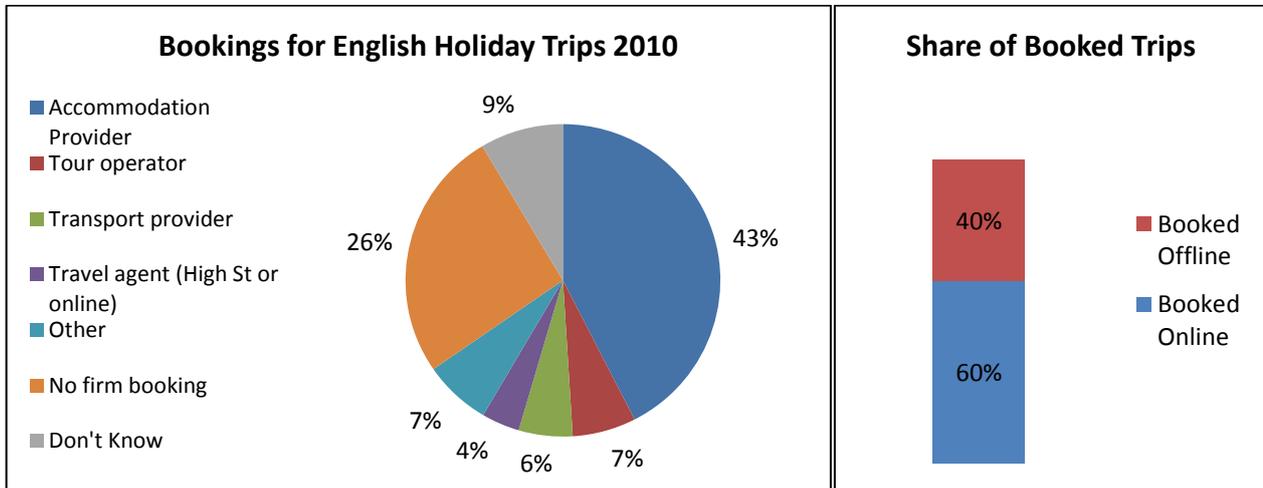


Trip Booking Patterns in Domestic Tourism

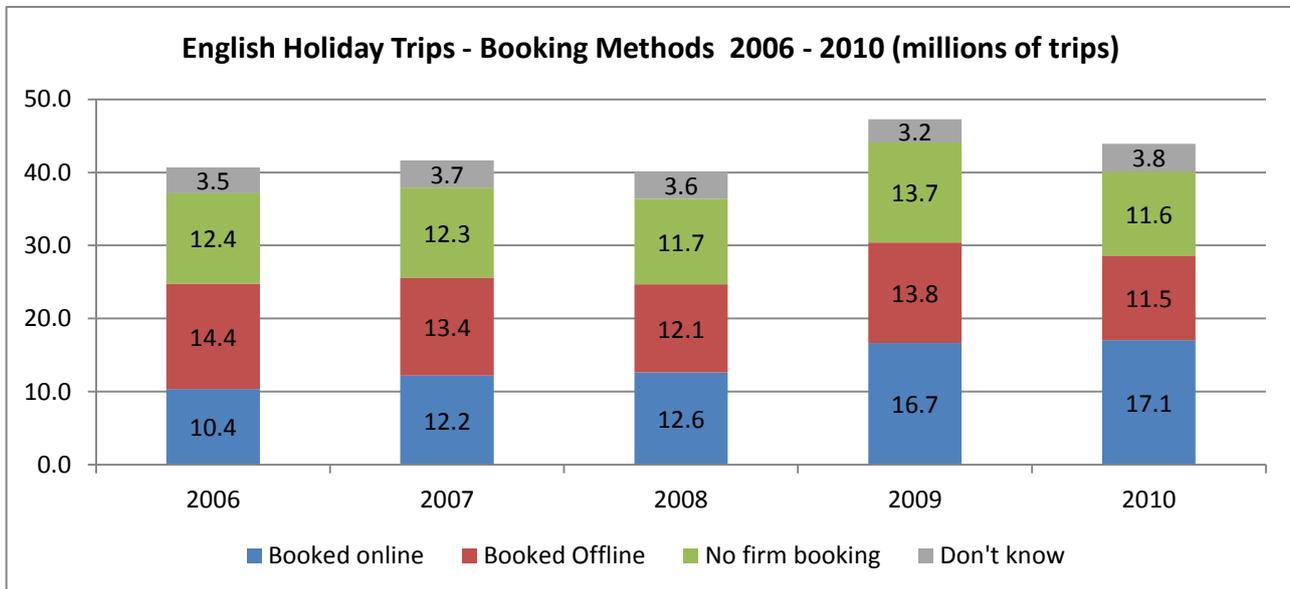
Over recent years, online penetration has increased rapidly across the UK population, rising from 60% in 2005 to over 80% last year.¹ This changing online behaviour has had an impact on the way people book holidays, and the following analysis demonstrates what this means for the domestic market.

