



The Consumer Holiday Trends Report

ABTA Consumer Survey 2014

The past 12 months have been mixed from a **consumer confidence** and sales perspective



In this report we outline the findings from ABTA's annual research among UK consumers to better understand their holiday booking choices: what they're booking, how they're booking it and what they're thinking about for the year ahead.

The past 12 months have been mixed from a consumer confidence and sales perspective. Running into the traditional peak booking season of January to March 2014, our Members reported a buoyant market with consumer confidence high and strong early season sales. Since that time, we've seen consumer confidence soften and a more mixed picture for holiday sales.

Our research shows that there has been a small decline in the number of holiday takers this year, with the figure now standing at 80%, compared to 83% in 2013 and the lowest it has been since 2010.

However, there are some signs from our research that consumer confidence is continuing to slowly return to the market, with more consumers planning to spend more on their holidays next year than those looking to cut back.

I hope you find the findings informative and useful. If you would like further information on any aspect of the research please don't hesitate to contact our communications team abtacomms@abta.co.uk.



Mark Tanzer

Mark Tanzer
CHIEF EXECUTIVE

Number of holidays taken

1.

Overall, eight in ten (80%) consumers took a holiday either at home or abroad in the 12 months to August 2014, which was slightly fewer than in the same time period in 2013 (83%).

Nearly seven in ten (68%) consumers took a UK holiday and more than five in ten (53%) took a holiday abroad in 2014. The table below indicates a small increase in the number of people taking a holiday both in the UK and abroad during the year, up from 39% in 2013 to 41% in 2014.

BRITONS TAKING A HOLIDAY 2011-2014

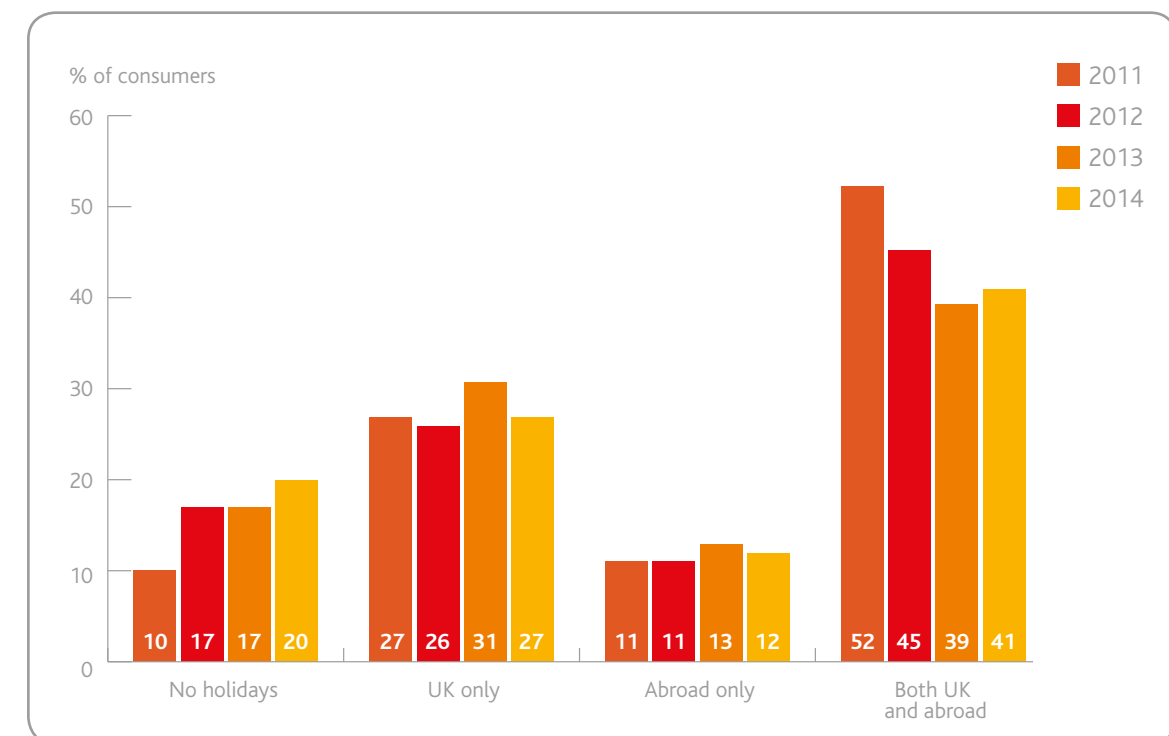
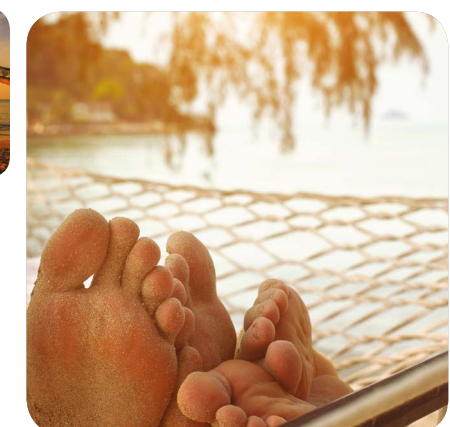


