

Travel Money - UK - March 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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“With the holiday market growing and strong forecasts for overseas expenditure, the travel money market has a positive outlook.”

– Deborah Osguthorpe, Head of UK Financial Services Research

This report looks at the following areas:

- Travel money providers are expanding money management
- Rates and fees are top of mind for consumers
- Pre-holiday travel money purchase is on the decline

Overseas expenditure on holidays is rising year-on-year and is expected to grow 16% by 2020, thanks to the positive outlook for the holiday market in general, and a shift in consumer preferences away from domestic holidays and towards overseas travel. Foreign currency remains the most popular method for spending abroad, and most people obtain at least some of their currency before leaving for their destination. However, the number using credit or debit cards is growing over time, which is increasing the percentage of consumers who obtain their travel money at their destination. This will prove a challenge to the pre-holiday travel money market in the long run.

Although there have been a number of launches of prepaid cards over the last year, usage remains fairly low at 11%, despite awareness of the product being high. A brand's reputation is a key factor in financial services and some of the more innovative prepaid card products are from newer market entrants, limiting their impact overall. For consumers, fees and charges remain an important factor and many holidaymakers will make the effort to get the best deal for their money.

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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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Table of Contents

Overview

What you need to know
 Definitions and report scope

Executive Summary

The market

Overseas expenditure is rising year-on-year

Figure 1: Annual expenditure on overseas trips by UK residents, at current prices, 2009-15

Overseas expenditure is forecast to grow 16% by 2020

Figure 2: Forecast for annual expenditure on overseas trips by UK residents, 2010-20

Companies and brands

The Post Office is still the most common source of travel money

Figure 3: Methods of arranging travel money for holidays in the last 12 months, March 2014 vs November 2015

TV advertising is growing its share of advertising spend

Figure 4: Percentage share of adspend on travel money services (including pre-paid cards), by media type, 2012-15

The Post Office's brand strength helps give it an edge

Brand map

Figure 5: Attitudes towards and usage of selected finance brands, November 2015

The consumer

Prepaid cards still lag behind standard credit and debit cards

Figure 6: Methods used to spend money abroad, November 2015

Two thirds of consumers collect their travel money in person

Figure 7: How travel money was collected for holidays abroad in the last 12 months, November 2015

Over half of consumers see rates as the most important factor

Figure 8: Attitudes towards arranging travel money, November 2015

What it means

Issues and Insights

Travel money providers are expanding money management

The facts

The implications

Rates and fees are top of mind for consumers:

The facts

The implications

Pre-holiday travel money purchase is on the decline

The facts

The implications

The Market – What you need to know

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UK spending abroad increased by £6.5 billion from 2011-15

Overseas expenditure is forecast to grow 16% by 2020

Exchange rates may disappoint travellers

Market Size and Forecast

Overseas expenditure rising year-on-year

Figure 9: Total annual expenditure on overseas trips by UK residents, at current prices, 2009-15

Uncertainty in the global economy could slow the growth in overseas expenditure

Figure 10: Annual expenditure on overseas trips by UK residents, by purpose of visit 2009-15

Europe takes a 60% share of overseas expenditure

Figure 11: Annual expenditure on overseas trips by UK residents, by region of visit, 2009-15

Plastic cards are taking a growing share of the market

There is no realistic prospect of a sharp fall in demand for travel money in the near future.

Figure 12: Forecast for annual expenditure on overseas trips by UK residents, 2010-20

Figure 13: Forecast for annual expenditure on overseas trips by UK residents, 2010-20

Market Drivers

Visits overseas grew over 12% last year

Figure 14: Number of overseas visits by UK residents, by purpose, 2009-15

North America had an 11% growth in visits in the last year

Figure 15: Number of overseas visits by UK residents, by region visited, 2009-15

Consumer finances are improving over time

Figure 16: How respondents would describe their financial situation, February 2009-January 2016

Holiday bookings are becoming more spread out over the year

Figure 17: Booking holidays in the last 3 months and intentions to book a holiday in the next 3 months

Rising demand for short breaks will shift travel money demand

Travellers will be getting less for their money thanks to exchange rates

Figure 18: Spot exchange rates, US dollar-Sterling and Euro-Sterling, January 2009-January 2016

