An aerial photograph of a beach with waves crashing onto the shore. In the foreground, a large number of colorful kites are strung out on the sand. The kites are in various colors including purple, green, blue, orange, yellow, and red. The text 'HOLIDAY HABITS REPORT 2016' is overlaid in the top right corner.

HOLIDAY HABITS REPORT 2016

INTRODUCTION



This report outlines the findings from ABTA's annual research among UK consumers to better understand their holiday habits: what they're booking, how they're booking, who they're travelling with and what they're thinking about for the year ahead.

The past year has been both eventful and challenging from a travel industry perspective. The threat of terrorism around the world has become more widespread with many countries, including here in the UK, on a heightened state of security alert. We have also experienced an unusually eventful and turbulent time in UK politics, including a new cabinet and Prime Minister, following the result of the EU Referendum, which has had an immediate impact on the value of the pound.

Despite these significant events, the findings from our research show that British holidaymakers continue to value their holidays, both at home and abroad, and indeed we have seen growth both in the number of Britons taking a holiday, and in the average number of holidays taken per person. Our research supports other market information that shows that people have continued to holiday abroad in the last 12 months, in spite of the very high profile terrorist threat.

They are choosing destinations that they perceive to be safer, with the result that some destinations have experienced notable falls in visitor numbers, while others have attracted significantly more visitors.

Looking ahead to 2017, our research suggests a continued positive outlook to spending on holidays next year, although I would add a note of caution given the uncertainties that still lie ahead for the UK economy around the Government's Brexit negotiations.

I hope you find the report useful. If you would like further information on any aspect of the research, please don't hesitate to contact our PR team at: press@abta.co.uk.



Mark Tanzer

Mark Tanzer
CHIEF EXECUTIVE

1. NUMBER OF HOLIDAYS TAKEN

Overall, 86% of Britons said they took a holiday either at home or abroad in the 12 months to August 2016, which was a significant increase on the previous year (77%). This represents the largest proportion of Britons taking a holiday since 2011.

The average number of foreign holidays per person grew notably in the previous year (from 1.2 to 1.5) and so it is perhaps unsurprising that this year we have seen this stabilise at 1.4 per person, with 56% of people taking a holiday abroad (compared to 54% in 2015). 25-34 year olds and 55-64 year olds are the age groups that take the most foreign holidays – 13% of both groups said they took more than four holidays abroad during the year. The number of shorter breaks abroad increased slightly, however the number of longer holidays

abroad (7+ nights) decreased slightly, reinforcing the findings elsewhere in this report that city breaks have performed strongly this year while the beach holiday has proved relatively less popular.

The findings suggest that domestic holiday-taking is the main driver of growth in the number of Britons taking a holiday with almost three quarters of respondents (71%) taking a holiday in the UK, up from 64% last year. Domestic tourism has benefitted from a wide range of anniversaries, festivals and events across the country, including the 400th anniversary of Shakespeare's death, which helped encourage more people to take holidays at home. Young families with at least one child under five took the most UK holidays, with 26% taking more than four domestic holidays.