1. Profile of Bookings - 2010



Around two thirds of holiday trips taken in England were booked in advance of travel – in the majority of cases, direct with the accommodation provider, though intermediaries such as travel agents and tour operators still play a role. Of those trips that were booked in advance, 60% were booked online.

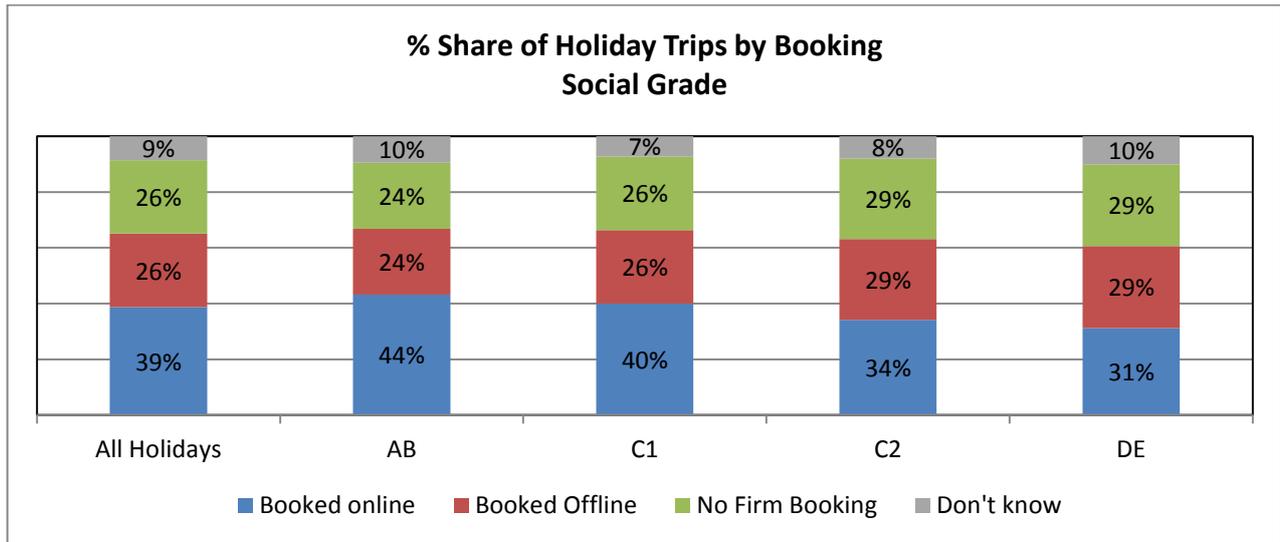
2. Trends in Booking Patterns



The UK's increasing level of online penetration is reflected in the number of holiday trips booked online, which has risen from just over 10 million trips in 2006 (or 42% of all advance bookings), to the current level 17 million trips, or 60% of advance bookings. This has also had a slight impact on the overall importance of advance bookings (online and offline combined), up from 61% of trips in 2006 to 65% in 2010.

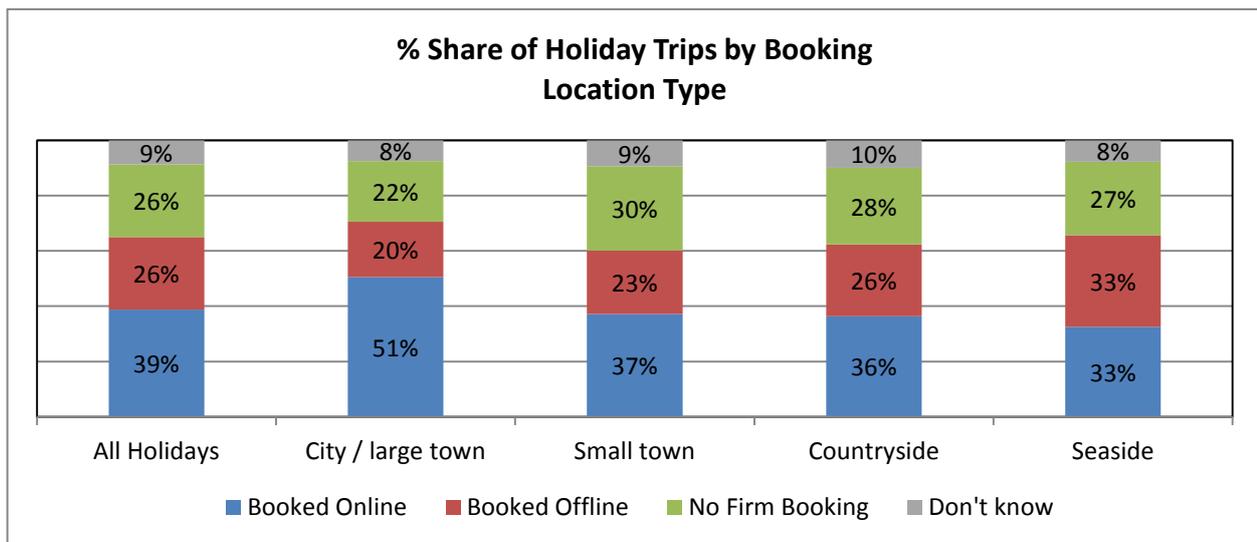
¹ Source: www.internetworldstats.com, based on data from Nielsen / ITU

