**Company profile – Premier Inn**



**Overview**

Premier Inn is a budget hotel chain and the UK's largest hotel brand offering Business to Customer (B2C) services, with more than 72,000 rooms and 800 hotels. It operates hotels in a variety of locations including city centres, suburbs and airports competing with the likes of [Travelodge](https://en.wikipedia.org/wiki/Travelodge_UK) and [Ibis](https://en.wikipedia.org/wiki/Ibis_%28hotel%29) hotels.

The company was established by [Whitbread](https://en.wikipedia.org/wiki/Whitbread) as Travel Inn in 1987, to compete with [Travelodge](https://en.wikipedia.org/wiki/Travelodge_UK). Whitbread bought Premier Lodge in 2004 and merged it with Travel Inn to form the current business under the name "Premier Travel Inn", which was then shortened to "Premier Inn". Premier Inn accounts for 70% of Whitbread's earnings.

Premier Inn / Whitbread is considered a large sized business.

**Business Aims and Objectives**

Part of the Whitbread group the mission statement is “We aim to be the best budget hotel business in the world by delighting our guests with great quality at the best value for money. Our Winning Teams delight customers so they come back time and again which, along with our focus on Everyday Efficiency, drives long-term Profitable Growth. We are passionate about being a Force for Good in our communities, helping everyone to live and work well.

We put the customer at the heart of everything we do. Our strategy is to provide sustainable long-term value for our shareholders by growing our successful Premier Inn and restaurant brands, whilst delivering a good return on capital.”

Premier Inn have introduced three strategic priorities:

### Grow and innovate in our core UK businesses: O ur Premier Inn network is formidable. We have 40% more sites than our nearest competitor and our consistency of customer satisfaction is a core strength. Our ability to deliver growth is proven. We open around 4,000 UK rooms per year, which roughly translates to three new hotels every month. We remain on track for our 2020 milestone and have identified a growth runway beyond 100,000 UK rooms. Our compact city centre hotel concept ‘hub by Premier Inn’ has been a great success giving us access to profitable city centre locations with high property costs, delivering a good return on capital, whilst offering customers great value, high quality rooms in great locations.

### Focus on our strengths to grow internationally. Germany is a structurally attractive market for Premier Inn. The market is in steady growth, currently dominated by independents and with the largest brands at a fraction of our UK scale.

### Build the capability and platform to support future growth. It is essential that we build the capability to support our long-term growth. We have identified four themes under this heading:

### Efficiency – to deliver significant efficiency savings, worth £150 million, over a five-year period, to help mitigate sector cost pressure.

Technology – to develop scalable platforms, create a centre of digital excellence and embed data insight across the business.

Organisation – dynamic leadership with clear executive accountability, and relentless customer focus supported by agile decision making.

Property – we have a unique model that creates competitive advantage. Our property strategy is centred on a balanced portfolio with Premier Inn a majority freehold estate.

Premier Inn have an objective relating to playing a positive role in their community and developing staff “At Premier Inn we want to be a Force for Good in everything we do. As the UK’s largest hotel chain, we have a responsibility to our teams, the communities we’re part of and the world around us to act responsibly and sustainably.”

**How Marketing meets business objectives**

* Good night guarantee on customer service
* Provide great value for money
* Room occupancy rate is 77.9%
* Profits have increased year on year, up to £466 million.
* Project Premier Inn as the market leader in UK Budget hotels.
* Profits allow Premier Inn to grow their business
* Encourage and monitor how willing customers are to recommend the brand.

**Marketing activities**

* Company website (customer and corporate)
* Good night guarantee
* Email communication
* Mobile app
* Affiliate marketing: Use of third parties to drive traffic to website through paying commission (use of Travel Management Companies - TMC’s)
* Promotion of Premier Plus rooms
* Advertising its award winning eg TV adverts featuring well known celebrities eg Lenny Henry, and themed adverts.
* Striking a balance between value for money and quality
* Taking an emotional approach, focussing on a comfort rather than just price.
* Ensuring employee satisfaction.

