hotels feel offering long-term vouchers for bookings and up-skilling workforce to meet tomorrow's demands are not as important.

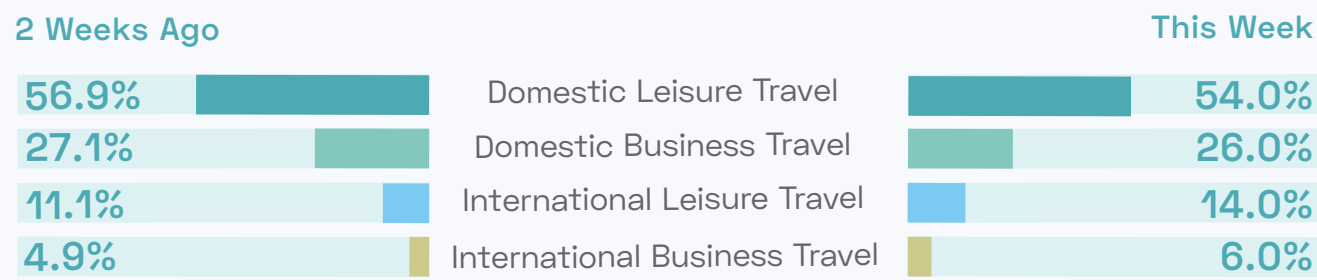
3.1 What is your number 1 priority in overcoming the Covid-19 crisis and preparing for the upturn?



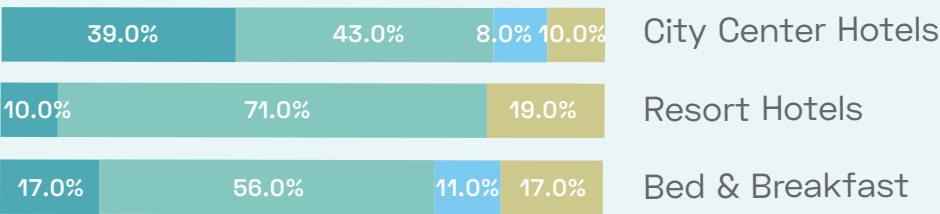
When it comes to recovery contributors, the general feeling did not change significantly over a period of 2 weeks. Although there has been a notable increase in respondents who believe International Leisure and Business Travel will be the 1st contributors to their recovery when restrictions are lifted.

2 weeks ago, **84.0%** of respondents believed Domestic Tourism would be the top contributor while only **15.0%** said International Tourism. This week, the ratio was 80/20.

3.2 What segment do you think will be the first contributor to your recovery?



No Resort respondents believe international business travel will contribute to their recovery, due to the nature of their business. City Center Hotels and Bed & Breakfasts were more evenly between domestic business travel, due to their type and location, being the selected choice for business travelers.



4. Consumer Behaviour

Last week, we once again asked Hoteliers to share their expectations regarding consumer behaviors when restrictions begin to lift, in order to measure any downward or upward trends in market expectations over a period of 2 weeks.

Although Hoteliers once again expected consumers to rate Health and Safety as ‘Extremely Important’ in a scale of 1 to 7 (7 being ‘Top Importance’), the expectation is trending downward (6.6 vs 6.5 two weeks ago). However, ‘Flight capacity’ (rated 5.9 out of 7) and ‘Tighter Budgets’ (rated 5.3 out of 7) are trending upward.



5. Sales and Marketing Long-Term Strategies

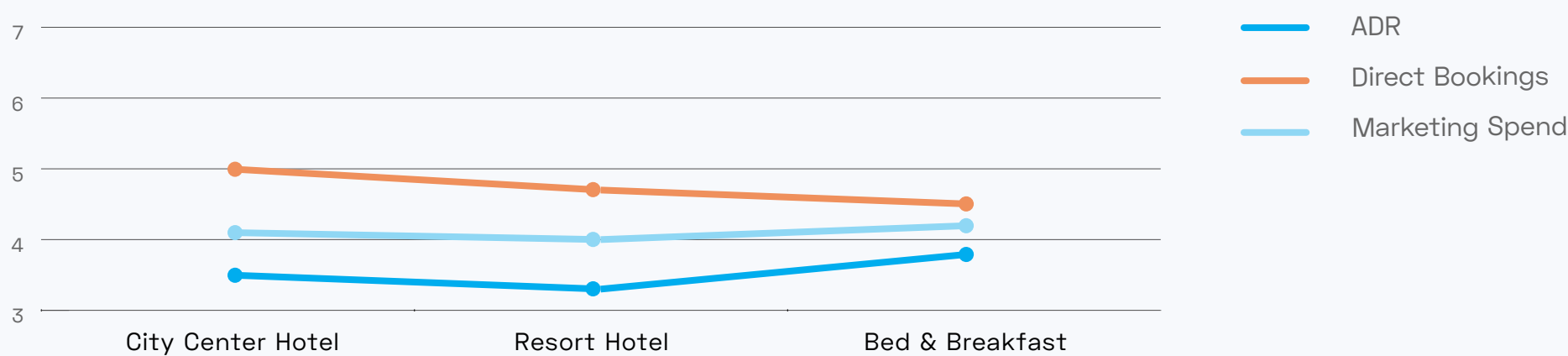
When it comes to Hoteliers' expectations on whether ADR, marketing spend, and the level of importance in direct bookings will increase or decrease, we found a downward trend in comparison to the 1st Edition of The Hotelier PULSE Report. Once again, we asked hoteliers to rate the following topics on a scale of 1 to 7, with 7 being the highest level.

