

The Hotelier Pulse Report

10

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Editor's Note

BY PEDRO COLACO

“To expect the unexpected shows a thoroughly modern intellect.”

I wrote the world-famous author and Poet, Oscar Wilde. Following the unprecedented events of 2020, I think that we have all come to expect the unexpected in 2021.

The past year has undoubtedly been incredibly challenging for the industry, with the curveball of the pandemic bringing bookings to a complete halt, driving a surge in cancellations, and forcing hoteliers to close their doors. Despite the hope of widespread vaccination as a light at the end of the tunnel, wavering restrictions persist and continue perpetuating a host of economic implications for hotels worldwide.

Yet through it all, the industry has stood together to build toward a brighter future. It has been truly inspiring to hear stories of creativity and resilience from our Hotelier Spotlight Interviewees in 2020.

Although from different corners of the globe, each share the common passion for the industry, and determination to overcome the events of 2020 and reshape the industry for the better in the years to come.

As we reflect on the Market Trends of 2020, our first Hotelier PULSE Report of 2021 introduces two new areas of consumer behaviour analysis: Cancellations Behaviour in 2020 and The Rise of Domestic Travel in 2020.

Both trends have come to represent the very nature of the industry today, and as such are important to review in preparation for what will likely persist in 2021.

The good news is that we are seeing some signals of optimism across the industry as we kick-start the new year, with decreasing numbers of hotels in complete shut-down. We even see that some hotel segments now expect to financially recover to 2019 levels this year.

In summary, what a year it has been. And what a way to launch the new year with our 10th Edition of The Hotelier PULSE Report. This of course, would not have been possible without the continuous feedback of our worldwide Hotelier Community. We look forward to continue receiving your feedback, which will significantly benefit the industry in 2021.

Please share your valuable insights in our January 2021 survey [HERE](#).

Thank you all for sharing your feedback and sentiments with the global Hotel Community in 2020. Here's to another year, and may it be better than the last.

Sincerely,

**Pedro Colaco,
CEO of Guestcentric & Editor
of The Hotelier PULSE Report**

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December Key Takeaways

01.12.2020/31.12.2020



Market Trends

- Overall, the year 2020 generated **42.2%** of booked nights in 2019.
- The Direct channel has proven to be the most resilient in 2020, generating **58.6%** of bookings in 2019, outperforming Booking (**41.5%**), Expedia (**22.8%**), and GDS (**26.6%**)
- 'Domestic Travel' made a comeback in 2020, now representing **49.7%** of nights booked per annum, vs **23.0%** in the year 2019.

Occupancy Trends

- Our 10th edition marks a **8.0%** decrease hotels still in complete shut-down, from **31.0%** in our November 2020 survey, to **23.0%** in our December 2020 survey.
- Interestingly, **1.2%** of Hoteliers surveyed in December 2020 reported not feeling the impact of the pandemic anymore.
- Resorts represent the majority of Hotels dealing with minor restrictions (**13.0%**) and also in the recovery stage at (**30.4%**).

Financial Recovery Forecast

- Following a steady increase in Hoteliers expecting revenue declines of **50.0%** or more, the start of 2021 shows a **4.4%** decrease in respondents who share this sentiment
- Of Hoteliers surveyed in December 2020, **7.8%** expect revenue to increase in 2020 vs 19, compared to **3.4%** who shared this view in our November 2020 survey.
- Curiously, City Center Hotels represent the majority of respondents expecting revenue to increase in 2020 compared to 2019. Of those surveyed, **8.8%** expected to close 2020 with a **50.0%** revenue increase.

Concerns, key priorities & short-term strategies

- The need to Put a Special Cleaning Program in Place has risen in importance once again, and now ranks 3rd in the list of short-term recovery priorities.
- 'Creating Special Offers & Packages to Generate New Bookings' grew to **59.0%** of responses in our December 2020 survey (vs **57.1%** in our November 2020 survey).
- The need to 'Up-skill workforce to meet tomorrow's demands' grew almost **4.0%** since our December 2020 edition.

Guest Behaviour and Hotel expectations

- Out of all property segments, resorts are most concerned with Health and Safety precautions, rating it **6.20** out of 7.
- City Center Hotels are most worried about tighter budgets at **5.29**.
- Out of all property segments, Bed & Breakfasts are most likely to decrease their ADR - rating it **3.71** out of 7.

Sales & Marketing Priorities over the Next 12 Months

- The 'Hotel Website' continues to be considered the most important Sales & Marketing priority for Hoteliers. In this edition. It now ranks as the most important priority by **59.7%** of respondents.
- In 2nd place, we have Social Media, considered extremely important by **44.2%** of Hoteliers.
- In previous editions, OTAs held 2nd place right after the Hotel website. Today, OTAs now sit in 3rd place, considered extremely important by **41.6%**

Interview of the month

Daniela Hupfeld



As we turn the page on 2020, we shine our Spotlight on Hoteliers to understand how the economic downturn continues to impact the industry and what's on the horizon for 2021. In this month's Hotelier Spotlight Interview, we catch up with Daniela Hupfeld, Commercial Director at Pierre & Vacances España and Member of Revenue Management Advisory Board at HSMA Deutschland.

What is the status of hotels in your region today? What are your biggest concerns?

Many hotels in Spain are seasonal, and we shut down most of them at the end of October each year anyway. But what happened in 2020 is that we closed many of our hotels earlier, and are now only planning to open them later. Therefore, the properties that we usually keep open over the winter, for example in Benidorm where we have guests who retire there during this season from Northern Europe, remain closed. Although the vaccine is good news, this is

more in the context of everyone's health. But realistically, it will take some time before the vaccination program is fully rolled out throughout the globe and it is deemed fully safe to travel again. Then we need to get airplanes back up and running because many of our properties are located on the islands and only accessible by airplane. Another challenge has been to keep our teams motivated during this time. We do our best to keep positive however, using this downtime to get ready. Because like the unexpected strike of the crisis, the upturn will also hit us fast and at the last minute. If we are not ready when that time comes, we will lose out again. That is the worst thing that can happen to any hotel: Having the opportunity, but not being in the position to make use of it.

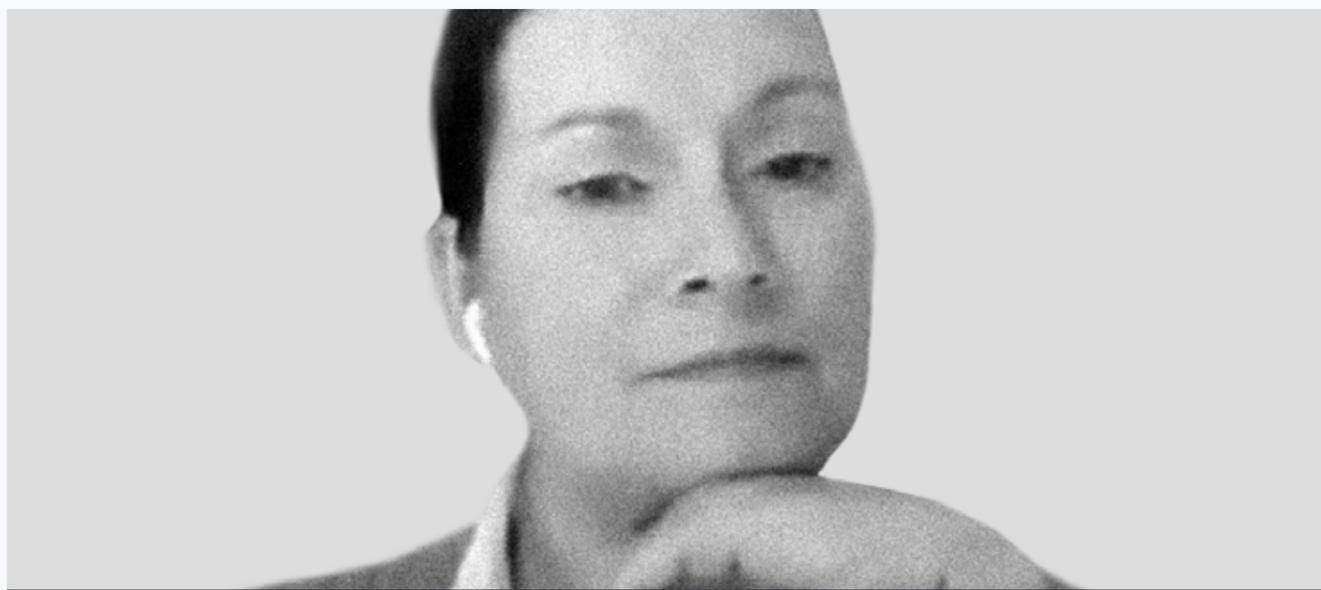
We're seeing a sharp increase in Hoteliers expecting to financially recover in 2023. Would you say this expectation is the same in your region? Is there something that could happen in the new year to change that timeline?

It obviously depends a lot on whether you're an independent, smaller hotel or part of a larger chain of group of hotels. Where you are sitting will strongly influence the timeline of recovery back to 2019 levels. I personally think city center hotels will face a greater challenge than leisure hotels in remote locations, because people are still looking to go away on a break from overcrowded cities and can somehow afford it. It is my expectation that leisure hotels will probably bounce back sooner than the city center hotels. This is also due to the widespread uptake of technology

across corporate businesses. More people are working from home. Meetings of 15 to 25 people can be done via Zoom or Google Meet video conference rather than face-to-face. As soon as it's safe, I can see groups business and bigger meetings coming back. Mostly because most businesses find this a bit more difficult to do online. To return to 2019 levels, it will take us two to three years for sure. Then there is always the question of how you recover that returning demand. I think there we will see some hotels doing really well and recovering earlier, because they managed to convert that demand at the right time.

Following a steady increase in Hoteliers expecting ADR to decrease in the next 12 months, our latest research shows the biggest shift in the opposite direction. What are your thoughts on ADR and the impact on recovery?

