

The flight to brands



MELVIN GOLD

Tough times may lie ahead for the hotel sector. For now, at the time of writing, results from early summer trading are relatively

encouraging, especially in comparison with other sectors.

Perhaps it is the trading environment in other sectors that is most noteworthy. Certainly, the branded budget hotel operators are making much of the opportunities that their hotels can offer to companies that are being forced to review their cost-base.

And why not? The strong growth of branded budget hotels in the UK over the past two decades has meant that there is scarcely a location that is without such a property.

Their continued growth seems certain – research by our company indicates that branded budget hotels will be at the forefront of UK hotel industry growth over the next two decades as well. Price-sensitive market conditions may well be a catalyst for their further growth – both in terms of capturing market share and perhaps in acquiring further hotels and sites.

So why branded budget? Because for consumers they are easy to access, they offer guaranteed, consistent quality, and they have prices that suit individual and corporate pockets.

Perhaps the bigger issue is: why not independent hotels, and bed and breakfasts? The answer is that although the price may be right, product quality is less certain.

How does the consumer know what they are getting? For those with a loyal and satisfied clientele, business should be sustainable.

And for the rest, these are the times when quality and consistency remain paramount. Those who have not focused on improving these factors may well find even tougher times lie ahead.

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