Table 1
Britons taking a holiday
2011-14

"Getting away from it all"

is cited as the main reason for taking a holiday overseas, overtaking sunshine as the top reason last year for heading abroad



AVERAGE NUMBER OF HOLIDAYS

While the number of Britons taking a holiday fell year-on-year, there was also a small decrease in the average number of holidays taken per person, the lowest figure since 2010. This suggests Britons have continued to feel the squeeze in the cost of living in the past 12 months.



Table 2
Average number of holidays taken per person 2011-14 (split by UK and abroad)

There was a small decline in the number of UK breaks taken during the year. This was offset by a small increase in people taking a greater number of breaks abroad, with 16% of people taking at least three holidays abroad during the year, compared with 14% in 2013.

The research indicates that the annual family holiday of seven nights or more overseas remains stable. There was an increase in holidays abroad of 1-3 nights, suggesting the overseas city break has performed well during the year, perhaps helped by a strong pound making shorter overseas breaks more affordable.

AVERAGE NUMBER OF HOLIDAYS TAKEN PER PERSON BY AGE

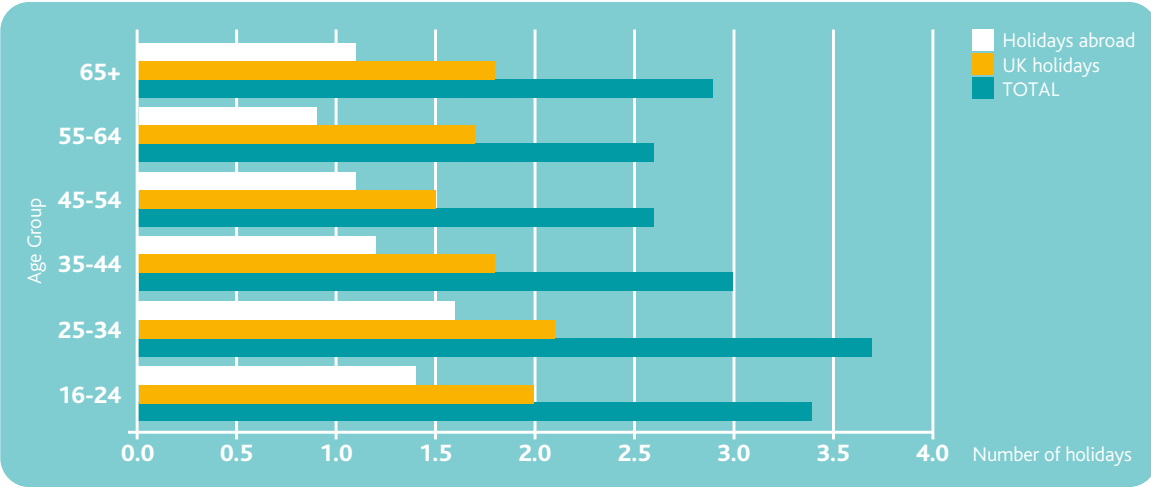


Table 3
Average number of holidays taken per person by age group 2014

Consumers aged 25-34 overtook 16-24 year olds for the first time since 2011 as the most active in the holiday market, taking an average of 3.7 holidays per year, compared to 16-24 year olds who took on average 3.4 holidays per year.

For the second year running, the number of holidays taken per person amongst 16-24 year olds saw a year-on-year drop, meaning that over the course of two years the average number of holidays taken by this age group per year has fallen from 4.7 to 3.4. Growth in the number of holidays taken per person was most apparent in the 25-34 year old age group, who took more holidays in the 12 months to July 2014 than in the same period the

previous year, up from 3.2 to 3.7. Those aged 35-44 also saw an increase in holiday taking, up from an average per person of 2.7 to 3.0.