3. Social Grade



Despite widespread internet use in the UK, not everyone has access to a computer. Affluence is one determinant of online access, and this is apparent in booking patterns by social grade, with ABs booking 44% of the holiday trips they take online, compared to 31% within the DE social grade.

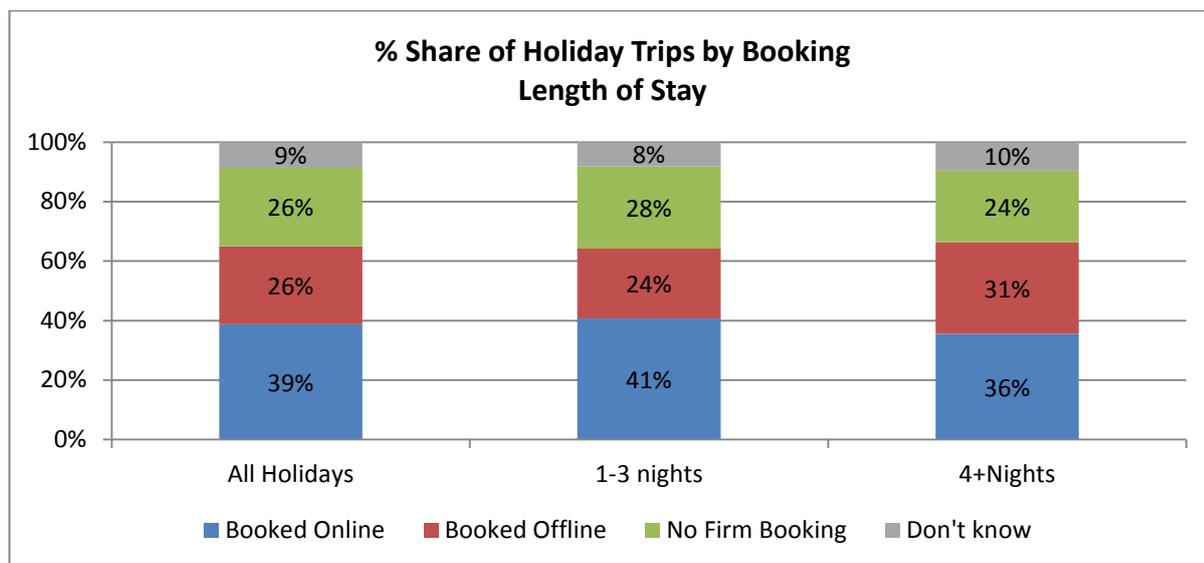
4. Location Type



There are also significant variations in booking patterns by location type. Cities have a higher level of advance booking overall compared to other destination types – perhaps because city destinations tend to have higher levels of occupancy, potentially making it harder to find accommodation without advance booking.

Over half of holiday trips to cities are booked online (over 70% of advance bookings) compared to just one in three trips to the seaside (or half of advance bookings), and only slightly higher than this in small town and countryside destinations. As well as differences in occupancy levels, these figures doubtless also reflect differences in accommodation stock profiles. For example, in VisitEngland’s May 2010 Business Confidence Monitor, accommodation providers were asked whether immediate online booking was available to their guests. This was the case for over three quarters of hotels, but only 36% of guest houses / B&Bs, and lower still for the non-serviced sector, whose capacity is predominantly outside city destinations.

5. Trip Length



Not surprisingly, longer (4+ night breaks) are somewhat less likely to be left to chance and be taken without an advance booking than shorter trips. However, the share of trips booked online is greater for short breaks, perhaps reflecting the way that decisions about these trips can be made spontaneously, or at very short notice – but with a need for the near instant confirmation of accommodation which online booking permits.

In Summary

In just five years, the number of domestic holiday trips booked online in England has grown dramatically, from 10.4 million in 2006 to 17.1 million last year, a 65% increase, and even in the first five months of this year, the number of holiday trips with online bookings is 14% higher than it was in the same period last year (against total growth in holiday trips of 3%). While there are wide variations in booking patterns, both by types of visitor and types of trip, it seems likely that this growth will continue, and businesses will increasingly need to meet the needs of guests who expect to be able to book and confirm trips online.