

Budget Hotels Market is Projected to Increase at a CAGR of 5.2% Through 2025-2029

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What Is The Projected Market Size & Growth Rate Of The Budget Hotels Market?

The market size for budget hotels has seen significant growth in recent years. The figures are expected to escalate from \$284.83 billion in 2024 to \$299.14 billion in 2025, indicating a compound annual growth rate (CAGR) of 5.0%. The growth in the historical period can be linked to a surge in demand for economical lodging options during troubled economic times and uncertainties, a rise in domestic travel due to pandemic-induced limitations on international travel, the growing favorability of online platforms, improvements in both quality and the range of amenities offered by budget

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hotels to attract a wider guest base, and an increase in budget-minded business travelers in search of reasonably priced stays.

Anticipated robust growth in the budget hotels industry size is projected in the coming couple of years. The sector is forecasted to expand to a value worth \$366.82 billion by 2029, maintaining a compound annual growth rate (CAGR) of 5.2%. The growth in this period is driven by several factors which include the persistent inclination towards budget hotels due to prevailing economic struggles and inflation. It is further fueled by a rising count of digital nomads looking for affordable long-term budget hotel lodging, a sustained emphasis on hygiene and safety norms, luring budget-minded tourists, and a rise in solo tourists and backpackers selecting budget-friendly stays. There is an observed trend among travelers to becoming increasingly cost-aware seeking accommodations that provide value-for-money. Dominant trends for the forecast

period cover the inclusion of AI-powered customer service, assimilation of local experiences, the rise of fashionable and unique budget hotels, application of technology for customization, and introduction of wellness infrastructure like fitness clubs, healthy food choices, and wellness courses.

Download a free sample of the budget hotels market report:

<https://www.thebusinessresearchcompany.com/sample.aspx?id=18272&type=smp>

What Is The Crucial Factor Driving The Global Budget Hotels Market?

The growth of the budget hotel industry is anticipated to be driven by the rising trend of travel and tourism. Travel and tourism encompass individuals leaving their everyday surroundings for various purposes such as leisure, business, or other reasons, and the sector that aids these pursuits. With the increase in disposal earnings, improved global connectivity, and an escalating interest in distinct experiences and cultural revelations, the demand for travel and tourism is on the rise. Budget hotels offer cost-effective lodging options to accommodate these tourists, thereby enhancing the accessibility and inclusivity of their journeys. For instance, the UK's Office for National Statistics reported a surge in foreign visitors in May 2024. The number of trips increased from 31.2 million in 2022 to 38.0 million in 2023. These visitors spent an extra \$5.91 billion (£4.6 billion) compared to the previous year, reaching a total of \$39.95 billion (£31.1 billion). Consequently, the upward trend in travel and tourism will act as a catalyst for the expansion of the budget hotel market.

Who Are The Emerging Players In The Budget Hotels Market?

Major players in the Budget Hotels include:

- Holiday Inn Express
- InterContinental Hotels Group
- Whitbread PLC
- Choice Hotels International
- Extended Stay America Inc.
- Premier Inn Limited
- Travelodge Hotels Ltd
- Red Roof Franchising LLC
- Oravel Stays Limited
- Toyoko Inn Co. Ltd.

What Are The Key Trends Shaping The Budget Hotels Industry?

Prominent corporations in the budget hotel sector are incorporating large language model technology to improve customer service and streamline operations. The said technology is an advanced form of AI that can comprehend and produce text much like human beings, drawing from a massive volume of data. For instance, in June 2023, Booking Holdings Inc., an American company offering online travel and related services, unveiled their new AI Trip Planner. This planner, complete with a conversational interface, allows travelers to ask questions, seek

inspiration, and narrow down their searches in real-time. It suggests tailored destination and accommodation options based on individual tastes and enables the creation of comprehensive travel plans for different cities, countries, or areas. Integrated into the Booking.com app, it shows pricing and delivers direct links to detailed descriptions of accommodations, facilitating simple one-tap bookings of suggested options.

What Segments Are Covered In The Budget Hotels Market Report?

The budget hotels market covered in this report is segmented –

- 1) By Type: Business Hotels, Airport Hotels, Suite Hotels, Serviced Apartments, Resorts
- 2) By Amenities: Free Wi-Fi, Parking, Airport Shuttle, Breakfast
- 3) By Price Range: Economy, Mid-Range, Luxury
- 4) By Mode Of Booking: Online Travel Agency, Hotel Websites, Direct Booking, Other Modes Of Booking
- 5) By Application: Private, Commercial, Government

Subsegments:

- 1) By Business Hotels: Economy Business Hotels, Budget Corporate Hotels, Business Hotels With Conference Facilities
- 2) By Airport Hotels: Budget Airport Hotels (Transit Hotels), Economy Airport Hotels With Shuttle Services
- 3) By Suite Hotels: Budget All-Suite Hotels, Extended Stay Suite Hotels, Affordable Luxury Suite Hotels
- 4) By Serviced Apartments: Budget Serviced Apartments, Economy Extended Stay Apartments, Affordable Short-Term Rental Apartments
- 5) Resorts: Budget Beach Resorts, Affordable Mountain Resorts, Economy Wellness Resorts

View the full budget hotels market report:

<https://www.thebusinessresearchcompany.com/report/budget-hotels-global-market-report>

Which Region Is Projected To Hold The Largest Market Share In The Global Budget Hotels Market?

In 2024, North America led the way in the budget hotels market. The market report for budget hotels covers regions including Asia-Pacific, Western Europe, Eastern Europe, North America, South America, the Middle East, and Africa.

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