There are some notable regional variations in the average number of holidays taken, with Londoners leapfrogging the Scots to become the UK's most active holiday takers in the last 12 months. Londoners took on average 3.9 breaks (in the UK or abroad) per person during the year, up from 3.3 in 2013. The average number of holidays taken by Scots fell from 3.6 to 2.5 with only those from the East of England taking fewer breaks (2.0). The Welsh took the greatest number of domestic holidays at 2.2 per person.

HOLIDAY COMPANIONS: WHO PEOPLE HOLIDAY WITH

While it is most common for people to holiday with their partner or immediate family, one in five consumers (19%) went on holiday with their extended family (family members from outside the household) in the past year, more than twice the number compared with the previous 12 months (7%).

16-24 year olds are most likely to go on holiday with an adult only group of friends (33%) while those aged over 65 are most likely to holiday alone: one in five (21%) having done so in the past year, suggesting older age groups are among the most independent when it comes to taking holidays.

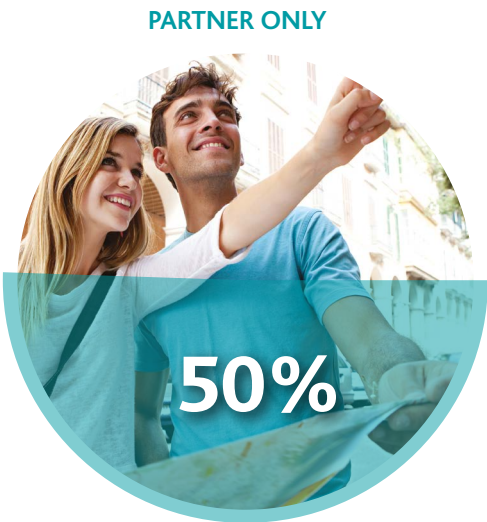


Table 4
Holiday companions

What type of holidays have been booked?

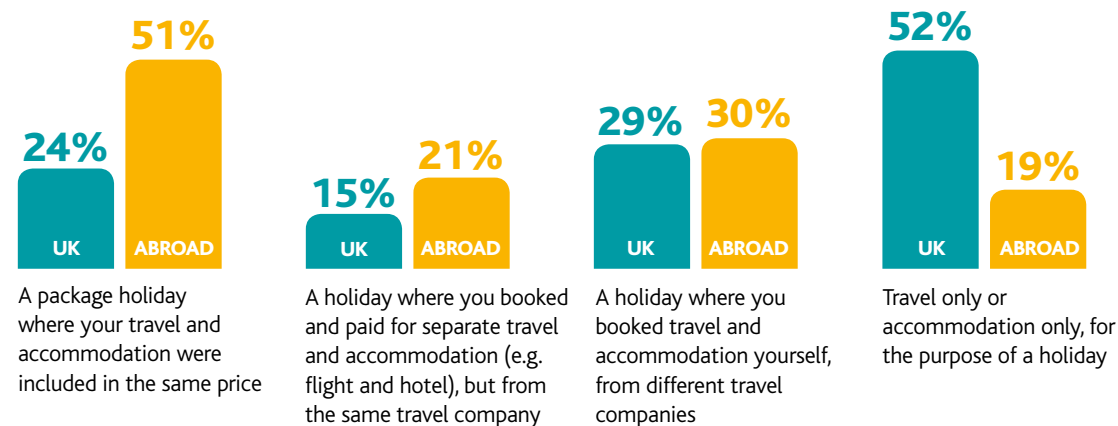
Package holidays continued to grow in popularity during the year, both for overseas and domestic holidays. The package holiday has gone from strength-to-strength over the past five years with more than half the population (51%) booking an overseas package holiday in the last 12 months compared to 37% in 2010. The research shows that packages appeal because people value having everything taken care of and having the best value option for the price. A third of consumers (34%) also stated that they booked a package because they wanted an all-inclusive holiday.

For overseas holidays, there was a year-on-year drop in the number of people booking 'DIY' holidays (where consumers purchase travel and accommodation separately from different travel companies) from 35% to 30%.

For the domestic market the most popular type of booking continues to be 'travel only' or 'accommodation only' but this has fallen from 59% to 52%. With the research showing an increase in domestic package holidays (from 18% to 24% year-on-year) and more people booking UK holiday arrangements from a travel company, this suggests Visit England's 'Wallace and Gromit' campaign has been successful in helping to connect UK consumers with travel companies selling domestic holidays.

WHAT HAS BEEN BOOKED IN PAST 12 MONTHS

Table 5
What has been booked in the past 12 months



HOLIDAY TYPES

As in 2013, city breaks and beach holidays are the most popular types of trip. Compared to last year, city breaks remain just as popular but beach holidays have fallen in popularity: 38% took a beach holiday in 2014 compared to 41% in 2013. This means city breaks have overtaken beach holidays to become Britons' favourite type of holiday.

