

# Holiday market all packaged up - half of Brits prefer package holidays

LONDON, UK: With schools out for summer, it is the perfect time for Brits to pack their suitcases and relax on the beaches of hot destinations abroad. And when it comes to organising their holidays, it appears political unrest and company collapses have made their mark on the type of holiday taken - as nearly half (43%) of Brits now agree that package holidays 'are a safer bet in the current climate', according to latest research from Mintel.



While the holiday market - and overseas travel in particular - suffered during the recession, with package volumes falling 3% from 14.5 million trips in 2009 to 14 million in 2010, it was independent trips which felt the biggest hit, falling 8% from 24 million trips in 2009 to 22 million in 2010. However, the share of the overall holiday market for package holidays has grown in 2010 for the first time in almost a decade - after falling from 47% of the market share in 2003 to 38% in 2009. Today, package holidays account for 39% of all holidays abroad.

Tom Rees, senior travel and tourism analyst at Mintel, said: "The overall holiday market and overseas travel in general have been hit hard by the recession - in terms of both package and independent holidays. Consumer confidence is still low and as a consequence the recovery of the holiday market is likely to be very gradual. However, the economic factors constraining consumer spending have made packages - and particularly all-inclusive holidays - increasingly attractive."

## Package deal seen as better deal

Indeed, a host of factors are encouraging the return of the package and it seems time saving is the top advantage for busy Brits. Over two thirds of consumers (66%) think that package holidays save a lot of time and effort when booking, while six in ten (59%) consumers agree that they 'remove all the hassle so you can just relax and enjoy the holiday'. Moreover, it seems that this increase is attributable in no small part to the growth of all-inclusive packages, with over a third (36%) of the nation saying that all inclusive package holidays are now their 'preferred holiday' type.

"Taking an all-inclusive break allows holidaymakers to know exactly what they'll spend before they jet off on holiday, something that's become increasingly important through the recession and subsequent 'age of austerity'. Some companies have decided to become all -inclusive only brands and this reflects just how popular these holidays have become." Tom continues.

In addition, when it comes to consumer perceptions of what constitutes a good holiday - unsurprisingly good weather tops the list, with 71% of consumers claiming this as an influential factor. Access to a beach or pool is an important factor for eight in 10 (83%) package holidaymakers. A high standard of accommodation is cited by six in 10 (57%) and luxury by four in 10 (38%). Meanwhile, the 'doing as little as possible for a week or two' attitude is key for four in 10 (37%) package travellers.

## **A growing polarisation**

Conversely, when independent travellers are organising their holidays, half of them (51%) agree with the fact that they 'like to be in charge of the research and planning stage', six in 10 (64%) enjoy the freedom and flexibility of independent holidays, and around the same number (62%) see them as great for getting off the beaten track and away from the crowds. However, four in 10 (39%) agree with package holidaymakers that putting together your own holiday can be time-consuming and half (49%) say that there's so much holiday information on the Internet now that is hard to know what's reliable.

"The next few years are likely to see only slight further decline in package holiday volumes, in a sector built heavily around all-inclusive packages or exclusive tour operator products such as premium or bespoke family-oriented resorts.

Underlying the market is a growing polarisation in the holidaymaker mind-set between the need for security, luxury and convenience on the one hand and freedom, independence and authenticity on the other." Tom concludes.

However, it seems going on a package holiday does not necessarily equate to lethargy when it comes to choosing where to go and what to do. Some 70% of those who have been on a package abroad in the past year state that going somewhere new is a key requirement compared to 65% of those who have been on an independent trip abroad. In addition, while some 84% of overseas package holidaymakers see saving time and effort as an advantage of a package holiday - so do 66% of independent travellers, suggesting that some may be won over to packages by this factor.

Source: Mintel Oxygen

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