

Pub Accommodation Research

Consumer & Operator Results

Profitable Beds Seminar, March 2023

Supported by



Project Details

Objective, Methodology & Sample



Research Objective:

To better understand the **pub accommodation** and UK stay market to **inform the sector**, grow the important **revenue stream** and drive ongoing **strategic development**.

Methodology & Sample:

Via two online surveys launched in January 2023, we spoke to **two groups**:



3,523 Consumers

We spoke to those who **have stayed in pub accommodation** previously, at least once in their lives, and understand their preferences, habits and booking process when staying overnight in the UK.



177 Licensees & Operators

We spoke to operators to establish profiles of pub accommodation, as well as understand the current state of play and their key operational areas.



Previous behaviours

Perceptions of pub accommodation

Researching the stay

Seeking out reviews

Booking the stay

Staying in the pub

Future opportunities



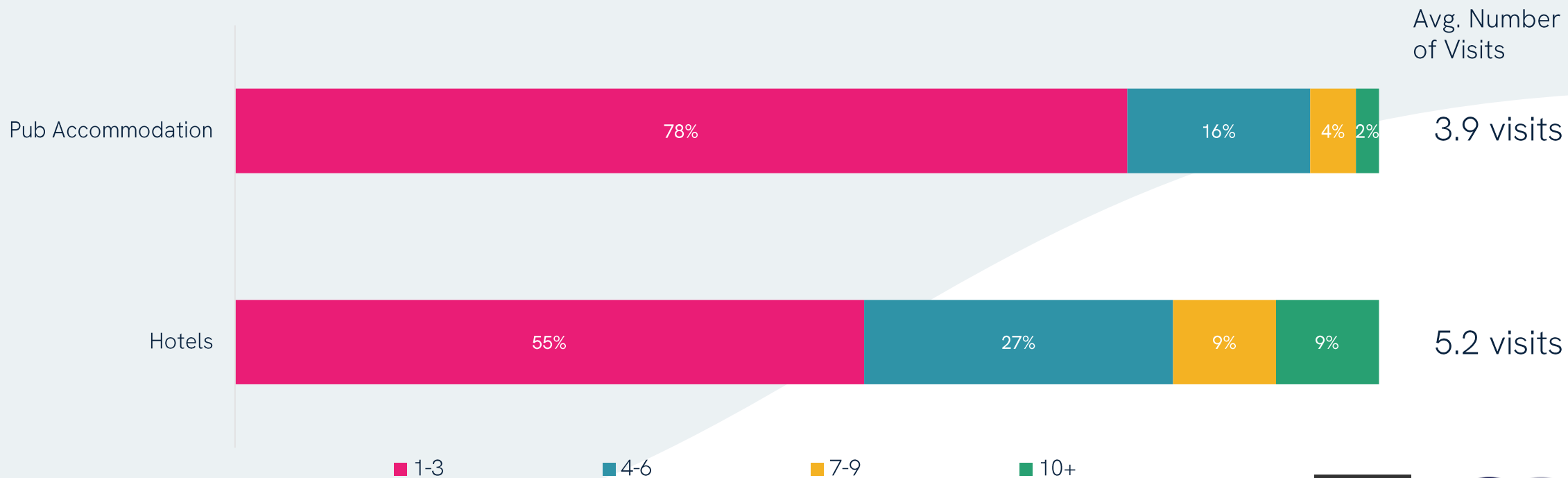
Hotels have the biggest share of market in terms of general accommodation behaviours, though pub accommodation is #2 and ahead of the other styles

In the last 24 months, have you stayed overnight in the UK in any of the following?



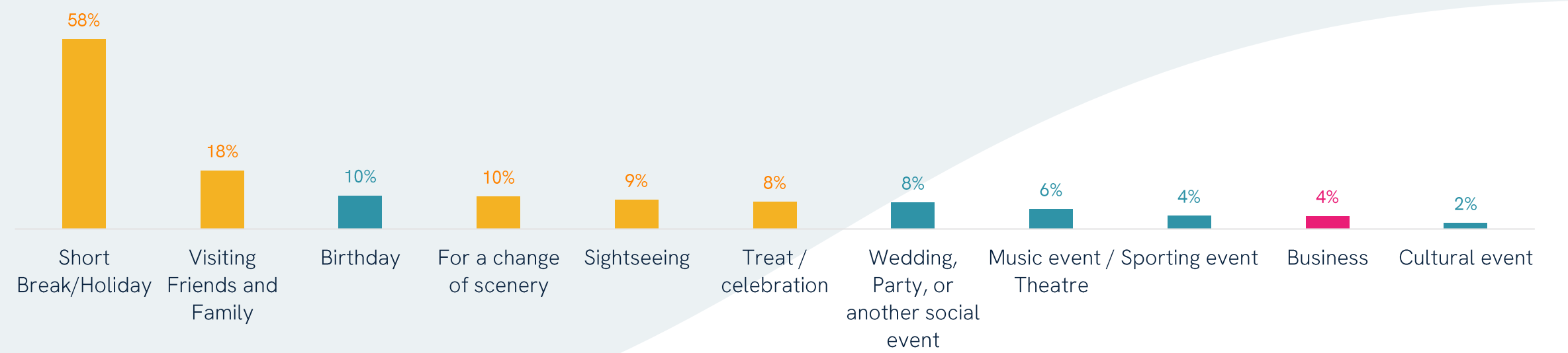
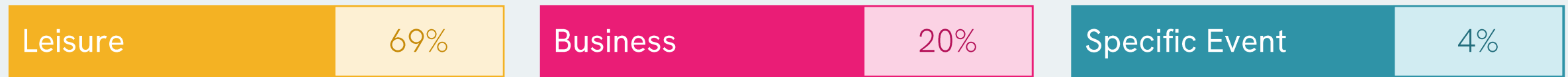
Pub accommodation is chosen less frequently than hotels, and so ways to increase repeat attendance should be explored through incentives such as loyalty schemes and giveaways alongside consistent communication to advertise them

In the last 24 months how many times, have you stayed overnight in the UK in one of the following?



Consumers choose to stay in pub accommodation for no specific reason, which shows an extent of flexibility when planning their stay, this indicates that there's an opportunity to pull share away from hotels and other accommodation types

What was the reason for your stay?



