

Market Intelligence

Survey

Hospitality business confidence,
emerging trends, and key
priorities in 2025

IoH Business Survey - February 2025

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MULTI SELECT

Are you an IoH Member

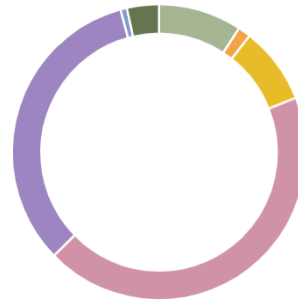
Yes (132 - 94%)
No (8 - 6%)



MULTI SELECT

What membership level are you?

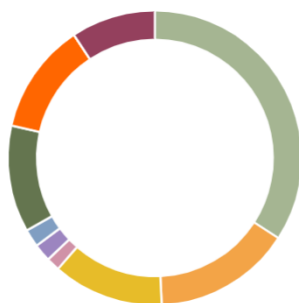
Apprentice (13 - 9%)
Student (2 - 1%)
AIH (12 - 8%)
MIH (62 - 44%)
FIH (47 - 33%)
Non member (1 - 1%)
Supporter (5 - 4%)



MULTI SELECT

What sector do you work in?

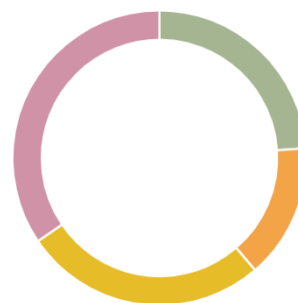
Hotels (70 - 34%)
Restaurants (31 - 15%)
Food service (25 - 12%)
Care (3 - 1%)
Night Time Industries (4 - 2%)
Suppliers (4 - 2%)
Education or Training (24 - 12%)
Consultancy (25 - 12%)
Cruise ships (0 - 0%)
Other (19 - 9%)



MULTI SELECT

Size of your organisation

0-10 employees (34 - 24%)
11-50 employees (21 - 15%)
51-200 employees (38 - 27%)
201+ employees (49 - 35%)



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Which Institute of Hospitality Region are you based in?

- Scotland (13 - 9%)
- Wales (5 - 3%)
- Northern Ireland (3 - 2%)
- South East England (17 - 12%)
- London (50 - 34%)
- South West England (18 - 12%)
- Midlands (18 - 12%)
- East of England (9 - 6%)
- North England (13 - 9%)



MULTI SELECT

What are your top priorities for professional development over the next 12 months? (Select all that apply)

- Advancing technical or job-specific skills (51 - 11%)
- Leadership and management training (71 - 16%)
- Improving communication and interpersonal skills (47 - 10%)
- Learning new technologies or software (63 - 14%)
- Career progression and promotion preparation (40 - 9%)
- Mental health and well-being support (38 - 8%)
- Diversity, equity, and inclusion training (29 - 6%)
- Networking and relationship building (70 - 15%)
- Time management and productivity improvement (45 - 10%)



MULTI SELECT

What are your top priorities for your hospitality business over the next 12 months? (Select all that apply)

- Increasing customer satisfaction and retention (87 - 15%)
- Expanding or upgrading facilities (51 - 9%)
- Improving staff training and professional development (82 - 14%)
- Enhancing health, safety, and hygiene standards (27 - 5%)
- Reducing operational costs and improving efficiency (66 - 12%)
- Boosting marketing and brand awareness (58 - 10%)
- Diversifying service offerings (e.g., events, menus, experiences) (36 - 6%)
- Investing in technology (e.g., booking systems, digital payments) (41 - 7%)
- Focusing on sustainability and eco-friendly practices (57 - 10%)
- Attracting and retaining top talent (61 - 11%)