Well it depends if you are looking at prices or really ADR. Many big chains may choose to lower prices with tour operators in order to get business. And what is an independent hotel going to do? Well, they need to follow suit because they don't stand a chance against their competitive set otherwise. While I would encourage holding the line on price, if you are the only hotel with high prices and demand is not enough for all the hotels in the comp set, then you have no other choice because you are forced into it. When we talk about



About Daniela Hupfeld, Commercial Director at Pierre & Vacances and Member of Revenue Management Advisory Board at HSMA Deutschland

Daniela Hupfeld is Commercial Director at Pierre & Vacances for Spain, leading the sales department and building the new revenue management team. Daniela is directly responsible for the revenue management itself as well as for managing sales, reservations, online marketing and communication. Daniela has extensive experience in yield management, having held positions in companies such as Thomas Cook Hotels & Resorts, Europcar, NH Hotels and Radisson Hotels.

development of ADR and what we should always try to do is change the business mix. Leisure travel comes from various channels, whether direct or third-party. So again, look at what you have, look at your contracts and look at the rates you have contracted. I think a big step we are currently working on is moving away from net rates finally in the year 2021, and progressing to dynamic rates. Firstly, you will save manual effort, and people will be able to use their brains for more strategic tasks, and change the business mix and see where you can change it. The average rate will obviously be lower than it used to be in the good years, but you can build it again simply by changing

the business mix. Also through using add on benefits, and making sure the customer has an easy buying journey. You cannot think of how many times people abandon a purchase process because they have gotten annoyed with the website.

In short, the easier you are to buy for the customer, the better chance you are to get bought at a decent price. If the booking experience is simple, the payment works smoothly, and everything is fine, then most customers will be quite happy to just spend a few extra euros.

Read the Full Interview Here.

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Key Takeaways

- Overall, and also factoring in smaller channels and tour operators, the year 2020 generated 42.2% of booked nights in year 2019.
- During December, total bookings have dropped to 57.1% compared to the same period in 2019. The scenario was way better than what happened in November, when total bookings only represented only 35.4% of 2019 results.
- Once again, the Direct channel was the best performing channel, registering the lowest decrease in booked nights amongst all four different channels. In December 2020, the Direct channel achieved 74.6% of total nights booked in December 2019 (vs 58.2% in November 2020), making this the most profitable channel.

Booking Behaviour in 2020

It's a new year and a new chapter for Hoteliers on the road to recovery. As we get ready to take on 2021, our market trends analysis covers booking behaviour throughout 2020.

In the first Hotelier PULSE edition of 2021, we show how each reservation channel performed in 2020 (year-to-date) vs 2019. We also analyse how each reservation channel is recovering, the booking pace evolution, mobile reservations behaviour, and the overall cancellation behaviour throughout the past year.

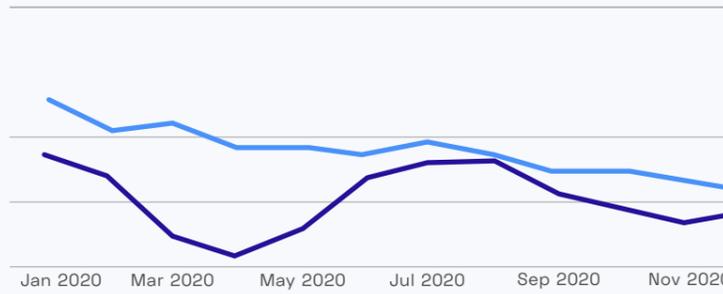
With vaccination programs underway across Europe and other parts of the world, we see signals of increased optimism throughout the travel market. Consequently, this is reflected in bookings registered across all channels in December in comparison to November.

Analysing bookings and stays per channel from 2020 year-to-date, the graphs below show how each of the four main channels performed. These channels are:

1. Direct
2. Booking
3. Expedia
4. GDS.

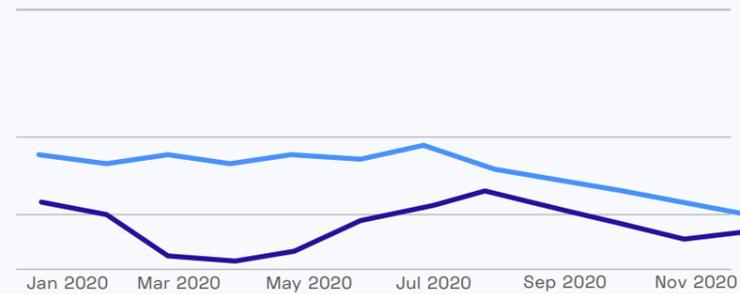
Booked Nights - Direct

● 2019 ● 2020



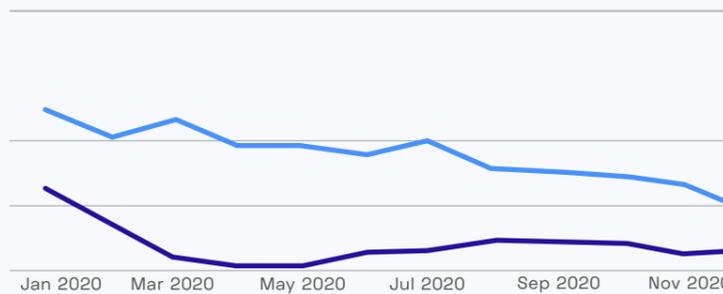
Booked Nights - Booking

● 2019 ● 2020



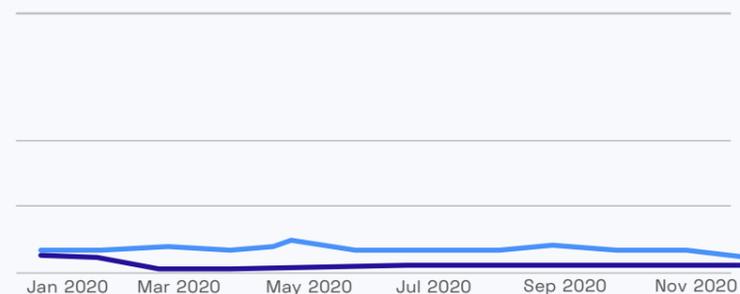
Booked Nights - Expedia

● 2019 ● 2020



Booked Nights - Booking

● 2019 ● 2020



Total bookings in December 2020 were **57.1%** compared to the same period in 2019. This is a notable improvement from November's results, when total bookings represented just **35.4%** of bookings over the same period in 2019.

The Direct channel continues to be the most resilient, and is once again the top performing channel according to December's Market Trends Analysis. In December 2020, the Direct channel generated **74.6%** of total nights booked in December 2019 (vs **58.2%** in November 2020).

In second place is Booking, which generated **64.9%** of nights booked in December 2020 vs 2019, compared to **58.2%** in November 2020 vs 2019. GDS only registered **45.4%** of December 2019 booked nights. However, in December 2020 it increased bookings by more than **20.0%** compared to November 2020 (**26.0%** of November 2019 booked nights).

Expedia was the lowest performing channel in December 2020, generating just **35.7%** of nights booked over the same period in 2019. However, this marks an increase from November 2020 results, where Expedia generated just **26.0%** of booked nights over the same period in 2019.

Looking at the overall results for the year 2020, here are the final results of total booked nights in 2020 VS 2019 for each channel:

- Direct: **58.6%**
- Booking; **41.5%**
- Expedia: **22.8%**
- GDS: **26.6%**

Overall, and also factoring in smaller channels and tour operators, the year 2020 generated **42.2%** of booked nights in year 2019.

Stay Nights - Direct

● 2019 ● 2020



Stay Nights - Booking

● 2019 ● 2020



Stay Nights - Expedia

● 2019 ● 2020



Stay Nights - GDS

● 2019 ● 2020



Following the high season, we saw Stay Nights from the best performing channels, Direct and Booking, continue to decline. However, our December 2020 analysis shows that this trend is now shifting upwards. In December 2020, Direct generated **63.8%** of Stay Nights over the same period in 2019 (vs **56.8%** in November 2020). Booking generated **41.4%** in December 2020 (vs **32.2%** in November 2020).

Contrary to previous editions, Expedia was not the lowest performing channel, registering **27.5%** of December 2019 Stay Nights (vs **18.3%** in November 2020). Meanwhile, GDS generated just **15.7%** of Stay Nights over the same period in 2019 (vs **14.6%** in November 2020).

Looking at the overall results for the year 2020, here are the total stay nights in 2020 VS 2019 for each channel:

- Direct: **73.5%**
- Booking; **53.0%**
- Expedia: **40.2%**
- GDS: **52.2%**

Overall, and also factoring in smaller channels and tour operators, the year 2020 generated **55.2%** stay nights in the year 2019.

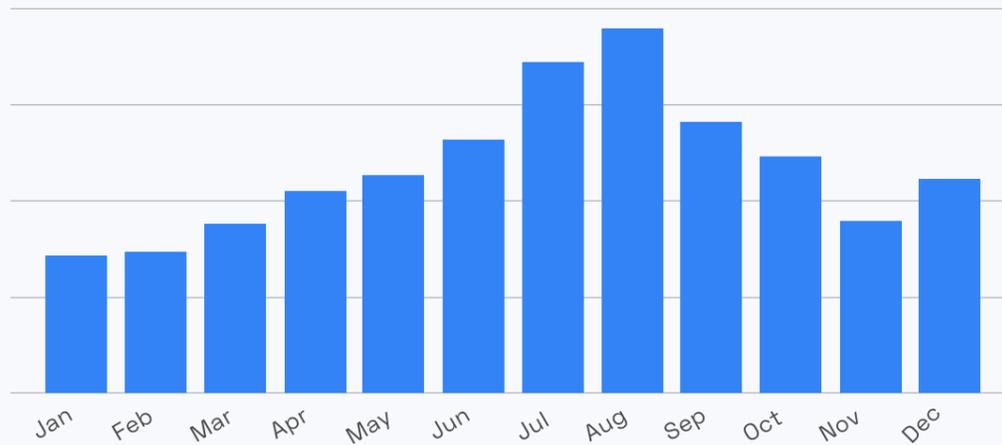
Cancellations Behaviour in 2020

In our 10th edition of The Hotelier PULSE Report, we also introduce a comprehensive analysis of cancellation behaviour over the course of 2020, year-to-date.