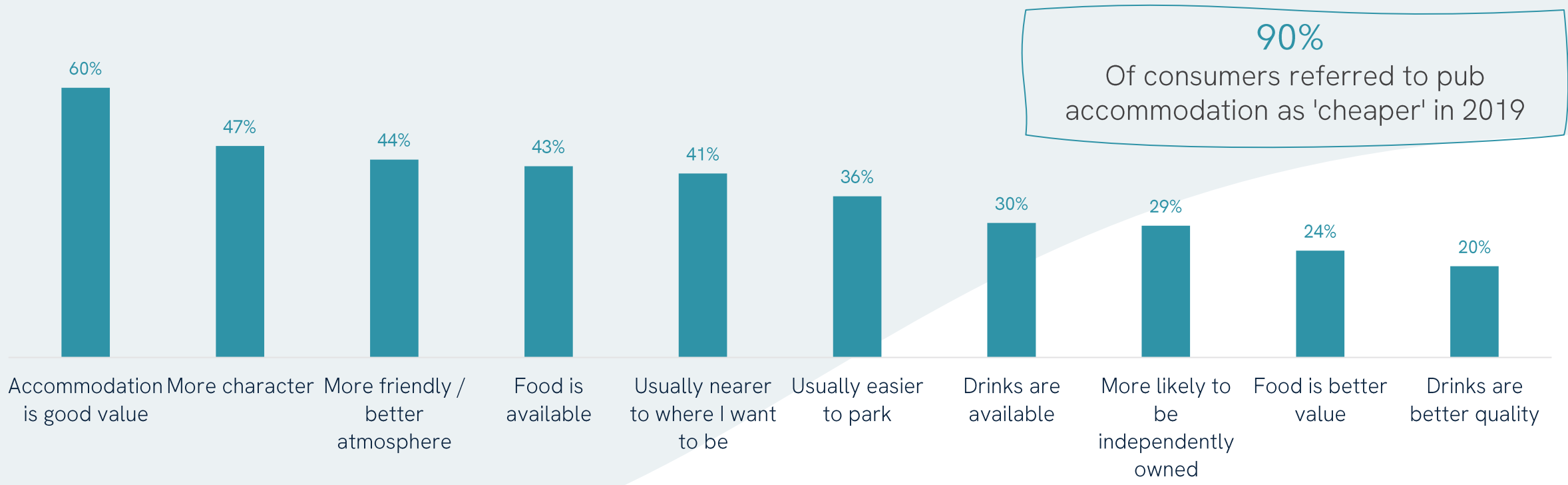
KEY INSIGHT #1

Hotels are the biggest competitor to pub accommodation, not only are they the most popular choice, but have the largest visitation frequency. There is thus opportunity for more consumers to choose pub accommodation in the place of hotels with prominent promotions and messaging, as it's not asking them to change their behaviour but instead continuing their behaviour in a different accommodation type.



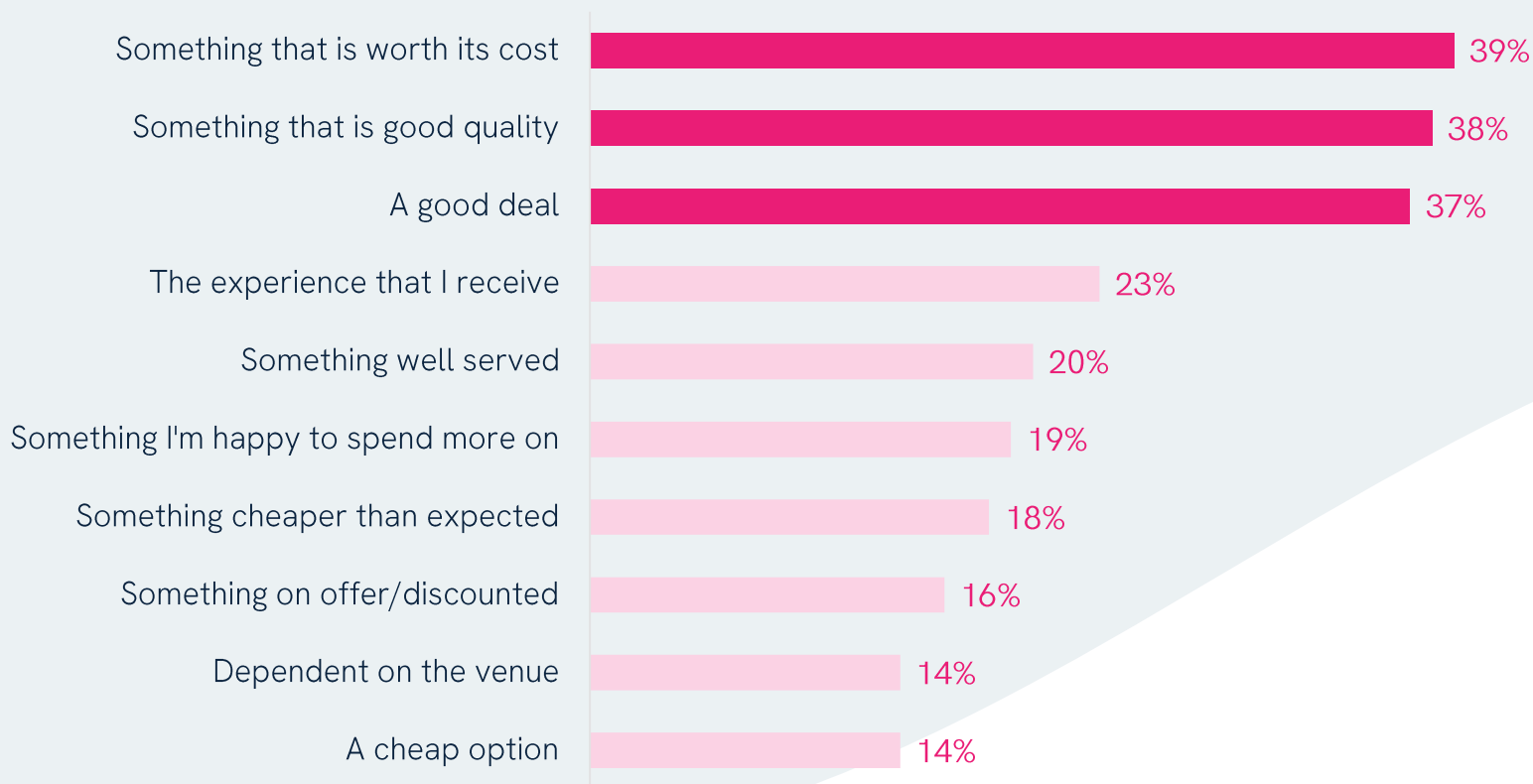
Consumers choose pub accommodation based on the value it provides and the atmosphere they expect from the venues

Why do you choose to stay in pub accommodation? (Top 10)



Wider CGA research confirms that consumers don't equate value for money as a 'cheap' option, but something that is high quality and worth the cost, indicating that the investment in accommodation quality has led to a shift in consumer perception

Based on what I spend when I eat and drink out, value for money is...



