

The view from the UK – consumer trends and working effectively with the travel industry

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Agenda

- Introduction
- Value of outbound tourism
- Consumer trends – ABTA research
- Trends in travel
- Customer product experience



About ABTA

- Largest UK travel & tourism association
- 61 years old
- Represents 1300 travel agents and tour operators
 - 800 tour operators
 - 5000 travel agents branches
- Different sizes (large and small, multi-national and independents)

The ABTA Plan



Value of Outbound Tourism

ABTA Research:

- Outbound travel directly accounts for 1.6% of UK GDP (£22 billion)
- Total economic impact through the supply chain of 3.8% of GDP (£55 billion)
- More than 1.2 million jobs across the UK economy
- Over £6 billion in tax revenue to HM Treasury



Consumer Trends

Short term booking trends

- UK holiday market flat lined in 2011
- 2012 looking more positive
- Long haul destinations down overall

Caribbean

- 2012 down 19%
- Winter 2012/13 down 14%
- Summer 2013 down 12%



General Travel Trends

Travel agents

- In past 3 years 10% increase in people booking through travel agents
- In past 12 months the value of their service climbed from 30% to 40%
- Reassurance, personal touch, assistance



General Travel Trends

Young travellers

- Younger travellers (below 35) taking more holidays
- Younger travellers (25-34) using high street travel agents
 - value advice on destinations, holiday ideas, activities
 - take more frequent shorter holidays (4 – 6 nights popular)



General Travel Trends

Early bookers

More people booking further in advance in past 12 months

- 68% better deals
- 56% availability
- 38% better choice
- Families = free child places

Later bookers

- Perception is there are better deals if they wait
- Weather in UK drove later bookings 22%
- Worries about money & jobs 21%



Package Holiday Bookings

Growth in past 3 years

| 2012 | 2011 | 2010 |
|------|------|------|
| 48% | 42% | 37% |

35 – 44 year olds: 51% booked an overseas package in 2012, compared to 36% in 2011

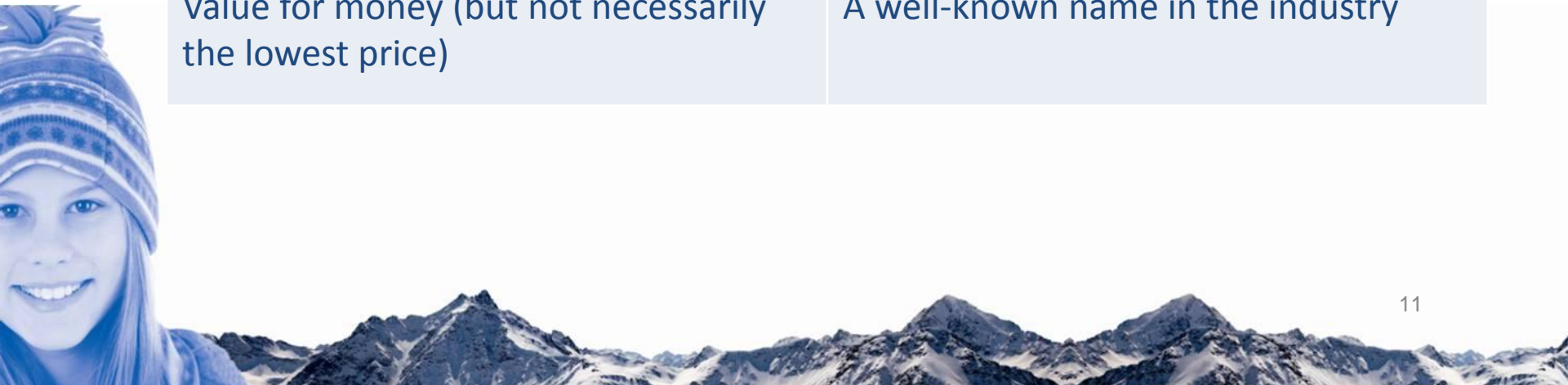
Customers value:

- Security, cost effectiveness
- Safe & secure accommodation
- Financial protection
- Ease of booking
- Great value for money
- Packages have evolved (cater to every taste & budget)



Top Booking Essentials

| | |
|--|--|
| Safe and secure accommodation | Knowledgeable staff |
| Financial protection | Ease of transport connections to the airport |
| ATOL protection | Lowest prices |
| ABTA membership | The range of holidays on offer |
| Value for money (but not necessarily the lowest price) | A well-known name in the industry |



Holidays are Essential

- Top item consumers unwilling to cut back on
- 24% over 65's - necessity couldn't do without
- 1 in 5 need longer overseas holiday
- Rather cut back on other leisure activities, home improvement and eating out



Customer Product Experience

- Communications
- Ratings vs. reality
- Managing expectations



Thank you

