

Package vs Independent Holidays - UK - May 2021

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This report looks at the following areas:

- The impact of COVID-19 on the package and independent holiday segments
- Trends in booking behaviour
- Reasons for booking package vs independent holidays
- Holidaying intentions and likely behavioural changes in 2021

The unveiling of the 'green list' on 7 May 2021 is likely to have contributed to a further increase in bookings with 19% of consumers booking a holiday in the three months to May. However, the increase was only modest, likely due to the limited number of countries on this list. Bookings for overseas holidays are likely to stall after Portugal moved to the amber list and no countries were added to the green list during the government's first three-weekly review.

Security (eg financial protection) has become one of consumers' top three motivations for booking a package holiday, partly driven by their worry of travel companies going bust. Meanwhile, preferring to feel more independent has become a bigger priority for independent bookers over the past year, driven by their desire to visit quieter places where they can avoid mixing with crowds during the pandemic.

The speed of recovery will depend heavily on the easing of restrictions by both the UK government and the destination itself, while a vaccine-resistant mutation of COVID-19 will be disastrous for international travel.

Unprecedented demand for domestic rural escapes will make the UK's countryside the big winner in 2021, and most of these trips will be booked independently. There is also a surge in demand for luxury holidays due to a larger group of consumers being willing to spend more on travel than they would usually do. These higher value trips are more than twice as likely to be booked as a package than independently.



"The traffic light system and the limited green list have added to the uncertainty about the lifting of international travel restrictions. Consumers are expected to be in even greater need of financial protection when booking their holidays."

– Marloes de Vries, Associate Director – Travel, 28 May 2021

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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 the UK travel market**

Figure 1: Short, medium and long term impact of COVID-19 on the UK package and independent holiday markets, 28 May 2021

- **The market**
- **Package holidays will benefit from financial protection offered and higher demand for luxury travel**

Figure 2: COVID-19 scenario forecasts for the value of overseas package holidays taken by UK residents (prepared on 28 May 2021), 2015-25

- **Dampened appeal of short breaks will impact independent sector more**

Figure 3: COVID-19 scenario forecasts for the value of overseas independent holidays taken by UK residents (prepared on 28 May 2021), 2015-25

- **Financial confidence has fully recovered...**
- **... but uncertainty about the lifting of international travel restrictions remains**
- **Companies and brands**
- **TUI accelerates digital strategy**
- **Jet2 expands villa package offering and extends summer season**
- **More companies are tapping into wellness tourism trend**
- **British Airways trials virtual queuing technology and 25-second COVID-19 antigen test**

- **The consumer**
- **Initial green list provided a small boost in bookings**

Figure 4: Actual bookings and plans to book a holiday in the next three months, January 2019-May 2021

- **Vaccination programme will help confidence in travel to recover**
- **Shift in age profile of package vs independent bookers**
- **Overseas independent travellers more hesitant to book**

Figure 5: Booking intentions for main holiday, by intended booking method and destination, March 2021

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Executive Summary

Full Report PDF

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- **Most travellers hold off booking until restrictions are lifted**

Figure 6: Reason for not yet having booked main holiday, by intended booking method, March 2021

- **Independent sector will benefit most from unprecedented demand for rural escapes in the UK**
- **Group-based holidays/escorted tours are the third biggest domestic package product**

Figure 7: Holiday types, by booking method 'main holidays' in the UK in the next 12 months, March 2021

- **Package holiday providers set to benefit from higher demand for luxury travel**

Figure 8: Holiday types, by booking method of 'main holidays' abroad in the next 12 months, March 2021

- **Increased focus on personalising content**

Figure 9: Reasons for booking package holidays, by age, March 2021

- **Private experience has become a more important motivator to book independently**

Figure 10: Reasons for booking independent holidays, by age, March 2021

- **Online advice and incentives to visit stores increasingly important**

ISSUES AND INSIGHTS

- **Return to nature will be a growing theme**
- **The battle for the best personalised experience**

THE MARKET – KEY TAKEAWAYS

- **Package holidays will benefit from financial protection offered**
- **Dampened appeal of short breaks will impact independent sector more**
- **COVID-19 checks will likely lead to longer queues at the border**
- **First review of the traffic light system will take place in late June**

MARKET SIZE AND PERFORMANCE

- **Package holiday providers will benefit from increased need for protection**

Figure 11: Short, medium and long term impact of COVID-19 on the UK package and independent holiday markets, 28 May 2021

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Infographic Overview

Powerpoint Presentation

Interactive Databook

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- **Strong demand for package holidays just before COVID-19 hit**
- **Travel market showed steepest decline in history following COVID-19**
- **Independent and package holiday segments both held advantages but still saw severe declines**

Figure 12: Volume of overseas package and independent holidays taken by UK residents, 2015-20

Figure 13: Value* of overseas package and independent holidays taken by UK residents, 2015-20

MARKET FORECAST

- **Package holidays will benefit from financial protection offered**
- **Higher demand for luxury travel will boost the value of package holidays**
- **Dampened appeal of short breaks will impact independent sector more**

