

U.S. HOTEL SECTOR ON THE ROAD OF SUCCESS



In 2022, the hotel and motel industry in the United States recovered and even flourished. Demand was so strong that average daily rates (ADR) increased along with occupancy, setting the stage for a record-breaking year for hotel revenue.

According to Phocuswright's most recent travel research report, "U.S. Hotel Market Report 2022-2026," the sector saw a 33% increase in gross bookings from year to year and easily outperformed 2019. **However, the U.S. hotel sector faces staff shortage issues and economic worries, creating new short- to medium-term challenges.**

The research thoroughly analyzes the U.S. hotel and lodging business, including forecasts for the market's size and growth through 2026, distribution trends, significant innovations, and more.

Numerous difficulties still need to be addressed in the hospitality industry, such as the persistent talent crisis and the slow comeback of major corporate conferences and events, which are crucial to the survival of many metropolitan hotels. However, trends in remote work and leisure travelers, particularly those who take car vacations or travel inside the country, continue to fuel growth.

Here are the main areas of attention in the future for the U.S. hotel sector:

The Staff Shortage

Despite improvements over the previous few months, the hotel sector still has a severe labor shortage. According to the U.S. Bureau of Labor Statistics, the industry was obliged to function with 1 million fewer employees than before the epidemic in 2022, two years after thousands of workers were fired or left.

Meetings Are Back

Business meetings and events returned in 2022, which was a good present for hotels. Compared to midweek, extended weekends exhibit different activity and occupancy shifts. How effectively hotels can capitalize on trends like leisure travel and digital nomads will significantly influence future hotel prospects.

Optimistic Outlook Despite Growing the Short-term Rental Sector

Given the growing competition from short-term rentals, hotels' spectacular return in 2021-22 is even more noteworthy. Tourists prefer rentals for distinctive experiences, extended stays, affordability, or more space and amenities for larger groups. Although there is genuine competition for hotels, they have responded in various ways, for example, by improving benefits for loyal customers.

The Loyalty Programs Conflict

Since hotels started offering discounted prices to loyalty members roughly six years ago, they have successfully increased their online direct user base. But to minimize their reliance

on Google, OTAs have also stepped up their reward programs, which has led to an increase in direct bookings on their websites and apps.

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