

The Economic and Social Impact of Premier Inn Hotels

Turley Economics

Premier Inn
Rest easy

Foreword

We believe it's important to understand the contribution Premier Inn hotels make to local communities. The year-round spending by our guests, together with our investments in our people and company-wide sustainability initiatives, demonstrates how we are making a positive difference.

Whitbread's unique operating model underpins the integrity of this research report. We are different from other large hospitality businesses in that we are both an owner and an operator of hotels. We have complete control over our properties, employ our teams directly and manage every aspect of a guest's stay ourselves.

This 'vertically integrated' model creates the high standards, consistency, and affordability Premier Inn is known for. It also underpins our commitment to investing in and developing our people and bringing about positive change such as the de-carbonisation of our business.

It also presents a superb opportunity to understand how our hotels, through the spending of our guests, support local communities. By asking our customers questions on their reasons for choosing Premier Inn and their spending patterns when staying with us, we can build a detailed understanding of the value our brand brings to locations across the UK.

Responses from more than 27,000 Premier Inn customers have informed the findings set out in this report. Whilst this is a significant sample, it is worth pointing out that most of the respondents were staying for leisure purposes whereas the overall customer mix for Premier Inn UK is balanced evenly between business and leisure.

All of the data analysis and reporting was undertaken independently by IPSOS and Turley Economics to ensure its validity and I am buoyed by the fact that many of the insights and figures stated in the report are in line with those quoted in our previous economic impact studies.

Overall, this report reinforces once again the considerable and positive local economic impact Premier Inn customers have when they stay in our hotels year-round and how the branded style of accommodation we provide can co-exist successfully alongside different types of hotels, B&Bs, guest houses, Airbnb's and short-term lets.

I hope you find the report an interesting and informative read.



Alex Flach
Development Director - UK & Ireland
Whitbread



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August 2024

Turley Economics

Premier Inn Rest easy

Executive Summary

Whitbread commissioned Turley Economics to analyse the economic impact Premier Inn customers have on local and wider economies across the UK and Ireland.

The main findings of the national survey are as follows:



27,600

Online survey of **over 27,600** Premier Inn customers to analyse visitor spending patterns in different locations **across the UK and Ireland**

The majority of leisure visitors chose Premier Inn for

exploring and **discovering**

local areas, for locational reasons, for **celebrations** and for **rest and relaxation**

86% of customers were **happy** or **very happy** with their accommodation, across **all destinations**

Customer Loyalty

When considering hotel accommodation, **over a quarter** of customers would **not visit** a destination if a Premier Inn is not available

Eating Out

Of the surveyed guests who chose to eat out, the majority did so locally with **59% spending over £50** and a **quarter spending over £100** during their stay

Brand Loyalty

In the event that a Premier Inn isn't available, the **majority of customers said** they would choose another budget brand, followed by an economy or midscale hotel

£1.8 billion

estimated Premier Inn customer expenditure on food and drink, entertainment, shopping and travel in **local economies** every year with a total of **£3.6 billion** spent across the UK and Ireland



Premier Inn's

offer **fulfils a different role** to that of independent B&Bs, guest houses, short-lets and more upscale 4 and 5 star hotels

Over £4.2 million



is generated for local businesses **at each Premier Inn hotel location** every year

Purpose of this Report

01

This report has been commissioned by Whitbread to help understand the economic and social impact its Premier Inn customers have on both local and wider economies across the UK and Ireland.

Whilst providing a national overview, the report also highlights the economic contribution of Premier Inn hotels in a variety of locations across the country.

Using robust and independent survey information commissioned by Whitbread and analysed by Turley Economics, this report provides an insight into how Premier Inn hotels operate nationally and across distinct geographies.

Approach

Premier Inn is a direct distribution hotel business and nearly all Premier Inn customers book their stays directly with the brand (mostly at premierinn.com). This model has enabled Whitbread to engage its customers directly in the research.

Whitbread commissioned Turley Economics and research specialist Ipsos to design an online survey which was issued by email to customers who had stayed at select Premier Inn hotels during October and November 2023. The sample included 365 popular hotels across Premier Inn's national UK network including across Central and Inner London and in a variety of Adventure, Coastal, Cultural and City Centre locations. The differences in expenditure across the local and wider areas will be examined across these categories of hotels in this report.

The online surveys were undertaken in October and November 2023 and comprised 27,610 respondents in total. Respondents opted in to receive Premier Inn's marketing communications.

The breakdown of the number of survey responses categorised by hotel location is outlined in Table 1.1. These categories are determined by Premier Inn with regard to geography, trading profiles and how individual hotels perform over a 7-day trading cycle.

Table 1.1 Premier Inn Locations and Number of Surveys

Category of Premier Inn	Definition of Category	Total Number of Surveys
Adventure	Locations with a strong component of leisure demand	5,910
Coastal	Locations on the coastline	5,470
Cultural	Mix of leisure and business locations across towns and cities	5,071
City Centre	Major City Centre locations across the UK and Ireland, excluding city suburbs	4,826
Central London Area	London – Zone 1	4,115
Inner London Area	Zone 1 to the north and south circular roads	2,218
Total		**27,610**

Source: Ipsos and Whitbread (2023)

The survey questionnaire is included at Appendix 1. Full details of the research methodology are included at Appendix 2.

The results of the surveys have been used to inform the national analysis detailed within Chapter 3.

Overview of Premier Inn 02

Premier Inn, part of Whitbread PLC, is the largest provider of hotel bedrooms in the UK with more than 850 hotels across the UK and Ireland.[1] Premier Inn is the UK's biggest hotel brand and is consistently rated the UK's Best Value Hotel Chain in YouGov hotel brand index surveys.[2]

About Premier Inn

Premier Inn accommodation is affordable, easy to book online and ideal for business and leisure travellers who expect a level of consistency between hotels. It also offers a high level of service, including a Good Night's Sleep Guarantee. This high standard of service and accommodation is consistent across the estate.

The well-known Premier Inn breakfast is served at all hotels. Guests are not expected to dine in when they stay.

A map of Premier Inn locations across the UK and Ireland is presented at Figure 2.1. A breakdown of the number of Premier Inns by hotel type is detailed in Table 2.1.

Operational

Premier Inn currently provides 12% of total hotel rooms supply in the UK. The brand operates alongside other branded budget and non-budget hotels as well as independent hotels, guest houses and B&Bs across the country.