BRITONS TAKING A HOLIDAY 2012-2016

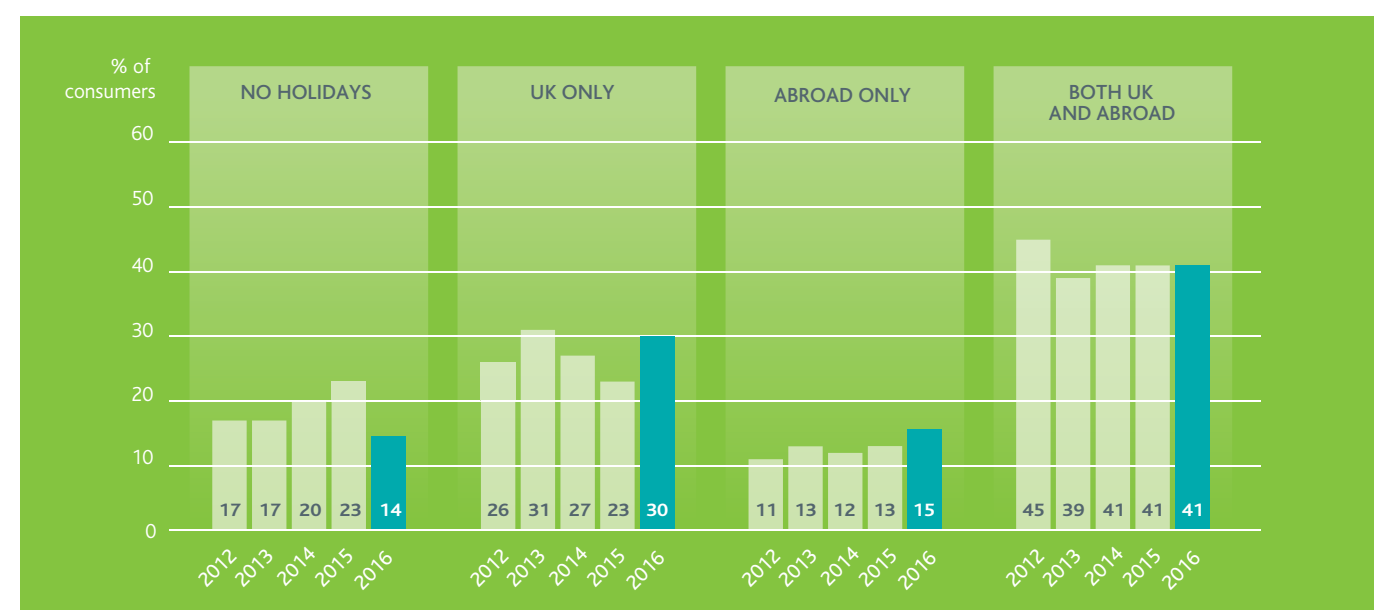


TABLE 1 Britons taking a holiday 2012-16

AVERAGE NUMBER OF HOLIDAYS

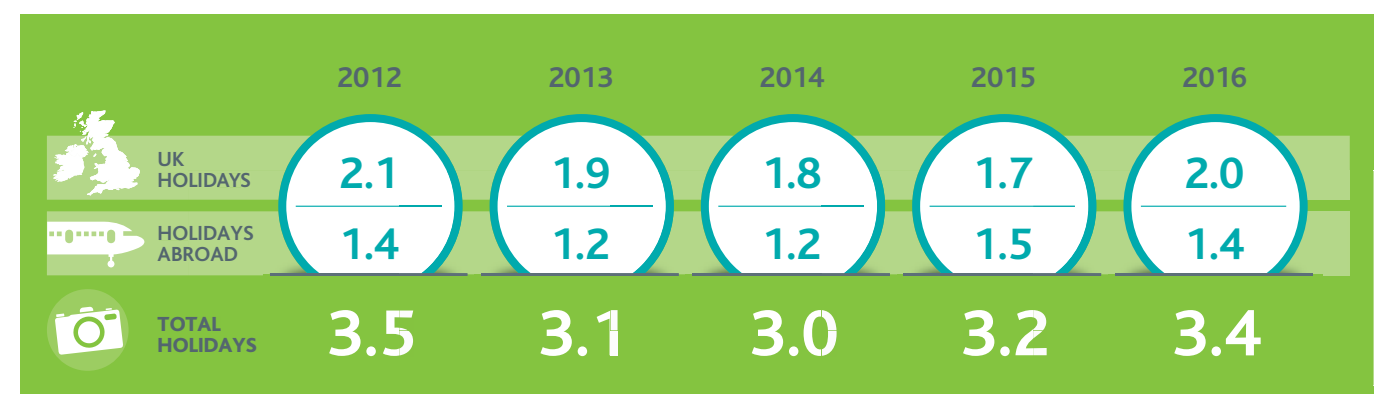


TABLE 2 Average number of holidays taken per person 2012-16 (split by UK and abroad)

2. HOLIDAY COMPANIONS: WHO DO PEOPLE HOLIDAY WITH?

It is most common for people to go on holiday with their partner (51%) or their immediate family (39%). Last year also saw one in five people (20%) holidaying with extended family (family members

from outside the household) and this figure remains static in 2016. More than eight in ten (82%) people who went on an extended family holiday said they did so to spend quality time together.

