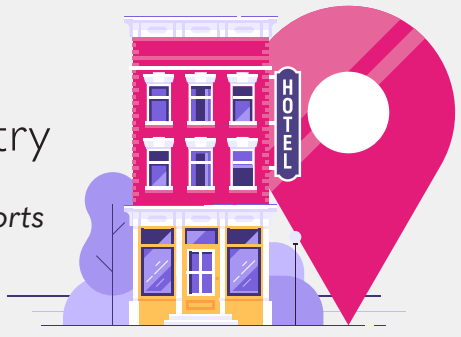


Status Update: The U.S. Hotel Industry

*How hotels should focus their efforts
in order to compete*



What's really happening in the U.S. hotels industry? Despite shifts, hotels still lead market share. Though Airbnb and other homesharing services have generated strong conversation—and revenue—hotels still dominate the industry. Travel as a whole is thriving, and hotels are likewise experiencing positive lifts, with business up 4.2% over 2018. Even still, consumers and technology are delivering challenges to hotels, particularly in the digital realm. Strength in branding, re-evaluating media, and customer service will be the key focus areas that hotels must master in order to maintain market share.

QUITE THE BILL AT CHECKOUT

The U.S. hotel industry generated an estimated **\$265.6B** this year

Hotels and motels make up **77% of all lodging revenue** (casinos excluded)

Forecasts expect this industry to reach **\$315.8B by 2024**



BUILD IT AND THEY WILL (CONTINUE TO) COME

2018 reflected the **second-highest year** ever for an increase in hotel construction

In particular: **mid-scale and luxury hotels** are (literally) on the rise



CONSUMER SENTIMENT: VERY POSITIVE

81% of respondents appreciate hotels for the local recommendations from staff

72% noted that staying in a hotel makes them feel more **"on vacation"**

A BRAND THEY DO RECOGNIZE? AIRBNB

Though homesharing is still relatively small within the industry, the numbers are impressive

Airbnb now has **6 million flats, rooms, and houses available globally**, outlisting the top six hotel chains combined

Airbnb is valued at **\$31B**



OTAs MAKE IT EASY

- From 2015 to 2018 around **67% of consumers booked through Online Travel Agencies**—dispiriting news for brands hoping that guests will book directly
- **Watch out for Google:** in March of 2019 the digital powerhouse rolled out their own version of an OTA
- **Takeaway:** hotel brands need to improve digital platform, media, and social efforts, particularly when trying to reach younger consumers

TIME TO BUILD YOUR BRAND

80% like to stay at a familiar hotel when traveling to a new place

69% remarked that **brand is important** to them when selecting a hotel

Gen Z & Millennials are overwhelmed by options: 59% and 54% respectively struggled to differentiate which brand they have stayed with

WIN THE EDGE NOW

The average American has maintained their average of **three hotel stays** annually



Hotels that wish to continue growth need to:

Meet younger consumers in the digital space



Strengthen brand efforts



Rely on their advantages: customer service and experiences