All-inclusives continue to prove popular with 16% of people saying they took an all-inclusive holiday in the past 12 months while 7% of people said they took a cruise holiday compared with 5% in 2013.

TOP TEN TYPES OF HOLIDAY TAKEN IN PAST 12 MONTHS

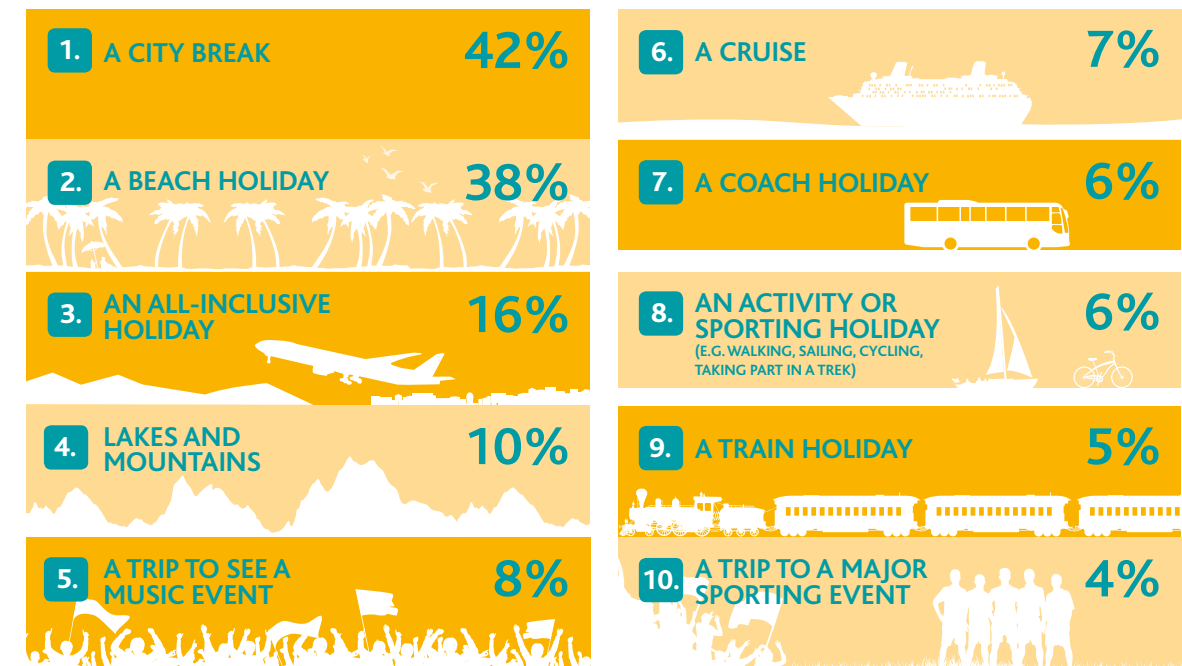


Table 6
Top ten types of holiday taken in past 12 months

BOOKING ESSENTIALS

When it comes to the importance of booking elements, safe and secure accommodation is seen as the most essential factor by 50% of consumers, with a further 36% feeling it is important. The other most important factors are financial protection, ATOL protection, membership of ABTA and knowledgeable staff. These are the same important factors as in 2013.

TOP TEN BOOKING ELEMENTS RATED AS ESSENTIAL OR IMPORTANT BY CONSUMERS

1.	Safe and secure accommodation standards	86%	6.	Not necessarily the lowest prices, but the greatest value for money	66%
2.	Financial protection scheme (coverage in event of company folding)	81%	7.	Ease of transport connections to the airport	59%
3.	ATOL Protection	76%	8.	Range of holidays on offer	58%
4.	Member of ABTA	68%	9.	A well-known name in the travel industry	56%
5.	Knowledgeable staff	68%	10.	Lowest prices	56%

