



While 85% of people are aware of money-saving voucher codes, only 27% of users have used vouchers for travel related deals.

The Online Consumer Spending Report 2017

Travel: Assessment of online behaviour within the sector



MyVoucherCodes

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1.0 Introduction

The lucrative rise in online consumer spending has brought with it an appetite from brands and consumers alike to provide and seek the best deals possible to continue its growing success. Year-on-year, UK online retail spending continues to grow, with an 11.5% growth in online retail recorded for 2016/17 (£77.63bn)¹.

Consumers have never been so well served by money-saving opportunities when purchasing flights, hotels and accommodation, travel essentials; train, bus and ferry journeys; parking, transfers and rentals. Travel is one of Britain's most productive retail sectors, with an annual turnover of over £37 billion according to the Association of British Travel Agents.

When shopping online, savvy consumers looking for travel deals can access a range of offers at their fingertips. By understanding their behaviour, we can ensure they are discovering voucher codes at every transactional stage of their holiday booking, no matter how big or small.

This year, MyVoucherCodes celebrates over 10 years as the nation's leading online voucher code website. Since its early days it has grown to become the UK's leading destination for online bargain hunters. The demand for online voucher codes in the UK is immense, with over 182 million site visitors overall last year, equivalent to over four visits for every UK adult over the age of 18. The vouchers are frequently used as whole or part payment for holidays and more affordable, shorter treats such as a night away in a hotel.

In line with the annual growth of online retail consumer spending, MyVoucherCodes boasts 47.5 million visits annually, 7% of which are visits to the travel section of the website. Mobile usage has overtaken desktop devices for the first time when looking for deals, offering increased flexibility to consumers.

However, public awareness and perception of the scale of savings offered does show disparities within the travel sector. From our independent consumer research, we have identified that while 85% of people are aware of money-saving voucher codes, only 27% of users have used vouchers for travel related deals. This means at least £852 million could have been saved by Brits last year alone².

We must now ask how to use this new understanding to reach new audiences with travel deals online, to ultimately help people save more, at a time for most when every penny counts.

1.1 Bridging the gap

With a little time spent searching and reviewing online discount sites, consumers can convert their latent savings into free spending money. By reviewing each step of consumer behaviour leading up to a purchase we can respond to the range of deals available to ensure the public continues to be aware of what else they could be saving at every travel purchase point.

MyVoucherCodes accounts for approximately one fifth (20%) of voucher sites and the total voucher market. This report uses the site's figures as a guide for the market.



2.0 Aim and methodology

This report provides an insight into online consumer spending habits within the travel sector relating to the uptake of voucher deals to highlight where Brits can be making more savings.

The report will be structured as follows:

- Consumer online browsing and spending habits
- Savings
- Supplementary travel costs
- Device usage
- Conclusion: Missed opportunities

The report will breakdown activity across the top ten performing travel brands on the site, which collectively attract the majority of MyVoucherCodes' traffic and search.

Provider	Service
easyJet holidays	Accommodation and flights
Expedia	Accommodation and flights
First Choice	Accommodation and flights
Hotels.com	Accommodation
Jet2holidays	Accommodation and flights
lastminute.com	Accommodation and flights
Qatar Airways	Flights
Thomas Cook	Accommodation and flights
Travelodge	Accommodation
TUI	Accommodation and flights

The data sources for the document stem from MyVoucherCodes' Google Analytics reports, internal databases, Hitwise and publicly available information. Further sources are noted as applicable.

The independent consumer survey was carried out on behalf of MyVoucherCodes between 14th June and 15th June 2017, comprising 1,154 UK adults.



3.0 Consumer online browsing and spending habits

The travel sector contains some of the most frequently searched terms online. Aggregating over one billion unique keywords, WordStream's most popular keyword suggestions for consumer travel-related searches include 'travel deals' which comes out second (used by those prioritising cost over destination) and 'travel deals to' which comes out fifth³ (used by those with a destination in mind), highlighting the demand for savings on travel purchases.

Considering the number of related searches, the proportion of visits may be lower than anticipated and suggests that discount sites should look to increase the efficiency of their SEO activities. This does not only include buying keywords but also ensuring there is relevant copy, images and video to improve rankings.

