



2024

State of Independent Lodging

REPORT

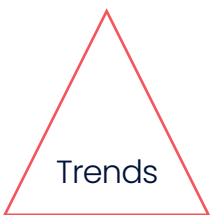


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Founders' note



Cloudbeds is honored to serve hoteliers, who we believe are the heroes of hospitality. Over the last few years, we've seen their needs shift as they navigated the pandemic and pushed toward full recovery amid rising costs and inflation in 2023.

This year, we expect advanced technologies to usher in a shift in how owners, operators, and hoteliers do business as they chase demand. Unplanned overbookings, front desks staffed 24/7, and marketing or finance degrees to optimize revenue are a thing of the past. Siloed and disparate legacy systems are too. We'll be a partner in saying goodbye to the old rules of hospitality by providing best-of-class technology, education, and support to rewrite new ones.

As part of that education and support, we've compiled data from across the globe to deliver critical insights on lodging businesses to support strategic decision-making. In this comprehensive *State of Independent Lodging* annual report, you'll find key data on traveler booking behavior and which trends are shaping the travel landscape as we know it. We hope this information empowers you to chase demand and elevate your business.

Let's rewrite the rules for great hospitality, together.

Adam + Rich



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Introduction

2024: The year of chasing demand

In the second annual State of Independent Lodging Report, the Cloudbeds team draws from a trove of data, research, and daily interactions with independent hoteliers around the world to share insights and trends in travel for 2024.

If the past few tumultuous years have taught us anything, it's that change is the only constant. No sooner had hotels begun to recover from the pandemic than they were hit with a labor crisis and rampant inflation. While these challenges began to ease in 2023, they continue to serve as impediments to growth and profitability today. Meanwhile, growth in travel has slowed down, in part due to a softening in the leisure segment, which has bolstered hotel performance since the pandemic.

Nevertheless, the outlook for the travel industry in 2024 looks encouraging. Economic forecasts have shifted from fears of a global recession to expectations of a soft landing and moderate growth. Recovery in international, business, and group travel is gaining momentum. Despite higher prices, consumers have demonstrated a determination to travel and a desire for the distinctive experiences only independent hotels can provide.

How will the year ultimately roll out? While the data provides us with strong signals, many unknowns remain. For independent hoteliers, 2024 will be the year of chasing demand. This means monitoring market trends and travel patterns closely to determine who is traveling and how best to capture the business and finding new approaches to overcoming challenges, old and new.

In the first section, we share booking data from thousands of independent properties around the world to help you benchmark performance against industry peers. And in the second section, we explore six trends shaping the travel landscape, along with strategies for adapting to the trends and ensuring long-term growth.

At Cloudbeds, it's our goal to provide the technology and the know-how independent lodging businesses need to compete with hotel brands for more reservations and happier guests. We believe that with the right technology, operating an independent property is not only easier, it's the smarter choice. After all, amazing hospitality isn't just the domain of the big brands. In fact, we think it's best served by independent properties. And we're here to help.

Traveler booking behavior and insights

In the lodging industry, data reporting often lumps all types of accommodation together and is heavily weighted toward the big brands that dominate the sector. This makes it difficult for owners and operators of independent properties to compare performance to similar properties and identify travel patterns relevant to their sector.

In this section, we share data exclusively from independent properties, representing everything from boutique hotels and guest houses to B&Bs and hotel groups. Drawing from a data set of 10,000+ properties, we track key performance metrics over the five-year period from 2019 through 2023. Properties are dispersed across 100+ countries and divided into four regions: North America, Latin America (including Mexico), Europe, and Asia Pacific.

The following metrics provide macro-level views of how travel behavior has evolved for independent hotels and where the sector appears to be heading. At the property level, they reveal valuable clues about what it will take to grow market share and boost profitability in 2024.



Occupancy: Back to the future

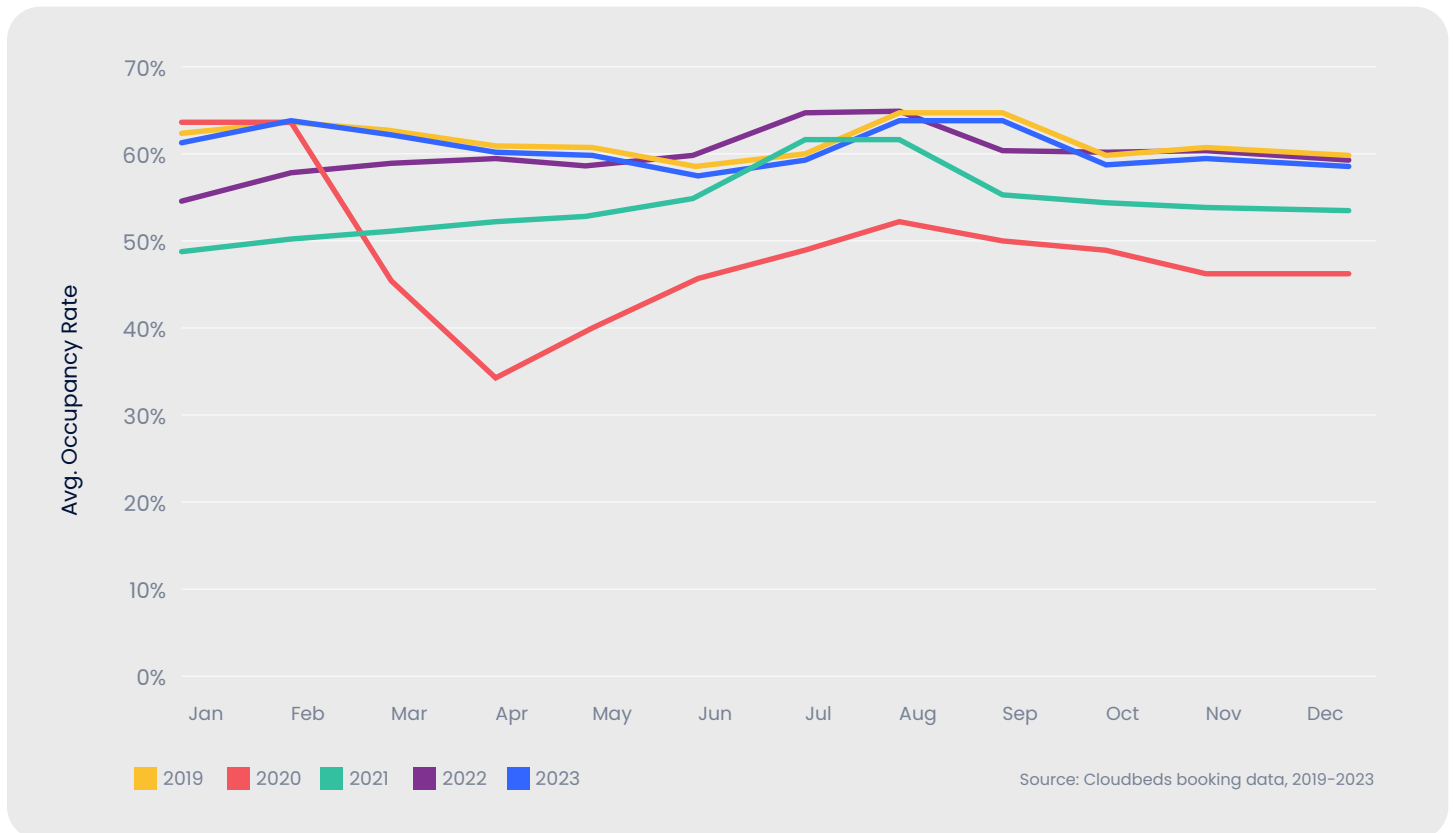
2023 was the first full year global occupancy for independent hotels fully recovered from the pandemic, with rates closely following 2019. There were early indications of a return to normal starting in April 2022, when occupancy finally caught up to pre-pandemic levels, and this trend has sustained itself throughout 2023, marking a full year of “normalcy.”