MULTI SELECT

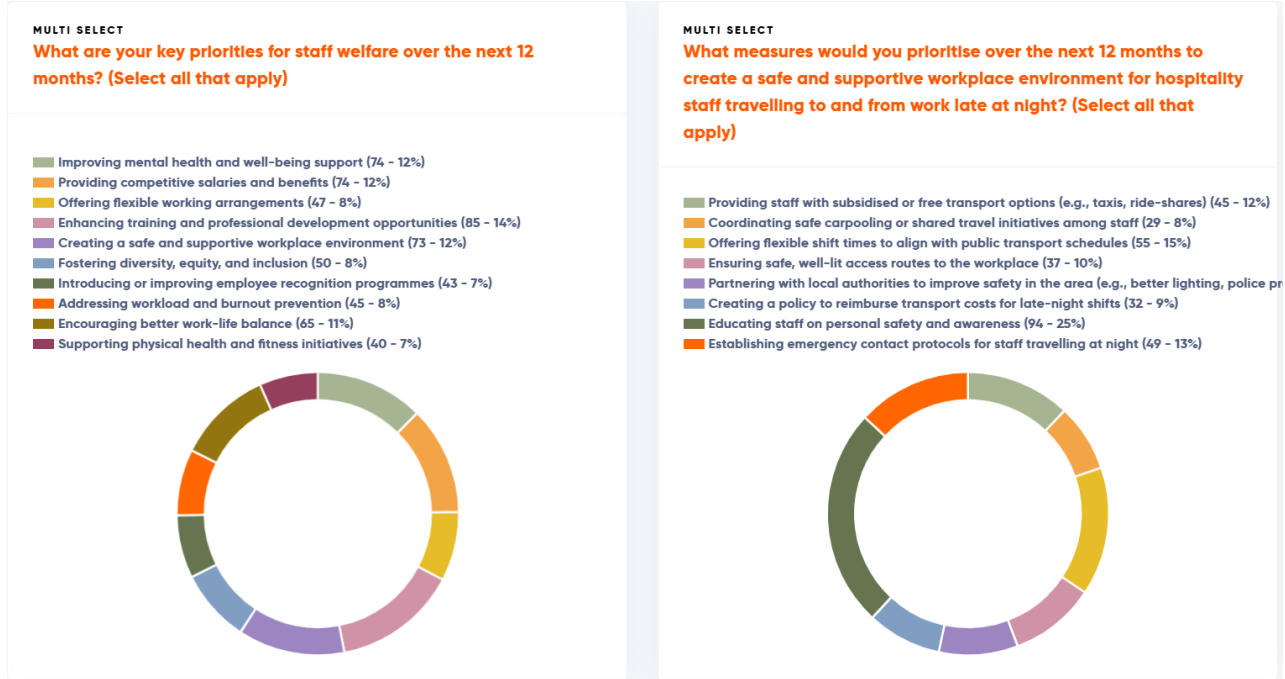
If you are looking to reduce operational costs and improve efficiency in your business, which of the following strategies would you consider? (Select all that apply)

- Automating processes (e.g., booking systems, payroll, inventory management) (52 - 11%)
- Streamlining staff schedules to reduce labour costs (52 - 11%)
- Negotiating better deals with suppliers (66 - 14%)
- Reducing energy and utility consumption (66 - 14%)
- Outsourcing non-core tasks (e.g., cleaning, maintenance, or marketing) (17 - 4%)
- Improving inventory management to minimise waste (53 - 11%)
- Offering digital or self-service options for customers (29 - 6%)
- Adopting energy-efficient or sustainable technologies (54 - 11%)
- Investing in staff training to improve productivity (72 - 15%)
- N/A (19 - 4%)



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Please share any additional comments about your confidence in your business prospects for 2025

As a consultant, the topics listed are the ones I will be assisting clients implement
Difficult to feel confident, even when business opportunities show themselves, there is too much uncertainty following political economic adjustments within the UK
With a strong foundation, continued growth strategies, and a clear understanding of market trends, we are well-positioned for success. We anticipate increased demand, operational improvements, and new opportunities that will drive sustainable growth throughout the year
Expansion is progressing and business increasing. capital investment proving difficult under present economic climate
Still growing the brands with internal promotion as well recruiting new staff to drive the expansion
I am sure that we will do better as there is always room for improvement
Looking forward for more growth in the workplace
We work in construction catering and as a business we already have policies and well-being practices in place to support all our colleagues due to the restrictions we work within. It would be great to put this side of the catering industry onto the map, as we cover everything from bacon rolls in the morning for the contractors to fine dining events. Multi-skilling our colleagues is paramount to us, as it's our legacy giving them skills for life. We are working extremely hard to promote the amazing work our colleagues deliver, and hopefully this will continue well into the years ahead.
we will all do our best to have a good year confidence in the Media and government reduces my confidence though.
Better placed at the moment than competitors facing dire financial problems. Concern with regards international markets due to fragile international relations
It seems to be good.
Focus on saving jobs, increase guests' satisfaction, create healthy and safe work environment
cautiously optimistic....
a tough year ahead
Need to go back to basics of man-management
To remain competitive by focusing on USP
2025 is very important for any hospitality business coming out of the pandemic dullness. Employees are important stakeholders and social and emotional aspect is very important