WHO PEOPLE HOLIDAYED WITH IN 2016

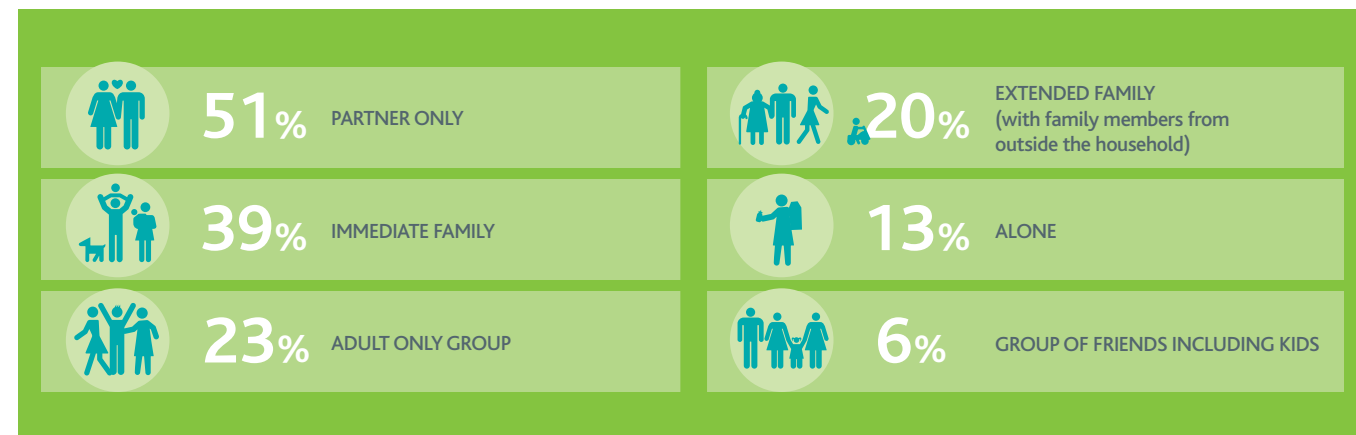


TABLE 3 Holiday companions

HOLIDAYING ALONE: THE EMERGENCE OF THE SOLO TRAVELLER

The "opportunity to be able to do what I want" is the number one reason for holidaying solo – 79% of those who went on holiday alone gave this as a reason. This is particularly true of 25-34 year olds, with nine out of ten (90%) citing this as a reason for travelling alone.

However, there are some notable demographic differences in other reasons why people choose to holiday alone.

Among families with older children (81%) and 45-54 year olds (82%) "taking some time out" is a key motivator, perhaps reflecting the pressures of a common life-stage of these groups caught between bringing up children as well as looking after elderly parents and working full-time.

Those over the age of 65 are most likely to holiday alone (18%) and for them, "travelling to a new destination" is a key driver with 45% stating this as a reason.

The survey suggests women (12%) are almost as likely as men (14%) to holiday alone, although their reasons for travelling may vary. Women find the idea of visiting a new destination particularly appealing (51% versus 35% of men) while among men, the chance to meet new people is more of a draw (45% versus 37% of women.)

Unsurprisingly, just over a quarter (27%) of 18-24 year olds who travelled solo were taking a career break or gap year before university.



3. WHAT TYPE OF HOLIDAYS HAVE BEEN BOOKED?

City breaks continue to maintain their leading position as the nation's favourite holiday type, with over half of all respondents having taken one in the past 12 months and almost as many planning to take one in the next 12 months. There has been a fall

in the popularity of the beach holiday from 50% to 38%, although it remains the second most popular holiday type and 44% of respondents say they plan to take one next year. Countryside breaks are the third most popular holiday type.

TOP TEN TYPES OF HOLIDAY TAKEN IN THE PAST 12 MONTHS



TABLE 4 Top ten types of holiday taken in the past 12 months

*or sporting holiday (walking, cycling, sailing, trekking) **or a home swap, home stay, couch surfing

4. HOW ARE PEOPLE BOOKING THEIR HOLIDAYS?

People like to book their holidays in a variety of ways. More than three quarters (76%) of respondents booked a holiday online this year, while a fifth (19%) booked a holiday in-store and a similar figure booked by phone (21%).

Young families with children under five and people from the most affluent households (classified as social grade A) are the groups most likely to book a holiday in-store, with over a third of both groups choosing this method. Younger people are also more likely than average to book a holiday in-store, with 25-34 year olds rating significantly above average (29%).

45-54 year olds and those with older children are the groups most likely to book a holiday online (both 82%) and these groups are also least likely to book in-store. Among those aged 65+ phone bookings are particularly popular, with 38% using this channel to book a holiday.

There are also some notable regional variations in the way people book their holidays with the highest percentage of in-store bookings among Scots, West Midlanders (both 25%) and the Northern Irish (27%), while online booking is particularly popular among those in the East Midlands (82%), Wales (81%) and the South West (81%).

BOOKING METHODS OVER PAST 12 MONTHS

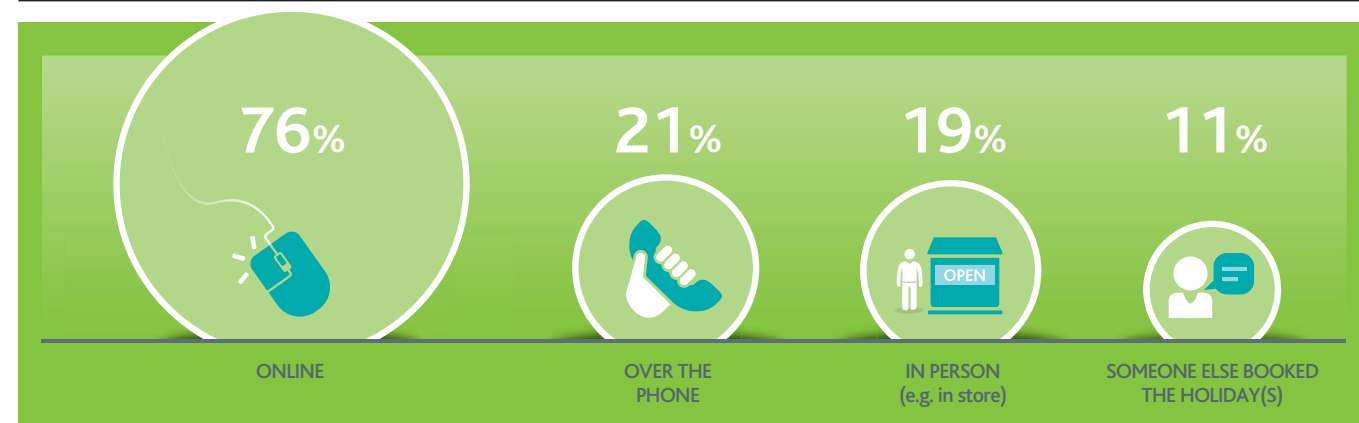


TABLE 5 How have you booked your holidays in the past 12 months?

