

HYB25

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Navigating New Dynamics in the
New Year



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Top 10 Hospitality Trends: What Shaped 2024 and What To Expect in 2025

Marco Trends from EHL

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The beginning of a new year always presents the perfect opportunity to debate which trends faded and which came to fruition over the course of the past year, while looking ahead to identify new ones that are underfoot. This reflection is all the more relevant given that the hospitality industry is highly dynamic, as it swiftly adapts to shifting consumer trends, technological advances and socio-economic changes.

This article aims to assess which hospitality trends we highlighted 12 months ago have gained or lost significance, and then identify emerging developments. Here, we provide a comprehensive overview of these shifts.

FADING HOSPITALITY TRENDS

GREEN HOSPITALITY

In 2024, sustainability remained a central theme, with many companies adopting environmentally friendly practices as a key selling point. However, by 2025, **sustainability has become less of a differentiator** and more of an industry standard. Tourists now expect hotels, restaurants and other hospitality establishments to operate sustainably, from energy-efficient designs to waste reduction initiatives. While critical, sustainability no longer provides the competitive advantage it did in years past. It now forms an integral part of hospitality operations.

WORKFORCE EMPOWERMENT

Several signs indicate that the emphasis on employee empowerment is on the wane. Hospitality companies have reorganised and are now primarily focused on optimising performance. This trend is not unique to hospitality and reflects a broader **return to pre-pandemic workplace practices**. One example is the reversal of remote work policies by several companies, which signals a shift away from the flexibility and employee-centered approaches that gained traction after COVID-19. As reported in several studies, employees feel less valued at work and discouraged from participating in professional development. Employee engagement has suffered as a result. According to a Gallup poll, employee engagement in the U.S. dropped to a decade-low in 2024, with only 31% of employees feeling engaged. This trend is mirrored in other regions of the world as well.

RISING INTEREST RATES

High interest rates and inflation shaped markets in the first half of 2024, creating challenges for hotel developers and operators. By 2025, however, **interest rates have fallen significantly in most developed markets, thus easing financial pressure**. This shift may revitalise hospitality investment, namely the renovation or construction of new hotels and restaurants. This is good news for development projects in the pipeline and for current establishments that seek to offer more flexible pricing strategies in an effort to attract cost-conscious travellers.

HOSPITALITY TRENDS CONTINUING TO SHAPE THE INDUSTRY IN 2025

1 ARTIFICIAL INTELLIGENCE AND TECHNOLOGY

This field is evolving at a frenetic pace that few could have predicted. New tools are emerging on a regular basis,

while others have proven to be less impactful than initially expected. A particularly salient example is the use of Virtual Reality (VR) tours as a booking tool. While VR was touted in 2024 as a way for potential guests to preview destinations or accommodations, its novelty has clearly worn off. Prospective guests perceive user-generated content and online reviews as more authentic and relatable sources of information when making booking decisions. On the other hand, **technology is enabling hyper-personalisation, which enhances the guest experience in more meaningful ways**. Advances in AI and machine learning help companies anticipate customer needs with remarkable accuracy so they can tailor everything from what to have for dinner to room amenities. Travel and tourism brands that excel at delivering bespoke services will be rewarded with stronger guest loyalty and increased spending.

2 DATA-DRIVEN DECISION-MAKING

The combination of precise, real-time data and the technological advancements mentioned earlier is creating new opportunities that industry players are eager to seize. One key example is AI-driven revenue management strategies. **Machine learning algorithms are stepping in to analyse real-time data** that optimise pricing, forecast demand and dynamically adjust offerings. These tools enable hoteliers to maximise occupancy and revenue streams while responding quickly to market changes.

3 THE POWER OF SOCIAL MEDIA

Social networks remain a 'must' for engaging audiences and driving bookings in 2025. Platforms such as Instagram, TikTok and YouTube will continue to shape travel trends. The greatest strength of social media lies in the fact that content is driven by the users themselves. This **proximity creates a direct impact, which can be further amplified** by engaging influencers and trendsetters to promote new destinations.

4 FINE DINING AND CULINARY EXPERIENCES

Fine dining will remain relevant in 2025, blending traditional luxury with innovative concepts. Culinary experiences that focus on sustainability, hyper-local sourcing (think 'farm-to-table') and storytelling through food are particularly popular. In addition, open kitchen concepts and chef-led tasting menus remain key draws for food lovers who seek unique and memorable experiences. **Cultural immersion** has become popular among tourists looking for an authentic, community-based experience. Whether it is cooking classes led by locals, heritage tours or opportunities to participate in community projects, businesses that help guests and locals connect in a meaningful way will enjoy lasting relevance.

5 BARS AND DRINKS REDEFINED

Bars have cemented their role as experiential destinations in the hospitality sector. Demand for **immersive cocktail experiences and mixology-driven concepts** will only increase in 2025. Speakeasy-style bars, flair bartending and storytelling are just some of the innovations driving this trend.

6 VOLATILE FINE WINE MARKET

In 2024, the market for fine wines was weighed down by sagging consumer demand, a general shift away from alcoholic beverage consumption and the spectre of looming economic uncertainty. In 2025, the market will remain highly volatile, with some wines continuing to see market-driven price corrections, while others are expected to show greater resilience due to limited supply following the challenging 2024 vintage. The downtrend is affecting the entire supply chain, including producers and retailers. The outlook is foggy, but one thing is crystal clear: **2025 is a buyer's market.** This could spur restaurants to expand their wine cellars.

EMERGING HOSPITALITY TRENDS FOR 2025

7 REGENERATIVE HOSPITALITY

As sustainability becomes an operational baseline that is taken for granted, regenerative hospitality is emerging as a transformative approach. **This trend focuses not only on minimising harm but also on actively improving the environment and local communities.** From net-zero to net-positive. Examples include resorts that fund reforestation projects, hotels that train and employ locals in underprivileged areas and restaurants that promote zero-waste cuisine while sourcing ingredients from regenerative agriculture. In short, regenerative tourism is making sustainability look... so 2024.

8 ADVANCED AUTOMATION IN OPERATIONS

While automation is not new, **its scope and sophistication are poised to increase** significantly in 2025. From robotic housekeeping solutions to fully automated check-in and check-out processes, technology is transforming operational efficiency. For example, voice-activated room controls and facial recognition for secure access may find their ways into upscale properties. These technologies increase convenience while freeing up staff to focus less on routine tasks and more on high-touch, personalised services.

9 RISE OF SUBSCRIPTION-BASED TRAVEL

A growing number of hospitality brands are adopting subscription models, offering tourists access to exclusive benefits for a monthly or annual fee. These programmes often include discounted stays, priority bookings or access to members-only experiences. **Subscription travel caters to frequent travellers who expect to be rewarded for their loyalty in the form of greater convenience and better value.**

10 CATERING TO 'GENERATION ALPHA'

As children born after 2010, who have been dubbed Generation Alpha, **begin to influence family travel decisions**, hospitality brands are adapting their offerings to appeal to this demographic that is both tech-savvy and socially conscious. Child-focused wellness programmes or immersive technology-driven experiences are becoming a part of family travel packages.

HUMAN CONNECTION STILL REIGNS

The hospitality industry of 2025 continues its transformation, with technological innovation and evolving consumer expectations driving change. The decline of 'green hospitality' as a differentiator signals a shift from sustainability as a competitive advantage to a basic expectation, highlighting the need for the industry to move beyond mere compliance towards true change. Furthermore, while AI, automation and data-driven decision-making offer immense efficiency gains, the industry must ensure that technological advances do not come at the expense of personalised service, genuine human connection and places to enjoy - elements that remain at the heart of hospitality.



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