The UK could be saving in excess of
£852MILLION
using travel discounts.



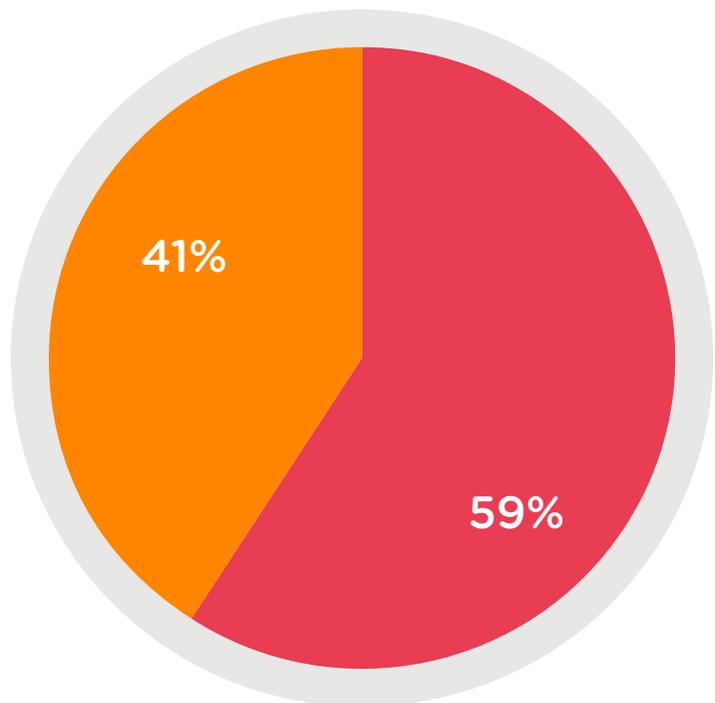
3.1 Yearly consumer online browsing and spending habits

Seasonal touch points around the year provide further opportunities for increased online consumer spending and money-saving as follows:

- New Year – planning ahead for something to look forward to
- The end of January – often considered the most depressing time of year so considering travel plans can raise spirits
- Mother’s Day – gifts and treats
- Late July – late bookings and planning the next holiday after summer (August) holidays
- Beginning of December – gifts and treats

Within this, there are some interesting demographic variations of user profiles. For example, women spend more time looking at travel related online discount vouchers at MyVoucherCodes than men (59% vs. 41%).

Time spent reviewing online discount travel vouchers



Londoners appear to be the most thorough researchers of discounted travel deals, accounting for almost one quarter (22%) of website traffic to MyVoucherCodes’ travel section.

3.2 Daily consumer online browsing and spending habits

MyVoucherCodes’ consumer survey found that 85% of consumers had previously used online discount sites, with the majority (53%) doing so at home, in the evenings, which suggests a

preference for browsing during leisure time rather than when at work. Those in the East (69%) and Yorkshire (67%) enjoyed browsing the discount sites at that time the most. This suggests repeat traffic and user engagement to an already converted audience. We can assume this has provided a positive customer experience both when browsing and purchasing, encouraging repeat transactions in an industry where choices are vast.

One third of people who used discount sites viewed them at the weekend, with 15% more women than men doing so. This was most common amongst those aged 35-44, accounting for two in five people (41%). This enables us to factor in leisure time when targeting similar audiences that may have a limited understanding of what codes are available to them when booking online.

A study from MyVoucherCodes, based on both desktop and mobile web, found Sunday was the most popular day for online shopping. With search traffic being a crucial source to the industry, it is worth noting that digital marketing strategies can be adjusted based on what day of the week they want to target their shoppers.

Of those who are familiar with getting more bang for their buck, one-fifth (20%) of people use online discount sites to occupy themselves during their morning and evening commutes, most likely via mobile devices. There are approximately 1.5 million Brits every week who look at travel related discount sites while on their commute.

Typical use of online discount sites



4.0 Savings

When taking into account that only 27.4% of people have used online voucher codes for travel, there are potential savings of millions of pounds to be made by UK residents on visits overseas.

