

HOSPITALITY 5 TRENDS REPORT

Q3 2023

TREND 1

BENCHMARKING ORGANIZATIONS LOWER GROWTH EXPECTATIONS

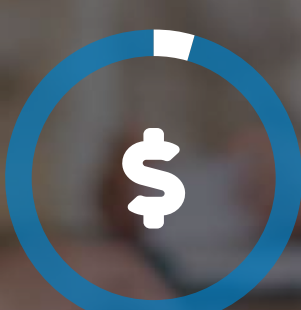


STR and Tourism Economics have lowered growth expectations for 2023 and 2024 in their U.S. hotel forecast amid a **'period of normalization'**.



Lowered 2023 RevPAR Forecast due to **"weaker-than-expected"** summer demand and U.S. hotel revenue in the second quarter.

REVISED 2023 FORECAST:



4.6%

increase in RevPAR YOY to \$96.64, which is down \$1.25 from previous forecast in May.

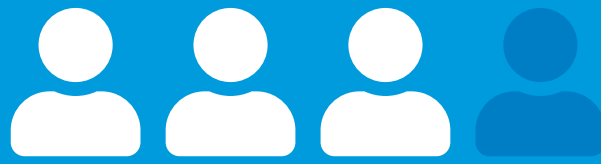


3.6%

increase in ADR which is down 0.1 percentage points from the previous outlook.

TREND 2

INFLATIONARY PRESSURES STILL IMPACTING LEISURE TRAVEL



3 out of 4 leisure travelers making changes to their vacation planning due to inflation.¹

"The data is clear; Covid is a concern of the past for today's leisure travelers. However, a new 'c' word has taken its place, 'cost.'"

Pete DiMaio
COO of Travel Boom

TREND 3

GLOBAL BUSINESS TRAVEL GROWING, BUT TRANSIENT TRAVEL STILL DOWN



Global business travel spending **expected to surpass** 2019 levels in 2024, two years sooner than previously forecast.²



Transient business travel has not yet returned to normal, but groups and bleisure travel are **'bright spots'** driving growth.³

TREND 4

GROUP BUSINESS LEADS RECOVERY



11%

increase in ADR over Q2 2019 levels.



18%

room nights increase YOY, lagging 8% behind Q2 2019 levels.⁴

TREND 5

MEETINGS AND EVENTS PROVIDE A STABILIZING REVENUE BASE

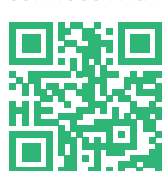


Supported by **increased rates**, both actualized group revenue and event activity increased slightly in Q2 2023 compared to Q1 2023.



Continued trend of increased group business since early 2022, providing a **strong basis for positive** occupancy and revenue forecasts into H2 2023 and H1 2024.

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References:
¹ <https://www.hospitalitynet.org/news/4117505.html#:~:text=TravelBoom's%202023%20Leisure%20Travel%20Trends,returning%20to%20pre%20COVID%20numbers.>
² <https://skift.com/2023/09/11/ask-skift-will-business-travel-spending-rebound/#:~:text=The%20Global%20Business%20Travel%20Association,reach%20%241.8%20trillion%20by%20202.>
³ <https://www.cnn.com/2023/04/24/is-business-travel-returning-no-and-its-not-going-to-say-studies-.html>
⁴ <https://www.hotelnewsresource.com/article127491.html#:~:text=Group%20business%20leads%20recovery%20%E2%80%93%20Group,percent%20behind%20Q2%202019%20levels.>