Whitbread employs approximately 37,000 people in the UK, and regularly rates as a 'Top Employer' by the Top Employers Institute.[3]

Table 2.1 Premier Inn Portfolio (UK & Ireland)

Type of Premier Inn	Hotels
Premier Inn hotels in regions	750
Premier Inn hotels in London	85
Hub by Premier Inn	17
ZIP by Premier Inn*	1
Total	**853**

Source: Whitbread FY24 results (30 April 2024)

***ZIP by Premier Inn hotel is a trial brand with one hotel in Cardiff.**



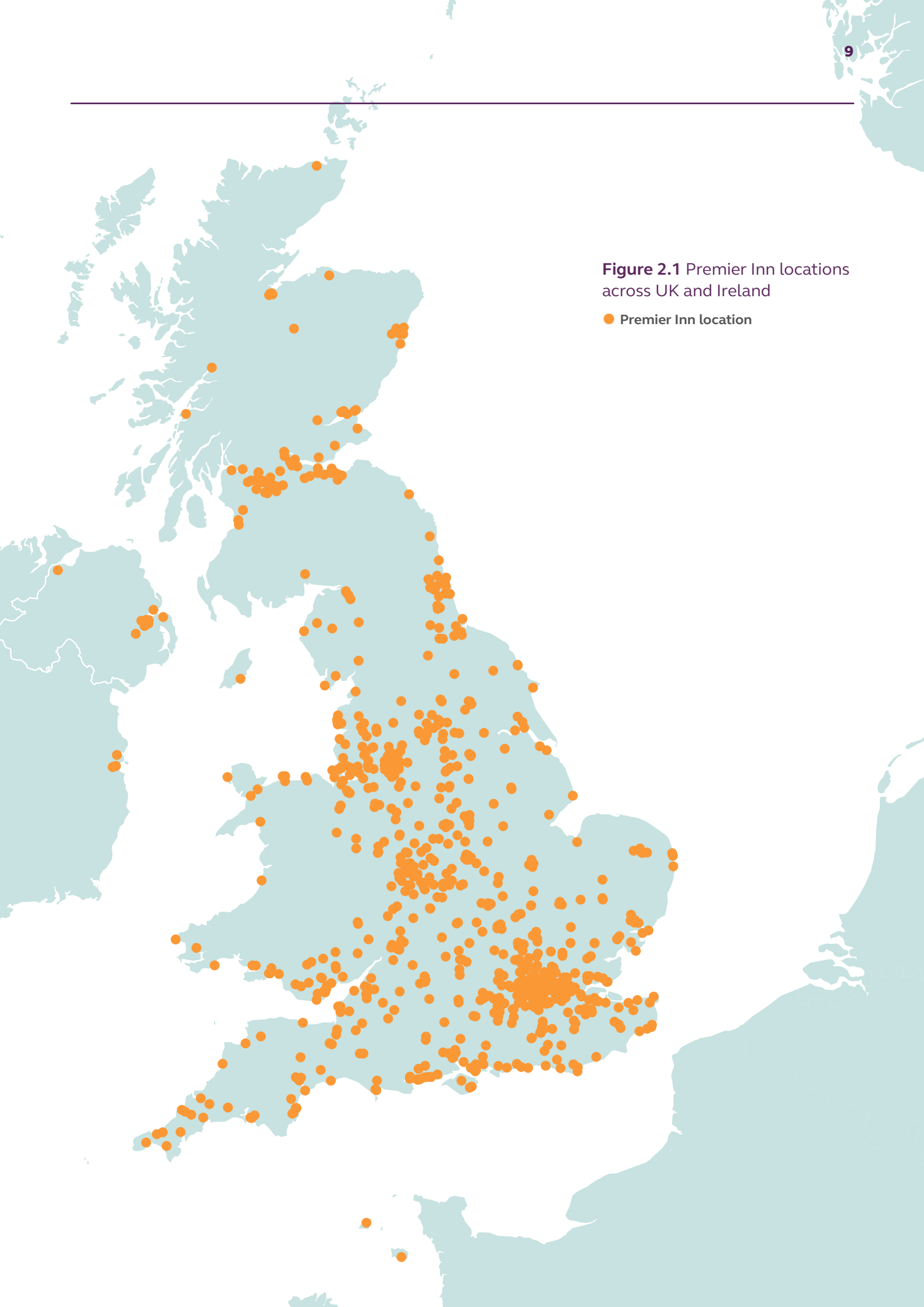


Figure 2.1 Premier Inn locations across UK and Ireland

● **Premier Inn location**



Figure 2.2 Market Share of Premier Inn in Respect of Total UK Market

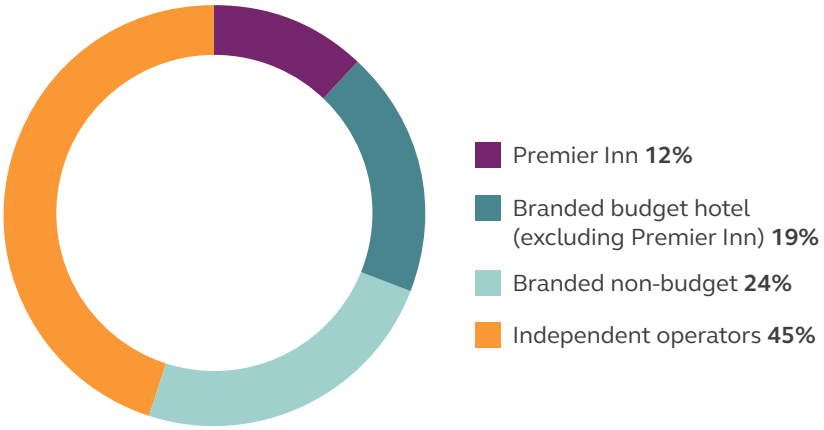


Figure 2.3: Employee Numbers and Apprenticeships



37,000

people employed by Whitbread in the UK

1,500

apprenticeships currently supported in learning across Whitbread's portfolio

Premier Inn Customer Base

Premier Inn's customer base is very broad with a roughly even split of business and leisure customers. Its business customers include a significant proportion of tradespeople (i.e. workers who need to be physically present to perform their jobs) and 'white collar' or office-based workers travelling for business reasons.

Leisure guests tend to travel for a wide variety of reasons including for events (weddings, sporting events, theatre breaks), weekends away with friends, visiting friends and family, short weekend breaks and those taking longer holidays to visit tourist destinations.

Premier Inn currently has over 85,000 rooms open in the UK and Ireland, with 7,000 rooms committed in the development pipeline, and a long-term target of achieving 125,000 rooms across the UK and Ireland.

With positive trading momentum, a continued opportunity for growth across the UK and Ireland and the resilience of the Premier Inn business model, Whitbread remains confident of the outlook ahead in 2024.

Figure 2.5 Premier Inn Total Rooms and Development Pipeline across the UK and Ireland

Current Portfolio:
85,000+
rooms

Market opportunity (UK & Ireland):
125,000
rooms

Committed pipeline:
7,000
rooms

Open and committed UK sites:
56% owned
freehold by Whitbread Group

Source: Whitbread FY24 results

National Economic Impact of Premier Inn

03

This section sets out the results of the national survey of Premier Inn customers commissioned by Whitbread including trends, key findings and estimates of the total amount of local expenditure generated by Premier Inn customers.

The breakdown of the number of survey responses categorised by hotel location is outlined in Table 3.1, with their locations shown at Figure 3.1.

Table 3.1: Breakdown of number of surveys by Premier Inn Location

Category of Premier Inn	Total Number of Surveys
Adventure	5,910
Central London Area	5,470
City Centre	5,071
Coastal	4,826
Cultural	4,115
Inner London Area	2,218
Total	**27,610**

Source: Whitbread and Ipsos (2023)

The survey questionnaire is included at Appendix 1. Full details of the research methodology are included at Appendix 2.