The UK could be saving in excess of £852 million using travel discounts, MyVoucherCodes' consumer research shows that consumers who used online voucher codes were saving an average of £72.16 on their most recent purchases. Women are more savvy savers, recouping more than £10 on travel related purchases than men (£77.65 against £67.20).

ABTA's Holiday Habits Report stated that 87% of Britons took a holiday (either at home or abroad) in the 12 months to August 2017 with a continued positive outlook for 2018. This amounts to a potential market of 57 million people who, according to MyVoucherCodes' data, each spend an average 73 seconds per holidaying person viewing online travel discount vouchers.

As a conservative estimate to consider potential savings, we have only looked at the UK family market. This is because 39% of people holiday with immediate family and 20% with extended family (ABTA). 16.3 million UK families holidayed in 2016 with almost three quarters of those surveyed saying they had not used online travel discount vouchers. From this, we can calculate at least £852 million was lost in savings for families in 2016⁴, not including lone travellers.

An alternative is to look at the singles market, which accounts for 27.2 million in England and Wales alone. Savings on individual travel purchases could reach as much as £1.2 billion although the realistic belief is that people are more inclined to make group bookings as ABTA figures reveal only 13% of people travel alone.

There were 70.8 million visits overseas by UK residents in 2016 with holidays being noted as the most common purpose for travelling abroad and visiting friends or relatives as the second most popular reason⁵. UK residents spent an estimated £43.8 billion on visits overseas in 2016, working out to approximately £620 per overseas visit. This demonstrates that there are numerous cases of UK residents taking more than one holiday per year and so the estimated savings would only increase.



Average money saved on most recent travel or travel-related purchase



Consumer research has shown that the older generation (55+) have saved the most on their recent travel or travel-related purchases, with an average of £98.90 compared to only £56.78 by those aged 25-34, who had the lowest average saving.

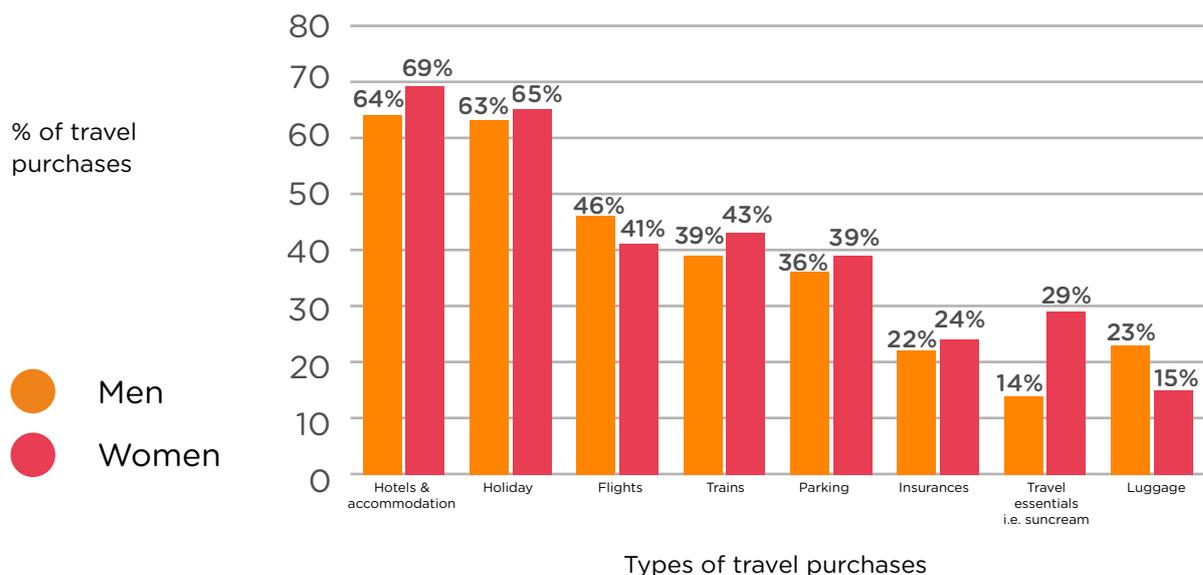


5.0 Supplementary travel costs

Of those people who had used online voucher and discount websites for travel or travel-related items, the most common purchases were for hotels and accommodation (66%), holidays (64%) and flights (44%), with savings on purchasing luggage being the least popular choice (19%). What this tells us is that customers aren't tending to purchase one-off travel products and services, creating an opportunity for the industry to up-sell savings on all travel-related goods when planning for a journey ahead. Recommendations within the sites, based on browsing behaviour, can bring other related offers to attention to benefit the consumer.