While some cities experienced record occupancy rates in 2023 due to concert tourism or TikTok fame, overall travel demand remained stable, a reassuring sign for lodging businesses. Looking ahead to 2024, occupancy patterns are expected to remain consistent. With demand relatively flat, hotels will need to focus efforts on growing market share and RevPAR.



Global Occupancy Rates, year-over-year

2023 marks the first full year of “normalcy”



Average daily rate (ADR): An inflation hedge

Average daily rate has been a key driver of hotel performance since the pandemic. In 2023, independent hotels achieved an ADR index of 120 relative to 2019, meaning that rates were 20% higher on average. For some hotels, strong rate growth combined with stable occupancy enabled record room revenues.

However, the picture isn't quite as rosy when room rates are adjusted for inflation. Globally, inflation peaked at 8.7% in 2022 and then declined slightly to 6.9% in 2023.¹ As a result, growth in operating expenses outpaced growth in revenue for many hotels in 2023. In the U.S., for example, labor costs were an additional 7.5% per occupied room compared to 2022.²

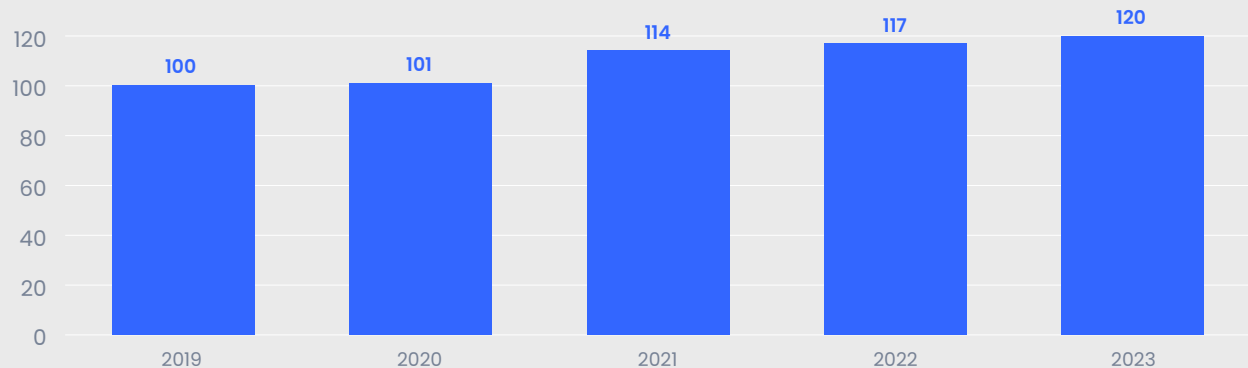
This year, global inflation is forecasted to decline further but remain relatively high, at 5.8%, although it should come closer to normalization in developed countries. This poses a big question for hoteliers: How much higher can pricing be pushed to offset rising costs? In the U.S., CBRE projects hotel ADR to increase by only 2.3%.³

With travelers expected to be more price-sensitive this year, hoteliers will need to find additional ways to boost the bottom line while still upholding quality standards and value perception. Yet many hotels are already operating on a leaner staffing model and reduced housekeeping services. Potential areas for reducing costs and increasing pricing may be found in food & beverage services, parking, ancillary fees, and non-refundable rates.



Global ADR, indexed to 2019

ADR is a key driver of hotel performance



Source: Cloudbeds booking data, 2019–2023

Revenue per available room (RevPAR): Room for growth

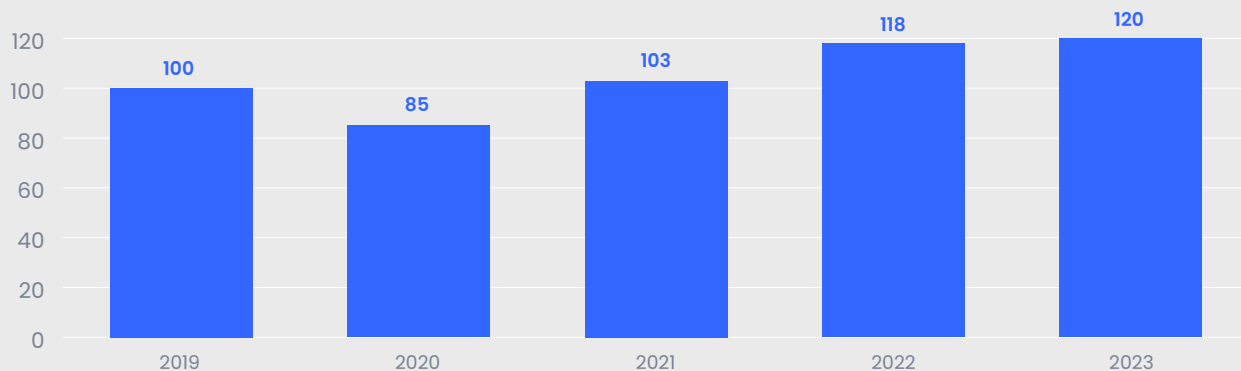
Revenue per available room is an important performance metric because it indicates how well hotels balance the need to fill rooms with the desire for a high average rate. Globally, in 2023 independent hotels achieved a RevPAR index of 120 relative to 2019. This is consistent with the ADR index, demonstrating the power of holding rates steady even when demand softens.

While 2020 is an outlier due to the pandemic, the pattern of steady RevPAR growth since then bodes well for hotels in 2024. Provided occupancy grows moderately and hotels can maintain or increase average rate through selective discounting and shrewd yielding of room inventory, there is room for additional growth in RevPAR. Moreover, if inflation continues to moderate and costs are well contained, hotels will be well-positioned to increase profitability.



Global RevPAR, indexed to 2019

RevPAR indicates the power of holding rates steady even when demand softens



Source: Cloudbeds booking data, 2019–2023

Booking source: OTAs are stronger than ever

During the pandemic, travelers' desire to stay closer to home and have the flexibility to cancel if needed led to a significant shift from online travel agency (OTA) bookings to direct bookings via hotel websites, the telephone, email, and walk-ins. As a result, in 2020 and 2021 global direct booking volume surpassed OTA booking volume.

Since then, however, we've seen OTAs return stronger than ever, a trend identified in Cloudbeds' 2024 Big Book of OTAs.⁴ In 2023, OTAs generated 60% of global bookings, a higher proportion than in any of the previous three years and much higher than the 40% of bookings generated on direct channels. Nowhere was the trend more prominent than in Europe, where OTAs accounted for 76% of total bookings. At 65%, Asia Pacific followed Europe. By comparison, in North America, the OTA share was 48% – the only region where direct booking volume surpassed OTA booking volume.

The domination of OTAs solidifies the importance of a diverse distribution strategy for maximizing online visibility and bookings. As reported in the Big Book of OTAs, independent hoteliers see optimal results through a strategic mix of six OTA connections across global, regional, and niche channels.