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The Intersection of AI and Technology in Business
I have confidence that the company, being in the FE sector for Hospitality, is in a good place with Government priorities given to apprenticeships
Business has seen year on year growth and we expect 2025 to be another record year in occupancy and ADR
Confidence had dropped and Scotland in particular is set for a downturn. There's a potential 6% on-trade considering closure. Positively, technology is moving fast, and if this can reduce other costs, it may help the rise in costs, including NI
50/50
Mental health awareness and support is critical for employers, vulnerable staff and the wider industry
Retaining top talent through professional development and succession planning
tough start to the year and costs are increasing in April - it will be a challenging year
The outlook is good, despite industry challenges from external factors
Thank you for all IoH work and efforts for supporting everyone on hospitality
Confidence in our ability to compete - strong. Challenging headwinds created by government increased costs, increasing bureaucracy burden will mean we trim headcount and divest of poor performing properties - tighter operation and control of costs - outlook overall for the industry – grim!
It's going to be a tough year for staffing I think
Concern regarding National Insurance contributions, Business Rates and Minimum Wage increases
2025 is going to be a tentative year business wise with everything happening globally, it will be challenging
Will be dictated by the economy
Importantly we will focus on all aspects of people - our employees, our guests and our community. Ensuring they remain a key focus for the business will impact on our success. A shared and agreed vision with input from the team helps us achieve this and I am confident for what 2025 holds for my organisation
More diversity, we say no barriers to entry into the industry, however there is little diversity within senior leadership. Burnout already very apparent
It is a challenging year with the AI technology will need to reconsider the flow of work
Survival
Like all business owners we are experiencing costs that are at a stage where it is becoming almost impossible to offset with sales and margin which is leading to reduced profitability which going forward does not give 100% strength in looking at large investment and expansion
I am pretty confident that my company will improve cost efficiency, talent retention and diversity within 2025 as there are a lot of projects running at the same time regarding all the above, not only at a regional but national level
Our hotel is experiencing a strong month, and the first quarter of the year is already on track to be a successful one
We are looking to expand the business and grow in a time that is incredibly hard. Ambitious but I think that is how businesses prospers!
Whilst demand is softening and supply growing, the government plans to date do not help the hotel industry. We will make cuts to manning levels and not increase pay as much as was planned for 2025 due to the Government's recent Budget
We are a 4-star hotel property in Kenya, Africa. We are looking forward to expanding our brand portfolio to be a stronger local hotel chain in our country (Kenya) in the next 10 years
2025 looks like being a challenging year
Confidence at a low ebb, I suggest, economic pressures and a government that appears intent on destroying low paid sectors like hospitality and care
Business is fairly good but could always be improved
Business was very good late 2024 and hopefully this will continue into 2025 - good business levels already on the books
very challenging - prospect of increased costs via Tourism Visitor Levy looms large as well as NI costs increasing along with real living wage rises of 5% - extremely difficult trading for rural businesses
This government needs to understand that controlled immigration is vital to our industry, the ridiculous increase in NI will raise prices reduce staff and wage increases and stifle development. VAT on goods purchases by overseas customers should be abolished

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I am based in the Middle East in the Kingdom of Bahrain and we are confident to meet our targets in 2025 despite new competitors
I feel that business levels will, on the whole, be strong but with such an increase in costs (NI increases, wage increases and rate increases) profitability will be down. We have already scaled back on investment and expenditure this winter as a direct result of the budget
This will be the toughest year we have had in the past decade due to the new employment taxes
Positive with continued growth and potential expansion in new market areas
We are confident about this year but realistic when it comes to challenges like NI and NLW increases. Whilst automation is a popular choice these days to reduce costs and bring in technology you cannot replace the experience of having a person there to give a personal and professional experience.
It will be the toughest year since Covid
The usual - rise in National Insurance Contributions and NMW will affect margins come April and lead to the Hospitality Industry once again having to do more with less
Its going to be a challenging year trying to manage costs and maintain all the good stuff for team members with all the increases that come into force this year.
Investing in people and technologies in general
Unlimited potential
Fine dining is in a very precarious position at the moment
Would like to expand our portfolio of cafes but rent premiums too high for our charity to pay
It will be very tough!
CHALLENGING ON ALL LEVELS
Business confidence drops from April with the larger than expected rise in minimum wage and the NI contributions. We already see less Business on the books from April on. We feel we may not be able to replace certain staff positions that leave. Our plans for Capex expenditure are having to be cut back
Reducing energy costs, increased technology to reduce staff costs
Very bleak outlook. I worry about next year though
Customer demand is strong but countering growing calls from workforce for better pay and conditions
It feels like survival of the fittest at the moment, so there's no time to relax. Instead it's fighting harder to get the money that people want to spend. Exhausting mentally and physically. running to stand still.
2025 is looking very encouraging with good forward bookings
Optimistic
Having to run ever faster to standstill. Developing and retaining good and valued colleagues and clear communication with them at every level will be critical to survival. I have absolutely no confidence in either local or national government to either help or support our industry. My business is non-unionised, perhaps the government would support us if it was!
Need a better professional outlook for hospitality
Feel with careful planning the times are exciting
Feeling that the start of this year will be hard trading, but hopefully it will improve over the summer
I hope we won't be burdened with any further workplace Legislation or Regulations
Negative for the first time in many years
Better support and challenge for government is needed before they put hospitality into an early grave
Empowering staff. Updating training status. Attending relevant training and educational programmes.
The coming year looks positive
High
Want to make our establishment the one people desire to work for and want to lead by example
The Labour government's budget has made the business environment very challenging. I am worried about the future of my business.
We aim to be the best!!!!
We are confident we will tick over for 2025 rather than forge ahead