Figure 14: Forecast volume of overseas package holidays taken by UK residents (prepared on 28 May 2021), 2015-25

Figure 15: Forecast value* of overseas package holidays taken by UK residents (prepared on 28 May 2021), 2015-25

Figure 16: Forecast volume of overseas independent holidays taken by UK residents (prepared on 28 May 2021), 2015-25

Figure 17: Forecast value* of overseas independent holidays taken by UK residents (prepared on 28 May 2021), 2015-25

COVID-19 SCENARIO PERFORMANCE

- **Mintel's approach to predicting the impact of COVID-19**
- **Fundamental differences in how COVID-19 is affecting consumer markets**
- **Rapid COVID recovery will have more impact on the short term recovery of independent holidays**

Figure 18: COVID-19 scenario forecasts for the value of overseas package holidays taken by UK residents (prepared on 28 May 2021), 2015-25

- **Extended COVID disruption will be disastrous for international travel**

Figure 19: COVID-19 scenario forecasts for the value of overseas independent holidays taken by UK residents (prepared on 28 May 2021), 2015-25

- **COVID-19 market disruption: risks and outcomes**

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Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

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Report Price: £2195 | \$2995 | €2600

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Figure 20: Summary of Mintel scenario expectations and the impact on the holidays market, May 2021

MARKET SEGMENTATION

- **Spain was the top choice for package holidays prior to COVID-19**

Figure 21: Volume of overseas package holidays taken by UK residents, top 20 destinations, 2016-19

- **Greece and Turkey were fast-growing destinations for independent travel prior to COVID-19**

Figure 22: Volume of overseas independent holidays taken by UK residents, top 20 destinations, 2016-19

- **The speed of each destination's recovery will depend heavily on the easing of restrictions**

Figure 23: Package vs independent share, by destination, based on volume of trips taken by UK residents in 2019

- **Overseas short break segment will take a hit in 2021**

Figure 24: UK package versus independent holiday volume, by trip duration, 2016-19

MARKET DRIVERS

- **Financial confidence has fully recovered**

Figure 25: The financial confidence index, January 2015-April 2021

- **Government updates green, amber and red list**
- **Green list is not reciprocal and may differ from FCDO's advice**
- **First review of the traffic light system will take place in late June**

Figure 26: Traffic light system for international travel, 13 May 2021

- **COVID-19 checks will likely lead to longer queues at the border**
- **Vaccination status available in digital and paper format from 17 May**
- **Indian variant slows down UK's recovery of international travel**
- **CAA starts consultation on suggested changes to ATOL scheme**

COMPANIES AND BRANDS – KEY TAKEAWAYS

- **TUI and Jet2 dominate package holiday market**
- **More companies are tapping into wellness tourism trend**

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- British Airways trials virtual queuing technology and 25-second COVID-19 antigen test

MARKET SHARE

- TUI and Jet2 dominate package holiday market
 - TUI reports increase in average selling price
 - TUI's Holiday Promise to give travellers peace of mind
 - TUI accelerates digital strategy
 - Jet2 postpones restart date but extends summer season
- Figure 27: Passengers licensed under ATOL protection, by top 10 ATOL holders, 2017-21
- On the Beach; the third-largest package holiday provider
 - On the Beach is only selling holidays with a departure date of after 31 August 2021
 - On the Beach redesigns booking path to personalise the customer experience
 - Trust in On the Beach declined following move to quit ABTA
 - Digitalisation plays a key role in improving easyJet's customer experience
 - Thomas Cook back in the marketplace
 - The relaunch of Thomas Cook as an online travel company
 - Thomas Cook launches digital travel money service
 - Rising competition, lack of differentiation and low customer satisfaction contributed to collapse in 2019
 - Expedia positions itself as a travel companion throughout travellers' journey

Figure 28: Usage of brands in the past 12 months, March 2020 vs March 2021

LAUNCH ACTIVITY AND INNOVATION

- Brands tap into desire to avoid crowds
- Guests can book Sheraton's private island exclusively
- British Airways trials virtual queuing technology
- Innovations for a more affordable and quicker testing process
- British Airways hopes to roll-out 25-second COVID-19 antigen test
- TUI offers testing packages from £20 to package holidaymakers
- A selection of campaigns launched by destinations to restart tourism
- Spanish tourist board launches 'You Deserve Spain' campaign

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- **Malta launches scheme to incentivise independent direct bookings with hotels**
- **More companies are tapping into wellness tourism trend**
- **Banyan Tree's Wellbeing Sanctuaries help guests to connect with themselves, others and nature**
- **Kerzner will launch a new fitness and wellbeing experience**

THE CONSUMER – KEY TAKEAWAYS

- **Green provided a small boost in bookings**
- **COVID-19 uncertainty pushes level of protection into the spotlight**
- **Private experience has become a more important motivator to book independently**
- **High interest in independently booked rural escapes and luxury packages**