Since the beginning of March 2020, we've seen a continuous increase in cancellations until August 2020, the month with the biggest spike in cancellations. These cancellations unsurprisingly arose from nights booked before covid-19 became a global pandemic.

Following the spike between March and August 2020, cancellations started to decrease. This is likely due to both lower volumes of reservations and bookings made at the last minute to avoid cancellations.

Stay Cancellations



International Travel vs Domestic Travel in 2020

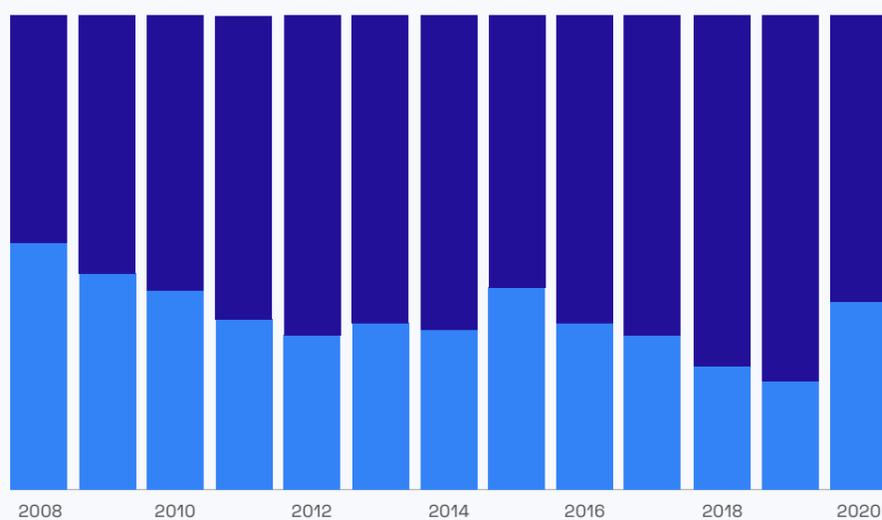
In our 10th edition of The Hotelier PULSE Report, we also introduce a comprehensive analysis of International Travel vs Domestic Travel in 2020, year-to-date.

Since 2008, there has been a notable increase in International Travel and decreased levels of Domestic Travel. However, 2020 drastically changed this.

In 2008 the majority of the nights booked (51.8%) were from guests travelling within their home country. This percentage slowly and steadily decreased over the years leading up to 2019, when domestic travel only represented 23.0% of the nights booked. 2020, however, brought back domestic travel, which grew from more than 25.0%, representing now 49.7% of total booked nights per annum.

Booked Nights

● Domestic ● International

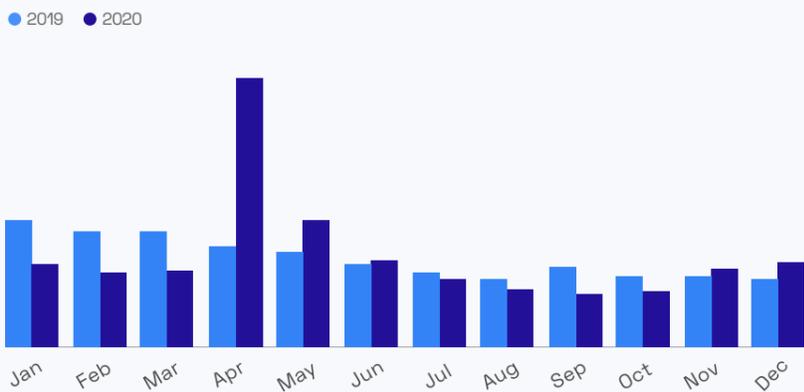


The uncertain events of 2020 significantly impacted booking pace for both International and Domestic bookings. We saw a spike in April 2020 for both segments, revealing attempts to postpone the stay instead of cancelling. In the following months up until November 2020, we saw booking pace decrease substantially with an influx of last-minute bookings.

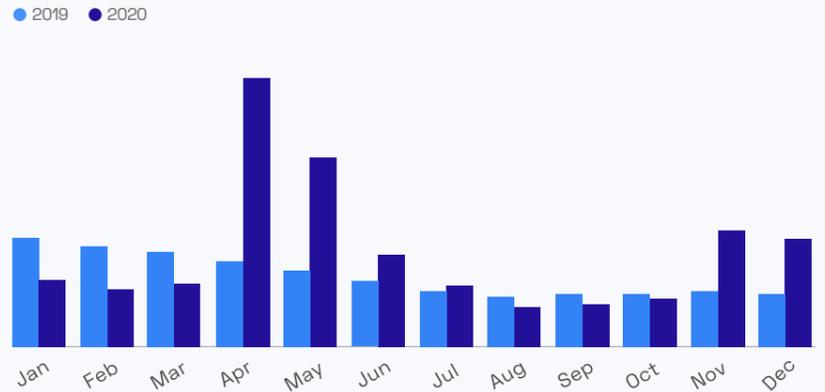
Although international booking pace continues to be much higher than domestic, given the long-term planning that goes into overseas trips, the gap between both narrowed significantly in 2020. So much so that in months like August, the difference was just 10 days. This shows that guests were still booking last-minute for International travels.

In November and December 2020, we can see an increase in the international booking pace. This indicates increased levels of confidence to book with more days in advance and preparation for vacations.

Booking Pace 2019 vs 2020 - Domestic



Booking Pace 2019 vs 2020 - International



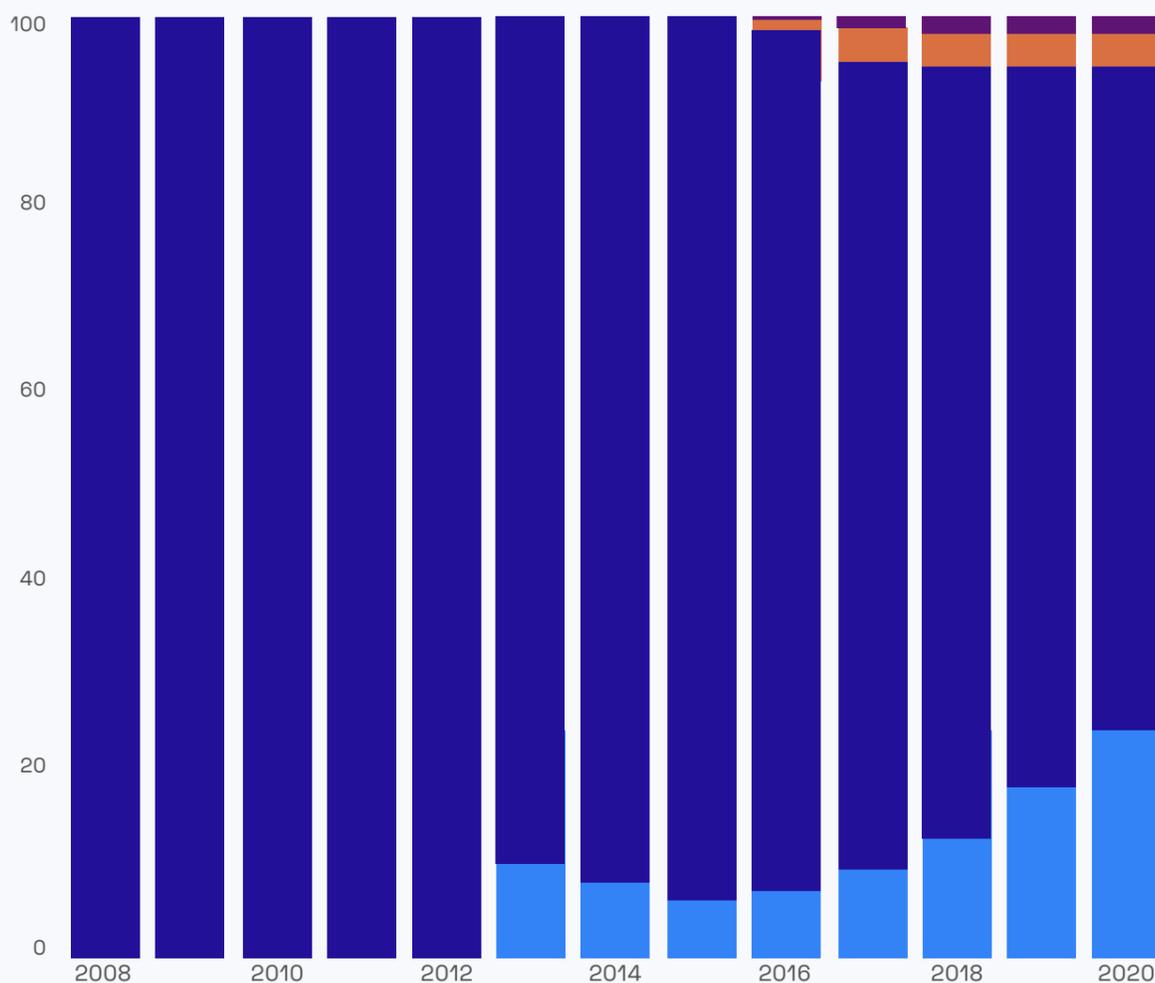
Booking Behaviour Trends

We continue to monitor booking behavior trends that are likely to hold in 2021 and beyond. Here, we analyse the rise of mobile bookings between 2016 and 2020.

In 2016, just **7.1%** of all bookings were made via mobile. In 2019, this number increased to **17.9%**. In 2020, reservations made via mobile device surpassed the **20.0%** mark for the first time, reaching **24.2%** of all reservations. The rise of mobile as the preferred booking device highlights the importance of an optimized, mobile-responsive, website that converts into more direct bookings for Hotels.

