

## Holiday Car Hire and Self-Drive Holidays - UK - March 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Car rental companies abroad can benefit from higher demand for holidays in quieter areas to stay, where having a car would be useful. However, enhancing the flexibility of the car hire experience will be essential to capitalise on future growth potential.”

– **George Zaborowski, Senior Analyst, 26 March 2021**

This report looks at the following areas:

- **The impact of COVID-19 on holiday car hire and self-drive holidays.**
- **Experience and interest in holiday car hire and self-drive holidays.**
- **Motivations for holiday car hire and self-drive holidays.**
- **Competitive threats to traditional car rental companies.**
- **Company activity during the pandemic.**

38% of UK adult overseas travellers are interested in hiring a car during a holiday abroad within the three years from November 2020, which is noticeably higher than the 29% who hired a car in the previous three years. Interest peaks among families and affluent travellers, indicating greater demand for larger cars and premium vehicles.

The national lockdown from the start of January 2021 has further delayed a recovery of the holiday market, with just 13% of UK adults having booked their main holiday for 2021 as of early March. Uncertainty about the lifting of international travel restrictions is increasing demand for staycations. However, with 40% of holidaymakers still planning to go abroad, a surge in car hire bookings and self-drive (touring) holidays is likely once it is confirmed when and where Britons can travel.

Due to economic uncertainty and lingering COVID-19-related concerns, more Brits will cut back on the number of holidays they take and/or take a staycation in lieu of an overseas trip. While this could depress demand for holiday car hire abroad and self-drive holidays from the UK, new opportunities will arise for brands to develop and promote self-drive touring holidays in the UK.

As a result of the emergence of innovate app-based car hire platform service start-ups, car hire companies have an opportunity to create an on-demand, frictionless and flexible car hire experience for their customers. This can help unlock hidden demand for day trip rentals from city centres and help fight competition from rideshare companies.

**BUY THIS  
REPORT NOW**

**VISIT:**  
[store.mintel.com](https://store.mintel.com)

**CALL:**  
EMEA  
+44 (0) 20 7606 4533

Brazil  
0800 095 9094

Americas  
+1 (312) 943 5250

China  
+86 (21) 6032 7300

APAC  
+61 (0) 2 8284 8100

**EMAIL:**  
[reports@mintel.com](mailto:reports@mintel.com)

### DID YOU KNOW?

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

# Holiday Car Hire and Self-Drive Holidays - UK - March 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### Overview

Key issues covered in this Report  
 COVID-19: market context  
 Economic and other assumptions  
 Products covered in this Report

### Executive Summary

Impact of COVID-19 on holiday car hire

Figure 1: Short, medium and long-term impact of COVID-19 on the UK overseas holiday car hire market, 26 March 2021

The market

Holiday car hire volumes estimated to have fallen by 77% in 2020

Market recovery set to slowly take shape from the second half of 2021

Figure 2: Forecast of total overseas car hire volume, 2015-25 (prepared on 26 March 2021)

Consumers broadly positive about finances despite the pandemic

Increase in staycations will boost interest in UK self-drive touring holidays

Companies and brands

COVID-19 forced car hire firms to alter business practices

Contactless car hire set to become an industry standard

P2P car sharing gaining momentum

The consumer

Uncertainty about the return of international travel restricting car hire booking levels

Just under a third of UK travellers have used car hire during a trip abroad

Figure 3: Holiday car hire, November 2020

Convenience and cost-effectiveness drive demand for car hire

Figure 4: Main reasons for hiring a car during a holiday abroad, November 2020

Selection of car hire supplier primarily driven by price

Figure 5: Most important factors influencing the choice of car hire provider, November 2020

A quarter of holidaymakers have driven from the UK to an overseas destination

Figure 6: Self-drive holidays abroad, November 2020

The decision to self-drive to an overseas holiday destination is primarily linked to convenience