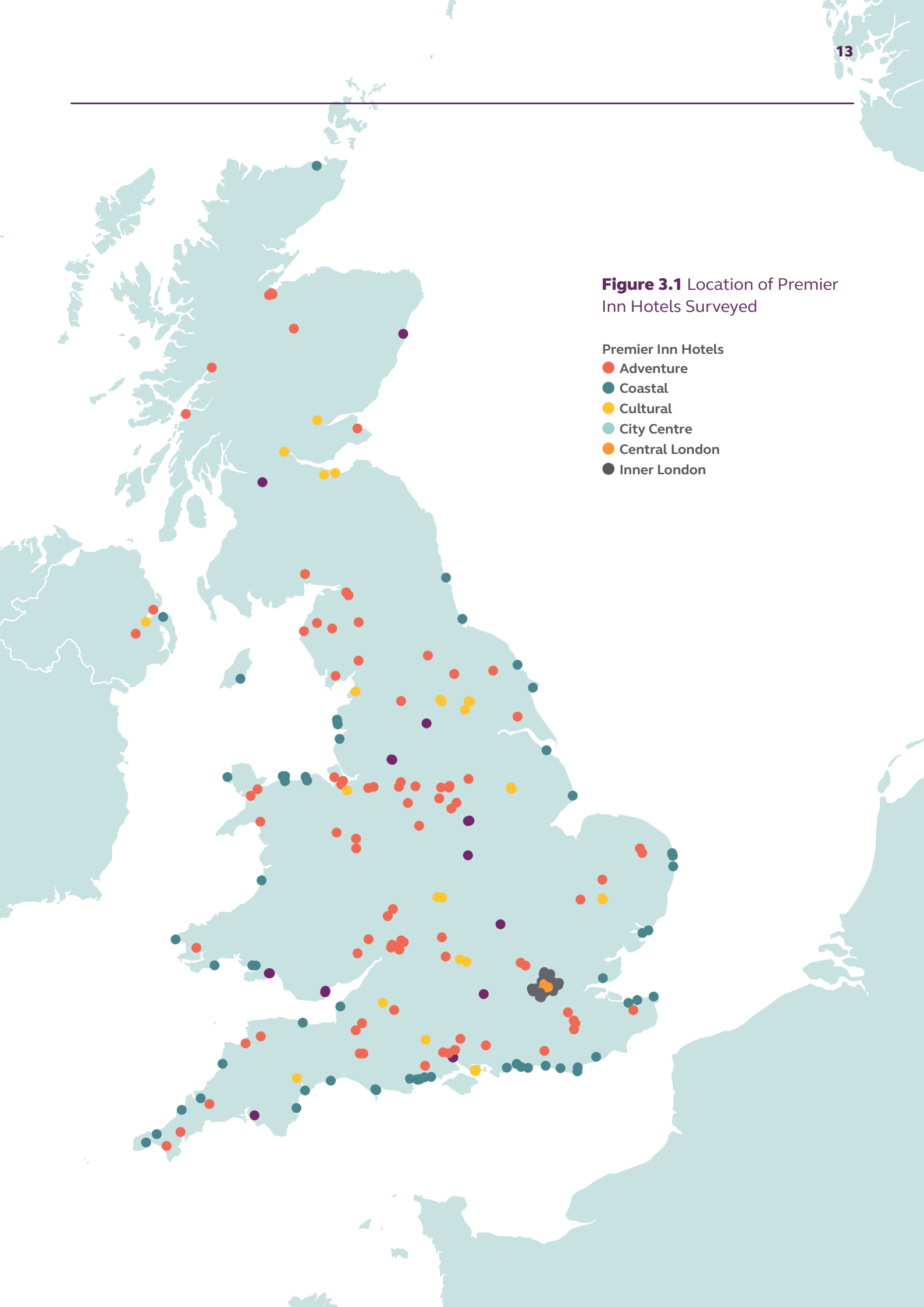


Figure 3.1 Location of Premier Inn Hotels Surveyed

Survey Findings

The following section provides an overview of the survey findings across all hotel location categories and analyses the travel choices, preferences and spending habits of 27,610 customers who visited Premier Inn hotels during October and November 2023. It is important to note that most of the respondents to the survey were staying with Premier Inn for leisure.

27,610
customers surveyed



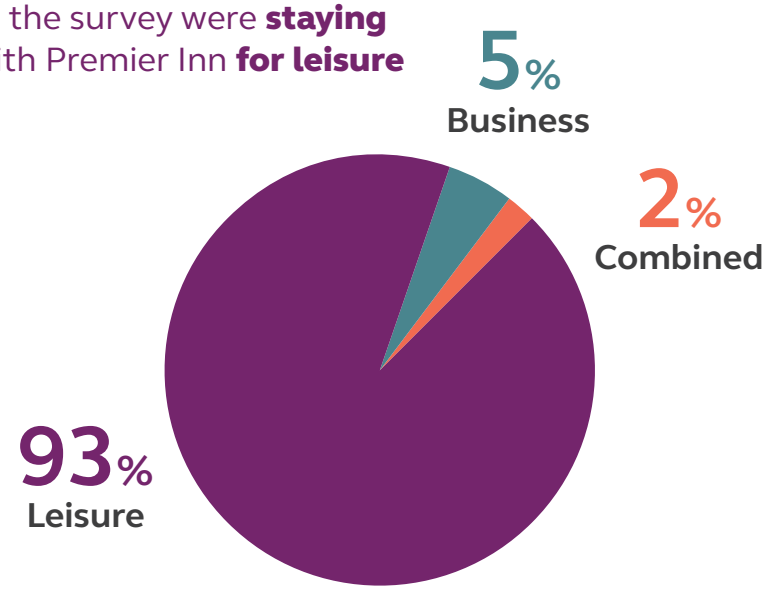
Purpose of trip and duration

93% of survey respondents said that they had visited the Premier Inn as part of a leisure trip. Only 5% of trips were undertaken for business reasons in this sample. The remainder of customers (2%) visited the Premier Inn as part of a combined business and leisure trip.

The lower level of business visitors recorded is likely to be reflective of the survey methodology rather than the actual split between leisure and business customers across Premier Inn's network of hotels which is roughly even. This is likely to be a result of the survey being sent to individual respondents and therefore not being able to capture group bookings or those made by a business on an employee's behalf. It may also be that individual business travellers were too busy to respond to the survey following their stay, resulting in an under-recording of these visitors.

Of the total surveyed stays that were primarily for the purpose of leisure trips at Premier Inn, the highest proportion of trips were for the purpose of exploring the area (23%).

The **majority** of respondents to the survey were **staying** with Premier Inn **for leisure**



Note: 93% / 5% / 2% of survey respondents.

The second highest proportion of responses for the purpose of the leisure trip was for practicality (14%). Approximately 11% of leisure trips by the surveyed guests were for the purpose of partying or going out and a further 11% for the purpose of rest and relaxation.

Of the total surveyed Premier Inn stays that were for business purposes, 26% of trips were for the purpose of attending a work event (such as a conference), 20% for the purpose of working or contracting away from home (such as working on a site or at a client's office) and further 20% to attend a business meeting.

The surveyed guests spent an average number of 1.84 nights at Premier Inn across all accommodation categories. The average number of guests per room was 2.62. Both the nights spent at the Premier Inn hotels and the number of guests per room are reflective of the respondents' use of these hotels for slightly longer leisure trips, rather than for business trips which tend to be shorter in duration. By comparison the average length of stay for Premier Inn guests is around 1.4 nights. The average number of guests staying per room across the estate is also less than the survey responses in this research report



Average number of nights stayed

1.84



Average number of guests per bedroom

2.62

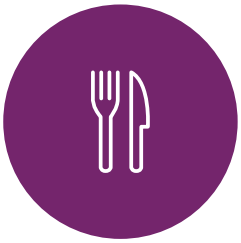
Local Spending

With regard to the eating and drinking habits of the surveyed customers, 66% of respondents ate breakfast at Premier Inn. The proportion of the surveyed guests who ate out during the day (for example, having food and drink in a café, restaurant, bar or pub) was 39%, which increased to 57% in the evening.

