

Long-haul Holidays - UK - September 2017

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“Budget long-haul fares are becoming economically viable for airlines. Cheap oil and new fuel-efficient planes like the Boeing 787 Dreamliner and the smaller 737 MAX are increasing margins. Consumers are also more open to a no-frills long-haul service. But long-haul destinations must compete with cheaper places locations closer to home.”

– Fergal McGivney, Travel Analyst

This report looks at the following areas:

- Young consumers more open to no-frills long-haul flights
- A third of consumers are open to using Airbnb on a long-haul trip
- Japan overtakes Cape Town as the cheapest long-haul destination

Following the Brexit referendum result, the Pound is weak and inflation is higher, putting a strain on consumer finances. However, this does not seem to be dampening people's appetite for long-haul holidays.

Mintel estimates a 2.9% increase in long-haul volume in 2017, bringing the number of trips to just over 8 million. In 2018, this is expected to slow to 1.7% due to consumer caution during Brexit negotiations. However, volume growth is expected to pick up after this as more fuel-efficient aircraft enter the market.

Mintel's consumer research shows that the proportion of people taking long-haul trips is higher than last year. Some 46% of consumers took a long-haul holiday in the five years to July 2017. This is 9 percentage points higher than the previous year, when 37% took a long-haul holiday in the five years to July 2016.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The Market – What You Need to Know

Slight slowdown in long-haul growth expected over the next few years ...
... as consumers opt for short-haul destinations ...
... but the growth of low-cost carriers could boost the long-haul market

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- 14% have booked a long-haul trip while 23% are likely to do so
- Short-haul volume growth outpaces long-haul
- Low-cost long-haul expansion means cheaper options for consumers

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The Consumer – What You Need to Know

- A greater proportion are taking long-haul holidays
- Stronger growth for Canada compared to the US
- Low-cost long-haul airlines are disrupting full-service model
- Younger consumers more open to unbundled fares and paying for extras
- Consumers could respond well to all-inclusive deals
- A third of consumers are open to using Airbnb on a long-haul trip
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