Not only will a diverse channel mix lead to more OTA bookings, but it will also help generate direct bookings via the billboard effect, with visitors leaving OTAs to visit a hotel's website. To convert this traffic into direct bookings, properties must have a search-optimized and mobile-friendly website, along with clear images and descriptions and an integrated booking engine. Investments in metasearch advertising and business listings optimization will also help travelers find hotels when searching for them online after being exposed on OTAs.

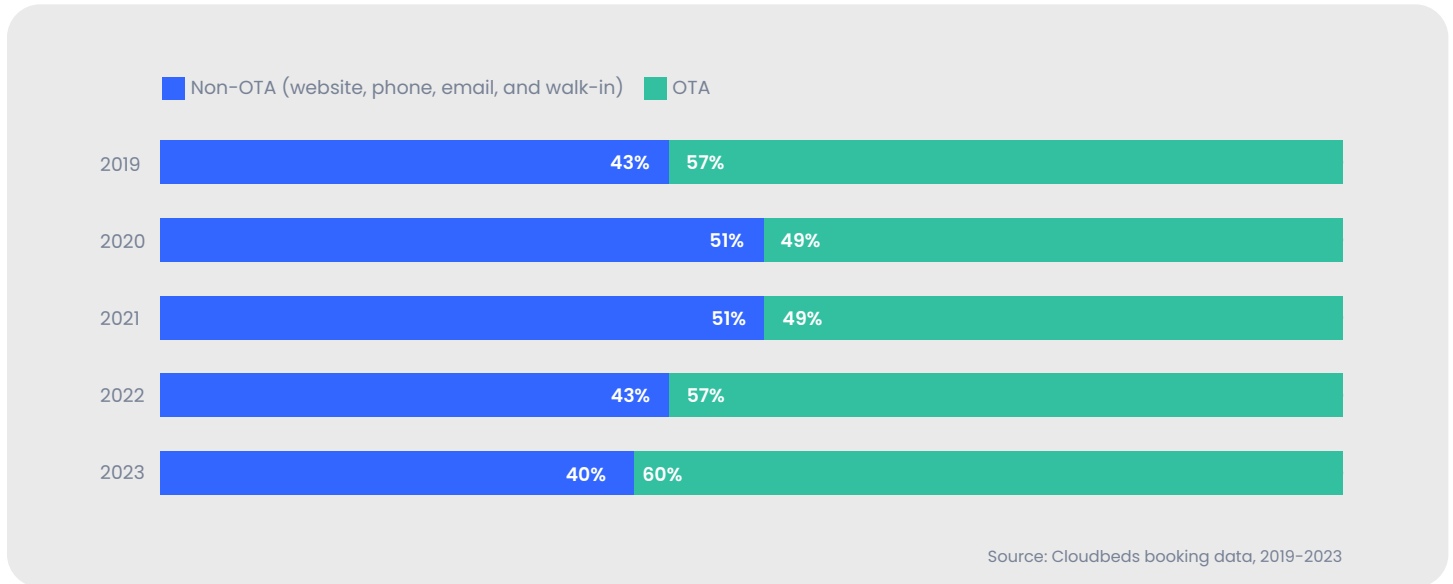


⁴ Cloudbeds. [The Big Book of OTAs](#). 2024.



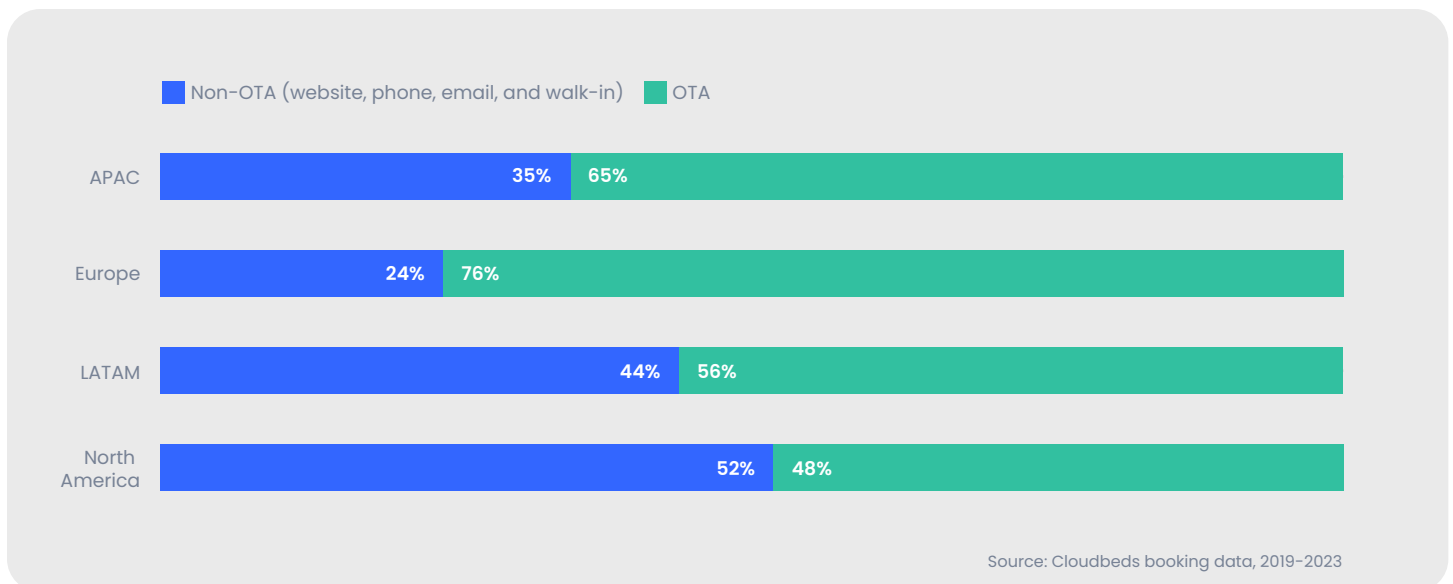
Global percentage of total bookings by booking source, OTA vs. Non-OTA

OTA share of bookings surpasses 2022



Percentage of total bookings by booking source and region, 2023

North America is the only region where direct bookings surpass OTAs



Booking window: Travelers plan further ahead

During the pandemic, travelers showed a preference for booking at the last minute due to concerns about safety and uncertainty about travel restrictions. This made it challenging for hoteliers to anticipate occupancy patterns, plan ahead, yield rates, and manage operating costs. Many hoteliers worried that last-minute bookings would become the new normal.

Yet the latest data tells us that those nail-biting days may be behind us – or at least the worst of them. In 2023, the average booking window – the number of days prior to arrival when travelers reserve a room – increased in all regions relative to the previous three years. The only exception was in North America, where the average booking window remained the same, at 40 days prior to arrival.

At 46 days, Europe had the longest average booking window of the four regions, an increase of six days over 2022. In Latin America and Asia Pacific, booking windows were much shorter, at 32 days and 31 days, respectively. These patterns have been relatively consistent in recent years, although the gaps among regions have become more pronounced.

Longer booking windows reflect growing confidence among travelers to plan trips well in advance. In 2024, an expected increase in international and group travel may tip the average booking window even higher, as these segments tend to book trips further out. Other trends such as the anticipated upsurge in event travel may also lengthen the booking window.

