

The modern Industry Research Experience

Starting January 2023 and lasting through the year, IBISWorld will gradually release **new features and deeper data insights**, making it easier than ever to action our industry research.

Efficient

Fewer paragraphs, quicker insights

You'll get the lay of the land in a matter of minutes, finding key data points up front, paired with list-style analysis that gets straight to the point.

Relevant

Agile and up-to-date industry data

More regular report updates will help you make precise and confident decisions.

Insightful

Unique insights and takeaways

Shaped around common questions that real clients ask, our analysis will offer more pointed answers and nuanced industry insights.

Practical

Designed for your workflow

Export to any Microsoft Office program to quickly and easily build presentations and reports.

Relatable

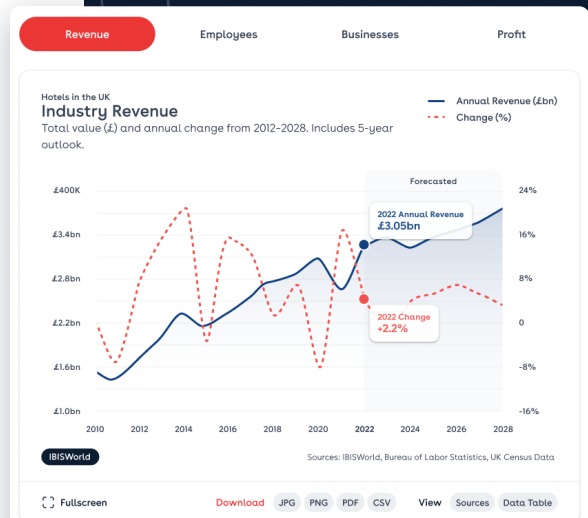
Hook your clients, colleagues and stakeholders

We're shifting our style to match your world. Our leaner, more direct insights will resonate with business audiences of all kinds.

Key takeaways

Revenue	Employees	Businesses
\$6.0bn	29,088	1,053
2017-22: 0.5%	2017-22: 1.5%	2017-22: -3.9%
Profit	Profit Margin	
\$334.9m	5.6%	
2017-22: -3.6%	2017-22: -1.3pp	

- **Import penetration has discouraged new entrants.** The number of industry participants has fallen despite revenue gains, as imports increasingly quell domestic demand.
- **A strong US dollar has mitigated export growth.** A strong US dollar makes domestic goods relatively more expensive compared to products from countries with low labor and operational costs, such as China.
- **The industry grows more fragmented.** Fragmentation has prevented the development of economies of scale in production.
- **Profit is making a slow recovery.** The COVID-19 (coronavirus) pandemic hampered industry profit, which is not expected to return to prepandemic levels during the current period.



What's driving current industry performance?

Operators are clawing back revenue after pandemic disruption

- Revenue was growing before the COVID-19 pandemic, but lockdown rules forced hotels to close for much of 2020-21 and travel restrictions limited demand when they were allowed to open.
- International and business travel was brought to a near-standstill. Demand was mostly limited to UK consumers on stagcations, and was only for a few months of the year in between the lockdown periods, resulting in a revenue decline of 72.9% in 2020-21 alone.
- Disruption is set to dissipate in 2021-22, with international travel resuming. Low consumer confidence and disposable income may still restrict demand in the current year though.

Competition from short-term rentals is being watched closely

- Airbnb has been particularly effective at drawing customers away from hotels.
- Lack of regulation on sharing platforms means they can undercut hotel prices. Many hotels have slashed rates to remain competitive, but strong competition continues to squeeze industry profitability.
- Some cities, including London, have limited the number of days properties can be rented through Airbnb to try counteract disruptive effects on the hotel industry as well as secondary impacts on real estate and rental markets.