Direct Bookings

● Mobile ● Website ● Website Shopping Activation ● Website Shopping Recovery





2.1

Occupancy Trends

Key Takeaways

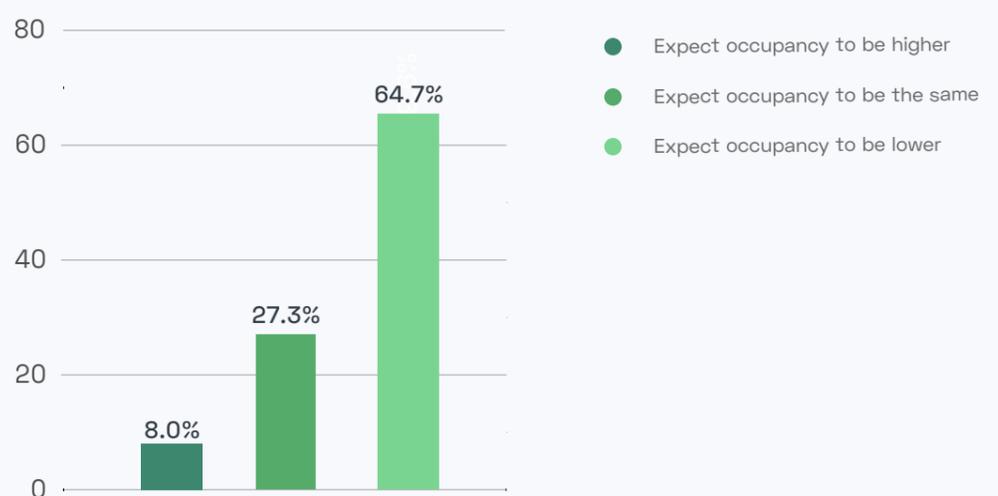
- In our 10th edition of The Hotelier PULSE Report, the average occupancy expected for January 2021 has increased to 18.0%. Rising from 17.0% expected in December 2020.
- As the most optimistic segment, Resorts expect 33.9% occupancy levels in January 2021.
- City Center Hotels expect 13.6% occupancy in January 2021, marking a slight increase from 13.4% expected for December 2020.

POLL:

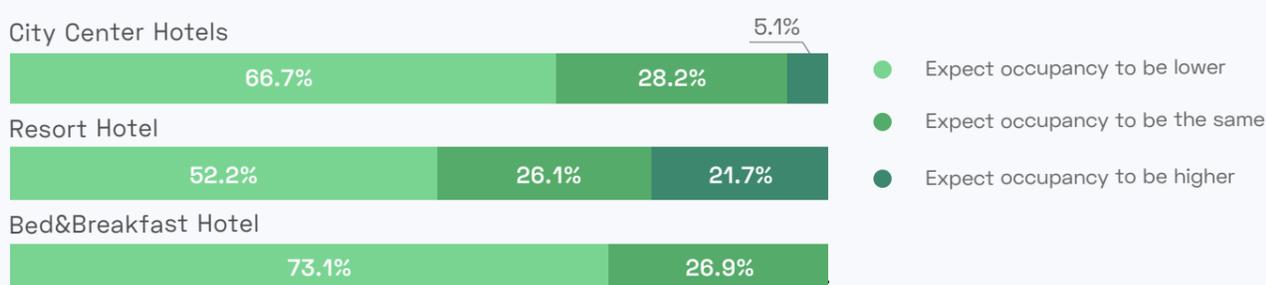
Hoteliers we surveyed in November expected an average of 17.0% occupancy in December. Do you expect your property to be below, the same, or above this expectation?

64.8% of Hoteliers said their occupancy in December would be lower than 17.0%. In our final edition of 2020, 77.0% said the occupancy would be significantly lower than the expectation they had for that month.

27.3% of respondents answered they would meet the 17.0% mark, and only 8.0% said their occupancy would exceed this expectation in December 2020.



Analysing the answers per property segment, 73.9% of Bed & Breakfasts expected December occupancy to be below 17.0%. Meanwhile, 66.7% of City Center Hotels, and 52.2% of Resorts expected the same result.



At **28.2%**, City Center Hotels represent the majority of respondents who expected to meet the average occupancy level anticipated December 2020. In addition, **26.9%** of Bed & Breakfasts and **26.1%** of Resorts are expected to meet the expected **17.0%** occupancy levels in December 2020 .

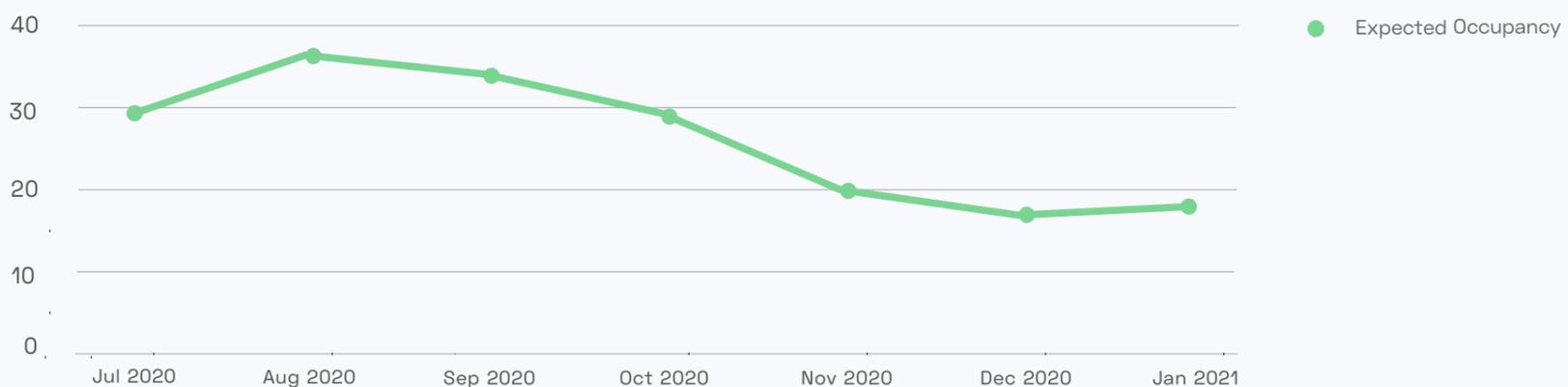
On the flip-side, **21.7%** of Resorts expected to exceed the **17.0%** occupancy levels expected for December, compared to just **5.1%** of City Center Hotels. No Bed & Breakfast expected to significantly exceed the **17.0%** mark.

What is your expectation for total occupancy in January 2021?

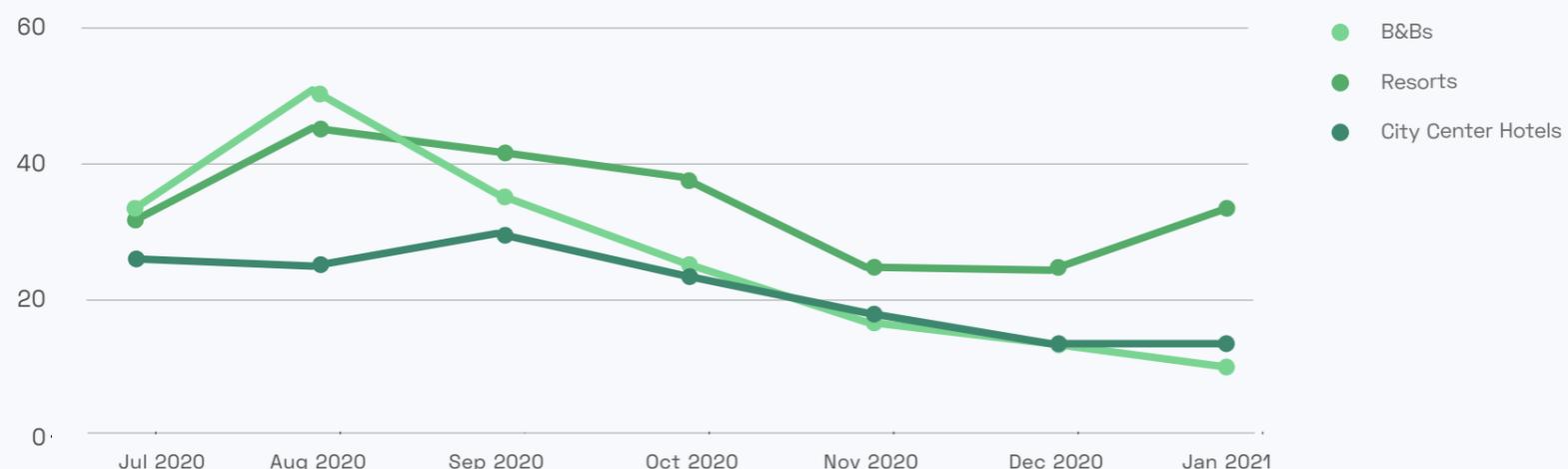
16.9% Average Rating



Since we launched the Hotelier PULSE Report series in April, December 2020 had the lowest occupancy expectation. Based on survey responses generated in December 2020, January 2021 is expected to be slightly better in terms of occupancy levels. In our 10th edition of The Hotelier PULSE Report, the average occupancy expected for January 2021 has increased slightly to **18.0%**. This marks a **1.0%** increase shared by all property segments in comparison to the **17.0%** occupancy expected for December 2020.



Resorts continue to expect the highest monthly occupancy levels. Bed & Breakfasts represent the only property segment with decreased occupancy expectations for January 2021. As the most optimistic segment, Resorts expect **33.9%** occupancy levels in January 2021. City Center Hotels expect **13.6%** occupancy in January 2021, marking a slight increase from **13.4%** in December 2020. Bed & Breakfasts hold the lowest occupancy expectations for January 2021 at just 10.0%, a decrease from **13.6%** expected for December 2020.





