

## Holiday Car Hire - UK - October 2010

Report Price: £1500 / \$2310 / €1793



### What is this report about?

Following the 20% increase in holiday car hire abroad between 2005 and 2008, volume dropped by an estimated 9% in 2009. Further growth in the core AB customer demographic and the ongoing structural shift in the holiday industry towards independent travel are likely to drive renewed expansion in future years. This report analyses market trends and consumer attitudes towards holiday car hire, investigating the core market factors, strengths and weaknesses, innovations, consumer dynamics and key players in the industry.

### What have we found out?

- Following strong growth in holiday car hire abroad since 2005, the number of hires dropped by an estimated 9% to 2.9 million in 2009 before starting to recover slowly in 2010.
- Despite prospects for renewed growth, holiday car hire remains a niche product – approximately one in 17 people who went on holiday abroad over the past 12 months hired a vehicle.
- Better fleet management and utilisation rates enabled many suppliers to emerge strongly from the recession. For consumers however, prices have risen thanks to reductions in supply and the growing costs of motoring overseas.
- Travel industry and demographic trends are working in favour of holiday car hire – the shift towards independently booked travel and away from packages is continuing, for example. In addition, the core customer demographic – consumers from socio-economic group AB – is forecast to grow at double the rate of the population as a whole over the next five years.
- Six in ten customers spend between £101 and £250 per hire. £101-£150 is the most popular price bracket with around a quarter of customers paying this amount, while three in ten hirers pay more than £250. Seven days is the most common rental period, accounting for a fifth of hires, while three in ten last between one and three days.
- Amongst consumers who have hired a car abroad in the last three years, over two thirds made bookings online a month or more before travelling and nine in ten made advance bookings via the internet. Just over half of customers book a month or more before travelling; around three in ten book within a month of travelling; and two in ten books on arrival at their holiday destination.

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