Looking at the audience demographic, it was evident that women had made more travel purchases than men and people from Wales and the North East more so than those from other regions, with residents in the Midlands seemingly making the least.

Travel purchases from discount sites



5.1 Parking and transport

There are numerous supplementary costs when travelling and these areas can be worth looking into for potential savings that could be redirected to unexpected spending money. An unexpected windfall in savings could be revealed with some forward planning, thanks to the increase we have seen in parking, transfers and rentals. A recent industry report that looked at airport car parks stated that their costs can sometimes be higher than flights. London City



Airport was named as the most expensive car park with holidaymakers paying £300 for a week's use. Contrastingly, a week-long stay in Liverpool's John Lennon Airport would cost users just £71.

Despite this, the consumer survey found that only one third (37%) of people who had used discount websites for travel purchases had done so for parking, leaving room for further consumer redemptions.

By comparison, in terms of time spent in an average session, users looking at booking trains, buses and ferries spend longest on that section. With no accounting for roadworks and traffic delays, are consumers now looking to leave their wheels behind and start their travels with one less stressful journey?

5.2 Travel insurance

There were 581,000 instances of travellers who needed help when they were abroad making claims on their insurance policy⁶. Despite 70.8 million visits overseas each year equating to one claim for every 121 travelling UK residents, less than one quarter of respondents (23%) have used discount websites to purchase insurance. Perhaps this addition could not only save money but provide peace of mind too.

5.3 Living out of a suitcase

What we take with us and how much we pack is an important part of the travelling process. It seems surprising therefore that website visitors only viewed an average of 1.57 pages for luggage purchase deals.

The consumer survey showed 19% to have used online discount sites for savings on luggage. This was most likely to be done by men rather than women (23% against 15%) and those aged 35-44 (29%) and 25-34 (28%) years of age.

People in London and Wales were most conscious of luggage savings (38%) whereas those in Yorkshire and the Midlands were least likely to consider them.