2.2

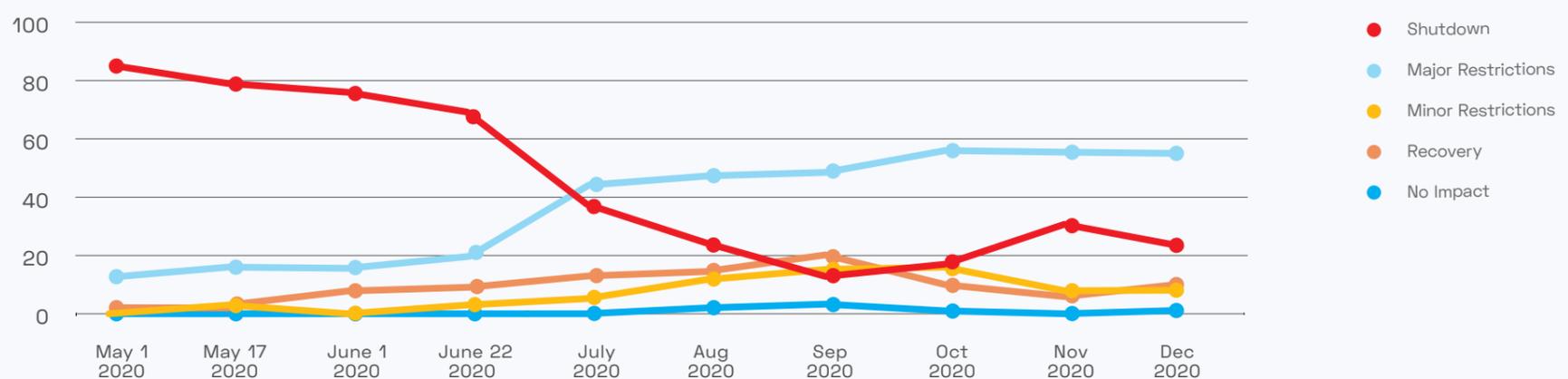
How are Hotels Doing This Month?

Key Takeaways

- Our 10th edition marks a 8.0% decrease hotels still in complete shut-down, from 31.0% in our November 2020 survey, to 23.0% in our December 2020 survey.
- Interestingly, 1.2% of Hoteliers surveyed in December 2020 reported not feeling the impact of the pandemic anymore.
- Resorts represent the majority of Hotels dealing with minor restrictions (13.0%) and also in the recovery stage at (30.4%).

In our final Hotelier PULSE Report of 2020, the number of hotels in complete shutdown was the highest since July 2020. This edition marks an 8.0% decrease in properties in complete shut-down.

What statement best describes the current state of your hotel today?



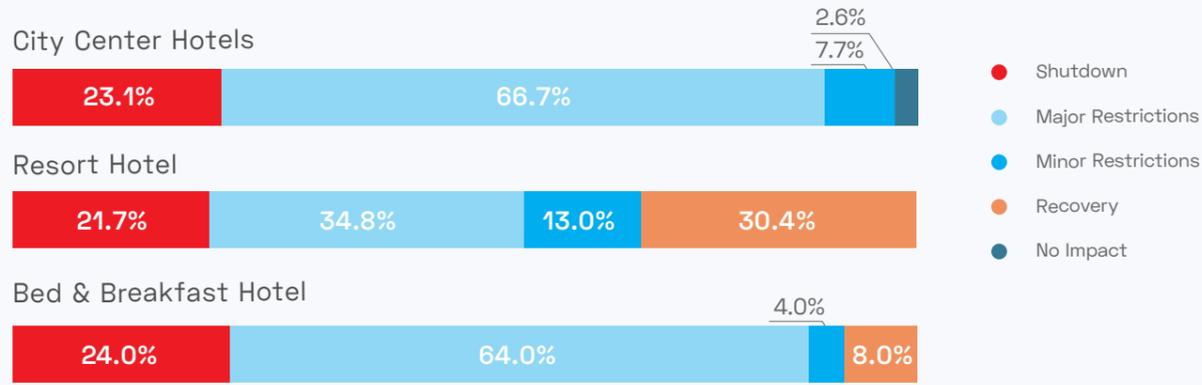
In December 2020, **23.0%** of Hoteliers surveyed said their property was still closed, compared to **31.0%** in November 2020. Meanwhile, more than half of the Hoteliers surveyed in December 2020 continue to register major restrictions, with a slight decrease compared to November 2020 survey results: **57.5%** vs **55.0%**.

Hotels in the 'Minor Restrictions' and 'Recovery' stages increased for the first time since September. Of all Hoteliers surveyed in December, **8.1%** said their hotel is dealing with minor restrictions (vs **8.0%** in November), while **10.3%** answered 'Recovery' (vs **6.0%** in November).

Interestingly, **1.2%** of Hoteliers surveyed in December 2020 reported not feeling the impact of the pandemic anymore.

Breaking down the results per segment, **24.0%** of Bed & Breakfasts are still in complete shutdown, overtaking City Center Hotels as the segment with the most properties in this stage. Meanwhile, **66.7%** of City Center Hotels report Major Restrictions.

Resorts represent the majority of Hotels dealing with minor restrictions (**13.0%**) and also in the recovery stage at (**30.4%**). This shows nearly one third of Resorts are already in the recovery stage.





2.3

Financial Recovery Forecast

Key Takeaways

- Following a steady increase in Hoteliers expecting revenue declines of 50.0% or more, the start of 2021 shows a 4.4% decrease in respondents who share this sentiment.
 - Of Hoteliers surveyed in December 2020, 7.8% expect revenue to increase in 2020 vs 19, compared to 3.4% who shared this view in our November 2020 survey.
- Curiously, City Center Hotels represent the majority of respondents expecting revenue to increase in 2020 compared to 2019. Of those surveyed, 8.8% expected to close 2020 with a 50.0% revenue increase.

Following a steady increase in Hoteliers expecting revenue declines of 50.0% or more, the start of 2021 shows a 4.4% decrease in respondents who share this sentiment. In our December 2020 edition, 87.5% of Hoteliers said they expected revenue declines of 50.0% or more in 2020 vs 2019. In this edition, just 83.1% shared this expectation.

Consequently, more Hoteliers expect revenue declines to be 20.0% or less in 2020 vs 2019. Of Hoteliers surveyed in December 2020, 9.1% expect this to be the case, compared to 8.0% of respondents in November.

Our 10th Edition of The Hotelier PULSE Report marks a notable rise in respondents expecting revenue to increase in 2020 compared to 2019. Of Hoteliers surveyed in December 2020, 7.8% expect revenue to increase in 2020 vs 2019, compared to 3.4% who shared this view in our November 2020 survey.

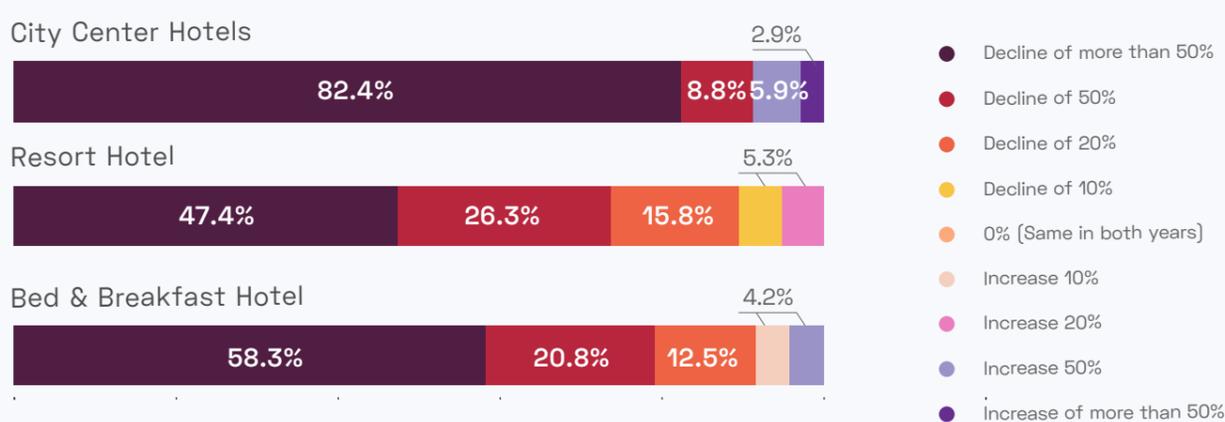
What is your expectation of total hotel revenue in 2020 when compared to 2019?



With a difference of over **20.0%** in comparison to other segments, City Center Hotels continue to represent the majority of respondents that expect a revenue decline of **50.0%** or more. In fact, just **8.8%** of City Center Hoteliers do not share this expectation, compared to a staggering **91.2%** who do.

Curiously, City Center Hotels also represent the majority of respondents expecting revenue to increase in 2020 compared to 2019. Of those surveyed, **8.8%** said they are expecting to close the year with a **50.0%** revenue increase.

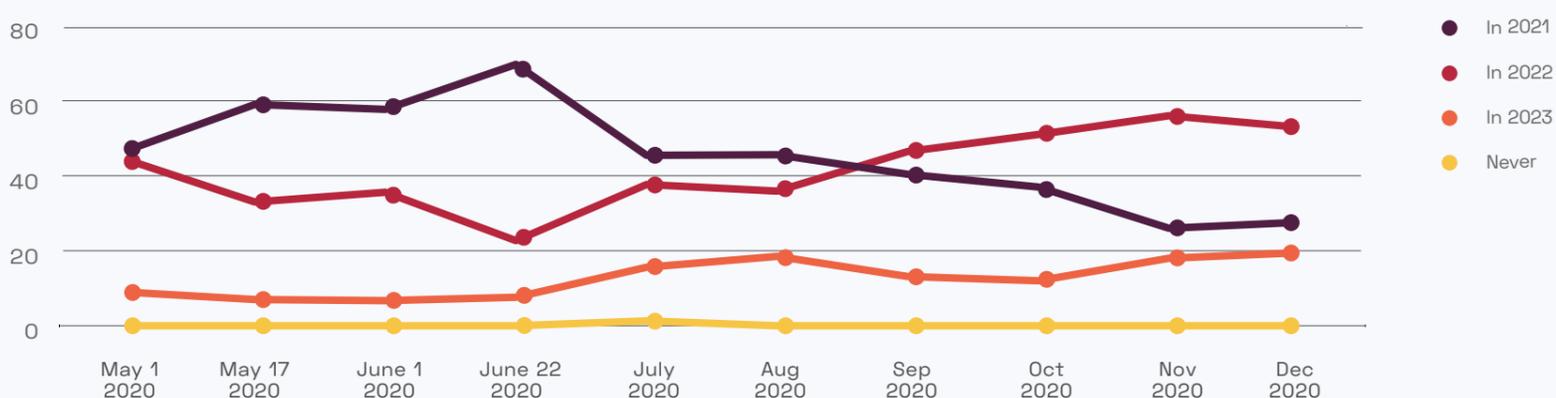
79.2% of Bed & Breakfasts and **73.7%** of Resorts also expect revenue declines of **50.0%** or more compared to 2019. No Bed & Breakfast respondents expect revenue increases in 2020 vs 2019. As for Resorts, just **8.3%** said they are expecting an increase in revenue.



