

Stretching The Pound: Brits Holiday Spending Set To Fall

TripAdvisor announces results of bi-annual TripBarometer study: world's largest accommodation and traveller survey with more than 61,000 global respondents

TripAdvisor®, the world's largest travel site, today announced the results of the third instalment of TripBarometer, the world's largest accommodation and traveller survey¹. This biannual study, conducted on behalf of TripAdvisor by independent research firm Ipsos, highlights country, regional and global travel trends, according to more than 61,000 travellers and hoteliers around the world, with over 5,000 respondents from the UK. Revealing changes in consumer spending plans and worldwide travel patterns, the TripBarometer also reports behavioural differences in planning and booking habits of travellers at different life stages.

The study revealed that British household holiday budgets are set to drop by seven per cent compared to 2013 figures.

The average yearly budget for holidays among British travellers has dropped to £5,016, compared to £5,381 in 2013. This is in contrast to the rising global average, which is set to increase three percent to £3,686 in 2014.

Nevertheless, Brits are still among the world's biggest holiday spenders – with only those in Australia, New Zealand and Switzerland spending more on their yearly budget in 2014.

Despite falling budgets, British travellers are intent on stretching their pounds further as they plan more international trips. Ninety-one percent of British respondents are planning to travel internationally this year, up from 83 percent in 2013. Domestic travel is also on the rise, with ninety percent of Brits planning at least one domestic trip in 2014 (up from 86%).

The UK also takes the lead as the world's most prepared travellers, with a fifth (22%) booking their holidays at least seven months in advance, more than any other nation. At the other end of the scale, 42 percent of Thai travellers and more than a third of Chinese (36%) book their trips less than two weeks before they travel.

“Exploration is back on the agenda in 2014, with more travellers planning international trips this year,” said Marc Charron, President, TripAdvisor for Business. “The TripBarometer study provides valuable insights for hospitality businesses looking to attract new audiences. Travellers are upping their budgets but they are looking for bargains, expecting their accommodation of choice to deliver on value. Special offers, complimentary amenities and exceptional service are all going to be important factors in swaying potential guests.”

Fiord of dreams – New Zealand tops Brits destination wishlist

Among the consumer trends uncovered by the study, the TripBarometer report revealed travellers' favoured destinations around the world.

The old favourites dominate the list of most visited overseas holiday destinations among Brits in the last twelve months – Spain tops the bill, with France in second place, followed by the USA and Italy.

Yet when it comes to the dream holiday destination if money were no object British travellers are looking a lot further afield. New Zealand tops the list, followed by Australia and the Caribbean.

The favourite type of holiday for Brits remains the trusted beach break – in fact they love a spot on the sand more than most, with 42 percent of Brits naming it their preferred holiday, compared to 36 percent globally.

As well as relaxing by the sea, the study finds Brits are also a nation of keen culture vultures – with a third (38%) revealing that they always try to experience the authentic culture of a destination while away.

The changing traveller – on the hunt for value

Always on the hunt for value, Brits are more likely than the average traveller to choose a holiday that they feel is a good bargain. Ninety-four percent of British respondents say their choice of holiday is determined by a good deal or special offer, compared to the 91% globally.

In a sign of how much travel habits are changing, the study reveals the waning importance of two icons once synonymous with travel – the high street travel agent and the hotel room minibar.

Less than one in twelve Brits (8%) still book their holidays through a high street agent compared to three quarters (75%) who book through the internet - with price the main motivator for those opting to book online (34%). As for the minibar, only 8 percent of UK travellers consider this an important amenity and 95 percent of hoteliers in the UK have already done away with them.

Nine out of ten British travellers (93%) surveyed reported that TripAdvisor was a key source of inspiration, compared to less than half who gathered ideas from guidebooks (49%).

In fact, online reviews are now the second most important decision-factor for bookings (cited by Brits), with price topping the list.

Revealing 'traveller profiles' and preferences

As well as comparing travel trends across different nationalities, the TripBarometer report also reveals interesting insights into the habits of travellers at different life stages. Saving-up

Three distinct traveller profiles emerge:

Millennials – 18 to 34 years old, do not have any children under 18:

- Most likely to be putting money away for travel: when asked why they would spend more on travel this year, 46 percent of millennials said they had been “saving up for it.”
- This group is most likely to have their travel plans impacted by currency exchange fluctuations (45%) but will research more to find the best price (24%)
- More likely than other life stages to visit a place they have never been before (82%) and to choose a travel destination based on local events (31%)
- Will look to economise on transport options and accommodation choice
- Highly influenced by travel blogs (52%) and travel related photos on social media sites (47%)

Families – 25 to 54 years old, married/in a relationship with children under 18:

- More likely to spend more on travel this year because they feel as though they and their family “deserve it” (40%)
- Most likely to choose a beach holiday as their preferred type of trip (41%)
- On the lookout for good deals and special offers to determine what kind of holiday they take

Retirees – 55+:

- Least cost sensitive traveller segment
- Most likely to plan in advance, most commonly booking three to six months ahead of their trip (43%).
- Most influenced by ratings (82%) and reviews (75%) for accommodations, attractions and restaurants on review sites.
- When traveling with tablets, they are more likely to use them to find their way around (52%) while on a trip than the average traveller.

Mobile booking on the up in Asia, but global uptake still slow

Globally, travellers are attached to their mobiles, with 91 percent saying they use their smartphones on holiday. One in three (37%) use their smartphone to find things to do, and just over a quarter (27%) are searching for hotels. Despite the increasing number of travellers using their mobile to plan and research, the trend has not yet crossed over to the booking stage.

Sixty-six percent of travellers booked their last trip online, with 31 percent stating ‘better price’ as the reason for choosing this booking method. Twenty-four percent booked offline. Whilst online bookings are commonplace, mobile bookings are emerging

slowly. Just four percent of travellers globally booked the accommodation for their last trip via mobile, however China is leading the pack with 10 percent of Chinese booking via mobile, followed closely by Thailand (9%), and Indonesia and Malaysia (7%). This behaviour implies a 'leapfrogging' from offline to mobile channels in Asian markets, with travellers in this region more likely than others to have booked their last trip either via mobile (6%) or offline (27%).

Travellers who booked their last holiday via mobile are also the most likely to state that a good deal or special offer always determines their destination choice (20%), more so than respondents who used any other booking channel.

Three in four hoteliers (76%) already have a mobile offering for travellers in place, and of those who don't, 50 percent plan to introduce a mobile offering in 2014. Almost half (45%) allow guests to book rooms via their website on a mobile device, and 38 percent have a mobile friendly website. While it seems as though the hospitality industry is prepared for a shift towards mobile booking for travellers, there is still a disconnect.

"While the importance of mobile is accepted by the travel industry, and as evidenced by travellers using their smartphones in increasing numbers while in destination, there is still a tremendous opportunity when it comes to booking," said Marc Charron, President, TripAdvisor for Business. "Hotels are gearing up to welcome bookings via mobile and travellers are already researching hotels on their phones – the next step is facilitating the booking process on mobile devices to reach more people on the go."

For the full TripBarometer report, infographic and global findings, please visit www.tripadvisor.co.uk/tripbarometer

<https://tripadvisor.mediaroom.com/2014-04-23-STRETCHING-THE-POUND-BRITS-HOLIDAY-SPENDING-SET-TO-FALL>