Table 7
Top ten booking elements rated as essential or important by consumers

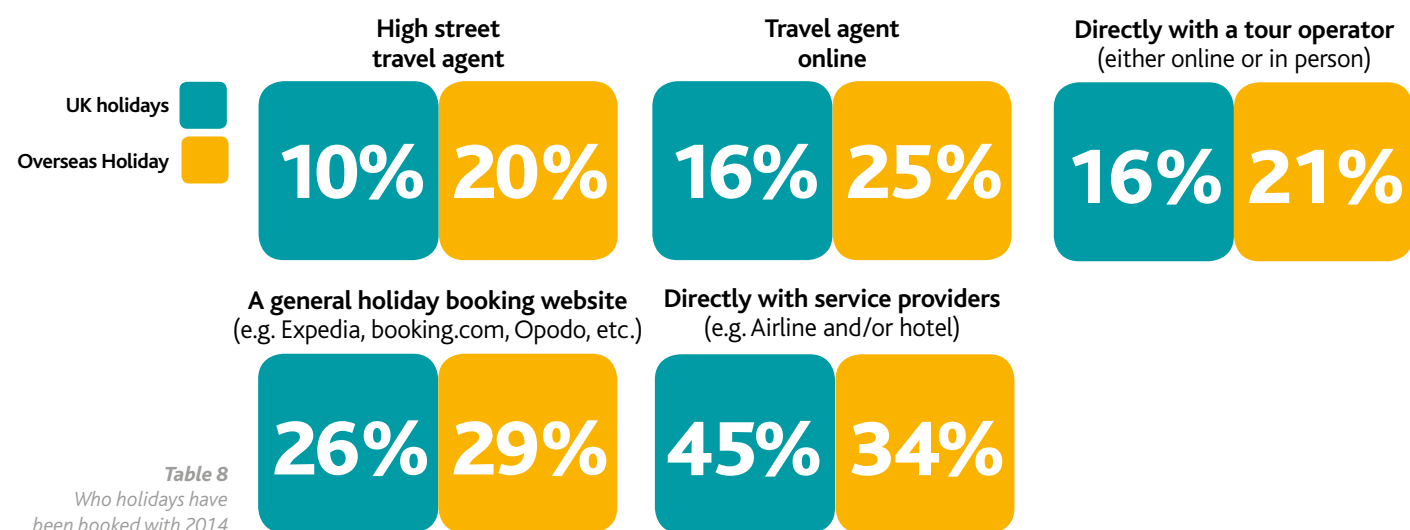
The consumer journey: how are people researching and booking holidays?

The findings show that consumers like to book their holidays in a variety of different ways. In the past 12 months, there appears to have been a shift away from booking directly with service providers. In 2013, 41% booked at least one overseas holiday directly with a service provider, compared to 34% this year. During the same time period, more people booked both an overseas holiday and a domestic holiday with a travel agent, either online or on the high street. The shift is particularly marked for domestic holidays: one in ten (10%) people said they booked a domestic holiday with a high street travel agent in 2014 (up from 7% in 2013) and 16% booked with an online travel agent (up from 12% in 2013). Bookings with general holiday booking websites have remained stable, direct bookings with tour operators have increased slightly.

High street travel agents are particularly popular among 35-44 year olds, suggesting those booking family holidays welcome the benefits of face-to-face contact. Travel agents are also particularly popular with younger consumers aged 16-24 with 18% using a high street travel agent and 36% a travel agent online to book at least one overseas holiday.

There are also some notable regional variations in the way consumers book their holidays with those outside London far more likely to use a travel agent than those in London.