Following a steady increase of Hoteliers expecting to financially recover to 2019 levels in 2021, the expectation began shifting to 2022 by the end of July 2020. At the start of 2021, the expectation is slightly more optimistic than it was at the end of 2020, but still very similar.

In this edition of The Hotelier PULSE Report, **52.9%** of respondents expect to only achieve 2019 results in 2022, decreasing **3.0%** from the **56.0%** expected in our December 2020 edition. Consequently, **27.6%** of respondents expect to financially recover to 2019 levels in 2021 (vs **26.0%** in December 2020). However, **19.5%** of the properties surveyed expect to financially recover to 2019 levels in 2023.

When do you estimate your business will recover to the same financial position as the year 2019?



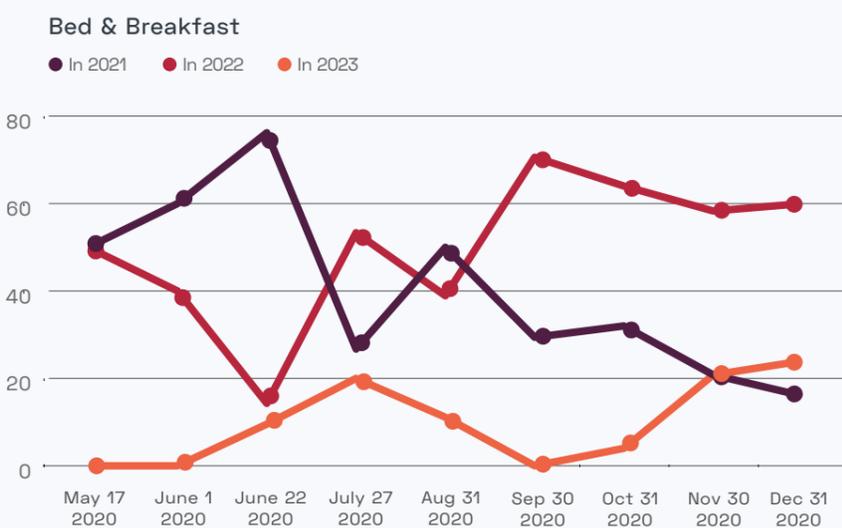
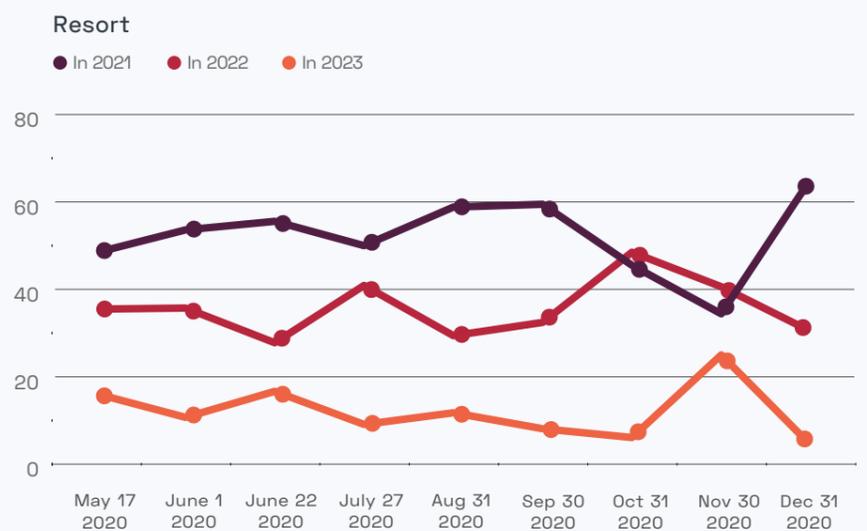
Up until July 2020, more than half of City Center Hoteliers expected to financially recover to 2019 levels in 2021. In August 2020 however, the number of respondents expecting to financially recover in 2021 began decreasing, resulting in a shift to 2022.

Our 10th edition also shows a significant increase (around **20.0%**) in City Center Hotels expecting to financially recover to 2019 levels in 2023. Although the majority of City center Hotels still expect to financially recover in 2022, **30.7%** now expect financial recovery to occur in 2023. Just **7.7%** of City Center Hotels expect to financially recover in 2021.

Contrary to City Center Hotels, Resorts are more optimistic than ever regarding financial recovery. Compared to results from our November 2020 survey, this edition shows a **30.0%** increase in resorts expecting to financially recover to 2019 levels in 2021. **65.2%** of Resorts expect to financially recover in 2021, compared to just **30.4%** in our final edition of 2020. Consequently, the percentage of resorts expecting to financially recover in 2022 and 2023 decreased. **30.4%** expect to financially recover in 2022, while just **4.4%** expect to financially recover in two years.

Like Resorts, Bed & Breakfasts are also more optimistic about financial recovery in comparison to our final edition of 2020. This edition marks a small increase in Bed & Breakfasts expecting to financially recover in 2021 or 2022.

60.0% of Bed & Breakfasts expect to financially recover to 2019 levels in 2022, compared to **58.4%** in our December 2020 edition. Meanwhile, the number of Bed & Breakfasts expecting to financially recover in 2021 also increased, from **20.8%** in our December edition to **24.0%** today. Consequently, just **16.0%** of Bed & Breakfasts expect to financially recover in 2023, compared to **20.8%** in our December 2020 edition.



Concerns, Key Priorities, Short-Term Strategies

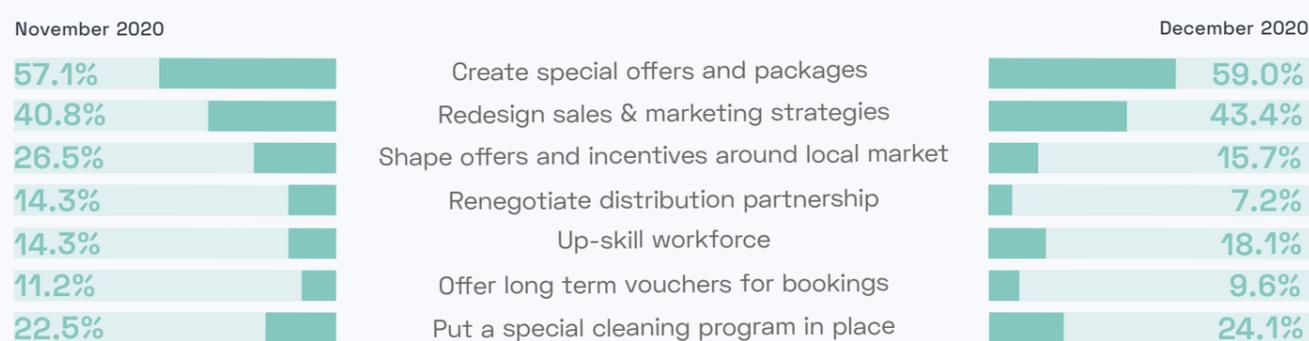


Key Takeaways

- The need to Put a Special Cleaning Program in Place has risen in importance once again, and now ranks 3rd in the list of short-term recovery priorities.
- 'Creating Special Offers & Packages to Generate New Bookings' grew to 59.0% of responses in our December 2020 survey (vs 57.1% in our November 2020 survey).
- The need to 'Up-skill workforce to meet tomorrow's demands' grew almost 4.0% since our December 2020 edition.

In this Edition, 'Creating Special Offers & Packages to Generate New Bookings' continues to be ranked as the number 1 short-term priority. In second place, 'Redesigning Sales and Marketing Strategies to Attack New Markets' continues to rank 2nd. Both priorities showed increasing numbers of responses. The major difference in Edition 10 compared to Edition 9, is the increasing need to 'Put a special cleaning program in place to accommodate guests' Health & Safety'. In this edition, it has risen to 3rd place, surpassing the priority to 'Shape offers and incentives around the local market'.

Select your number 1 priority in overcoming the Covid-19 crisis and preparing for the upturn



This sentiment is likely influenced by the recent spread of the Covid-19 variant in the UK and other parts of Europe. Also, there is reduced business activity, leaving Hoteliers with more time to reconsider their health and safety measures.

'Creating Special Offers & Packages to Generate New Bookings' grew to 59.0% of responses in our December 2020 survey (vs 57.1% in our November 2020 survey). The same trend occurred with 'Redesigning Sales and Marketing Strategies to Attack New Markets'. Holding a steady 2nd place, it is considered a top priority by 43.5% of the December 2020 survey respondents (vs 40.8% who responded to our November 2020 survey). In our October 2020 survey, just 36.8% of respondents considered this a top priority.

Ranked 3rd, and overtaking the need to ‘Shape offers and incentives around the local market’ is the need to ‘Put a special cleaning program in place to accommodate guests’ Health & Safety’. In this edition **24.1%** of respondents view this as a top priority, compared to **22.5%** in our final edition of 2020.