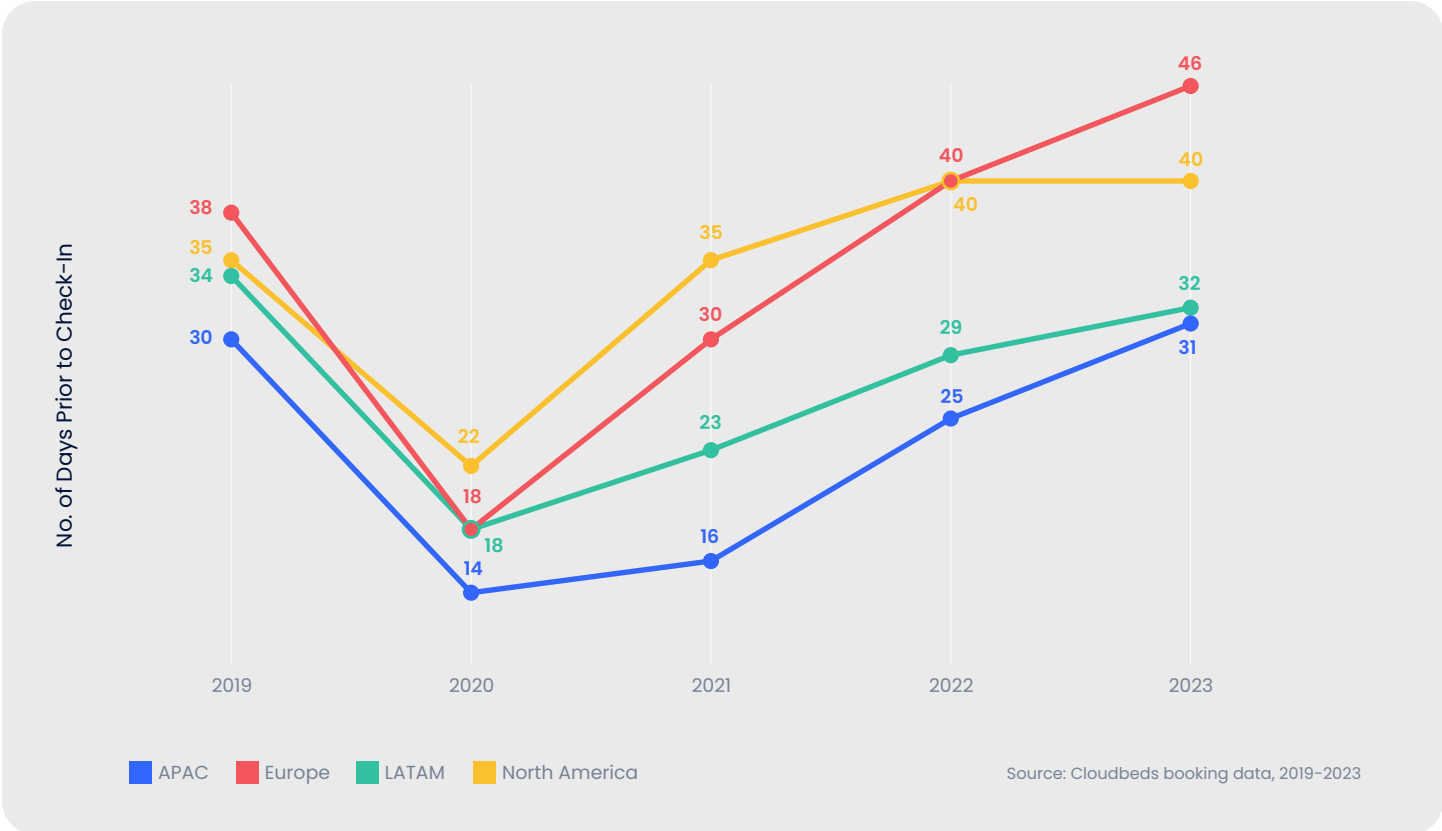
While there will always be last-minute bookers, and they bring value of their own by filling empty rooms, hotels would be wise to encourage the trend toward longer booking windows. Early-bird discounts are a proven way of incentivizing such behavior.





Average booking windows for independent properties by year and region, 2019-2023

Longer booking windows reflect growing confidence among travelers



Length of stay: An uptick in medium-term stays

In 2023, average length of stay patterns showed relative consistency with previous years. Almost three-quarters of bookings at independent hotels were for stays of one to four nights, with 43% of booked room nights being one or two-night stays and 30% being three or four nights.

Since 2020, there has been a moderate increase in stays of three to four nights and a 2% decrease in one to two-night stays. This may be an indication of the increasing popularity of “bleisure” or blended travel, a trend we observed

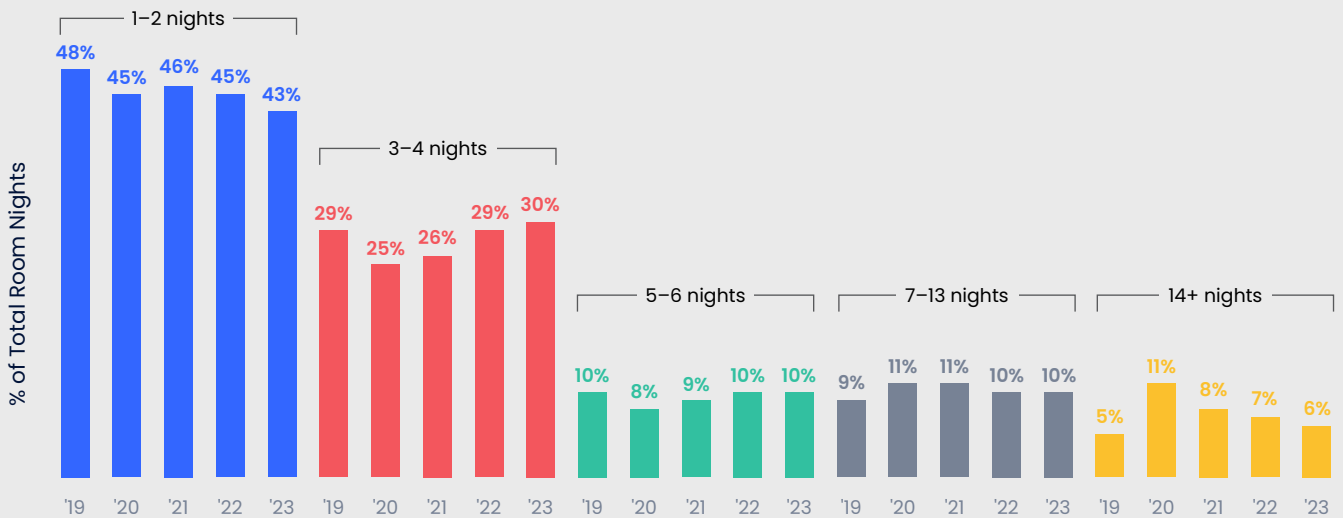
in last year’s report. More travelers are taking advantage of the flexibility of remote working to tack on a night or two to their stay.

Longer stays are attractive to hoteliers because they boost occupancy and reduce marketing and operating costs. In 2024, hotels can target longer stays by offering incremental discounts and add-ons such as free breakfast or parking and discounts on food & beverage, as well as offering special packages and amenities for families and business travelers.



Percentage of booked room nights by length of stay, 2019–2023 (global)

73% of booked room nights are stays of 4 nights or less



Source: Cloudbeds booking data, 2019–2023

Arrival and departure patterns: Remain consistent

In 2023, in a pattern consistent with previous years, travelers showed a preference for arriving on Fridays (20%) and Saturdays (17%) and departing on Sundays (23%). These are typical travel patterns for leisure travelers, reflecting the strength of this segment in recent years.

