

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

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## 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.



“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**

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- P2P car sharing gaining momentum

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