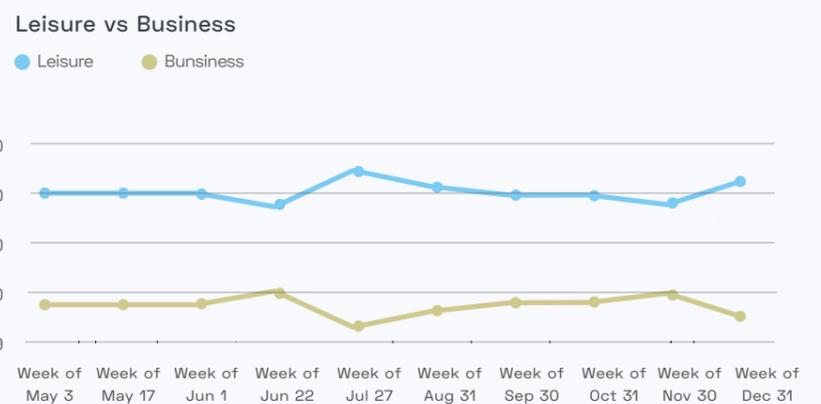
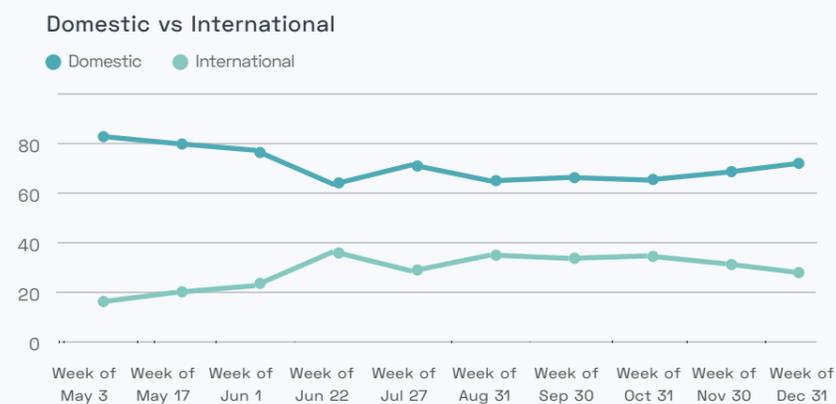
The need to ‘Up-skill workforce to meet tomorrow’s demands’ deserves an honorable mention. This priority grew almost **4.0%** since our December 2020 edition in terms of hoteliers’ priorities.

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



In terms of travel segments, ‘Domestic Leisure’ is once again expected to be the strongest contributor to recovery by the majority of Hoteliers. This segment grew by nearly **8.0%** since our December 2020 edition. In our November 2020 survey, **41.8%** of respondents shared this opinion, compared to **49.4%** who expected the same in our December 2020 survey.

On the other hand, ‘International Business’ travel continues to generate the lowest number of responses. This segment decreased from **9.2%** in our December 2020 edition to **4.8%** today. Meanwhile, **22.9%** of Hoteliers expect ‘Domestic Business’ to be the strongest contributor to recovery (vs **26.5%** in our December 2020 edition). It now sits at the exact same level as ‘International Leisure Travel’.

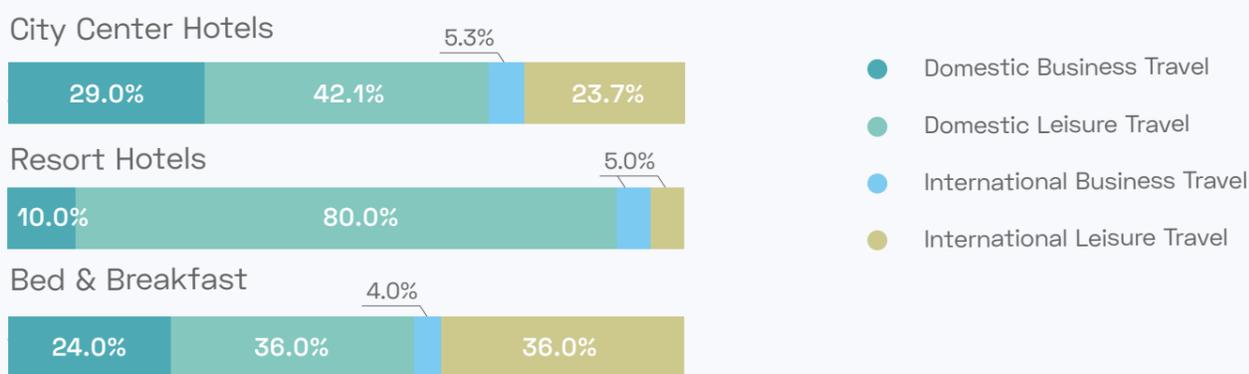


In this edition, we see a decline in the expectation that ‘Business’ and ‘International’ will be strong contributors to recovery. Meanwhile, the expectation for strong contributions by ‘Domestic’ and ‘Leisure’ travel is increasing. ‘Leisure travel’ significantly registered one of the highest levels of responses since the launch of the Hotelier PULSE Report series back in April 2020. Surpassed only by responses generated in July. Since July, we’ve seen the recovery expectation for leisure travel trend downwards while business travel steadily rose. In this edition however, the trend has come to a halt.

This same trend occurs with Domestic Travel, which is also growing, contrary to International Travel which continues to decline. This trend was already initiated in our December 2020 edition. Of Hoteliers surveyed in December 2020, **72.3%** expect Domestic Travel to be the 1st recovery contributor (vs at **75.3%** of those surveyed in November 2020). Meanwhile, **27.7%** of December 2020 survey respondents expect ‘International Travel’ to be the strongest recovery contributor (vs **31.5%** in our November 2020 survey).

When comparing the expectations for Leisure vs Business travel, Leisure remains the obvious choice for the majority of respondents. In this edition, this segment increased once again, with **72.3%** of Hoteliers expecting Leisure to be the 1st recovery contributor (vs **68.4%** in our December 2020 edition). Of those surveyed in December 2020, just **27.7%** expect Business to be the 1st recovery contributor (vs **31.5%** of those surveyed in November 2020).

Curiously, Domestic Travel and Leisure Travel generated the exact same percentage of responses (**72.3%**). Consequently, International Travel and Business Travel were also tied at the much lower, remaining **27.7%**.



In our December 2020 edition, the majority of City center Hotels expected 'International Leisure' to be the 1st recovery contributor instead of 'Domestic Leisure'. In our January 2021 edition however, it was relegated to 3rd place - switching positions with Domestic Leisure, that registered an increase of over **15.0%**.

Interestingly, and also contrary to Resorts & Bed & Breakfasts, the 2nd strongest recovery contributor expected for City Center Hotels is Domestic Business travel. Of those surveyed in December 2020, 42.1% of City Center Hoteliers expect 'Domestic Leisure' to have the most significant impact on their recovery (vs **18.6%** in our November 2020 survey).

'Domestic Business Travel' sits in 2nd place at **29.0%** (vs **32.6%** in our November 2020 survey), followed by former number 1 'International Leisure' at **23.7%** (vs **37.2%** in our November 2020 survey), and 'International Business' at just **5.3%** (vs **11.6%** in our November 2020 survey).

Out of all property segments, Bed & Breakfasts continue to represent the majority of respondents who expect International Leisure to be the strongest contributor to recovery at **36.0%** (vs **34.8%** in our November 2020 survey). Generating the exact same number of responses is Domestic Leisure Travel, which decreased from **43.5%** to **36.0%** in this edition.

Surpassed by Domestic Business Travel and sitting in 3rd place is 'International Leisure' at **24.0%**. Lagging far behind is 'International Business', with just **4.0%** expecting this segment to significantly contribute to recovery.

Similar to previous editions, the overwhelming majority of Resorts expect Domestic Leisure travel to be the 1st contributor to recovery. The number of Resort Hoteliers who share this view also continues to increase, at **80.0%** in January 2021 vs **61.3%** in December 2020.

'Domestic Business' comes 2nd at **10.0%** in January 2021 (vs **12.5%** in December 2020), followed by 'International Leisure' at **5.0%** (vs **9.4%**) and International Business at also **5.0%** (vs **6.3%**).

Guest Behaviour & Hotel Expectations

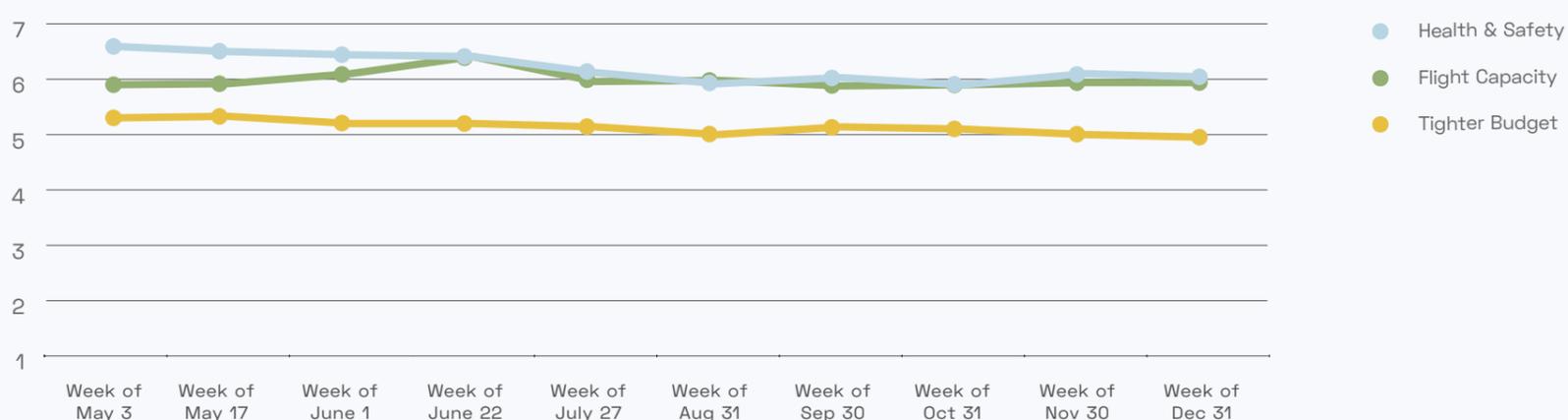


Key Takeaways

- Out of all property segments, resorts are most concerned with Health and Safety precautions, rating it 6.20 out of 7.
- City Center Hotels are most worried about tighter budgets at 5.29.
- Out of all property segments, Bed & Breakfasts are most likely to decrease their ADR - rating it 3.71 out of 7.