WHO HAVE HOLIDAYS BEEN BOOKED WITH 2014



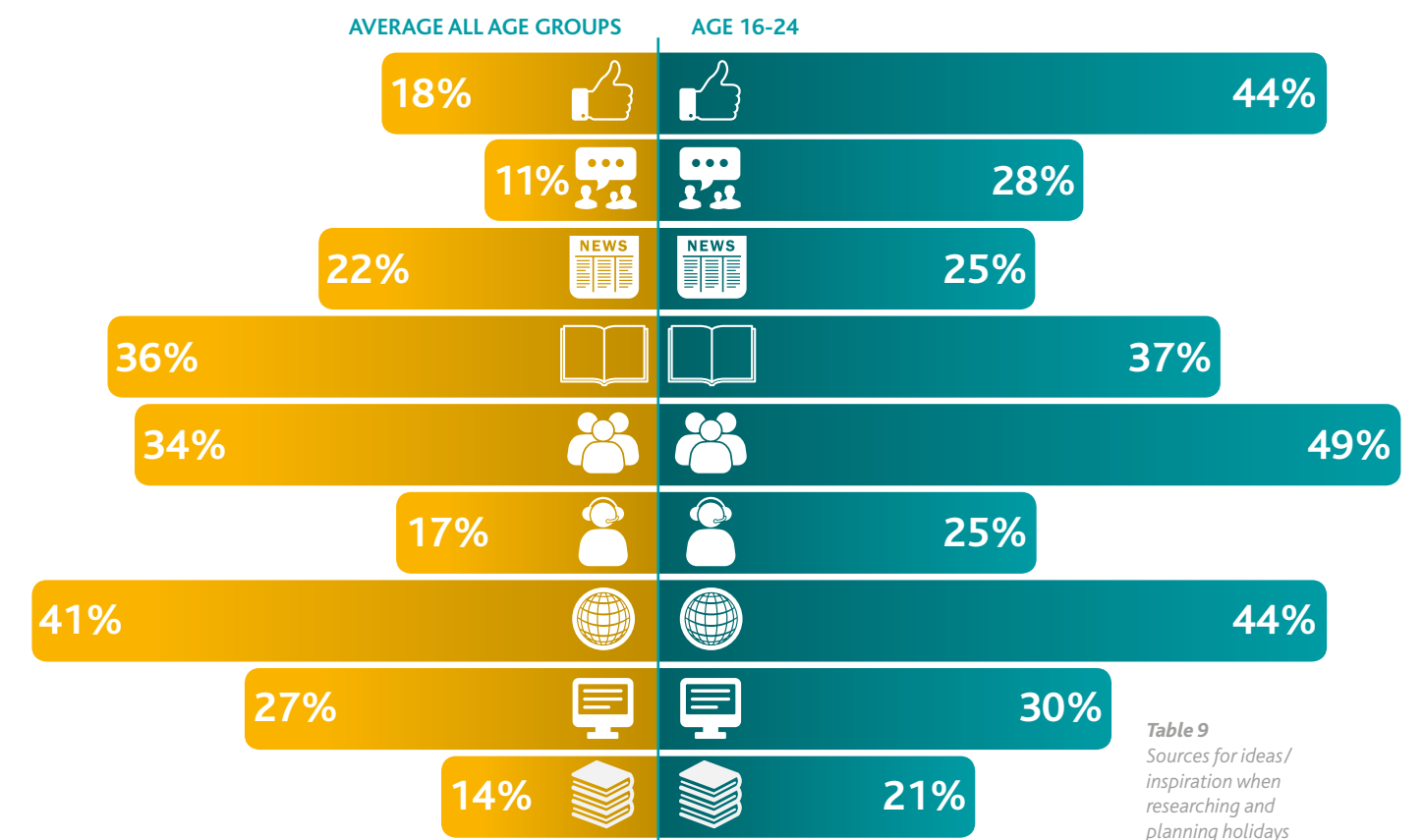
HOLIDAY INSPIRATION AND INFORMATION

Consumers use a very diverse range of sources – print, online and face-to-face – for holiday ideas and information. In general, younger consumers actively use a much wider range of different sources than average to inspire and inform them in their holiday choices.

Travel company websites come relatively low down the list of sources for inspiration and information. On average: 15% of people use them for ideas/inspiration (rising to 17% among 16-24 year olds).

Travel professionals score slightly higher: 17% of consumers use them for ideas/inspiration (rising to 25% among 16-24 year olds).

WHAT IS USED FOR IDEAS AND INSPIRATION?



KEY:

- Social media (e.g. Facebook, twitter)
- Social sharing sites (e.g. flickr)
- Newspaper or magazine articles either in print or online
- Holiday/destination brochures
- Recommendations from friends/family/colleagues
- Travel professionals (e.g. travel agent)
- General internet searching (e.g. general Google search)
- Travel review websites (e.g. TripAdvisor)
- Printed guidebooks

ONLINE BOOKING DEVICES

The PC remains the most popular device when booking a holiday online with 93% of consumers using this in the past 12 months. There has been a significant increase in people using tablets to book with nearly a fifth (18%) doing so, compared to 10% in 2013. There has also been an increase in bookings made via a mobile phone (up from 13% to 17%).

The research shows that consumers see the PC as the easiest and most secure way of booking online while tablets are the preferred option for saving time. Mobile phones are the least preferred way of booking online as they are seen as relatively less secure and less easy to book than on a PC.




	AVERAGE	16-24	25-34	35-44	45-54	55-64	65+
 TABLET	18%	24%	27%	25%	12%	8%	6%
 MOBILE	17%	35%	30%	20%	7%	4%	3%
 PC/LAPTOP	93%	88%	92%	91%	95%	97%	97%

Table 11
Online booking devices for holidays by age

CONSUMER ATTITUDES TOWARDS TRAVEL PROFESSIONALS

The survey also looked at consumers' attitudes towards travel professionals, defined as individuals with expertise, knowledge, and experience in travel, and booking travel arrangements e.g. travel agents (online, on the telephone, or the high street), or staff of holiday providers/tour operators.