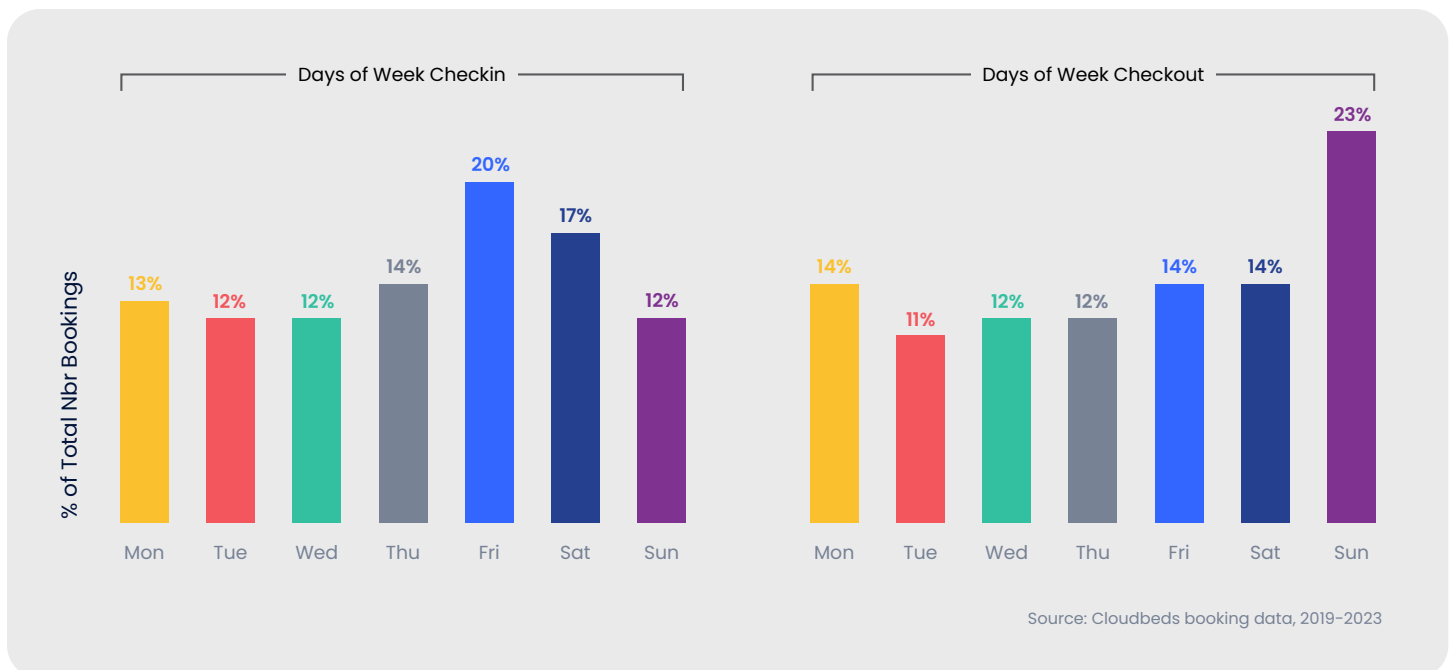
However, there were small variations in arrival and departure patterns by length of stay. For stays of three to four nights, for example, Thursday was the most popular check-in day, whereas Mondays were as popular as Sundays for check-out. For stays of five to six nights, Sunday was the most popular check-in day.

In 2024, hoteliers should keep a sharp eye out for changes in arrival and departure patterns to ensure that pricing strategies reflect the latest demand patterns. For example, an uptick in demand on shoulder nights may indicate an opportunity to increase rates, whereas a softening in demand midweek may call for booking incentives. Implementing stay restrictions such as a minimum length of stay and closing high-demand dates to arrival or departure can also help balance inventory and drive higher overall revenue.



Most popular check-in and check-out days globally

Weekend stays most prevalent among independent properties



6 trends shaping the travel landscape

In last year's report, we discussed five emerging trends: value-driven decisions, the virtual front desk, hybrid hospitality, new search habits, and the rise of experiential travel. This year, we anticipate these trends to continue, along with six newer developments poised to reshape the travel landscape.

These trends include a resurgence in lagging market segments, an uptick in inflation-busting travel hacks, and new spins on experiential travel. We also anticipate continued growth in the short-term rental sector (despite rumors to the contrary), new efficiencies driven by generative AI, and growing demand for new skills among next-generation hoteliers.

While the economy seems poised to dodge a recession again this year, that doesn't mean it will be smooth sailing for hotels. As we observed in the previous section, travel patterns are changing, travelers are more price-sensitive, and demand may soften. Under any market conditions, it's the hoteliers who monitor the trends and data closely, act quickly to seize opportunities, and offer a distinctive guest experience that will outperform the market.



The comeback: Stragglers catch up

Since the pandemic, leisure demand has been so strong it has been easy to overlook other market segments that have been slower to rebound. However, with growth in leisure travel now at a virtual standstill, all bets are on a triple threat of market segments picking up the slack: international, corporate, and group travel.

Here come the big spenders

In 2023, international tourism reached almost 90% of pre-pandemic levels, setting the stage for a full recovery in 2024.⁵ Inbound tourists tend to stay longer and spend as much as 90% more than domestic travelers, according to Aoife Roche of STR, speaking at Cloudbeds' inaugural Passport UserCon. She also noted that strong demand from Asia Pacific is likely to fill any gaps in other regions.⁶

Back to business travel

After stalling and sputtering in recent years, global business travel is forecasted to zoom past pre-pandemic spending levels in 2024. Some of the recovery will be fueled by rate growth, whereas travel volume may still lag behind 2019 numbers. China is expected to lead the charge, reclaiming its position as the No. 1 outbound business travel market in the world.⁷

The more the merrier

Group travel made strong strides in 2023, and the momentum is anticipated to continue through 2024. This includes not only conference travel and small regional meetings but also team-building events, social groups, and group trips to sporting events like the Olympic Games in Paris. However, groups might not hit their usual haunts. Many conferences and events have shifted from large, urban cities to smaller, secondary markets, according to Hilton.⁸



⁵ UNWTO. [International Tourism to End 2023 Close to 90% of Pre-pandemic Levels](#). November 2023.

⁶ Cloudbeds. [Passport 2023: A global virtual event for the independently-minded hotelier](#). October 2023.

⁷ GBTA. [Global Business Travel Industry Forecast is for Accelerated Rebound, Spending to Reach \\$1.8 Trillion by 2027](#). August 2023.

⁸ Hilton. [Business Travel Trends Will Redefine Expectations](#). 2023.

Trend Indicators

What does this mean for independent hoteliers?

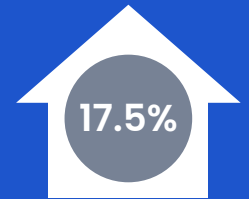
Chasing demand is about finding new business opportunities, and these market segments offer valuable ways to strengthen hotel performance. International travelers are generally less price-sensitive than domestic travelers, and they tend to stick around for a while. As our data indicates, more business travelers are working remotely and combining leisure activities on trips, increasing the average length of stay. And groups often book well in advance, providing a solid base upon which to build higher-rated business.

Even properties that don't host a lot of groups or business travelers can benefit from the compression they bring to a region. The local convention & visitors bureau (CVB) can keep hoteliers up to date on upcoming events and conferences, providing advanced notice of opportunities to increase rates.

Hotels that cater to diverse market segments enjoy stronger year-round demand and are better positioned to weather a softening in one or more segments. In 2024, the time may be ripe to start spreading the love.