In terms of expenditure on food and drink, 59% of respondents who spent money on food and drink stated that they and their party spent over £50 locally – a quarter spent over £100. Of those surveyed who used food or beverage facilities away from the hotel, most of the respondents did so close to where they were staying. The survey results therefore suggest that a large amount of expenditure from visitors of Premier Inn is retained within the local area.

59%

of respondents who spent money on food and drink stated that they **spent £50 locally**. **A quarter** spent over **£100**.



Also, 49% of guests indicated that they spent money outside of their Premier Inn on entertainment during the day and 33% of guests on entertainment during the evening. Finally, 30% of guests spent money outside of Premier Inn on non-food shopping (such as clothing).

Choice of Premier Inn

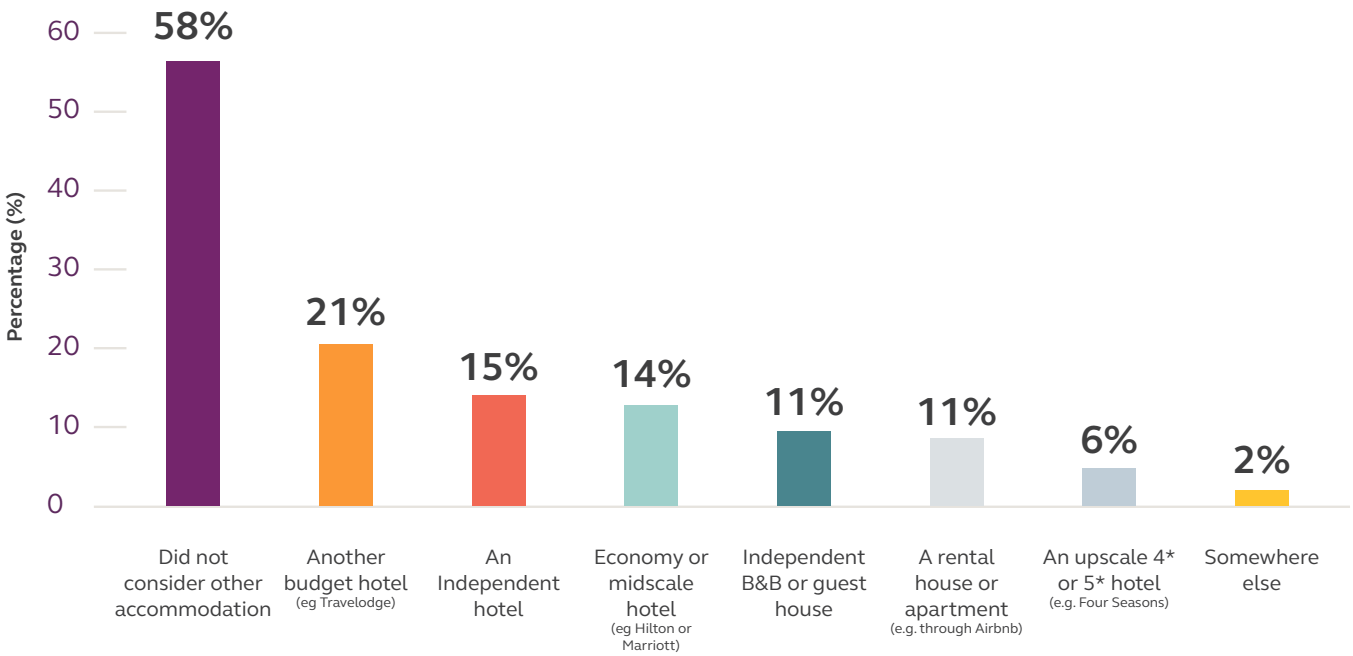
86% of respondents indicated that they were happy or very happy with the experience of their stay at Premier Inn and would be happy to visit that particular Premier Inn again.

Of those surveyed, 58% only considered Premier Inn for their accommodation. 21% considered another budget hotel and 15% considered an independent hotel. 14% of surveyed respondents considered an economy or midscale hotel and only 11% considered an independent B&B or guest house. In addition, only 11% of respondents considered a rental house or apartment and only 6% considered an upscale four or five star hotel. The sample indicates that most Premier Inn customers have a strong affiliation for the brand and branded budget hotel accommodation.

86% of respondents indicated that they were **happy** or **very happy** with their stay at Premier Inn.

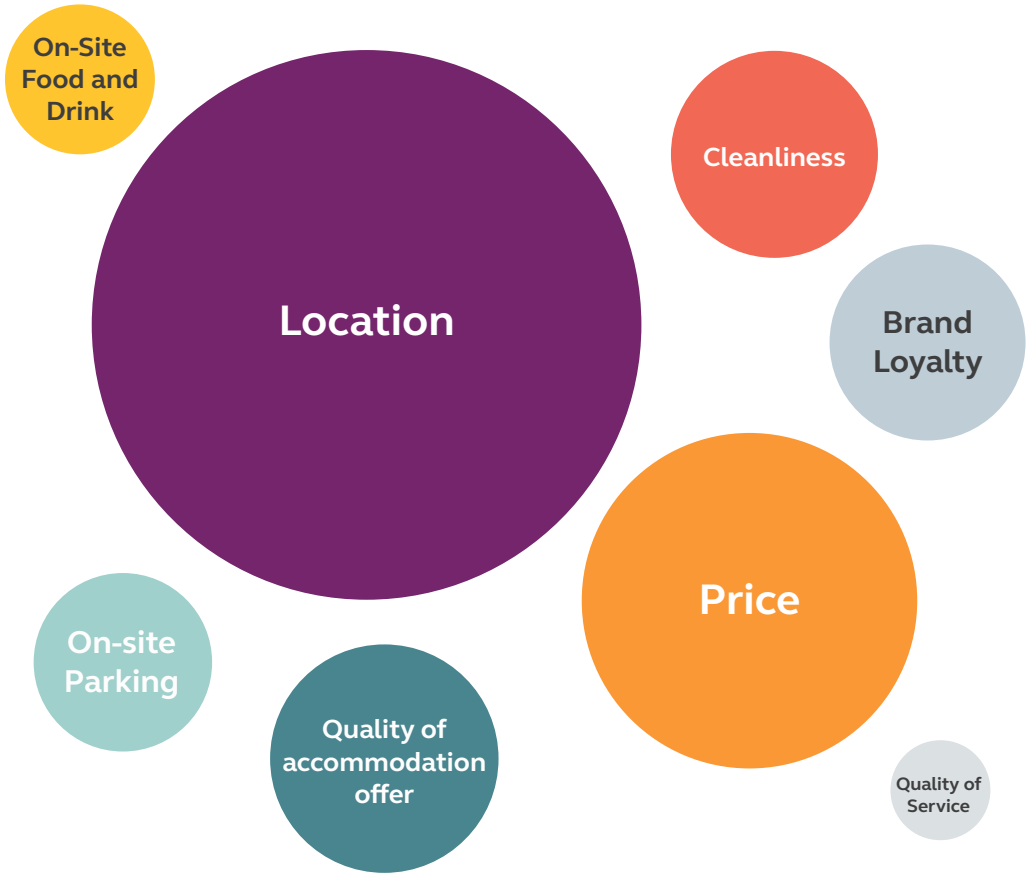
The research indicates that the vast majority of Premier Inn customers have a **strong affiliation for branded budget hotel accommodation**.