Figure 7: Main reasons for using own car to take a self-drive holiday abroad, November 2020

Strong interest in car hire among overseas travellers

Figure 8: Interest in car hire and self-drive holidays abroad, November 2020

COVID-19 has enhanced the appeal of self-drive holidays and car hire

The need for a more flexible car hire experience

Figure 9: Attitudes towards holiday car hire and self-drive holidays from the UK, November 2020

Healthy interest in self-drive touring holidays from families and the affluent

Figure 10: Self-drive touring holidays taken vs interest in taking one in the future, November 2020

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Holiday Car Hire and Self-Drive Holidays - UK - March 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Issues and Insights

Premium holiday car hire segment to benefit from pent-up demand  
 Innovations essential to protect the future of the car rental industry

## The Market – Key Takeaways

Holiday car hire volumes estimated to have declined by 77% in 2020  
 Market recovery set to slowly take shape from the second half of 2021  
 Consumers broadly positive about finances despite the pandemic  
 Increase in staycations will boost interest in UK self-drive touring holidays

## Market Size and Forecast

COVID-19 travel restrictions hindering holiday car hire market recovery

Figure 11: Short, medium and long-term impact of COVID-19 on the UK overseas holiday car hire market, 26 March 2021

Holiday car hire volumes estimated to have declined by 77% in 2020

Figure 12: Forecast of total overseas car hire volume, 2015-25 (prepared on 26 March 2021)

Market recovery set to slowly take shape from the second half of 2021

Market not expected to reach pre-COVID-19 levels until 2023

Figure 13: Forecast of total overseas car hire volume, 2015-25 (prepared on 26 March 2021)

Market drivers and assumptions

Figure 14: Key drivers affecting Mintel's market forecast, 2015-25 (prepared on 26 March 2021)

Learnings from the last recession

Figure 15: Total overseas car hire volume, 2008-15\*

Forecast methodology

## Market Drivers

Overseas travel ban could be lifted as early as 17 May 2021...

...but many will still be hesitant to commit to a holiday abroad

Increased popularity of staycations boosting interest in UK self-drive touring holidays

Most Britons positive about their finances at the start of 2021

Figure 16: Trends in current financial situation, December 2019-February 2021

Consumer confidence on an upward trend entering 2021...

...but many likely to remain cautious about spending

Figure 17: Financial confidence in the year ahead, December 2019-February 2021

After several years of weakness, Pound is strengthening

Figure 18: Pound versus euro and US Dollar, 1 February 2016-18 February 2021

Fuel economy will be in focus with oil price rising to pre-COVID-19 levels

Demand for hybrids and electric car hire is there but supply is still lacking

Figure 19: Price of Europe Brent Spot Price FOB (Dollars per Barrel), January 2016-January 2021

Rideshare changing how consumers view car hire

New rules now apply to Britons driving in the EU post-Brexit

CMA has taken action against big five car hire firms on hidden charging

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Holiday Car Hire and Self-Drive Holidays - UK - March 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Companies and Brands – Key Takeaways

- COVID-19 forced car hire firms to alter business practices
- Contactless car hire set to become an industry standard
- P2P car sharing gaining momentum

## Competitive Strategies

- COVID-19 has forced car hire firms to adapt
- Hertz pushed into bankruptcy protection after sharp drop in bookings early in the pandemic
- Contactless car hire set to become the norm
- P2P car sharing services offer a compelling alternative
- Turo has experienced growth during COVID-19 and plans to go public in 2021
- Getaround secures further funding in October 2020 after a successful 2020

## Launch Activity and Innovation

- Contactless car hire set to become the norm
- Europcar plans to use AI to automate car hire
- Avis and Hertz already had contactless services in place prior to COVID-19
- Kyte – a car hire platform that delivers cars straight to renters
- Move Mee – a contactless car hire platform where a renter’s phone acts as car key
- Boosting self-drive touring holidays
- Digital marketing campaign to promote the Scottish self-drive route North East 250
- Up Norway launches new self-drive itinerary with focus on local culture and low-carbon activities