#1 perception of pub accommodation to consumers has shifted in the past 4-years:

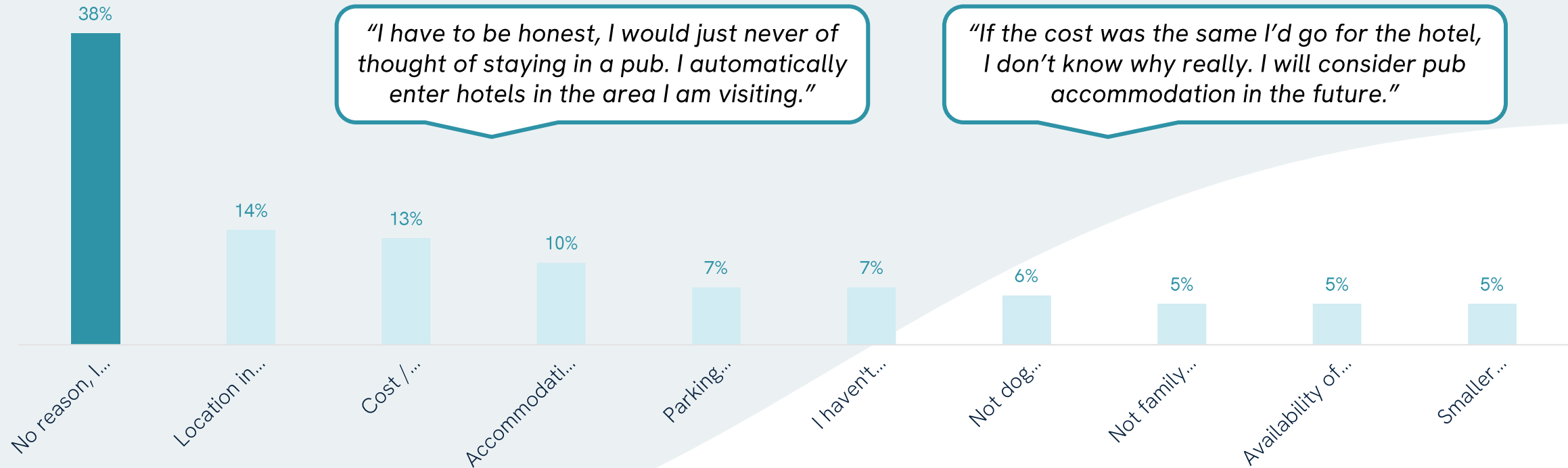
2019: Cheap **LOW PRICE**

2023: Value



There is no definitive barrier to pub accommodation for most people, choice of other accommodation tends to be habitual, or suited better due to location and cost factors

Why do you typically choose not to stay in pub accommodation? (Top 10)
Asked to those who have never stayed in pub accommodation before



"I have to be honest, I would just never of thought of staying in a pub. I automatically enter hotels in the area I am visiting."

"If the cost was the same I'd go for the hotel, I don't know why really. I will consider pub accommodation in the future."

Base: Consumer Survey, 659



NB: Asked to those who have never stayed in pub accommodation

There is appetite for pub accommodation in the future amongst a new audience

59%

Of those who haven't stayed in pub accommodation say they'd be likely to do so in the future

(vs. 5% unlikely)



Base: Consumer Survey, 683





Consumers don't know where to look for pub accommodation and don't easily find available options when searching for accommodation

Why do you typically choose not to stay in pub accommodation?
Asked to those who have never stayed in pub accommodation before

"Tends not to come up on internet searches so don't get it as an option."

"I've seen fewer offers for them."

"Not generally advertised as having accommodation."

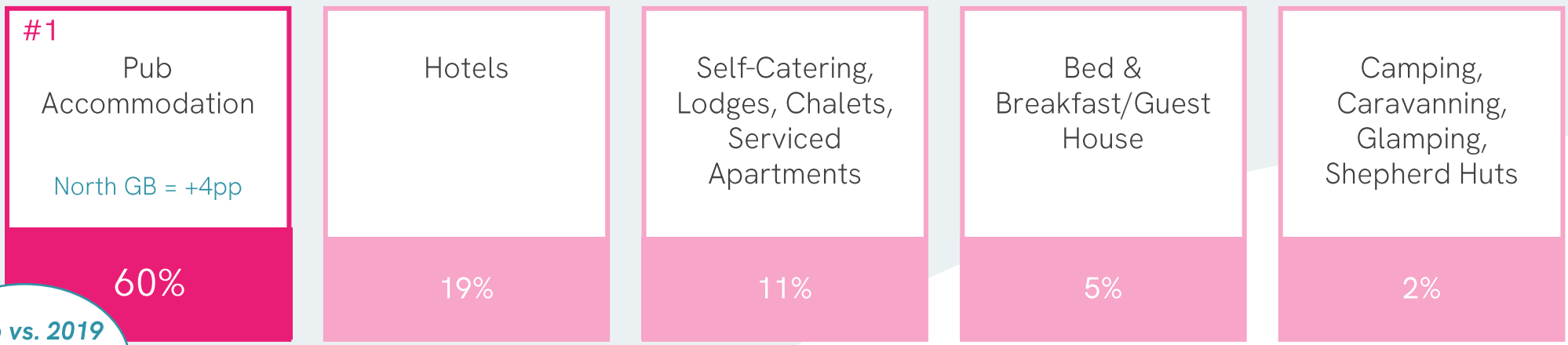
"I didn't know where to look."



Those who have stayed in pub accommodation before would choose to stay in that accommodation type again if price or location were not a factor, showing that once consumers try it the experience speaks for itself

For the same £ spend on accommodation in the same area, which would you prefer to stay in?