DEVICES FOR BOOKING HOLIDAYS

The PC continues to be the most popular online booking device by a long way. Bookings on tablets have remained fairly steady since last year, with 23% of online bookers using them compared to 24% last year. An increase in 35-54 year olds using them has been offset by a fall in 18-24 year olds doing so.

Mobile phone bookings have seen a decline across all age groups apart from among 35-44 year olds, (where they have increased

by 3%), with particularly notable falls among 18-24 year olds and those aged over 55.

Our research suggests that this could be because people find the mobile booking experience more difficult. Only 44% of people said they found the experience of booking on a mobile easy, compared with 80% who booked on a PC.

ONLINE BOOKING DEVICES

| | Total | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ |
|----------------------|-------|-------|-------|-------|-------|-------|-----|
| A PC OR LAPTOP | 92% | 91% | 84% | 91% | 95% | 97% | 95% |
| A TABLET (e.g. iPad) | 23% | 22% | 37% | 28% | 22% | 16% | 10% |
| A MOBILE PHONE | 13% | 19% | 27% | 19% | 6% | 0% | 1% |

TABLE 6 Online booking devices for holidays by age

5. WHO DID PEOPLE BOOK THEIR HOLIDAYS WITH?

The research shows that the preferred method for booking a holiday abroad is through a travel company or agent. People are far more likely to use this method to book a holiday abroad (47%) than to book a UK break (23%).

People in Yorkshire, Wales and the West Midlands are more likely than average to book a holiday abroad via a travel company or

agent, along with young families (with children under 5), 18-24 year olds, 25-34 year olds and those aged over 55.

Those in Northern Ireland, the East and the South East are more likely than average to book at least one holiday directly with the service providers, and the older people get, the more likely they are to do so.

WHO DID YOU BOOK YOUR HOLIDAY WITH IN THE PAST 12 MONTHS?

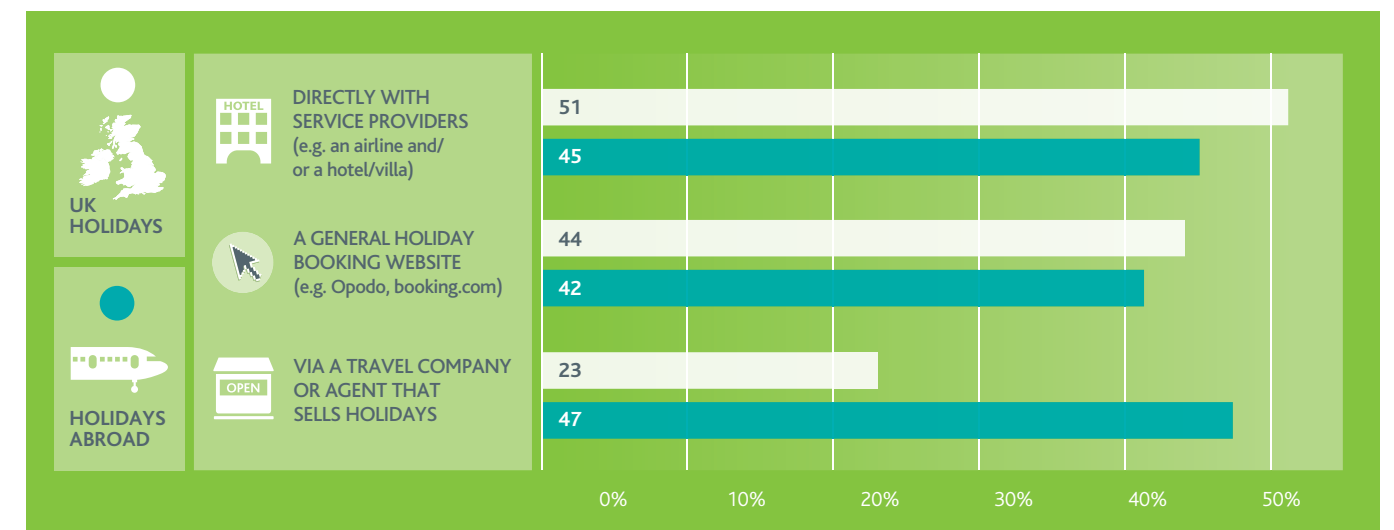


TABLE 7 Who holidays have been booked with in 2016



6. THE PACKAGE HOLIDAY

Foreign package holidays have increased in popularity over the last 12 months with over half (53%) of respondents booking one, representing an increase of 6% on 2015.