**External factors affecting its marketing**

* Economic factors: In 2019 the number of stays at London Hotels increased by 4.8%, whilst outside of London the number of stays fell by 1.3%. 20% of Premier Inns are in London, and it is now building larger hotels in the capital, including its largest hotel at Canary Wharf. During COVID 19 most Premier Inns temporarily closed from late March until early July, dramatically affecting its cashflow and profits.
* Market size: The market for budget hotels is predicted to grow in the future. Premier Inn has approximately 11% of total hotel rooms in the UK, and is the largest hotel chain in the UK, giving it the largest share of the market in the UK.
* Technological factors: Premier Inns are available through sites such as booking.com as well as Premier Inns own website. Premier Inn has started to use what 3 words so customers can locate entrances to hotels. It also maintains a database of all customers. Premier Inn next challenge is to adapt to the growth of remote working and video conferencing rather than face to face meetings.
* Competitor Activity: Premier Inn’s main competitors are Travelodge and Ibis, this have a larger proportion of their hotels in London compared to Premier Inn. In October 2018 Travelodge announced plans to open 17 new hotels across the UK in 2019. Travelodge has also started to move away from its basic outlook on hotels, as some hotels now include restaurants and upgraded rooms, previously Travelodge did not offer food or breakfasts at its hotels. Travelodge now has ‘budget chic’ rooms which has challenged Premier Inn who only offer one type of room. IN 2020 Travelodge planned on opening 20 new hotels in London.
* Social and political factors: Premier Inn has suffered from complaints about building new hotels, with campaigns being organised against several new hotels. Often locals feel that Premier Inns will take guests away from other local hotels, rather than creating a mulitiplier effect.

**Internal factors affecting its marketing**

* Corporate Objectives:Premier Inn has clear objectives and aims in order to grow its business and market share.
* Finance: Premier Inn has operated at a profit, however like all hotel chains it has been badly affected by Covid 19 in 2020.
* Human resources: Premier Inn focuses on employee motivation seeing it important for good customer service.
* Corporate culture: Premier Inn clearly sets out its corporate culture and how it considers customer service and employee motivation to be important.
* Organisational Issues: Premier Inn has changed its marketing to focus on comfort rather than value for money.

**Impacts on growth and customer relationships and organisational success**

* Profits and market share have increased.
* Emphasis on investing in employees; increases employee motivation and good customer service.

**Possible marketing improvements**

**Bibliography**

<https://www.premierinn.com/gb/en/home.html>

<https://www.thisismoney.co.uk/money/markets/article-7894023/Food-drink-sales-boost-Premier-Inn-owner-political-economic-uncertainty-impact-hotels.html>

<https://www.travelweekly.co.uk/articles/50803/premier-inn-reports-sales-increase-and-record-occupancy>

<https://www.travelweekly.co.uk/articles/330491/premier-inn-suffers-from-acute-political-and-economic-uncertainty>

<https://news.sky.com/story/coronavirus-premier-inn-owner-to-raise-1bn-amid-nightmare-for-hospitality-11991960>

<https://www.statista.com/statistics/755691/premier-inn-share-of-hotel-market-rooms-united-kingdom-uk/>

<https://store.mintel.com/uk-hotels-market-report>

<https://www.travelweekly.co.uk/articles/26119/budget-hotel-sector-to-treble-in-size-by-2027>

<https://www.premierinn.com/gb/en/news/2019/what3words.html>

<https://www.travelodge.co.uk/press-centre/press-releases/Travelodge-announces-UK-expansion-plans#:~:text=The%20group%20expects%20to%20open,value%20of%20%C2%A3115%20million.>

<https://www.cityam.com/travelodge-plots-london-expansion/>

<https://www.pressandjournal.co.uk/fp/news/highlands/1617746/controversial-premier-inn-to-boost-local-economy/>

<https://www.thedrum.com/news/2020/02/04/facing-tough-year-premier-inn-ushers-new-top-marketer-and-hunts-ad-agency>

<https://www.campaignlive.co.uk/the-work/advertiser/premier-inn/7773>

<https://www.marketingweek.com/premier-inn-aims-to-shake-up-hotel-advertising/>