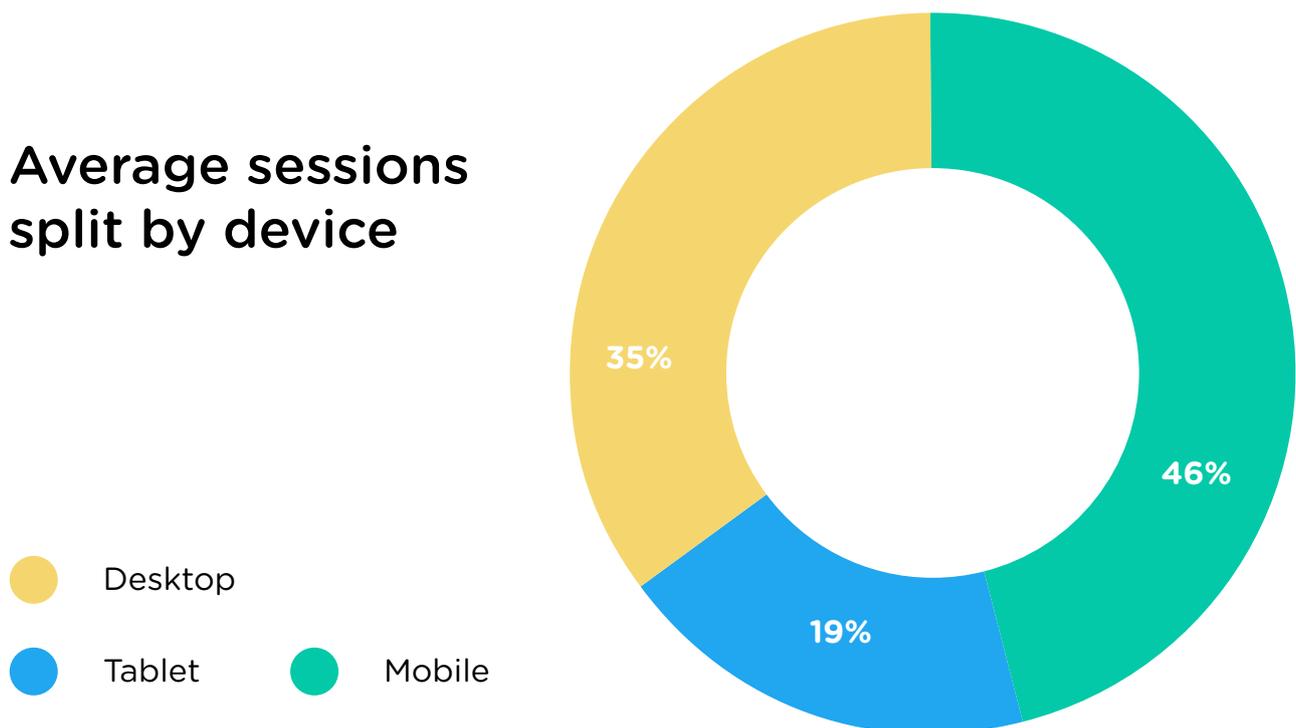
6.0 Device usage

Consumers are using mobile phones more than any other devices, accounting for 54% of visits. Desktops are the second most popular device to consume site content, accounting for 30.5% of sessions, with tablets making up the remaining 15.5% of sessions.

In October 2016 mobile web browsing overtook desktop for the first time. With mobile devices taking 61% of total minutes online in the UK⁷, mobile marketing has become essential. The implications of not being able to reach a potential audience through mobile search or display will not only harm user experience but lead to missed opportunities which will drive consumers to competitors.

Mobile compatibility has gained importance not just because of growing traffic but also because Google favours mobile-friendly websites for its mobile search results. As PC sales have been in decline, smartphone ownership has continued to increase with an estimated 45.7⁸ million users in the UK and predictions for further growth.