The increase in overseas package holiday bookings is being driven by the youngest and oldest age groups. Over half of all 18-24 year olds (55%) booked a package with 69% giving "best value option for the price" as a reason for doing so. Almost two thirds (63%) of holidaymakers aged 65+ chose a package holiday but for them the main reason was to "have everything taken care of (travel arrangements etc)".

Almost two thirds of people (62%) from the most affluent households, classified as social grade A, took a package holiday abroad, a significant increase of 23% on last year. This may reflect the wide range and diversity of package holiday types now available, appealing to every taste and budget.

For UK holidays, people are more likely to only book travel or accommodation, reflecting the fact that they are more likely to drive to UK holiday destinations and will not require travel.

The number of people booking travel and accommodation separately from different companies has increased from previous years for both UK and overseas holidays.

WHAT HAS BEEN BOOKED IN THE PAST 12 MONTHS

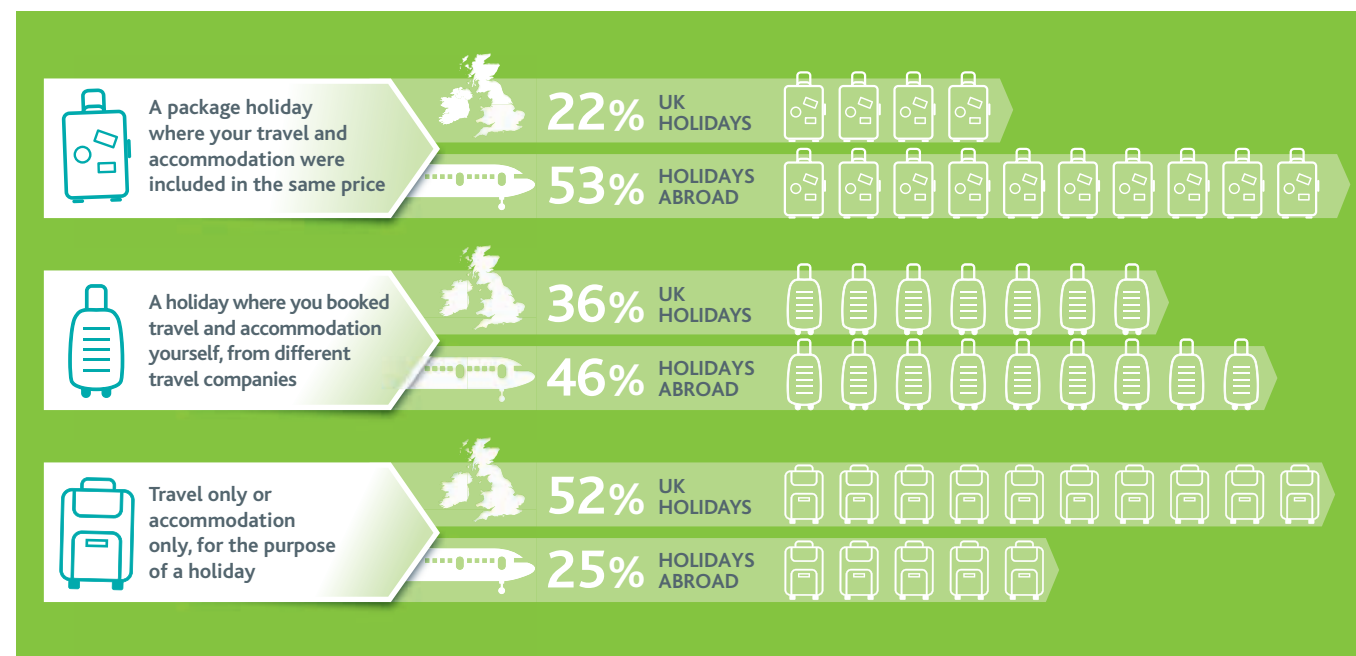
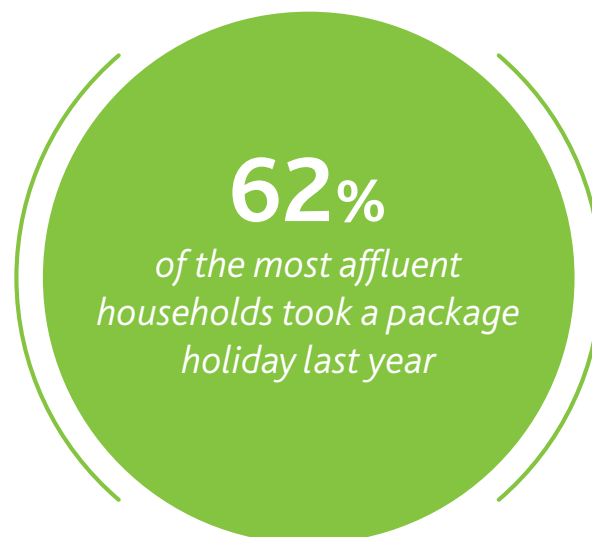


TABLE 8
What has been booked in the past 12 months



7. REASONS PEOPLE CHOOSE A PACKAGE

The number one reason for choosing a package holiday is no longer because it offers the best value for money, but because people want to have everything taken care of.