As in 2013, travel professionals are most valued for making it easier to book (51% agreeing with this statement) and saving a customer time (46% agreeing with this statement).

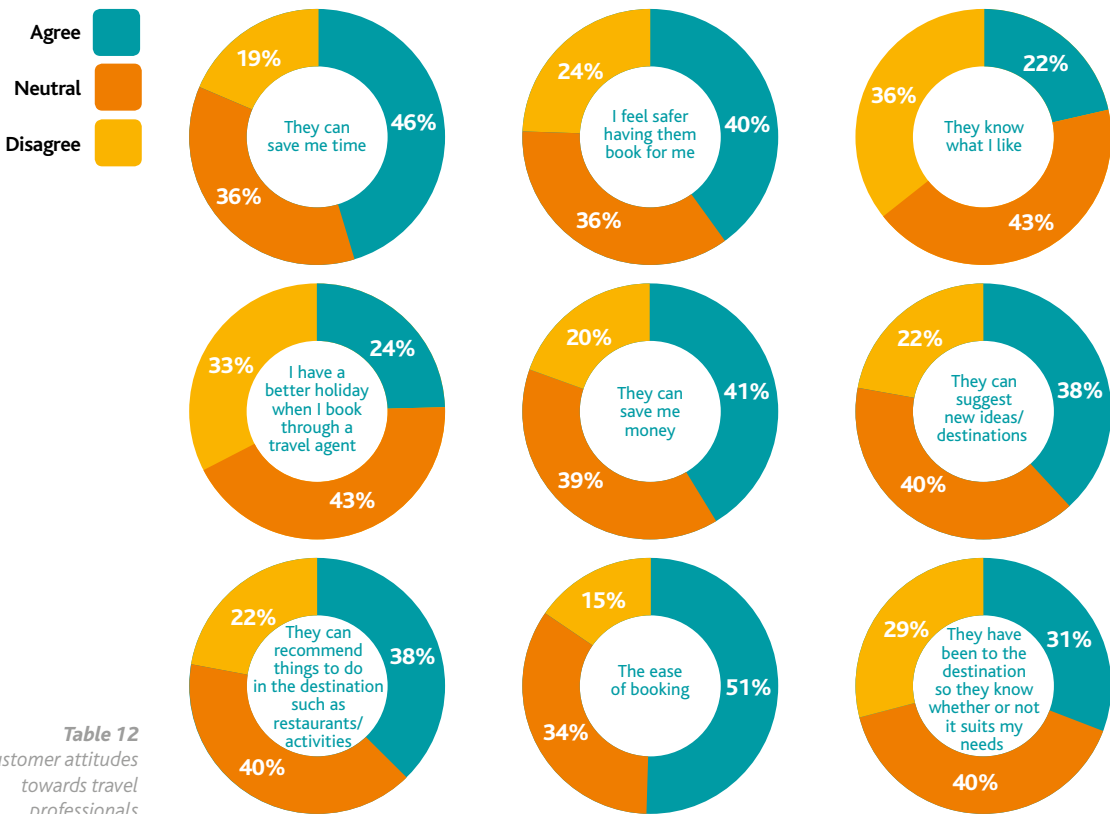


Table 12
Customer attitudes towards travel professionals

Outlook for 2015

There are some reasons to be cheerful as we look to the year ahead with consumers planning to spend more on holidays in 2015: 20% state they will spend more on holidays and only 15% say they will spend less. In 2013, the figures for spend over the next year stood at 19% spending more and 16% spending less so the very tentative optimism that we saw last year has continued to increase this year.

Those aged 25-34 are the most optimistic about spending next year with three in ten (30%) saying they will spend more and only 14% saying they will spend less. Consumers in Wales and Yorkshire are the most optimistic about holiday spending for the year ahead while those in the East of England are the least optimistic.

In addition, the average spend before going on holiday has seen an increase in 2014, especially for overseas holidays with an increase from £206 to £224.

In the next 12 months a third (35%) of consumers think that they will take a holiday to a new country (quite likely or practically certain). Almost half (48%) consumers are quite likely or practically certain to visit a new resort or city.