In 2024, hotel rates are forecasted to rise in most locations around the world and by as much as 17.5% in some cities.

Source: [Amex GBT](#)



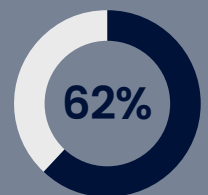
In the next three to five years, China is set to become the world's biggest outbound travel and tourism market.

Source: [WTTC](#)



62% of business travelers more frequently blend business and personal travel today than in 2019.

Source: [GBTA](#)



△ TREND 2

Inflation who? Travelers trade up

Inflation is heavy on the minds of consumers these days. Nevertheless, surveys indicate that people are unwilling to sacrifice travel or compromise on their tastes. Instead, they're finding creative ways to trade up travel experiences.

Aspirational luxury

To experience a richer lifestyle on the road than at home, travelers are employing money-saving hacks such as traveling off-peak, during the week, and closer to home. Some are choosing destinations where the cost of living is relatively low, whereas others are buying a day pass or enjoying drinks at a luxury hotel (and posting proof on Instagram) while staying at a more affordable property.

Close enough: The quest for dupes

Popularized on TikTok, a dupe refers to a more affordable alternative to a popular but pricey product. Not only are dupe destinations less expensive, they also tend to be less crowded and less predictable. For travelers, this might mean choosing Quebec City over Paris or Liverpool over London. Already, one in three travelers has booked a dupe, according to Expedia.⁹

Postponing the payment, not the trip

"Buy Now, Pay Later" (BNPL) is the fastest-growing form of payment in the U.S. In travel, service providers like Affirm and Afterpay have partnered with Booking.com, Expedia, Airbnb, and select hotel companies to offer BNPL options, and the list is growing fast. In a survey from Atmosphere Research, four in 10 travelers said that a BNPL option had made it possible for them to take a trip.¹⁰



⁹ Expedia Group. [Unpack '24: The Trends in Travel](#). 2023.

¹⁰ Fast Company. [How Buy Now, Pay Later is changing how consumers think about travel](#). May 2022.

Trend Indicators

What does this mean for independent hoteliers?

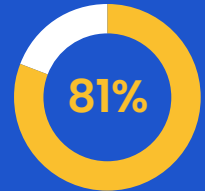
While travelers may seek bargains in 2024, hotels still have bills to pay and staff to employ. Meeting demand for deals will require finding imaginative ways to make travelers feel they are paying less without slashing room rates.

Rather than being on sale all the time, hotels can protect rates by restricting discounts to times of low demand and targeting desirable business like advanced bookings and extended stays throughout the year. Reduced increments for premium rooms and suites can entice aspirational travelers to trade up, while charging premiums for conveniences like flexible cancellation, early check-in, and late check-out can boost total revenue.

Often it's the little extras and thoughtful touches that guests remember most, especially when on a tight budget. Throwing in value-adds such as an upgrade, free parking, welcome cocktail, or room amenities can wow guests without costing the hotel a lot of money. Additionally, offering a BNPL option will attract more bookings, especially if the economy slows down.

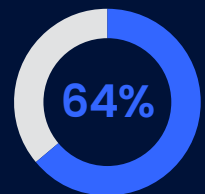
Globally, 81% of travelers plan to travel the same or more in 2024 compared to 2023.

Source: [Skyscanner](#)



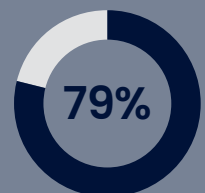
64% of travelers aim to cut other areas of their personal spending to prioritize leisure travel.

Source: [Forbes](#)



79% of consumers say they are likely to use BNPL service for hotel stays.

Source: [Uplift](#)



△ TREND 3

The experience IS the destination

According to the old adage, it's about the journey, not the destination, but in 2024, it's all about the experience. After years of post-pandemic binge-buying, consumers are moving on from collecting stuff to collecting experiences. Here are three standout trends we're observing.

Tour tourism

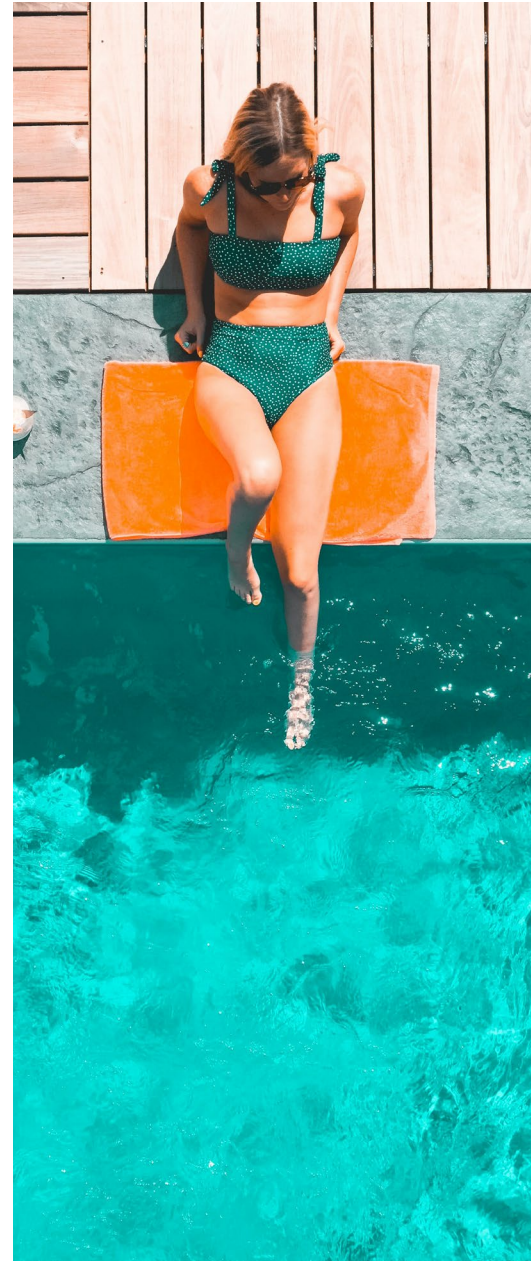
In 2023, world tours by Taylor Swift and Beyoncé demonstrated the power of tour tourism, bringing hotels significant bumps in revenue wherever they touched down. Hotels can expect an encore in 2024, with more shows from Tay Tay as well as Coldplay, Madonna, Pink, and other headliners hitting the global tour circuit. Almost 70% of travelers say they are more likely than ever to travel to a concert outside their hometown, according to Expedia.¹¹

Memorable meals

This year, travelers are showing an insatiable appetite for culinary tourism. According to Skyscanner, 47% of U.S. travelers have booked a destination purely to visit a specific restaurant.¹² For some, this may be experiencing Noma in Copenhagen, reputedly the world's best restaurant, before it closes at year-end. For others, it may be heading to steamed dumpling stalls in Nepal, produce markets in Vietnam, or Cajun food trucks in New Orleans.

Splashy trips

After last year's record-breaking temperatures, more people will retreat to water destinations this year. But this is about more than lounging on floaties in the hotel pool. Activities on the roster include wild swims with dolphins in Mauritius, eco-diving among the mangrove forests in Yucatan, winter swims in Norway and Estonia, and island-hopping by front crawl in the Adriatic.



¹¹ Expedia Group. [Unpack '24: The Trends in Travel](#). 2023.

¹² Skyscanner. [Travel Trends 2024](#). October 2023.

Trend Indicators

What does this mean for independent hoteliers?