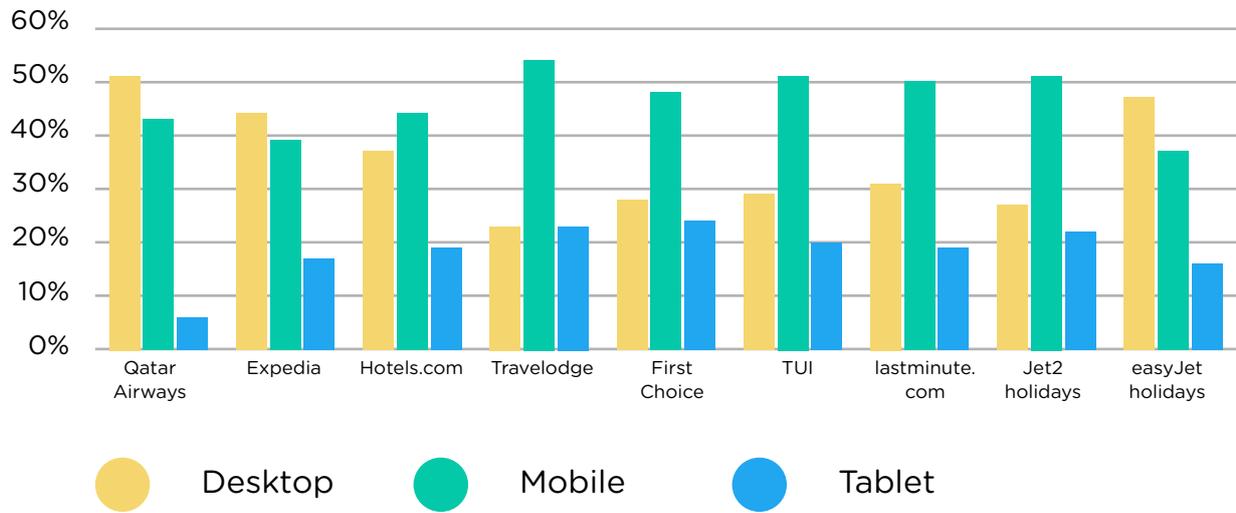
Average sessions split by device



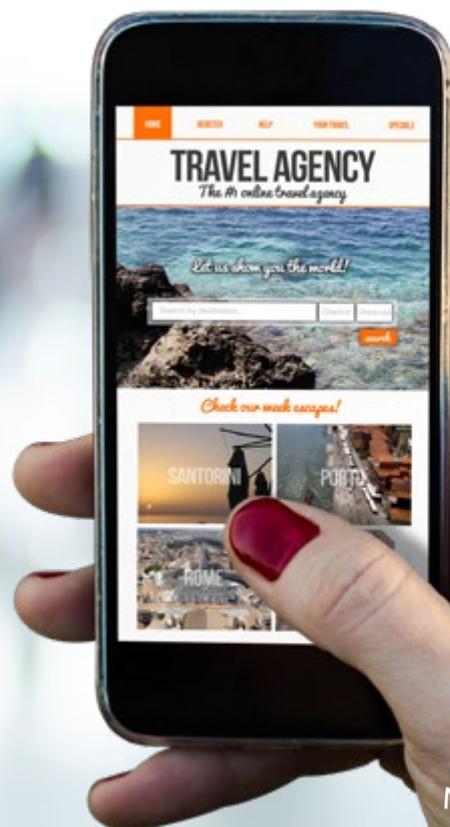
Of the Top 10 providers accessed through MyVoucherCodes, Qatar Airways has the highest percentage of desktop browsing sessions (45%).



Device sessions by device type (%)



First Choice had the highest percentage of female visitors (69%), and nearly half were new visitors (49%) with 58% accessing their sessions by mobile phone. They were closely followed by lastminute.com, with 68% female visitors, 40% of whom were new visitors.



7.0 Conclusion: Missed opportunities

Online consumer spend is growing year-on-year yet only a third of shoppers (27%) are choosing to save money online with travel voucher codes.

The industry has two clear approaches:

- 1) Highlighting savings to those already familiar with money-saving opportunities in the travel sector
- 2) Increasing awareness and engagement with new consumers

Visibility of online vouchers has been cited as an issue for a third of those who do not currently use vouchers. This presents an opportunity for consumers to be reached in new and targeted ways through their mobile devices and online advertising, which currently generates a fifth (23%) of referrals to voucher code sites. The majority of people who use online vouchers say it saves them time (47%) with the benefit of having everything in one place and for a third (37%), they believe voucher code providers give a good selection of suppliers all in one place to save searching around.

However, it is important not to underestimate the power of the individual consumer. The overriding majority (84%) of those who use discount websites for travel purchases recommend them to other people. However, such is the pressures of everyday life, one in six suggest they would appreciate more reminders (17%).

Retailers should not shy away from promoting larger savings on bigger travel products as more than half of consumers (53%) are more likely to spend big to save more. Marginally, consumers prefer being offered a percentage off (47%) rather than a specific monetary amount (39%).

The share of the voucher code market for the travel sector can be increased by optimising the full range of discounts available at key times when consumers access deals. Even for those engaged in saving on travel purchases, there is a need to inform at each purchase point to save at every stage - flights, parking, luggage, insurance - not just the most popular products of hotels and accommodation.

Finally, there is untapped potential around the notion of trust from the insight that 53% of people who use travel vouchers do so because the quality of suppliers have been checked and approved, a message that could encourage or act as a reminder for voucher code redemption.



8.0 Sources

¹ <http://www.retailresearch.org/onlineretailing.php>

² ONS Population Estimates

³ Wordstream

⁴ ONS Travel Trends, 2016 (18 May 2017)

⁵ Research according to spacehopper (February 2017)

⁶ Association of British Insurers (ABI) (18 July 2015)

⁷ comScore (January 2017)

⁸ Statista (2017)

The research was carried out online by Research Without Barriers (RWB) between 14th June 2017 and 15th June 2017. The sample comprised 1,154 UK adults. All research conducted adheres to the UK Market Research Society (MRS) code of conduct (2014). RWB is registered with the Information Commissioner's Office and complies with the DPA (1998).