Although the majority of this week's respondents still believe direct bookings will increase in importance in the next 12 months, this expectation decreased significantly in comparison to 2 weeks ago, from a **5.2** rating to **4.8**. Marketing spend follows this trend as well, from an average of **4.4** to **4.1**. However, the majority of respondents say they will not decrease their marketing spend.

As for ADR, the trend remains largely the same. However, more respondents this week believe the ADR definitely will decrease - from a **3** rating to **2.7** on the scale, with Resorts representing the majority of properties more convinced that ADR will decrease.



City Center Hotels are more convinced that direct bookings will increase in importance (rating **5** on the scale) when compared with Resorts (**4.7**), and Bed & Breakfasts (**4.5**). This was slightly different for marketing spend. The Resorts segment has more respondents who said they would maintain the budget or even decrease it (rating **4.0** on the scale) compared to B&B (**4.2**) and City center hotels (**4.1**).



Conclusion

As more properties move toward the ‘Recovery Stage’, the outlook on the current climate has also evolved significantly in just 2 weeks. There is notably an increased level of optimism regarding the timeframe for financial recovery to 2019 levels. Although over **30%** expected to only return to this position in 2022 two weeks ago, nearly half of the Hoteliers surveyed last week feel confident that revenue will recover to 2019 levels in the 2nd semester of 2021.

Thank you everyone for participating in this study!

If you want to receive the next edition of the Hotelier PULSE Report and continue tracking the evolution of sentiment across the industry, be sure to submit your answers to the 3rd Round of Questions we have launched. The deadline for submission is Sunday the 29th of May next week.

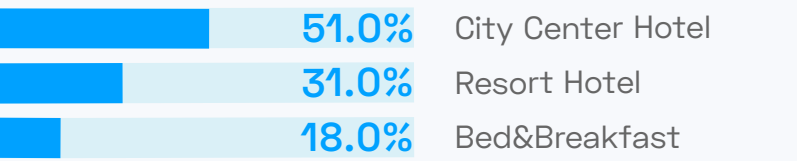
As one of our Featured Respondents in this Hotelier PULSE Report, we are giving you a head start. You can take our next 5-minute survey **here**.

And finally, if you have any peers in the industry that would like to become a part of The Hotelier PULSE Report, please be sure to share the link to the survey with them.

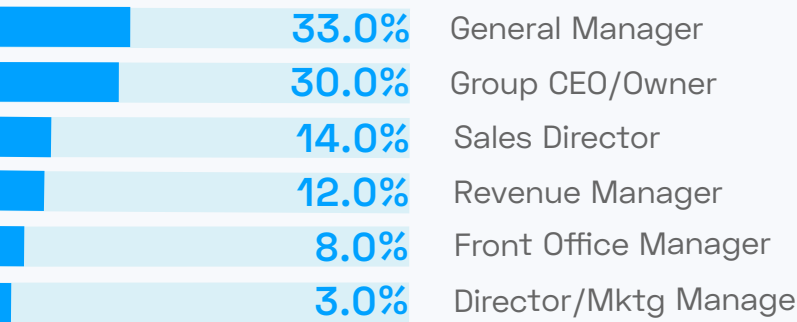
About This Survey

For this edition of The Hotelier PULSE Report, we surveyed 100 Hoteliers across the globe. The vast majority of our respondents are key decision-makers at hotels. General Managers represent the majority at **33.0%**, followed by Group CEO’s/Property Owners at **30.0%**. The remaining respondents include Sales Directors (**14.0%**), Revenue Managers (**12.0%**), Front Office Managers (**8.0%**), and Marketing Directors (**3.0%**).

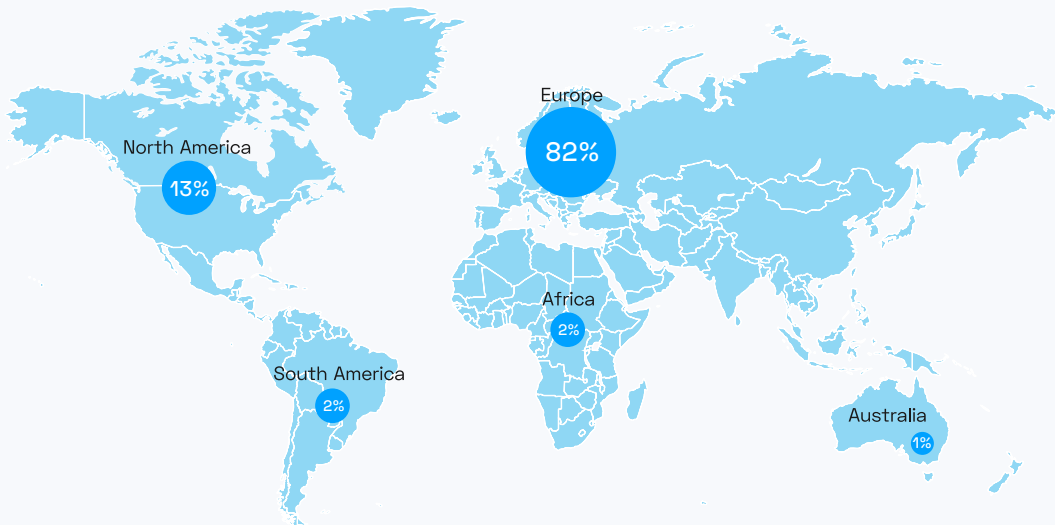
Type of Property



Role



Property Locations



Pulse - The Hotelier Barometer N.2



We will be emailing you and other hoteliers another round of questions next week or you can take our new survey directly **here**.

So, if you would like to track the evolution of sentiment across the industry, be sure to take our poll. Please reach out if you have any questions.

You can share the survey with your peers on your social media pages:



ghotw.com

guestcentric.com