Figure 3.2: Customer Consideration of Accommodation[4]



In terms of the main reasons for choosing a Premier Inn, location and price were the most popular responses followed by the quality of the accommodation offer, cleanliness, loyalty to the brand, the availability of on-site parking, and the availability of food and drink on site.

Figure 3.3: Reasons for choosing Premier Inn



Of those surveyed, 26% of all respondents indicated that they wouldn't have visited the location had Premier Inn not been there. 55% of all respondents stated that they would still have visited the destination and 19% of respondents didn't know.

Of the respondents who said that they would still have visited if Premier Inn wasn't there, the majority – 59% – stated that they would instead consider staying at another budget hotel. 39% said they would consider an economy or midscale hotel and 34% said they would consider an independent hotel. Only 18% would consider an independent B&B or guest house, with 16% considering rental accommodation and 10% considering an upscale hotel.

Of those customers surveyed, **26% said they wouldn't have visited the location if Premier Inn hadn't been there**. Of those who said they would have still visited, only **18%** would have considered an independent B&B or guest house as an alternative.

Visitor Expenditure

Each of the surveys gathered data on customer spending habits, including the amount spent on various goods categories during the respondents' last stay at Premier Inn. The survey captured estimates of customer expenditure on food and drink in the daytime and evening, entertainment in the daytime and evening, non-food shopping, travel within the town and on other expenditure.

Using survey-derived estimates of the proportion of this money spent within 2 miles of the hotel, along with the average number of nights, we are able to calculate the average amount of expenditure generated by each occupied bedroom for businesses within the local area. This information is provided at Table 3.2.

Table 3.2: Average Locally Generated Expenditure Per Premier Inn Room

Category	Average spend per room across total trip (1.84 nights)	Average spend per room per night	Average spend per room within the local area (1.84 nights)	Average spend within local area per room per night
Food and drink	£59.72	£32.45	£34.23	£18.60
Entertainment - daytime	£48.03	£26.10	£26.21	£14.25
Entertainment - evening	£67.88	£36.89	£41.66	£22.64
Non-food shopping	£59.46	£32.31	£19.26	£10.47
Travel within the town	£15.46	£8.40	£5.60	£3.05
Other expenditure	£12.97	£7.05	£4.72	£2.56
Total	**£263.52**	**£143.22**	**£131.69**	**£71.57**

Source: Ipsos and Turley Economics (2024) based on survey of 27,610 Premier Inn guests.

The findings of the survey revealed that across the Premier Inn portfolio, the average spend per room across the duration of the stay (an average of 1.84 nights) was £263.52. This equates to £143.22 of spend per room, per night. Of this expenditure, it is calculated that the respondents spent £71.57 per room per night in the local area within which the Premier Inn is located.

The survey revealed

£143.22

of spend per room, per night

£71.57

is spent in the local area

Table 3.3 illustrates that applying the average amount spent per room to the total number of rooms sold across the Premier Inn portfolio in FY 2023/24 equates to a total of £3.6 billion in visitor generated expenditure across the UK and Ireland with £1.8 billion spent in the local areas within which the Premier Inn hotels are located. This is based on the number of rooms sold being multiplied by the average visitor expenditure per room per night.

Table 3.3: Total Visitor Expenditure Per Annum - Premier Inn

	Local Area	Wider Area (UK and ROI)
Number of Premier Inns	853	
Number of Rooms Sold	25.0 million	
Visitor Expenditure Per Room Per Night	£71.57	£143.22
Total	**£1.8 billion**	**£3.6 billion**

Source: Whitbread and Turley Economics (2024)

Expenditure Per Annum

£3.6bn

in visitor expenditure across the UK with

£1.8bn

generated in the local areas within which the hotels are located.

Note: Assuming all guests behave in line with survey findings.



Business Visitor Expenditure

The survey results provide an understanding of visitor expenditure by business and leisure survey respondents. The number of business visitors who completed the survey was 1,933 (including those who visited for both leisure and business purposes) – 7% of survey respondents. For completeness, this sample has been used to assess the estimated impact of business visitor expenditure generated from Premier Inn hotels. It is recognised that a different survey methodology is needed to reach business guests in the same number as leisure customers.

Table 3.4 provides a breakdown of business expenditure on food and drink in the daytime and evening, entertainment in the daytime and evening, non-food shopping, travel within the town and on other expenditure in comparison to the averages across business visitors. Across food and drink and entertainment (both in the daytime and evening), average expenditure per room per night is lower than the average recorded for all visitors, which is to be expected from business visitors given that the primary purpose for their visit is for a work event (26%) or working on a site (20%). However, expenditure on non-food shopping, travel within the town and other expenditure is slightly higher amongst business visitors than the average across all visitors.

The findings of the survey reveal that for business visitors across the Premier Inn portfolio, the average spend per room across the duration of the stay (an average of 1.73 nights) was £236.42. This equates to £136.99 of spend per room, per night. Both of these values represent significant expenditure generated from business visitors at Premier Inns, although both of these figures are slightly lower than the level for expenditure recorded for all visitors (£263.52 and £143.22 respectively).

Table 3.4: Average Spend Generated Expenditure by Business Visitors and All Visitors

Category	Business Visitors		All Visitors	
	Average spend per room across total trip (1.73 nights)	Average spend per room per night	Average spend per room across total trip (1.84 nights)	Average spend per room per night
Food and drink	£55.21	£31.99	£59.72	£32.45
Entertainment - daytime	£37.89	£21.95	£48.03	£26.10
Entertainment - evening	£54.01	£31.29	£67.88	£36.89
Non-food shopping	£58.91	£34.14	£59.46	£32.31
Travel within the town	£16.73	£9.70	£15.46	£8.40
Other expenditure	£13.68	£7.93	£12.97	£7.05
Total	**£236.42**	**£136.99**	**£263.52**	**£143.22**

Source: Ipsos and Turley Economics (2024) based on survey of 27,610 Premier Inn guests.

Key Findings

Premier Inn customers **overwhelmingly prefer to stay at hotels** as opposed to independent B&Bs, guest houses or rental houses / apartments.

An overwhelming 58% of customers surveyed only considered Premier Inn for their accommodation. 21% considered other budget hotels, 15% considered an independent hotel and 14% considered other economy or midscale hotels. Only a small proportion of surveyed visitors would consider an independent B&B or guest house or rental accommodation as an alternative to Premier Inn.

The vast majority of Premier Inn customers **go out** and **visit the local area, generating expenditure** and economic activity.

Of those customers who took part in the research and spent money, 59% stated that their party spent more than £50 outside of the hotel in local establishments on food and drink, and 25% stated that they spent over £100. Of those surveyed who used food or beverage facilities, most of the respondents did so close to where they were staying. For the vast majority of Premier Inn hotels, this area represents the local town or city within which the Premier Inn is located.