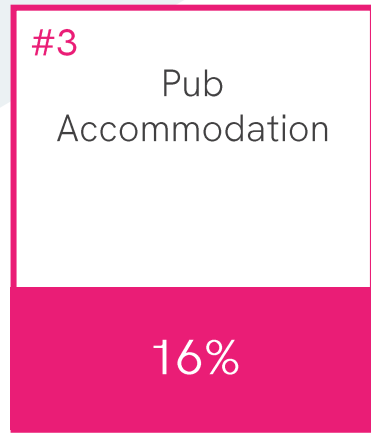
Have stayed in pub accommodation before



+7pp vs. 2019
+12pp vs. 2016
+19pp vs 2013

Have not stayed in pub accommodation before

#1 - Hotels
#2 - Self Catering



NB: Asked to those who have never stayed in pub accommodation



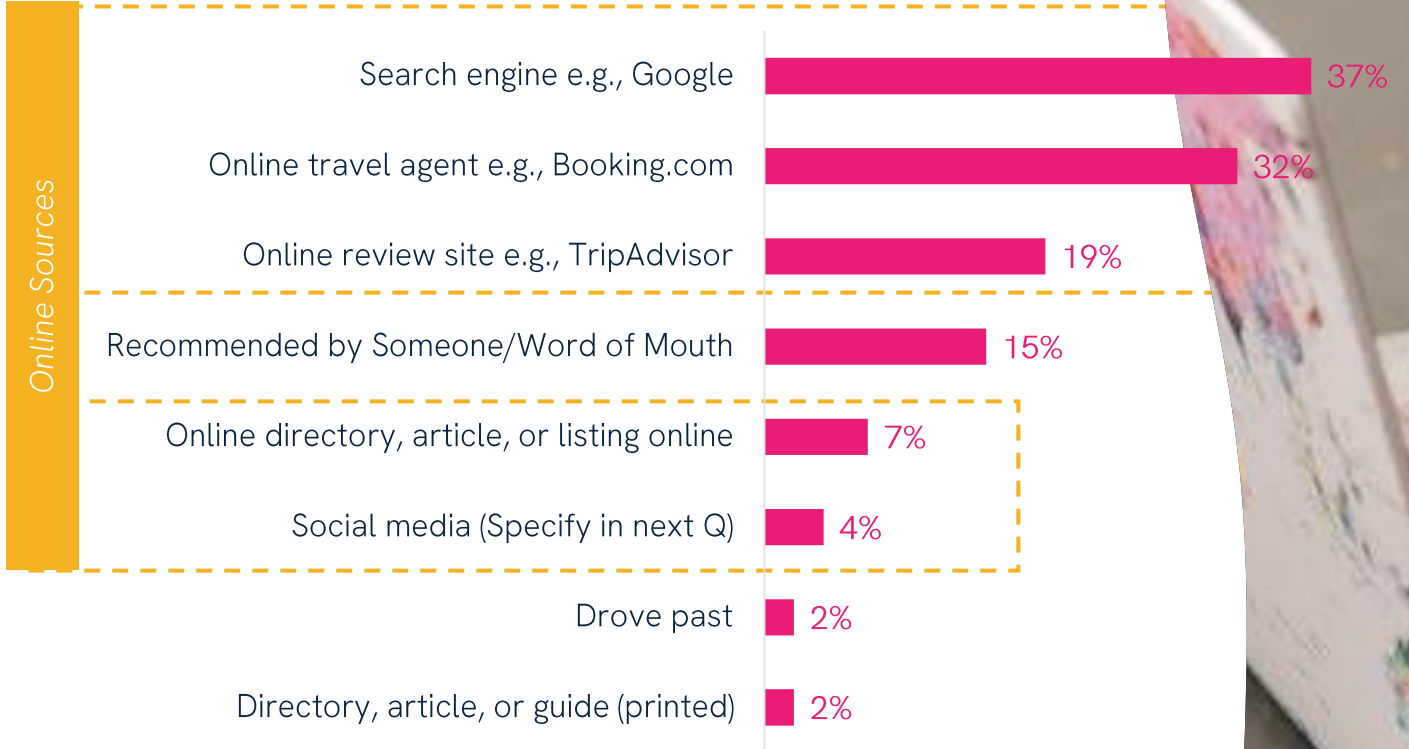
KEY INSIGHT #2

Pub accommodation is attractive to consumers due to its perceived value, and the character and atmosphere the property's provide to its guests, and once they try it, they see the USPs and are likely to visit again. Championing these themes in messaging and showcasing quality as well will cement this belief in existing and new audiences.



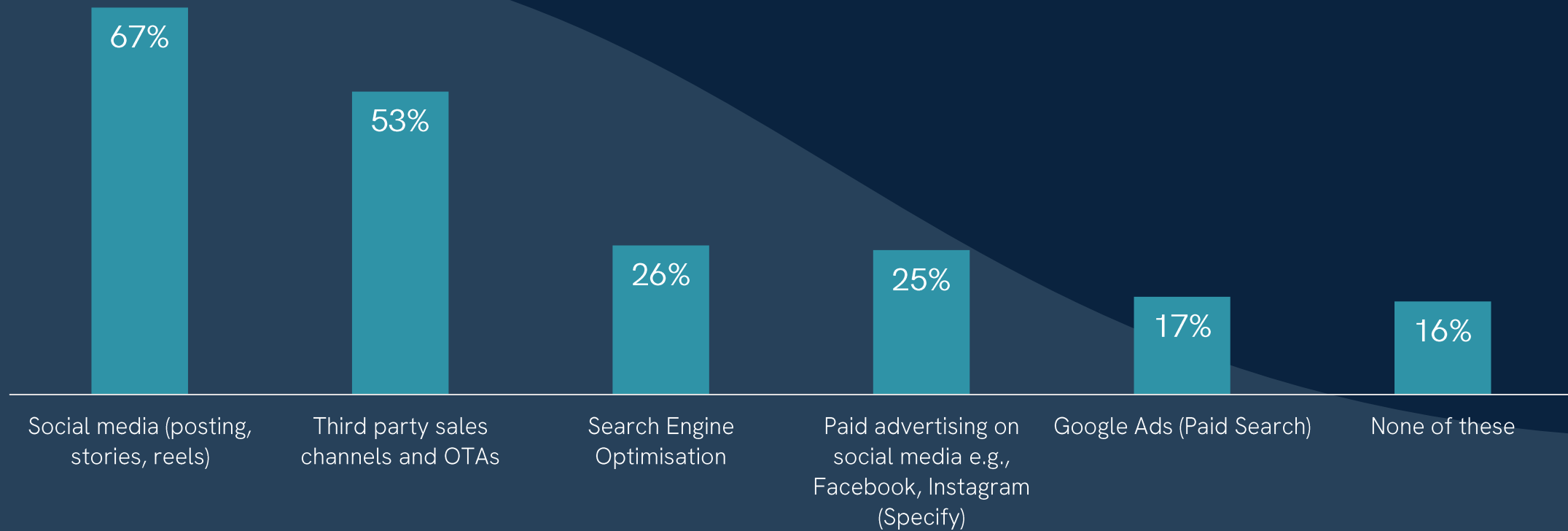
Online sources were utilised by consumers for their last UK stay – so online presence and SEO is essential to capture their attention when seeking out accommodation

When you stayed in a pub, how did you find your chosen accommodation ahead of this stay?