The importance of financial protection has also increased significantly as a reason for booking a package (up from 16%

in 2015 to 29% this year), suggesting that it has become much more of a priority for holidaymakers. This was particularly pronounced among 18-24 year olds, where the figure leapt from 16% in 2015 to 37% this year.

REASONS PEOPLE BOOK A PACKAGE

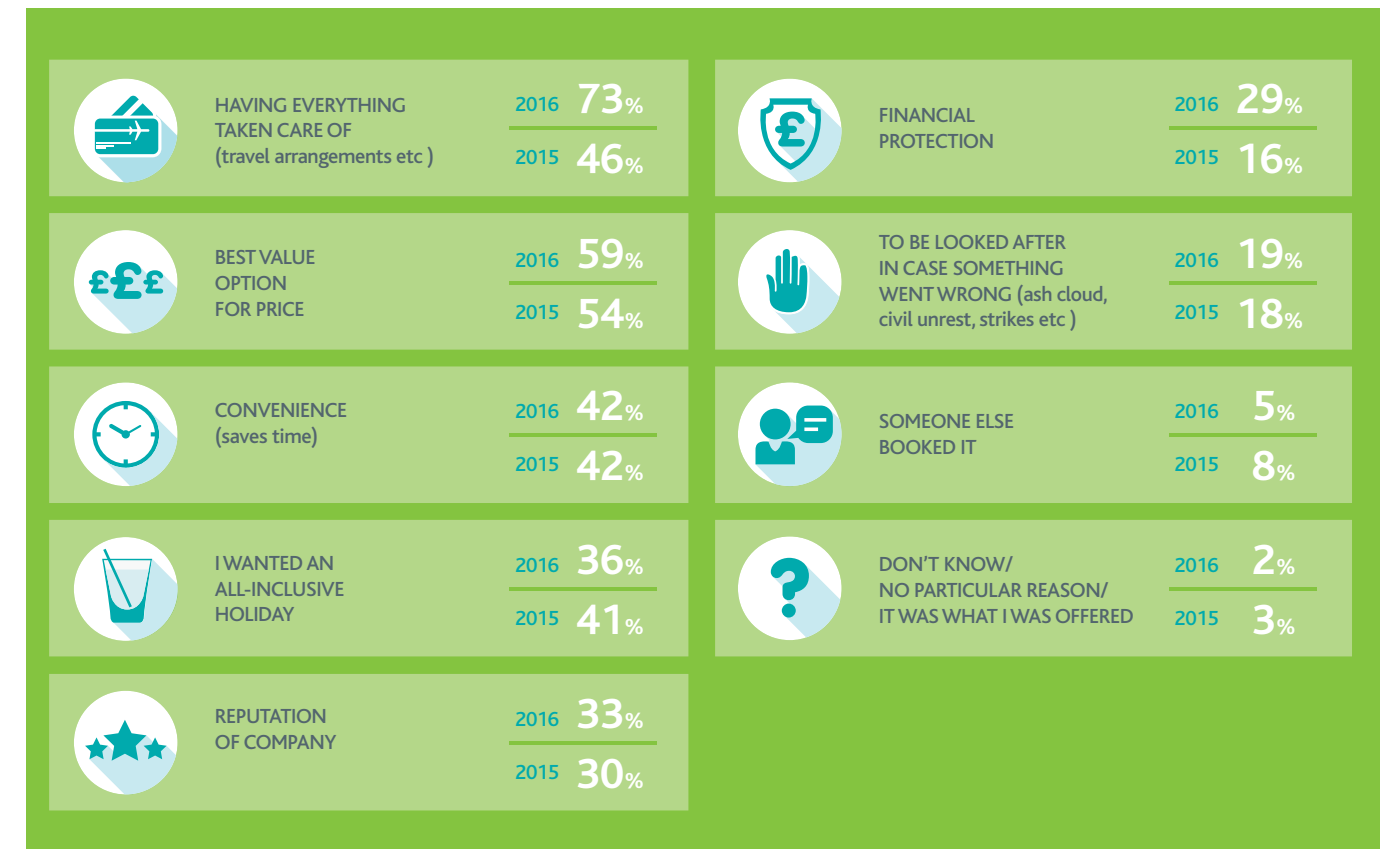


TABLE 9 Reasons people choose a package



8. SPOTLIGHT ON CRUISE HOLIDAYS

8% of holidaymakers stated they have been on a cruise holiday in the past 12 months and over one in ten (13%) are planning to go on one in 2017. Over half of holidaymakers (55%) who have never been on a cruise are interested in going on one. A cruise holiday is particularly appealing to families with younger children, two thirds of whom (66%) said they were interested in trying it.