WHAT CONSUMERS ARE PLANNING TO SPEND ON NEXT YEAR'S HOLIDAY

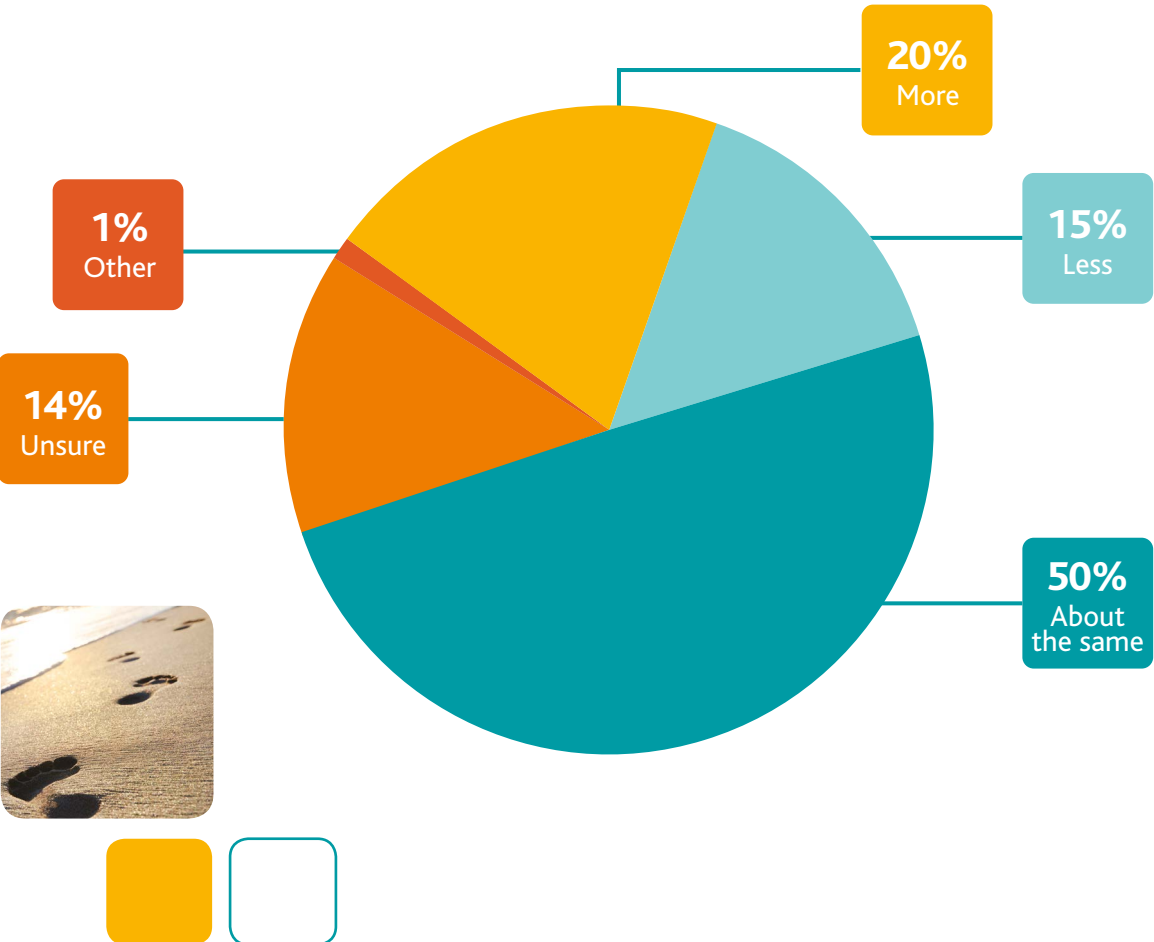


Table 13
Chart showing whether consumers are planning to spend more or less on their holidays next year

About the research

*Consumer research was conducted by Arkenford Ltd (www.arkenford.co.uk) who specialise in tourism and leisure market research. The ABTA Consumer Trends survey generated response from a nationally

representative sample of 2001 consumers using an online research methodology and related to holiday booking habits in the 12 months to July 2014. Fieldwork was conducted in July and August 2014.

About ABTA

ABTA has been at the heart of travel for more than 60 years. Our purpose is to help our Members to grow their businesses successfully and sustainably, and to help their customers – the travelling public – have confidence in their travel experience.

The ABTA brand stands for expertise, reliability and fairness. These qualities are core to us. They ensure that holidaymakers remain confident in the holiday products that they buy from our Members.

We help our Members and their customers navigate through today's changing travel landscape by providing schemes of financial protection and a course of redress if something goes wrong; by raising standards in the industry and by giving guidance on issues from sustainability to health and safety; and by presenting a united voice to government to ensure the industry and the public get a fair deal.

ABTA has over 1,200 Members, representing nearly 5,000 retail outlets and offices.



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