Over a quarter of the surveyed Premier Inn customers stated that they **wouldn't have visited the location had Premier Inn not been there**.

If Premier Inn wasn't present in a location, the results suggest that visitors would continue to prioritise other branded budget or independent hotels over B&Bs / guest houses, rental accommodation or 4* or 5* hotels.

Inflationary pressures on food and drink prices have **impacted expenditure** on these items generated from Premier Inn visitors.

The price of restaurant meals (7.9%) and takeaway meals (6.9%) have increased substantially and above the overall inflation rate of 4.9% over the year ending in January 2024. As a result, it is anticipated that Premier Inn visitors are likely to be eating out slightly less and bringing their own breakfast / packed lunch during their stay, thus explaining the lower figures than the identical study in 2023.

The surveyed customers said that Premier Inn's **location, good prices, quality of accommodation and cleanliness** were the most important factors when choosing the brand.

For the surveyed guests, the availability of breakfast is an important consideration when choosing Premier Inn. When considering lunch and dinner, Premier Inn guests are open to experiencing the local food and drink offer during their stay in addition to an in-house restaurant dependent on the reason for their stay.

Premier Inn customers **contribute substantially** to the local economy.

The survey results reveal that the average customer spend was £143.22 per room, per night. Of this expenditure, approximately £71.57 was spent in the local area within which the Premier Inn is located. By multiplying the average customer spend per room per night by the total number of rooms sold across the entire Premier Inn portfolio, this indicates that a total of £1.8bn was spent in local areas. This is equivalent to each of the 853 Premier Inns across the UK and Ireland generating £4.2 million in visitor expenditure for the local visitor economy in each location every year (£1.8bn / 853 = £4.2m).

Locational Differences in Visitor Expenditure

04

Visitor Expenditure

Expenditure appears to vary depending on the location and category of Premier Inns at which customers choose to stay. Across the Premier Inn hotels surveyed, hotels in City Centre locations and across London (Central and Inner) attracted a higher level of visitor expenditure per room per night across both the local and wider impact areas, as outlined in Table 3.5.

The average visitor expenditure (per room, per night) within the immediate impact areas for hotels in Inner London (£109.51) is slightly less than is spent in Central London (£114.91). This is perhaps explained by guests in Inner London using public transport to visit areas immediately outside of their respective local areas to access food and drink, shopping and entertainment opportunities elsewhere (including visits to attractions in Central London). Along with hotels in City Centre locations, customer expenditure from those staying at hotels in London far exceeds that spent at hotels within Adventure or Coastal destinations, which are often situated in more remote locations which have less entertainment and shopping facilities to capture this element of visitor expenditure.

Business Trips

The highest levels of business trips recorded across the Premier Inn portfolio are within City Centre, Central London and Inner London locations. The proportion of business trips within these locations is higher than the average across all locations which is likely to be reflective of the higher concentration of offices and businesses within more urban destinations.

The majority of business trips undertaken by the surveyed customers relate to work events (26.4%), working away from home (20.1%) and business meetings (19.8%). Other reasons given for undertaking business trips were for training courses, stopovers or company social events (e.g. Christmas parties).

The proportion of those staying at Premier Inns in City Centre, Central London and Inner London locations to attend a work event is higher (32%, 37% and 27% respectively) than across other hotel categories, thus generating spin-off expenditure to support conferences, trade shows or exhibitions in these areas.

Table 3.5: Visitor Expenditure Per Room, Per Night by Location Type

Location Type	Local Visitor Expenditure Per Room Per Night	Wider Visitor Expenditure Per Room Per Night
Adventure	£95.44	£131.15
Coastal	£89.49	£117.21
Cultural	£106.67	£132.84
City Centre	£135.93	£162.24
Central London	£114.91	£153.21
Inner London	£109.51	£158.37
Other	£112.61	£143.22

Source: Ipsos and Turley Economics (2024)

Leisure Trips

The results of the survey indicate that the majority of leisure trips were undertaken by customers to explore local areas (23.2%); choosing Premier Inn for practical purposes (13.8%); partying and going out (11.1%) or rest and relaxation (10.8%). Other reasons given for leisure trips were celebrating, quality time away, treating yourself or romantic breaks.

A higher proportion of the surveyed guests stayed in City Centres and within the Inner London area for the purposes of 'partying' (22% and 19% respectively) than across the wider portfolio. Customers who stayed at Coastal destinations favour rest and relaxation (19%) above all other factors and those at Cultural and Adventure destinations favour exploration (29% and 23% respectively). Strikingly, only 14% of the surveyed leisure guests stayed in City Centre destinations for the purposes of exploration compared to a significantly larger 37% of guests in Central London. The survey suggests that guests choose City Centre locations more due to practicality and proximity to events they are attending.

Choice of Premier Inn

In terms of why people choose Premier Inn, it has already been highlighted that location and price are fundamentally important to customers. Availability of car parking is not important for the majority of those customers using centrally-located hotels in City Centre locations and across London but very important for those customers choosing Adventure and Coastal destinations which are situated in more remote areas.

Guests who took part in the survey and stayed at Adventure and Coastal locations also placed a lower importance on price (both 49%) as a reason for their stay, when compared with those who stayed in City Centres (55%) and in hotels within Inner London (53%). The increased importance placed on price is reflected in the larger than average proportion of guests in City Centre (61%) and Inner London (58%) locations who also considered another budget hotel in their accommodation search.

Importance of Food & Beverage Offer

Whilst the provision of breakfast at all hotels remains popular with all guests, the availability of food and drink facilities on site is not as important for the surveyed customers of Premier Inn hotels situated in more central locations (City Centre and London hotels), which is most likely due to the wider variety of alternative F&B facilities available in close proximity to these hotels.

Evidence from the survey suggests that the greater availability of alternative facilities in urban destinations generally leads Premier Inn customers to spend more within these local areas than at hotels within more remote locations.

Social Impact of Premier Inn

05

As well as generating substantial economic benefits to the communities surrounding Premier Inn hotels, Whitbread delivers a number of social benefits to the areas surrounding its hotels.

This contributes to the long-term vitality of the communities surrounding Premier Inns. Whitbread's Social Impact can be split into three categories namely: People, Community and Sustainability.



People



Creating jobs with progression

Whitbread is recognised as one of the UK's 'Top Employers' by the Top Employers Institute.

Whitbread offers a range of exciting and fulfilling career opportunities to its teams irrespective of people's background, experience, or identity.

Whitbread always employ directly and are proud to run best-in-class recruitment and onboarding processes in-house that ensure it brings the right people into our organisation.

The hotel and restaurant team members are paid above the National Minimum Wage / National Living Wage, with additional rates of pay for its teams working in Central London.



Recruiting locally

Whitbread always recruit in the local area around Premier Inn hotels, using a variety of methods and channels to reach people.

Its roles are flexible and actively encourage people who are out of education, employment, or training, or are returning to work later in life, to join the team. Once with Whitbread, the organisation prioritises training and development and actively promote from within.

In fact, 64% of Whitbread's managers in operational roles were recruited internally.



Skills development

Development pathways approach to promotion are provided at all levels of the business.

Whitbread has a Youth Strategy targeting early careers (through apprentices, graduate schemes, and work experience), fast-track careers for chefs and removing barriers to entry for young people with special educational needs.

