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

- Recognition
- Successful Businesses
- Fair Tax Take
- Quality Product
- Rewarding Jobs
- Confident Customers
- Responsibility in a Finite World
- Thriving Destinations
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

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
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<tbody>
<tr>
<td>Growth</td>
<td>48%</td>
<td>42%</td>
<td>37%</td>
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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

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