## The Consumer – Key Takeaways

- Families and affluent travellers show strong interest in car hire abroad
- Convenience and cost-effectiveness drive demand for car hire
- The need for a more flexible car hire experience
- The decision to self-drive to an overseas holiday destination is primarily linked to convenience
- Healthy interest in self-drive touring holidays from families and the affluent

## Impact of COVID-19 on Consumer Behaviour

- Uncertainty restricting pent-up demand for main holiday bookings  
Figure 20: Booking intentions for main holiday, 21 January-12 March 2021
- More opting for a staycation as their main 2021 holiday  
Figure 21: Expected destination of main holiday in 2021, 21 January-12 March 2021
- COVID-19 anxiety is falling but caution about travel abroad will remain  
Figure 22: Consumer concern about COVID-19, February 2020-March 2021

## Holiday Car Hire

- Just under a third of UK holidaymakers have hired a car abroad  
Figure 23: Holiday car hire, November 2020
- Under-45s the most likely to hire a car during an overseas holiday

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)  
**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300  
 APAC +61 (0) 2 8284 8100 |  
**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Holiday Car Hire and Self-Drive Holidays - UK - March 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Families with young children a key target market  
Figure 24: Holiday car hire, by age, November 2020

## Main Reasons for Car Hire

Car hire simplifies the transport needs for overseas holidaymakers  
Many travellers turn to car hire if it is cheaper than other options  
Figure 25: Main reasons for hiring a car during a holiday abroad, November 2020

## Key Factors Driving Choice of Car Hire Provider

Choice of car hire supplier predominantly driven by price  
Provider pick-up/drop-off process and brand reputation relevant points of differentiation  
Availability of eco-friendly vehicles an emerging area of focus  
Figure 26: Most important factors influencing the choice of car hire provider, November 2020

## Self-drive Holidays Abroad from the UK

One in four have driven from the UK to an overseas holiday destination  
Figure 27: Self-drive holidays abroad, November 2020  
Convenience the main factor for choosing to drive abroad  
Travelling abroad by car holds many advantages for families with young children  
Figure 28: Main reasons for using own car to take a self-drive holiday abroad, November 2020

## Interest in Holiday Car Hire and Self-drive Holidays from the UK

Pent-up demand for car hire waiting to be released  
Figure 29: Past experience with vs interest in car hire abroad and self-drive holidays from the UK, November 2020  
Interest in self-drive holidays from the UK in line with past activity

## Attitudes towards Holiday Car Hire and Self-drive Holidays from the UK

COVID-19 a key factor sparking interest in self-drive holidays from the UK...  
...and has also contributed to greater interest in holiday car hire  
Figure 30: Attitudes towards holiday car hire and self-drive holidays from the UK, November 2020  
Enhancing the car hire pick-up and drop-off experience can improve demand  
Rideshare has reduced the appeal of car hire for younger adults  
Figure 31: Level of agreement with "The availability of ride-sharing apps (eg Uber, Ola) has made hiring a car on holiday less appealing", by age, November 2020

## Experience and Interest in Self-drive Touring Holidays

Nearly half of UK adults interested in a self-drive touring holiday  
Families a key target group for UK-based self-drive touring holidays  
Affluent show the most interest in self-drive tours abroad  
Figure 32: Self-drive touring holidays taken vs interest in taking one in the future, November 2020

## Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations  
Consumer research methodology

## Appendix – Market Size and Forecast

BUY THIS  
REPORT NOW

**VISIT:** [store.mintel.com](https://store.mintel.com)  
**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300  
APAC +61 (0) 2 8284 8100 |  
**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

## Holiday Car Hire and Self-Drive Holidays - UK - March 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

### Market forecast

Figure 33: Forecast of total overseas car hire volume, 20-2025

### Forecast methodology

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)