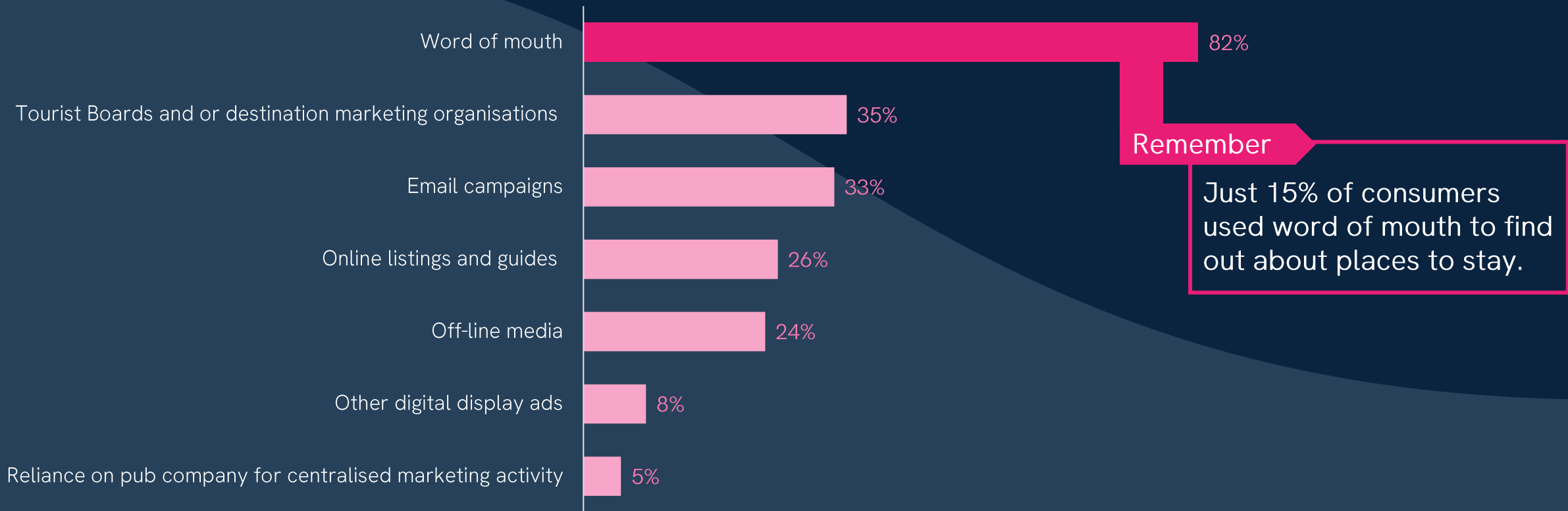
Limited use of SEO or paid advertising to promote pub accommodation, with operators taking advantage of social media platforms instead

What marketing methods do you use to promote your accommodation?



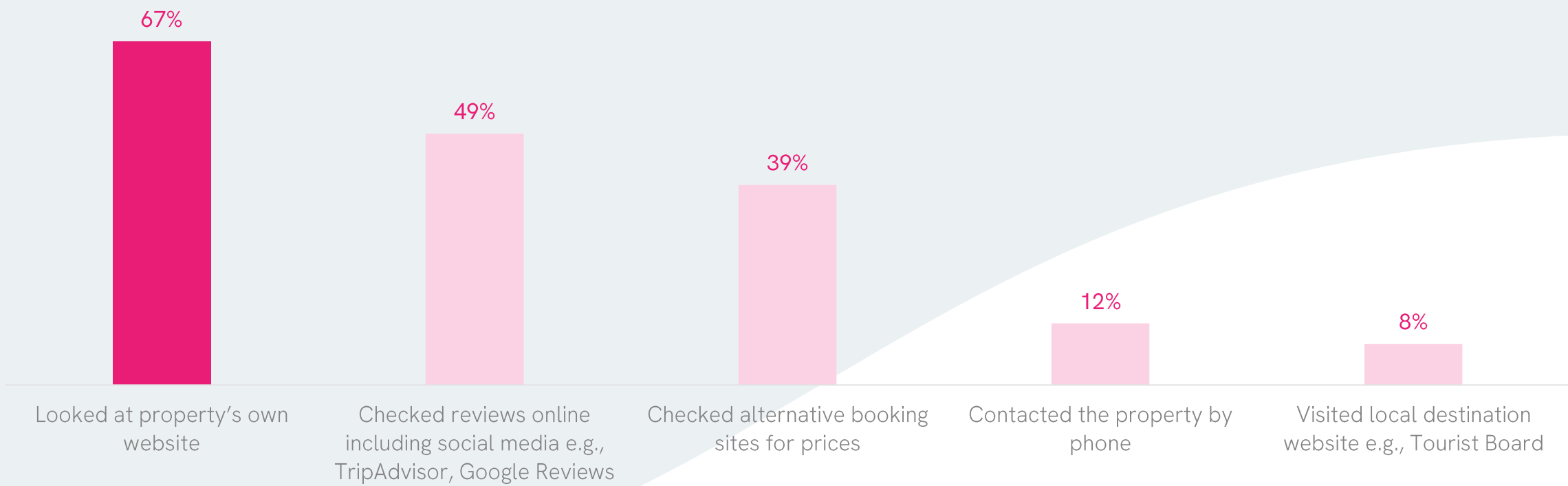
Word of mouth is considered a powerful tool for booking and custom by operators, with perhaps too much reliance on it

Which of the following are most influential to attaining customers?



Accommodation website is one of their biggest assets for attracting consumers, so investment in the websites aesthetic, functionality and ensuring it contains the most up to date information will be useful to attract new consumers

When you stayed in a pub, before booking which of these did you do?



KEY INSIGHT #3

Online sources are vital for consumers and the website is biggest asset – it's the #1 source consumers go to in their research stage of the journey, and is one of the most influential drivers to them before making booking. Operators must ensure content is accurate and up to date to capitalise on this.