Of those who have been on a cruise, over two thirds (68%) said they would want to go again. The aspects of a cruise holiday people value most are the chance to see multiple destinations (74%), the quality of the food and drink on board (69%), the quality of accommodation (68%) and the ease of travel (67%). The older market, especially those aged over 65, are most likely to have already been on a cruise holiday and to be interested in going again.

PEOPLE WHO HAVE BEEN ON A CRUISE HOLIDAY

| Yes | Total | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ |
|--|-------|-------|-------|-------|-------|-------|-----|
| YES, I HAVE BEEN ON ONE AND WANT TO GO AGAIN | 68% | 58% | 64% | 61% | 73% | 79% | 71% |
| YES, I HAVE BEEN ON ONE BUT DON'T WANT TO GO AGAIN | 32% | 42% | 36% | 39% | 27% | 21% | 29% |

TABLE 11 Respondents who have been on a cruise holiday previously

| No | Total | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ |
|--|-------|-------|-------|-------|-------|-------|-----|
| NO, I HAVEN'T BEEN ON ONE BUT AM INTERESTED | 55% | 61% | 57% | 58% | 54% | 50% | 50% |
| NO, I HAVEN'T BEEN ON ONE AND HAVE NO INTENTION OF GOING | 45% | 39% | 43% | 42% | 46% | 50% | 50% |

TABLE 12 Respondents who have not been on a cruise holiday previously

WHAT PEOPLE VALUE ABOUT CRUISE HOLIDAYS

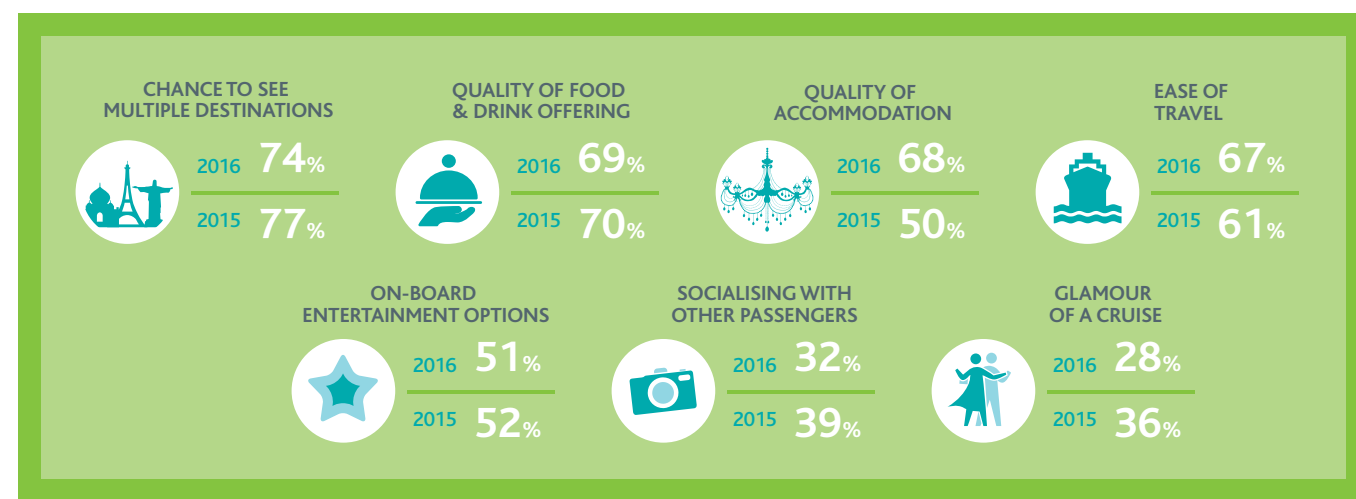


TABLE 13 What people who have been on a cruise value about cruise holidays

OUTLOOK FOR 2017

The research suggests that people are feeling fairly optimistic about holiday spending for the year ahead. Almost a quarter (24%) of holidaymakers expect to spend more on holidays in 2017, while only 16% say they expect to spend less. These responses track very closely to last year suggesting the positive sentiment from 2015 has continued into 2016.

The main reason that people expect to spend more is because they are planning to take the trip of a lifetime (24%). This is particularly true of 18-24 year olds, with over a third (35%) citing this as the reason. The second most popular reason (23%) is that holidaymakers want to make sure they get the destination of their choice, with families more likely than average to cite this as a reason.

When it comes to types of holidays people are planning, city breaks, beach holidays and all-inclusives look set to continue to top holidaymakers' lists in 2017. Over half of all holidaymakers (52%) are planning to take a city break, while 44% expect to take a beach holiday. All-inclusive holidays look like they will be a popular choice for next year. This type of holiday is particularly appealing to young families, with 35% of this group saying they plan to go on an all-inclusive next year, compared to 25% of all holidaymakers.

The findings also indicate that people are feeling bolder about their choice of destinations and are keen to explore new places. Over a quarter of all holidaymakers (26%) say they are very likely to visit a country they've never been to before, compared to 18% who said this last year. 29% say they will go on holiday to a new resort or city (even if they've visited the country before), up from 23% last year.