Companies and Brands – What You Need to Know

Nearly a third of consumers arrange their travel money when abroad

New entrants expand into money management

TV advertising is the main media type for travel money

Market Share

Nearly a third of consumers arrange their travel money when abroad

Figure 19: Methods of arranging travel money for holidays in the last 12 months, March 2014 vs November 2015

Competitive Strategies

Reduced fee prepaid cards launched

Multi-currency cards introduced by key market players

Smartphone apps launched in the travel money sector

Business expense solutions

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Advertising and Marketing Activity

£5.5 million was spent on advertising travel money in 2015

Figure 20: Total above-the line, online display and direct mail advertising expenditure on travel money services (including pre-paid cards), 2012-15

The Post Office remains the top travel money advertiser

Figure 21: Top 10 advertisers of travel money services (including pre-paid cards), 2012-15

TV advertising is growing its share of advertising spend

Figure 22: Percentage share of adspend on travel money services (including pre-paid cards), by media type, 2012-15

Nielsen Media Research coverage

Brand Research

What you need to know

Brand map

Figure 23: Attitudes towards and usage of selected finance brands, November 2015

Key brand metrics

Figure 24: Key metrics for selected finance brands, November 2015

Brand attitudes: Post Office most noted for offering something different

Figure 25: Attitudes, by finance brand, November 2015

Brand personality: HSBC and NatWest most likely to be seen as negative

Figure 26: Brand personality – macro image, November 2015

Most brands located around genuine, competent and responsive

Figure 27: Brand personality – micro image, November 2015

Brand analysis

The Post Office stands out as a differentiated and well-liked brand

Asda is seen as a welcoming brand that offers good value

Banks are most associated with unfavourable characteristics

Travelex scores well with younger age groups

Supermarket brands have an advantage of being seen to reward loyalty

The Consumer – What you need to know

A third of consumers use credit or debit cards abroad

Prepaid card awareness is high but usage remains low

People are still cost-conscious

Methods of Spending Abroad

Nearly three quarters use foreign currency on holiday

Figure 28: Methods used to spend money abroad, November 2015

Prepaid cards are the most popular with those aged 35-44

Figure 29: Methods used to spend money abroad, by age group, November 2015

Credit cards are most frequently used for holidays in North America

Figure 30: Methods used to spend money abroad, by holiday destination, November 2015

Half of consumers use two or more methods to spend abroad

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Figure 31: Number of methods used to arrange travel money, November 2015

Ways of Arranging and Collecting Foreign Currency

The Post Office is the most popular for pre-holiday travel money

Figure 32: Method of arranging travel money for holidays abroad in the last 12 months, November 2015

Two thirds of consumers collect their travel money in person

Figure 33: How travel money was collected for holidays abroad in the last 12 months, November 2015

Figure 34: How travel money for holidays in the last 12 months was collected, by holiday destination, November 2015

Users of bureaux de change and supermarkets are the most likely to collect online

Figure 35: How travel money was collected vs how it was arranged for holidays abroad in the last 12 months, November 2015

Timescales for Arranging Travel Money

Nearly half of consumers purchase travel money just before they travel

Figure 36: When travel money purchases were made, November 2015

Younger consumers purchase their travel money latest

Figure 37: When travel money purchases were made, by age group, November 2015

Attitudes towards Travel Money

Over half of consumers see rates as the most important factor

Figure 38: Attitudes towards arranging travel money, November 2015

Awareness of prepaid cards is high but usage remains low

Figure 39: Awareness of prepaid cards by those who haven't used prepaid cards in the last 12 months

Brand reputation is important for prepaid card providers

Figure 40: Attitudes towards prepaid cards

Approaches to Arranging Travel Money

A quarter of consumers go out of their way to get the best deal

Figure 41: Approaches towards arranging travel money, November 2015

High value customers put more effort into tracking down the best rates

Figure 42: Approaches to arranging travel money by number of methods used, November 2015

Appendix – Data Sources, Abbreviations and Supporting Information

Report scope and definitions

Data sources

Abbreviations

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