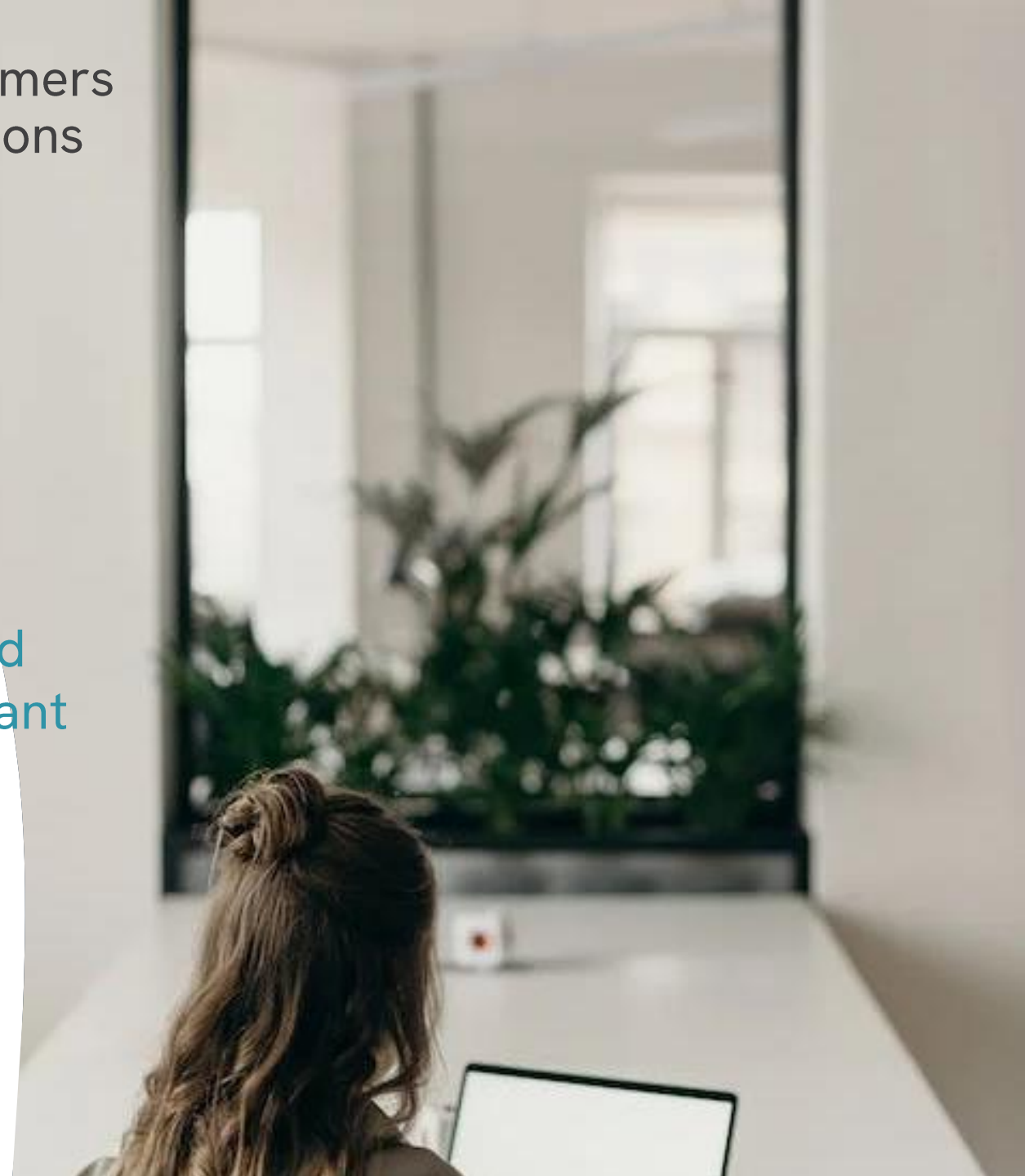


Reviews are an important tool for consumers and have a big role in influencing decisions

94%

Of consumers say that comments and reviews of accommodation are important in their decision to book

+44pp vs. 2019



92%

**Of operators' state that
their customer reviews are
very important or
important to their
business**



TripAdvisor is the main source of accommodation ratings and so guests should be encouraged at various touchpoints to leave feedback there to maximise visibility

Have you ever used any of the following?



+50pp vs. 2019



TripAdvisor is by far the most prominent customer review website that operators choose to list their business on, though when comparing to the number of consumers who use it, Trustpilot is currently underutilized by operators

Is your pub listed on any of the following customer review websites?



TripAdvisor

83%



Google My Business

75%



Trustpilot

8%

Remember
65% of consumers use Trustpilot



Despite labelling official star ratings as the most important to success of business, over two thirds of operators do not hold any ratings

Please rank 1-5 what is most important to the success of your business?

#1 Official star ratings and accreditations

69%

#2 Social media comments and reviews

Of pub operators do not have any current official star ratings or accreditations

#3 Customer reviews through a third party

#4 Customer testimonials

#5 Word of Mouth



79%

Of consumers said that
official star ratings or
accreditations are
important when
choosing where to stay



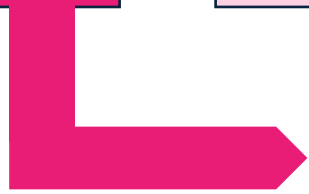
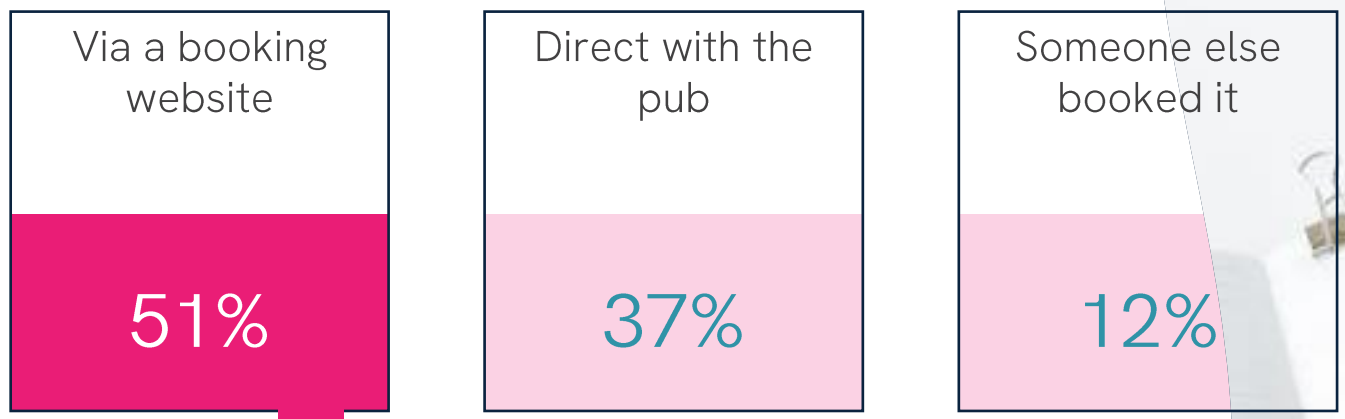
KEY INSIGHT #4

Online reviews and official accreditations go hand in hand for consumers, as both offer different types of reassurance. As well as prioritising responding to online reviews to create engagement and amplify positive messages, operators should consider gaining star ratings or other accreditations to reassure consumers of quality and stand out vs. competitors.



The majority of consumers choose to book through third party booking websites

When you stayed in pub accommodation, how did you eventually book your stay?