IMPACT OF COVID-19 ON CONSUMER BEHAVIOUR

- **Green list provided a small boost in bookings**
Figure 29: Actual bookings and plans to book a holiday in the next three months, January 2019-May 2021
- **Initial enthusiasm about travelling subsided over the first months of 2021**
Figure 30: Most desired activities once the current social distancing measures are relaxed, February 2021-April 2021
- **COVID-19 anxiety impacts bookings levels and increases the need for COVID-19 cover...**
- **...but the vaccination programme will help confidence in travel to recover**

PACKAGE VS INDEPENDENT BOOKINGS

- **Staycation boom intensified amid uncertainty of lifting international travel restrictions**
Figure 31: Destinations visited vs intentions to visit for main holiday, February 2020 vs March 2021
- **Over half of travellers plan to book their main break independently...**
- **...However, COVID-19 uncertainty pushes level of protection into the spotlight**
Figure 32: Booking method 'main holiday' in the next 12 months, by destination, March 2021
- **Shift in age profile of package vs independent bookers**
Figure 33: Age profile of those planning to book 'main holiday' as a package vs independently in the next 12 months, March 2021

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

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Report Price: £2195 | \$2995 | €2600

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BOOKING PERIOD

- **Overseas independent travellers more hesitant to book**
Figure 34: Booking intentions for main holiday, by intended booking method and destination, March 2021
- **Most travellers hold off booking until restrictions are lifted**
Figure 35: Reason for not yet having booked main holiday, by intended booking method, March 2021

HOLIDAY TYPES

- **Independent sector will benefit most from unprecedented demand for rural escapes in the UK**
- **Group-based holidays/escorted tours are the third biggest domestic package product**
Figure 36: Holiday types, by booking method 'main holidays' in the UK in the next 12 months, March 2021
- **Package holiday providers set to benefit from higher demand for luxury travel**
Figure 37: Holiday types, by booking method 'main holidays' abroad in the next 12 months, March 2021

REASONS FOR BOOKING PACKAGE VS INDEPENDENT HOLIDAYS

- **Value for money, easy to arrange and security drive package holiday bookings**
- **Protection has become a stronger driver for package holiday bookings**
- **Increased focus on personalising content**
Figure 38: Reasons for booking package holidays, by age, March 2021
- **Private experience has become a more important motivator to book independently**
- **Increased competition from package holiday providers**
Figure 39: Reasons for booking independent holidays, by age, March 2021

ATTITUDES TOWARDS TRAVEL

- **Online advice and incentives to visit stores increasingly important**
Figure 40: Attitudes towards travel agents, March 2021
- **Younger travellers and families more likely to splash out on their main break**
Figure 41: Attitudes towards holiday spending, by demographics, March 2021

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

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APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION

- **Abbreviations**
- **Consumer research methodology**
- **CHAID analysis methodology**

Figure 42: Package vs Independent Holidays – CHAID – Table output, March 2021

Figure 43: Attitudes towards travel agent advice, CHAID analysis, March 2021

APPENDIX – CENTRAL FORECAST METHODOLOGY

- **Volume forecast and prediction intervals for overseas package holidays**

Figure 44: Lower bound, central and upper bound forecast for the volume of overseas package holidays taken by UK residents (prepared on 28 May 2021), 2020-25

- **Value forecast and prediction intervals for overseas package holidays**

Figure 45: Lower bound, central and upper bound forecast for the value* of overseas package holidays taken by UK residents (prepared on 28 May 2021), 2020-25

- **Volume forecast and prediction intervals for overseas independent holidays**

Figure 46: Lower bound, central and upper bound forecast for the volume of overseas independent holidays taken by UK residents (prepared on 28 May 2021), 2020-25

- **Value forecast and prediction intervals for overseas independent holidays**

Figure 47: Lower bound, central and upper bound forecast for the value* of overseas independent holidays taken by UK residents (prepared on 28 May 2021), 2020-25

- **Market drivers and assumptions**

Figure 48: Key drivers affecting Mintel's market forecast, 2020-24 (prepared 12 March 2021)

- **Forecast methodology**

APPENDIX – COVID SCENARIO PERFORMANCE METHODOLOGY AND ASSUMPTIONS

- **Volume scenario performance for overseas package holidays**

Figure 49: COVID-19 scenario forecasts for the volume of overseas package holidays taken by UK residents (prepared on 28 May 2021), 2020-25

- **Value scenario performance for overseas package holidays**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

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Figure 50: COVID-19 scenario forecasts for the value* of overseas package holidays taken by UK residents (prepared on 28 May 2021), 2020-25

- **Volume scenario performance for overseas independent holidays**

Figure 51: COVID-19 scenario forecasts for the volume of overseas independent holidays taken by UK residents (prepared on 28 May 2021), 2020-25

- **Value scenario performance for overseas independent holidays**

Figure 52: COVID-19 scenario forecasts for the value* of overseas independent holidays taken by UK residents (prepared on 28 May 2021), 2020-25

- **Rapid COVID recovery, central and extended COVID disruption scenarios outline**
- **Scenario methodology**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

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