This includes corporate partnerships with Derwen College in Oswestry, Shropshire and Hereward College in Coventry. Both colleges specialise in working with young people with disabilities.

To allow students to gain real experience in a safe, simulated space as part of their curriculum, both colleges have a mini fully functioning Premier Inn on site that has three bedrooms, a laundry room and a reception area.

Apprenticeships

Over **1,500 apprentice team members** employed by Whitbread are training towards their qualification. We offer apprenticeship programmes from Entry Level 2 to Level 7 Degree apprenticeships, helping team members increase their technical and service skills and gain valuable qualifications at work.

Gaining education and employment can have significant economic and wellbeing benefits for both individuals and society and is a key determinant of physical and mental health.

66% of apprentices who achieved their apprenticeship report that their apprenticeship has helped their career. An apprenticeship with Whitbread is available for every role in operations and can be tailored to meet the learning styles and support requirements of all learners.

Inclusion and diversity

Operating four inclusion networks including enAble (disability), Gender Equality Network, GLOW (LGBTQ+), Race, Religion and Cultural Heritage. These inclusion networks aim to provide a safe space for minority communities and drive inclusion within Whitbread.

Top 100 status in the Stonewall Workplace Equality Index and alongside a Gold Award and first in the Hospitality Sector.



Meet our Apprentices



Alberto Ferreira

Alberto joined our Kitchen Team at Bar + Block 4 years ago having moved to the UK from Portugal and signed up for a Level 2 Kitchen Apprenticeship last summer.

"If they give the opportunity, then why not?!" Age is just a number for Alberto, you wouldn't know he's 64.

He says, *"This apprenticeship has been great as I've been able to improve my Maths and English, as well as keeping up to date with changing technology and techniques."*

Alongside his Lifetime learning coach, his manager Ryan has supported him throughout . The Level 2 Kitchen apprenticeship has given him a real focus and he loves all the extra knowledge that comes with it. Alberto is now passing his experience and knowledge to others in his site.



Kayla Millon

Kayla joined Whitbread four years ago and has progressed rapidly into a Deputy Hotel Manger role. Currently studying a Level 4 Hospitality Apprenticeship, Kayla has already completed her Level 2 and 3 apprenticeships in hospitality supervision and leadership.

She says, *"The training I have received since day one has been first class. My coach has been an incredible support to me and has always been a source of advice and knowledge for me, both within my apprenticeship but also within my wider career. I truly believe that without the fantastic training I received I would not be in the role I am in today".*

Kayla has ambitions to gain further promotion to a Hotel Manager position on completion of her current apprenticeship and to continue her learning through higher level apprenticeships.





Community

Great Ormond Street Hospital Children's Charity

Raised **£25 million** to date for the Great Ormond Street Hospital Children's Charity over the 12-year partnership.

This partnership was recognised at the Better Society Awards.

Annual Target is to raise **£3 million** per annum to support some of the most seriously ill children across the UK.

Volunteering time

Whitbread incorporates time for supporting local charitable initiatives in all its new openings. This time is paid by Whitbread with each team member asked to give 3 hours of their time before a new hotel opens. The Groups in-house Estate Development Team decides on the charities to support.

Ukraine

Raised over **£680,000 over a three month fundraising period** and donated 50,000 worth of duvets and pillows to the Disaster Emergency Committee for Ukraine.

Sustainability

SBTi accreditation

Whitbread gained Science-Based Targets initiative (SBTi) validation in May 2023.

Whitbread has outlined an ambition to bring directly controlled emissions (scopes 1 and 2) to zero by 2040 and achieve a **90% reduction** in its value chain (Scope 3) emissions by 2050.

Net Zero Transition Plan

Whitbread's published Net Zero Transition Plan aims to **reduce greenhouse emissions by 80%** by 2030 from a 2016 baseline and for the company to be net zero for Scopes 1 and 2 by 2040.

Water reduction

Reduce water usage by **20% per sleeper** by 2030 in comparison to the 2019 baseline.

A trial of innovative water-saving technologies across a number of hotels revealed that gas consumption and related carbon emissions could also reduce by 5% if water usage is reduced by 20%.

Renewable energy usage

We use **100% renewable electricity** across our UK owned and operated estate and have a detailed programme to reduce our usage of electricity in our hotels and restaurants.

In 2023, we opened our first hotel powered solely by renewable generated electricity in Swindon.



Conclusions

06

This report has been undertaken to help Whitbread's stakeholders understand the positive economic and social impact Premier Inn customers have on both local and wider economies across the UK and Ireland.

An online survey of over 27,600 recent Premier Inn customers was undertaken during Autumn 2023 covering 365 Premier Inn hotels across in a variety of locations. Turley Economics analysed the survey results and other information provided by Whitbread, to model the economic impact of the hotels in the selected locations.



Purpose of visiting Premier Inn

The survey results indicated that for customers on leisure trips, the main reason for their visit was to explore and discover areas for practical purposes, partying and going out as well as for rest and relaxation.

Principally, customers choose to stay at Premier Inn due to the good location of the hotels in accessible and well-connected places. Competitive prices, high quality accommodation, cleanliness and brand loyalty also act as major attractors and a source of repeat custom.



Customer satisfaction and reasons for choosing Premier Inn

Approximately 86% of Premier Inn customers were happy or very happy with their accommodation. When considering hotel accommodation, a high proportion of customers choose only Premier Inn and over a quarter of customers would not visit a destination if Premier Inn is not located there.

In the event that a Premier Inn isn't available, the majority of customers surveyed indicated that they would choose another budget hotel as an alternative, followed by an economy or midscale hotel or an independent hotel rather than a B&B / guest house or a rental house / apartment. This is largely on the basis that Premier Inn's budget hotel offer fulfills a different role to other accommodation available in the same locations.

Impact of Premier Inn on other hotel accommodation

The majority of Premier Inn customers are happy with the high quality of accommodation provided, in a good location at an affordable price. For the surveyed customers, Premier Inn's streamlined, branded style of accommodation is distinct from the range of facilities that larger upscale hotels or smaller independent operators can provide.

The survey revealed that the increase in custom generated by Premier Inn hotels provides a large amount of trade for other local businesses, including food and beverage providers, retail facilities and tourist attractions. In addition, Premier Inn can harness the custom of those attracted to the brand who otherwise may have sought branded accommodation elsewhere.

Use of on-site restaurant facilities

Many of the surveyed customers chose to dine out and visit food and drink establishments locally during their stay. Of those customers surveyed, an average of £59.72 was spent per visit on food and drink, with an average of approximately £34.23 spent in the local area. Overall, a total of approximately £263.52 per room per trip was spent across all expenditure categories in the wider area, with an estimated total of approximately £131.69 per room per night spent in the local area within which the hotels are located.



Generated expenditure from Premier Inn customers

Based on the customer responses, it is estimated that Premier Inn customer expenditure on food and drink, alongside other spending on entertainment, shopping and local travel generates approximately £1.8 billion every year in the local economies within which the Premier Inn hotels are located, and £3.6 billion every year for the visitor economy of the UK and Ireland as a whole based on multiplying the average expenditure per room per night by the number of rooms sold per annum.

The survey results reveal that the average customer spend was £143.22 per room per night. Of this expenditure, approximately £71.57 was spent in the local area within which the Premier Inn is located.