WHAT PEOPLE ARE EXPECTING TO SPEND ON NEXT YEAR'S HOLIDAY

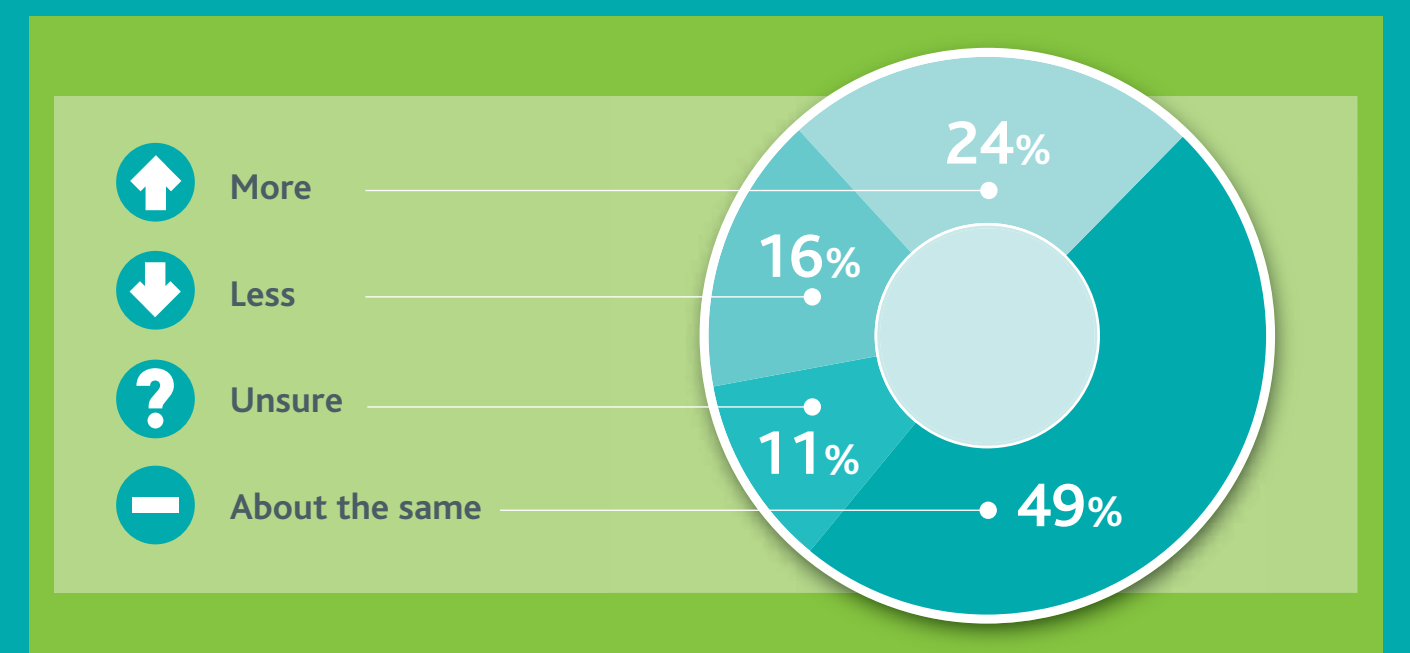


TABLE 14 Chart showing what consumers are planning to spend on their holidays

DID YOU KNOW...

75%

of people **expect** their holiday company to be a **Member of ABTA**

76%

of people feel **more confident** booking a holiday with an **ABTA Member**

63%

of people feel **less positively** of companies that are **not ABTA Members**

65%

of people feel that **ABTA's help and advice** in the event of a crisis is **essential**

ABOUT THE RESEARCH

Consumer research was conducted by Arkenford Ltd (www.arkenford.co.uk) who specialise in leisure and tourism market research. The ABTA Consumer Trends survey generated responses from a nationally

representative sample of 1,962 consumers using an online research methodology and related to holiday booking habits in the 12 months to August 2016. Fieldwork was conducted in August 2016.

ABOUT ABTA

ABTA has been a trusted travel brand for over 65 years. Our purpose is to help our Members to grow their businesses successfully and sustainably, and to help their customers travel with confidence.

The ABTA brand stands for support, protection and expertise. This means consumers have confidence in ABTA and a strong trust in ABTA Members. These qualities are core to us as they ensure that holidaymakers remain confident in the holiday products that they buy from our Members.

We help our Members and their customers navigate through today's changing travel landscape by raising

standards in the industry; offering schemes of financial protection; providing an independent complaints resolution service should something go wrong; giving guidance on issues from sustainability to health and safety and by presenting a united voice to government to ensure the industry and the public get a fair deal.

ABTA currently has around 1,200 Members with a combined annual UK turnover of £32 billion. For more details about what we do, what being an ABTA Member means and how we help the British public travel with confidence, visit abta.com.

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