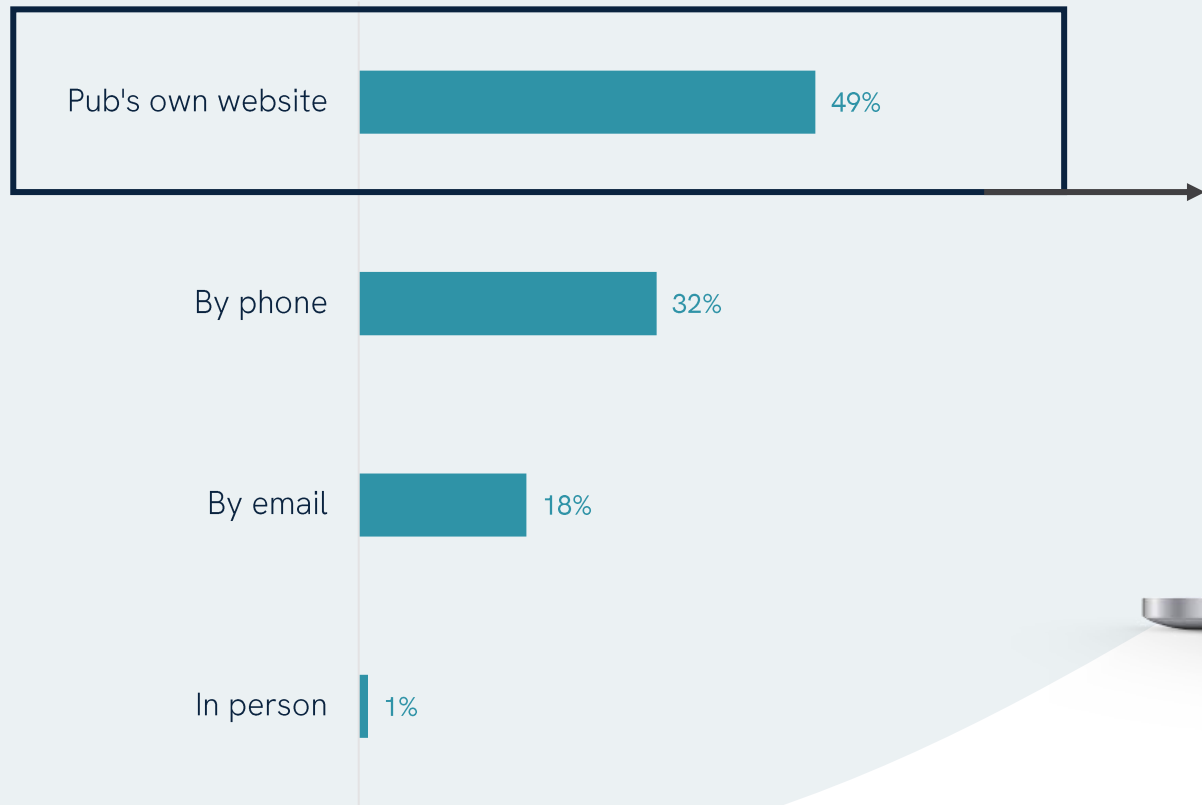


64% of those who use a booking website go to Booking.com – Pubs should ensure all information about properties contained on this source is accessible via owned channels.



For those who choose to book directly with the pub, this is another example of how vital the website is as a consumer touchpoint

When you booked directly with the pub, how did you complete this booking for?



Consumers visit the property website **earlier in the booking journey**, commonly when conducting their research and to get a feel for the **general 'vibe'** of the accommodation. **Investment into your website** to ensure the **user experience** is seamless will encourage more consumers to **book directly with the pub** and not seek out third party websites.





Bookings are most commonly processed via third parties over direct methods, so more needs to be done for owned channels

How are your room bookings taken?

#1	Via third parties	45%
#2	Direct via own website	31%
#3	Direct by phone	28%
#4	Direct via email	18%
#5	Direct via social media	9%

Sample size:108



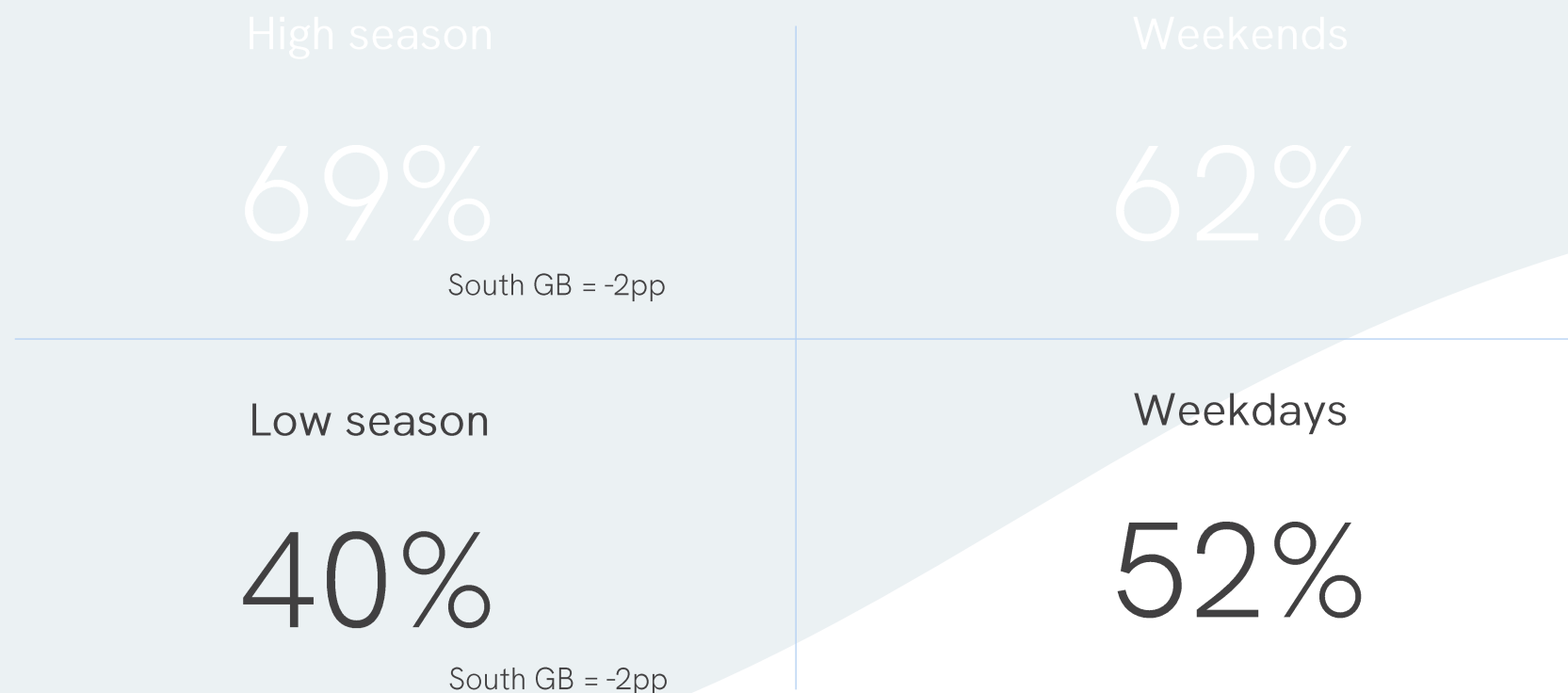
KEY INSIGHT #5

Owned and operated websites are pub accommodation's biggest asset and should be leveraged more to encourage consumers to make their booking while visiting as part of their research, instead of seeking out third party websites.



Around a third of total occupancy potential is available at peak times. Can promotions be used at lower priority times to boost occupancy and retarget those people to return at peak times or recommend to others?

What proportion (%) of your total occupancy do you achieve during the following timeframes?