For each of the categories for hotel locations, it is clear that existing local businesses, such as food and beverage establishments and visitor attractions, are significant beneficiaries of Premier Inn customer expenditure, with surveys finding that on average over £4.2 million is generated for local businesses at each hotel location every year.

Delivering a social impact

As well as generating substantial economic benefits to the communities surrounding Premier Inn hotels, Whitbread delivers a number of social benefits that can be split into three categories namely: People, Community and Sustainability.

Whitbread aims to deliver a social impact for people within the proximity of Premier Inn hotels through the delivery of apprenticeship programmes across a range of levels as well as skills development pathways for internal promotion of these apprentices. Whitbread operates a number of inclusion and diversity networks.

Whitbread also aims to support community initiatives through fundraising for the Greater Ormond Street Hospital Children's Charity (raising £25 million over a 12-year partnership) and the Disaster Emergency Committee for Ukraine as well as volunteering time for local charitable initiatives.

In terms of sustainability, Whitbread gained Science-Based Targets initiative (SBTi) validation in June 2023 and has produced a Net Zero Transition Plan to reduce greenhouse gas emissions by 80% as well as reducing water usage by 20% per sleeper by 2030.

Future investment policies

The tourism sector contributes substantially to the UK's economic performance as well as supporting valuable employment opportunities.

This report has provided evidence to support the case that substantial economic and social benefits can be generated by Premier Inn customers at both a local and national level. The continued expansion of Premier Inn will help to increase the quality of accommodation offer nationally as well as help to support much needed economic growth and employment opportunities to ensure that the tourism sector plays a full role in the domestic economy in 2024.



Appendix 1: **Survey Questionnaire**

The following questions were asked to Premier Inn and hub by Premier Inn guests during the survey period. They were incorporated into Whitbread's guest spotlight survey which is issued to guests within 24 hours of their stay. The numbering reflects where the additional economic impact questions were added into the survey.

Q3. Taking everything into consideration, would you stay at Premier Inn again?

Q8b. Did you eat with us during your stay at Premier Inn?

Q8c. Which type of breakfast, if any, did you have when you stayed at Premier Inn?

Q20. Was your stay for business or leisure?

Q23. And which of these reasons best describes your last stay?

Q24. How many nights did you stay at the hotel?

Q31. What was the purpose of your business trip?

Q33a. How many people were in your party overall (including staying in separate rooms)?

Q33b. Who did you stay with?

Q34. How many rooms were booked for your party overall?

Q35a. Did you consider other types of accommodation for the trip?

Q35b. What other types of accommodation did you consider?

Q36. Why did you choose to stay at Premier Inn?

Q37. Reflecting on your stay, did you leave the hotel building to do any of the following? Please select all which apply.

Q38a. Approximately how much in total did you and your party spend on the following: Food and drink before 5pm

Q38b. Approximately how much in total did you and your party spend on the following: Food and drink after 5pm?

Q38c. Approximately how much in total did you and your party spend on the following: Entertainment activities in the daytime?

Q38d. Approximately how much in total did you and your party spend on the following: Entertainment activities in the evening?

Q38e. Approximately how much in total did you and your party spend on the following: Non-food shopping?

Q38f. Approximately how much in total did you and your party spend on the following: Travel within the town?

Q38g. Approximately how much in total did you and your party spend on the following: Any other expenditure?

Q39. How far away were the café(s), restaurant(s), bar(s) or pub(s) you visited in the DAYTIME?

Q40. How far away were the venue(s) of your DAYTIME and/or EVENING entertainment activities?

Q41. If a Premier Inn was not located at your chosen location, would you still have visited?

Q42. What type of accommodation would you be looking for if a Premier Inn wasn't available at your chosen location?

Appendix 2: **Research Methodology**

The research methodology was designed to provide a robust insight into the economic impact of Premier Inn hotels on both local and wider economies, as well as across a variety of hotel locations across the UK and Ireland. The purpose of the research was provide a deeper insight into how Premier Inn hotels operate across different locations.

Turley Economics was supported by Ipsos who are specialists in facilitating quantitative and qualitative survey design and data collection. Turley Economics worked closely with Ipsos on the drafting and commissioning of the survey questionnaire.

The main research stages were as follows:

- STAGE 1 – Scoping and case study selection
- STAGE 2 – Customer Survey
- STAGE 3 – Research Report Output

STAGE 1 – SCOPING AND CASE STUDY SELECTION

The purpose of this stage was to thoroughly define the parameters of the assessment, sample size and project governance. This first stage was critical to defining a robust approach throughout the research process.

Elements which were considered during this stage included:

- Reviewing database of the Premier Inn portfolio according to location, hotel size and food & beverage (F&B) offer. Turley worked alongside the Whitbread Research and Insights team to understand if there are any other ways the portfolio could be segmented. Turley then used our in-house GIS mapping system to plot the portfolio, enabling spatial analysis and illustrative material to be produced at the reporting stage.
- Consideration of a direct distribution questionnaire to be disseminated through the Premier Inn Customer Database. This would harness the direct booking system set up of the Premier Inn business and allow a survey to be sent to those guests who had recently stayed at a Premier Inn and opted-in to receive email communications from Whitbread.
- Identification of a statistically significant sample size for the customer survey (Stage 2 of the research) with assistance from Ipsos based on the total number of guests, anticipated margin of error and confidence level.
- Liaising with Ipsos who provided strategic advice on how a large-scale survey can be administered and any foreseen risks regarding data collection.

STAGE 2 – CUSTOMER SURVEY

The next stage of the primary data collection was the commissioning of a national customer survey. The survey was carried out in October and November 2023 to capture trips which occurred in the same months.

Throughout Stage 2, Turley Economics worked with Ipsos who are specialists in quantitative and qualitative data collection and fieldwork services.

Online Survey Design

The online survey was designed by Turley Economics, Whitbread's Research and Insights team and Ipsos during Stage 1 of the research process. Ipsos then provided further technical advice on amendments to the language and wording to ensure the questions were effective.

The Economic Impact questions were added into the existing Whitbread's Spotlight survey which asks general feedback on guests' experience during their stay in Premier Inn hotels. Each online survey took on average 10 minutes to complete and was launched using Medallia – Ipsos' partnered customer experience software platform. The majority of questions were designed to be close-ended. The survey questions are found at Appendix 1 of this report.

Sample and Distribution

The size of the sample and target number of respondents was confirmed during Stage 1 of the research process. Guests would be sent the online survey one day following their stay, a time window which is consistent with when Whitbread requests guest feedback. The sample was then segmented according to the location categories.

With the assistance of Whitbread, an online survey link was sent to Premier Inn customers who had opted in to receive communications on the Premier Inn Customer Database. Results were then reported dynamically on Medallia - a widely recognised software package which can be used for the management and statistical analysis of surveys with large sample sizes, both 'in-the-moment' (during live fieldwork periods) and subsequently following survey closure.

End notes

1. Information provided by **Whitbread**
2. YouGov hotel brand index survey: **https://yougov.co.uk/ratings/travel/popularity/hotel-brands/all**
3. Available at: **https://www.whitbread.co.uk/whitbread_top_employer_2023/**
4. Note: these percentages quoted do not sum to 100% as customers were able to choose multiple options. E.g. when asked what accommodation they considered, people could choose both ‘another budget hotel’ and ‘an independent hotel’ etc.



Turley Economics

Premier Inn