

UK Hospitality Sector Upbeat As Average British Holiday Budgets Rise To £5,500 TripAdvisor announces TripBarometer study results, unveiling global travel trends according to more than 44,000 respondents worldwide

The hospitality sector is set to benefit from an eight percent increase in the average British household annual holiday budget in 2015, the results of the world's largest accommodation and traveller survey¹ have revealed.

Conducted on behalf of [TripAdvisor®](#) by independent research firm Ipsos, the TripBarometer¹ study is the analysis of more than 44,000 global responses from travellers and the hotel sector, with 3,735 respondents from the UK. The TripBarometer 'Global Travel Economy' report reveals worldwide travel trends at country, region and global levels, highlighting year-on-year changes in consumer spending plans and trip planning, as well as hotelier confidence.

The findings, which demonstrate increasing consumer confidence in most of the markets surveyed, represent good news for UK hoteliers and the wider global economy. Four in ten travellers around the world plan to spend more on holidays in 2015, with Russia and Greece the only markets where more travellers are planning to decrease rather than increase their holiday spend this year.

"The TripBarometer report paints a positive picture for travel this year, with travellers twice as likely to be increasing their holiday budgets than cutting their spending," said Barbara Messing, CMO, TripAdvisor. "Across the board, people want to take more international trips and Australia, Italy and the US continue to be the destinations topping travellers' wish lists."

Brits among the world's biggest holiday spenders

For UK travellers planning to spend more this year, visiting somewhere on their wish list was the most popular reason, cited by four in ten (43%) respondents. In fact, of those travellers globally who are upping their holiday budgets, Brits (38%) are more likely to be doing so in order to take a long haul trip this year than the average traveller worldwide (32%).

Nevertheless, domestic travel remains popular in the UK, with nearly half (49%) of all Brits' holidays staying within the UK. At the same time, the average British household holiday budget is rising to an estimated £5,500 – an increase of eight percent on last year's planned budgets – suggesting that UK hoteliers stand to gain from a welcome boost in domestic holiday spending.

In fact, UK holidaygoers are among the top five in the world for projected annual spend in 2015, after Switzerland, Australia, New Zealand and the US.

Australasia still most desired destination for Brits, but is it just a pipe dream?

The TripBarometer revealed again this year that Australia and New Zealand are still the top dream destinations for UK travellers. Yet, while a significant proportion of Brits wish to escape to New Zealand, the locals there are actually dreaming of the reverse trip – with four in ten (40%) New Zealanders naming the UK their dream holiday destination.

However, with less than one in twenty (4%) Brits surveyed having visited Australia or New Zealand last year and less than one in ten (9%) planning to do so in the next twelve months, it would appear that for many the dream isn't yet close to becoming a reality.

Indeed, the report highlights that every year, more UK travellers *plan* to take international trips than ultimately *go on* them.

International Leisure Trips by UK Travellers 2014		Domestic Leisure Trips by UK Travellers 2014	
Planned to take a trip	Actually took a trip	Planned to take a trip	Actually took a trip
91%	83%	90%	81%

Hotel sector confidence goes from strength to strength

As well as gauging travel consumer sentiment, the study also surveyed business owners and managers within the travel industry.

Since the inaugural TripBarometer study two years ago, the results have shown a growing confidence in the global hotel sector. In 2013, two in three global businesses (67%) felt optimistic about their profitability for the year ahead. This year, that proportion rises to nearly three in four (73%), and is driven largely by more hoteliers feeling 'very optimistic' about their profitability for 2015.

Half of all businesses globally (50%) intend to increase their room rates in 2015 – often a strong sign of health in the sector. Just over a third (35%) of businesses plan to raise rates by between 3-10 percent, with resorts the most likely to plan increases. South Africa (72%), Austria (68%) and Brazil (68%) are the most likely to raise rates, with over two thirds of businesses in these markets planning increases. Accommodations in China will see the biggest reductions in 2015, with 18 percent of hoteliers planning to decrease room rates, but not by more than ten percent.

Forty eight percent of British hoteliers plan to raise room rates in 2015, and of those who are planning an increase, 45 percent say this is because they have recently completed renovations on their property.

Investment plans differ by market but online reputation is top priority for majority

The report shows that investment is set to increase across many aspects of the global hotel sector in 2015; however, the planned increase in investment for online reputation management is most notable worldwide. Three in five hoteliers globally (60%) will spend more on online reputation management in 2015 and one in four (26%) plan to spend 'much more'. When asked which elements they feel are most important to the future of their business, online reputation is cited as important by 95 percent of hoteliers, and very important by nearly three in four (73%).

First ever Hotelier Confidence Index reveals UK business optimism

A new feature of this year's TripBarometer is the Hotelier Confidence Index, which measures confidence levels across the global hotel sector in 27 major tourism markets. The index looks at hoteliers' profitability expectations, year on year shifts in room rates and investment plans for 2015. Each country is given a score on a five-point scale (five being the highest) and ranked, to show how they compare to other key tourism markets.

Looking at the overall Hotelier Confidence Index rankings, the UK hotel sector nets towards a positive outlook for 2015 with a score of 3.42, with UK industry confidence highest when it comes to profitability, scoring 4.05.

However, despite the UK hotel sector's overall confidence, it is less positive than many of its peers in other markets, particularly emerging markets. Hospitality businesses in Indonesia, India and Mexico lead the global rankings for confidence, while businesses in France are the least positive among the 27 markets surveyed.

"This year's TripBarometer reveals a rising confidence in the global hotel sector, with one in two hoteliers raising room rates and a significant growth in optimism worldwide," said Marc Charron, president, TripAdvisor for Business. "Increasing repeat business, driving more direct bookings, and encouraging online traveller reviews will be key themes for the hotel sector this year."

Methodology: The TripBarometer study, by TripAdvisor, is based upon an online survey conducted from 16 January to 2 February 2015, conducted by Ipsos, a global research firm. A total of 44,277 interviews were completed in 32 markets, spanning 7 regions. The sample is made up of 34,016 consumers who are TripAdvisor website users and Ipsos online panelists who chose to take part in the survey and have researched their travel plans online in the last year; and 10,261 representatives from accommodation properties who use TripAdvisor free marketing services, making it the world's largest combined accommodation and traveller survey. The consumer survey data is weighted to represent the known profile of the global online population, to keep in line with previous waves of TripBarometer. Equal weighting is also applied at country level for the business survey.

For additional information about TripBarometer, please visit www.tripadvisor.co.uk/tripbarometer and download the global report [*note, this will be live from 4am GMT, Wednesday 11 March*].