To tap into the experience trend, hotels should promote their proximity to popular activities, whether it's a concert venue, popular restaurant, or unique attraction. Nearly two-thirds of travelers say they often or always book their hotel based on access to local experiences, according to Hilton.¹³

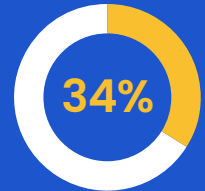
Another effective tactic is to package overnight stays with tickets to a show, a dinner voucher for a local restaurant, or even concert swag. During the Eras Tour, Loews Hotels enticed Swifties to its properties by offering Swift-inspired cocktails, playlists, bracelet-making lessons, and photo backdrops.

By signing up for notifications of upcoming concerts, sporting events, and festivals, hoteliers will receive a heads-up to raise rates and implement stay restrictions when demand is expected to spike. Properties can also utilize business intelligence and revenue management systems integrated with their PMS to track events and update rates in real-time.

At the same time, operators should be careful not to neglect the most important experience of all: the guest experience. Unique, localized experiences are a major reason why travelers choose independent hotels over brands.

34% of U.S. travelers plan to attend a gig, music concert, or festival in 2024, including 50% of 25-to-34-year-olds.

Source: [Skyscanner](#)



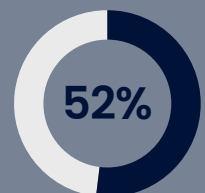
During the first 53 concert nights of Taylor Swift's 2023 Eras Tour, U.S. hotels pulled in an estimated \$208 million in revenue.

Source: [STR](#)



52% of travelers are keen to book a surprise trip where everything down to the destination is unknown until arrival.

Source: [Booking.com](#)



¹³ Hilton. [2024 Trends Report](#). October 2024.

△ TREND 4

Airbnbust? Long-term obstacles for short-term rentals

After substantial growth during the pandemic, the short-term rentals (STR) sector is experiencing serious pushback. Is this the beginning of the end?

Traditionally, a major draw for private rentals has been value: more space for less money. However, the pricing gap with hotels has narrowed, and travelers have been grumbling about misleading pricing tactics.¹⁴ Airbnb, in particular, has been assailed for advertising low prices only to produce sticker shock when fees are tacked on at checkout.

At the same time, governments have been cracking down on STR operators, capping the number of licenses issued and the number of days properties can be rented out per year. New York City is the latest city to throw down the gauntlet, with strict new regulations that bar hosts from renting out an entire home and require them to be present during the guests' stay.

As a result of all this activity, whispers of an apocalyptic "Airbnbust" have spread online.¹⁵ Upon closer inspection, however, it appears that reports of the death of short-term rentals have been greatly exaggerated.

While some secondary markets have experienced a glut in supply, overall demand has increased, while hotel rates climbed faster than rental rates last year.¹⁶ Reporting last year on the company's most profitable third quarter in history, CEO Brian Chesky remarked, "I think we're only scratching the surface." The company also introduced transparency measures to display the total price, including fees, at the beginning of listings.



¹⁴ Skift. [Short-Term Rental Demand and Supply Outpaces Hotels](#). October 2023.

¹⁵ Business Insider. [The 'Airbnbust' proves the Wild West days of online vacation rentals are over](#). March 2023.

¹⁶ Skift. [Short-Term Rental Demand and Supply Outpaces Hotels](#). October 2023.

Trend Indicators

What does this mean for independent hoteliers?

The STR market represents a relatively small but significant threat to traditional hotels, especially independent properties that target similar traveler types. When STR supply floods a destination, it drives down rates and occupancy for everyone.

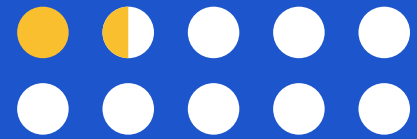
To compete, some independent hotels are introducing STR-like amenities such as kitchenettes, outdoor cooking facilities, laundry facilities, family-friendly amenities, large workspaces, and outdoor dining. Others are offering travelers the option of combining rooms into a suite, family quarters, or villas.

At the same time, independent hotels are highlighting the advantages they offer over short-term rentals. This may include better service, more amenities, and greater consistency in quality standards and cleanliness – without all the rules and fees associated with STRs. In 2024, with short-term rentals poised to grow in market share, upholding these standards will be more important than ever.

At the same time, operators should be careful not to neglect the most important experience of all: the guest experience. Unique, localized experiences are a major reason why travelers choose independent hotels over brands.

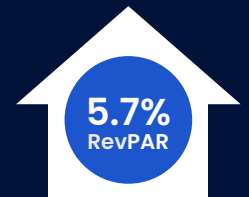
Globally, short-term rentals represent about 14.2% of the accommodation sector.

Source: [Skift](#)



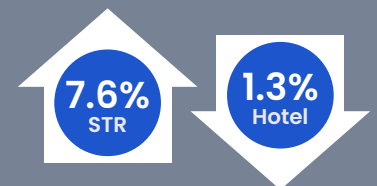
Global revenue per available rental (RevPAR) in the STR sector grew by 5.7% in the first six months of 2023.

Source: [TravelPulse](#)



Demand for short-term rentals in the U.S. grew by 7.6% in August 2023 over the previous year, while hotel demand declined by 1.3%.

Source: [CBRE](#)



△ TREND 5

Generative AI: Trusted travel advisor and 24/7 intern

2023 was the year generative artificial intelligence (AI) went mainstream. Since launching in late 2022, ChatGPT has amassed more than 180 million users worldwide. Not to be outdone, Google launched Gemini in December, an AI chatbot that comprehends and generates not only text but also audio, video, and images.

What's truly exciting about AI chatbots is their potential as a trusted travel advisor, providing personalized information and recommendations on everything from flight routes to accommodation choices based on the traveler's budget and preferences, as well as acting as a translator, tour guide, and concierge. For example, Navan has launched Hotel Concierge by Ava, an automated virtual assistant that provides recommendations tailored to the traveler's individual preferences and booking patterns.

However, one of the most significant impacts of AI is perhaps its potential to revolutionize the operational efficiency of independent hotels. Technological advancements have democratized access to AI tools, with forward-thinking tech providers creating innovative products with advanced AI and machine learning. This shift is fostering a new era where hotel operators, regardless of size, can harness AI to streamline operations and accelerate efficiencies.

In 2024, we can expect AI to be meaningfully integrated into technology solutions to improve day-to-day operations for lodging businesses. From guest communication to revenue management and digital marketing, hoteliers will be able to use AI to enhance productivity and automate workflows, leaving more time for strategic decision-making.



Trend Indicators

What does this mean for independent hoteliers?

Generative AI and machine learning have made it possible for both travelers and hoteliers to have a built-in intern on call 24 hours a day, seven days a week. Much like an intern, AI requires training and management, but with the right support can be a game-changing resource for increasing productivity and output.

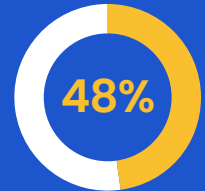
How exactly can AI help hoteliers automate workflows and increase efficiencies? Here are just a few use cases where AI can be leveraged in hospitality.

- Answer guest queries and offer suggestions
- Optimize pricing algorithms
- Translate communication into a guest's native language
- Generate high-performing ad copy
- Draft enticing copy for OTA channels
- Write articles and website copy to improve SEO

Hoteliers have a lot to gain from AI and would be wise to see what their current technology partners are offering in this space. Many may be surprised that innovative and thoughtful tools are already available. To take advantage of these offerings, hotels should inquire with their technology partners to see how AI has been implemented and the product roadmap moving forward.