With ever-changing measures and restrictions, we continue to track the evolution of Hoteliers' expectations regarding consumer behaviours and the impact on business. The following consumer behaviour concerns were rated on a **scale of 1 to 7** by Hoteliers - with 1 considered 'Not Important' and 7 considered 'Extremely Important'.

On a scale from 1 (Not Important) to 7 (Extremely Important), rate the following consumer behaviour concerns in terms of impact on your business:

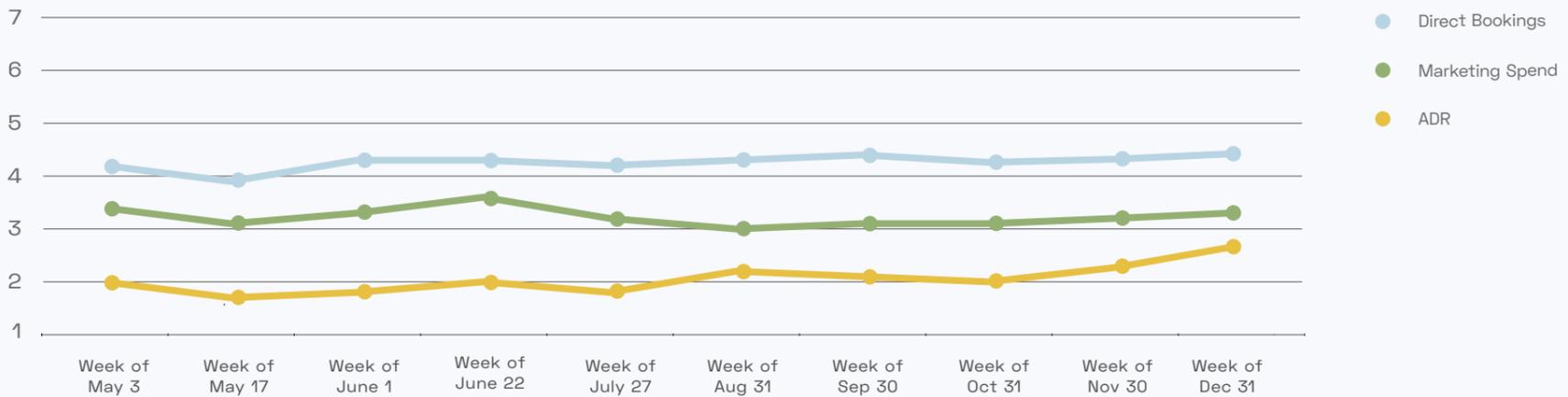


Between April and June 2020, 'Consumer Health & Safety Precautions' was consistently ranked as the top consumer behaviour concern by Hoteliers. Following this period, it registered a downward trend and was even surpassed by Flight capacity at times. In this edition, Health & Safety is back to the number 1 position.

'Consumer Health & Safety Precautions' now sits at **6.04** (vs **6.10** in December 2020) and Flight Capacity at **4.95** (vs **4.99** in December 2020). 'Tighter budgets barely changed from **5.93** in our December edition to **5.94** today.

Out of all property segments, resorts are most concerned with Health and Safety precautions, rating it **6.20** out of 7. City Center Hotels are most worried about tighter budgets at **5.29**. These properties are also more apprehensive regarding flight capacity, rating it **6.11** out of 7 in terms of importance.

In a scale from 1 to 7 (with 1 representing a large decline and 7 being a large increase) rate your expectation on whether ADR, marketing spend and the importance of direct bookings will increase or decrease in the coming 12 months.



We continue to ask Hoteliers to rate, on a scale of 1 to 7 (with 7 being the highest level), their expectations on whether ADR, marketing spend, and the importance in direct bookings will increase or decrease.

In this edition, the number of Hoteliers expecting to decrease ADR in the next 12 months continues to decline. It now ranks **3.69** in our January 2021 edition, versus **3.29** in the December 2020 edition, where this trend started.

In addition, Hoteliers continue to expect that Direct Bookings will significantly increase in importance, rating it at **5.43**. This is the highest number since the start of the Hotelier PULSE Report series back in April 2020.

The expectation to increase investment in marketing also rose to rank **4.31** - the 2nd highest value since the launch of The Hotelier PULSE Report series in April.

Out of all property segments, Bed & Breakfasts are most likely to decrease their ADR - rating it **3.71** out of 7. Interestingly, this segment also represents the majority of respondents expecting to increase marketing spend, rating it **4.63** out of 7.

When it comes to direct bookings, although all property segments consider it very important, Resorts are the ones that rated it the highest at **5.74**.

Sales & Marketing Priorities Over the Next 12 Months



Key Takeaways

- The 'Hotel Website' continues to be considered the most important Sales & Marketing priority for Hoteliers. In this edition. It now ranks as the most important priority by 59.7% of respondents.
- In 2nd place, we have Social Media, considered extremely important by 44.2% of Hoteliers.
- In previous editions, OTAs held 2nd place right after the Hotel website. Today, OTAs now sit in 3rd place, considered extremely important by 41.6%

We asked Hoteliers to rank by order of importance their Sales & Marketing Priorities to maximize sales and profitability over the next 12 months. These priorities are:

1st Place	Hotel Website
2nd Place	OTAs
3rd Place	Social media
4.	Hotel CRS
5.	Meta-search
6.	Channel manager
7.	Rich media
8.	Online ads
9.	Price comparison widget with OTAs
10.	Revenue management
11.	Tour operators
12.	Corporate sales
13.	Hotel bad banks
14.	New distribution technology
15.	Rate shopping system
16.	Sales calls & roadshows
17.	GDS
18.	Joining a brand/soft brand & trade shows

The 'Hotel Website' continues to be considered the most important Sales & Marketing priority for Hoteliers. In this edition, it ranks as 'Extremely Important' by **59.7%** of respondents.

Meanwhile, the importance of OTAs is decreasing, substituted by Social Media. Social Media is now the 2nd top priority, with **44.2%** of hoteliers considering it to be extremely important.

In previous editions, OTAs held 2nd place right after the Hotel website. Today, OTAs now sit in 3rd place, considered extremely important by **41.6%**. Meta-search, which was only in 6th place in our December 2020 edition, now follows directly behind OTAs. It's now considered extremely important by more than **40.0%** of Hoteliers.

Once again, Trade Shows, Sales Calls, and Roadshows are considered the least important items in the list of Sales & Marketing priorities.

Conclusions

It's a new year and a new chapter for Hoteliers on the road to recovery. As we reflect on the whirlwind of unprecedented events which impacted the industry these past 12 months, some clear trends have emerged to inform your decision-making process in 2021.

These are:

- 1.** Direct continues to be the most resilient booking channel as we enter 2021. This indicates that more guests are looking to engage directly with hotels. It's unsurprising that the majority of Hoteliers in our series consistently view their Hotel Website as a top Sales & Marketing priority in 2021.
- 2.** Domestic travel is king in 2020, and this trend will likely continue well into 2021 as restrictions continue to waver and consumers feel more comfortable traveling on home soil.
- 3.** Despite news of widespread vaccination, Health & Safety has once again risen to the forefront of everyone's minds. Hoteliers are now once again viewing this as a top priority, and expect this to be a top concern among consumers.

But while we can learn some lessons from the past in order to tackle the future, what is yet to come, remains to be seen. We hope that you will continue to share your feedback with us in 2021, and help us track the evolution of sentiment across the industry.

You can get a head start by filling out our January survey [HERE](#).

About this Report

About This Report

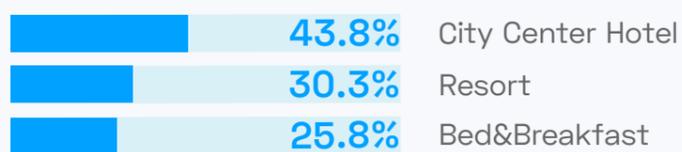
For the 9th Edition of The Hotelier PULSE Report, we surveyed 89 key decision-makers at hotels.

General Managers represent the majority of our respondents at **27.0%**, followed by Group CEO's/Property Owners at **24.7%**. The remaining respondents include Sales Directors (**18.0%**), followed by Front Office Managers (**15.7%**), Revenue Managers (**10.1%**), and Marketing Managers (**4.5%**).

The overwhelming majority of our respondents come from Europe (**83.2%**); followed by North America (**13.5%**), as well as Africa, South America, and Asia (each at **1.1%**).

The 'City Center Hotel' segment is where most of our respondents come from at **43.8%**, followed by Bed & Breakfasts (**30.3%**), and Resorts (**25.8%**).

Type of Property



Property Locations



Role



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About Guestcentric

GuestCentric is a leading provider of cloud-based digital marketing software and services that help extraordinary hoteliers promote their brand, drive direct bookings and connect with customers on all digital platforms. GuestCentric's all-in-one platform provides hotels with the only unified solution for managing their guests' online journey, with award-winning, high impact websites and built-in booking engines working as one. GuestCentric is featured on Skift Travel Tech 250, a list of the top 250 travel tech companies shaping the modern-day travel experience.

About Great Hotels of the World

Represents a portfolio of 60 largely independent upscale hotels and resorts worldwide that have been thoughtfully curated to cater to the rising bleisure traveller. Beyond exceptional accommodation, a sweeping range of meetings and events venues, and world-class leisure facilities in exciting destinations, the Great Hotels of the World brand is a seal of authenticity and character in hospitality. For more information, please visit join.ghotw.com.

The Hotelier Pulse Report

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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.