In 2016 & 2019 occupancy rates were between 47-48%





On average, consumers stay
in pub accommodation for

2 nights



GU
A
JA

CHECK-

Operators told us that their daily room rates at present are £93.45 in High Season and £77.90 in Low Season, though rates are higher in the South of GB.

On average, consumers paid

£98

for their stay in pub accommodation





71%

Of consumers had lunch
or dinner at their pub
accommodation venue

On average, consumers paid

£39

Per person for lunch or dinner
at pub accommodation



KEY INSIGHT #6

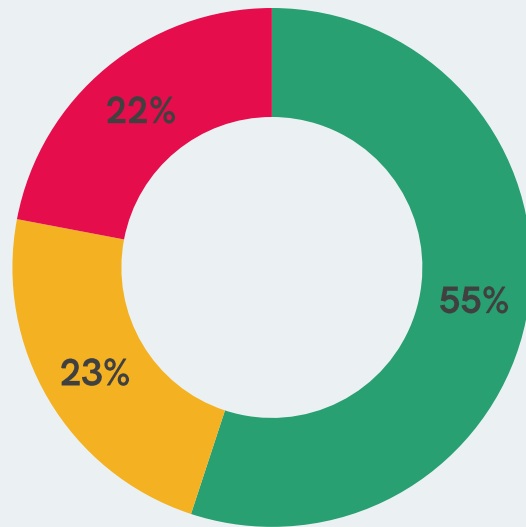
There is opportunity to enhance the consumer's overall experience at your property and unlock additional spend potential by offering food, developing the menu for both meals and drinks will encourage more consumers to stay on-site and attach strong memories to the property.



Operators feel optimistic for future revenue potential, with 59% expecting revenue growth for the future

Present performance

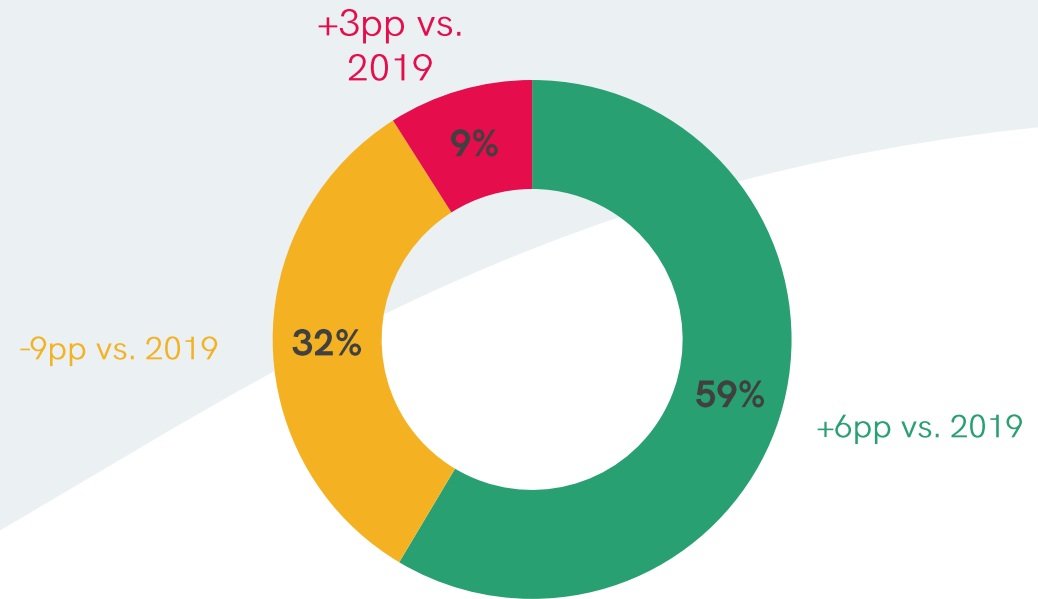
How has revenue from accommodation changed post COVID vs. 2019 (pre-pandemic)?



Grow

Expected future performance

How do you expect your revenue from accommodation to change in the future?



Stay the same

Decline



76%

Of operators are not planning to increase the number of bedrooms on their premises in the next 12 months

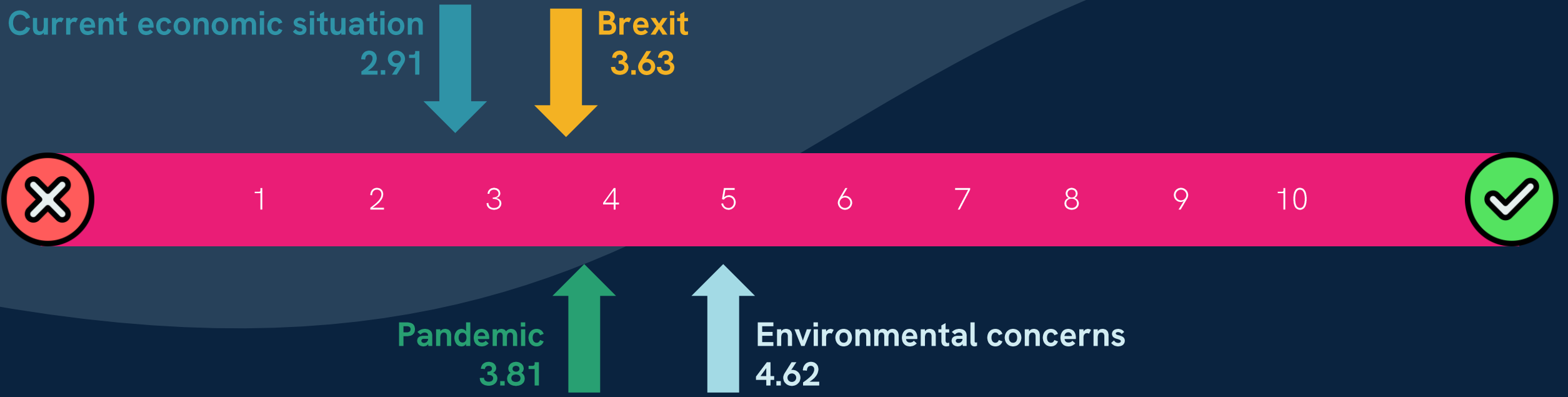
62%

Of operators are planning to complete refurbishments on their premises in the next 12 months

69% already have in the last 24 months

Current economic situation is having the biggest strain on business', with less concern around environmental and social impacts

On a scale of 1-10 what impact do you think [issue] has had on your business?
0 is extremely negative and 10 extremely positive



KEY INSIGHT #7

Pubs are focussing on enhancements to their property now over expansion, which, if communicated and publicised will help to attract new customers who have concerns around the quality they'll receive from pub accommodation.



Contact Us

To learn more or to speak to a member of the team,
please feel free to get in touch:



Andy Dean

Client Director

Andrew.Dean@cgastrategy.com