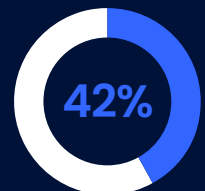
48% of travelers now trust AI to plan their trips.

Source: [Booking.com](#)



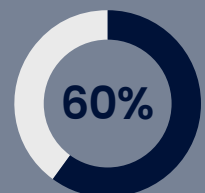
42% of travel executives agree that AI is most useful for using data to provide more personalized offerings.

Source: [Skift](#)



An estimated 60% of generative AI skeptics will use and value it in 2024, whether they realize it or not.

Source: [Forrester](#)



△ TREND 6

Adapt or go obsolete: Next-gen hoteliers upgrade their skills

The nature of hospitality is changing, and a driving force is technology. Travelers are using more technology to plan trips and experience destinations, and hoteliers are using more technology to operate their properties and serve their guests.

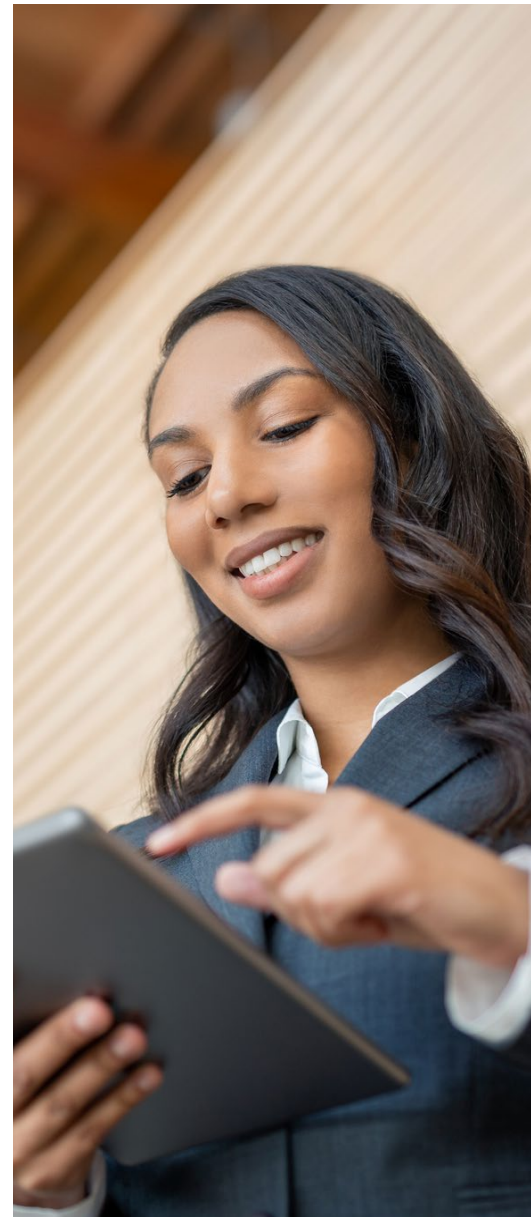
Today, technology automates an increasing array of tasks for hotel employees, from taking reservations, to updating rates and availability, to checking guests in and out. While humans are still running the show, roles and responsibilities are evolving. From front desk staff to general managers, the challenge today is to find one's place in a tech-centric world.

Growing demand for diverse skills

The irony of it all? The range of skills required of hotel staff has expanded, not contracted. Technology doesn't replace the skills employees have always needed to be successful – hard skills like technical aptitude and soft skills like empathy, creativity, and teamwork. But it also demands an array of new skills.

Today's hospitality leaders must be more technical, able to operate dozens of applications used in the hotel environment today. They must be more analytical, able to extract meaning and insights from massive amounts of data. And they must be more strategic, finding the ideal balance between technology and human touch that keeps guests and teams happy and loyal.

There is also increasing demand for knowledge and skills in emerging tech fields such as generative AI, cloud computing, robotics, cybersecurity, internet of things, and virtual reality.



Trend Indicators

What does this mean for independent hoteliers?

Thanks to automation, hospitality jobs are becoming more technical but also more challenging and enriching. The trend calls for a rethinking of traditional criteria for hiring and training staff, with greater prioritization of technological and analytical skills along with traditional hospitality skills. The smaller the property, the more valuable employees are who have a diverse range of skills.

For current and aspiring hoteliers wishing to pursue a traditional education, hospitality schools are evolving with the trends. Some have merged their business and hospitality departments, bringing a more business-oriented approach. Others now offer niche areas of specialization like leadership and sustainability as well as certifications in hospitality technology.¹⁷

For those who prefer to learn on the job, hotels can provide ample opportunities to develop new skills and upgrade existing ones. Meanwhile, innovations in cloud technology and automation are making hospitality software so user-friendly and accessible that virtually any team member can perform complex functions like marketing and revenue management.

Continuous learning and upskilling are vital to competing in the lodging industry today. By understanding how traveler behavior is changing and placing more emphasis on digital proficiency, hotels will be better positioned to adapt and thrive as technology increases its presence in the workplace.

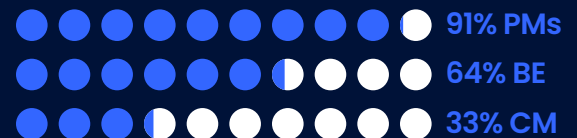
An estimated 42% of business tasks will be automated by 2027.

Source: [World Economic Forum](#)



Globally, 91% of hotels use a PMS, 64% have a booking engine, and 33% have a channel manager.

Source: [Skift](#)



100% of hoteliers say their IT budgets will either increase or hold steady in 2024.

Source: [Hospitality Technology](#)



¹⁷ Hotel Management. [The shifting landscape of hospitality and tourism education](#). July 2022.

It's time to rewrite the rules

When travel behavior shifts, hoteliers must change how they do business if they wish to stay competitive. In 2024, this means letting go of old habits and embracing new ways of doing things – in marketing, revenue management, operations, guest experience, and across the organization.

The backbone of a successful hospitality business is modern technology. No longer can independent hoteliers allow themselves to be held back by manual processes and outdated software while competitors down the street leverage the speed and efficiency of automation and cloud technology.

Nor can hoteliers rely on continued guest satisfaction and loyalty without unified data to understand and cater to guest preferences. To stay competitive, hotels need an integrated hospitality platform that is built to serve their unique needs and is scalable as their business grows and evolves.

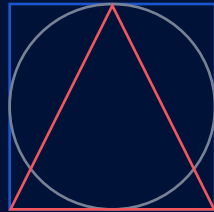
Over the past decade, Cloudbeds has evolved from a scrappy startup to an industry leader by rewriting the rules. Today, we encourage our hotel partners to follow a similar path. More than ever, our team is committed to providing best-of-class technology to empower hoteliers to chase demand and elevate their businesses through the art of hospitality.



About Cloudbeds

Cloudbeds is the leading platform powering hospitality, serving tens of thousands of lodging businesses in more than 150 countries worldwide. The award-winning Cloudbeds Platform is designed to deliver 360-value to hoteliers, seamlessly integrating built-in and marketplace solutions that increase revenue, streamline operations, and delight guests into a unified system. Founded in 2012, Cloudbeds has been named a top PMS, Hotel Management System and Channel Manager (2021-2024) by Hotel Tech Report, World's Best Hotel PMS Solutions Provider (2022) by World Travel Awards, and recognized in Deloitte's Technology Fast 500 in 2023.

REPORT



2024

State of Independent Lodging