

Travel Money - UK - March 2017

Report Price: £1995.00 | \$2478.79 | €2334.35

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The travel money market has benefited from rising numbers of people going abroad, but the decline in the value of the Pound following Brexit will change the way people shop. Exchange rates are already one of the most important factors when choosing travel money; however, holidaymakers now expect to spend more time shopping for a good deal and ensuring they budget accurately.”

– **Jessica Galletley, Financial Services Analyst**

This report looks at the following areas:

- **Falling Pound will affect consumers' travel money shopping habits**
- **Foreign currency continues to be preferred due to convenience and familiarity**
- **Prepaid cards and apps could be the key to holiday budgeting**

Total annual expenditure on overseas trips grew by 11% in 2016, with UK residents spending a total of £43.4 billion abroad. Consumer finances have improved over the past few years, leading to a rise in confidence and a subsequent increase in demand for holidays. Concerns have arisen around the potential impact of the UK's decision to leave the European Union on the overseas holiday market. However, the Brexit vote has so far had little effect on the level of demand and on consumers' plans to holiday abroad.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Travel Money - UK - March 2017

Report Price: £1995.00 | \$2478.79 | €2334.35

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know
Products covered in this Report

Executive Summary

The market

Total expenditure abroad grows by 11% in 2016

Figure 1: Forecast for annual expenditure on overseas trips by UK residents, 2011-21

Majority arrange some form of travel money in the UK

Figure 2: Method of arranging travel money in the last 12 months, November 2016

Visits increased by 7.2% in 2016

Figure 3: Number of overseas visits by UK residents, by purpose, 2010-16

Reduced rates will limit spending power abroad

Figure 4: Spot exchange rates, monthly average, US Dollar-Sterling and euro-Sterling, January 2010-January 2017

Companies and brands

Adspend reaches £5.7 million in 2016

Figure 5: Total above-the-line, online display and direct mail advertising expenditure on travel money (including prepaid cards), 2012-16

FinTech drives prepaid cards innovation

Post Office stands out from other travel money providers

Figure 6: Attitudes towards and usage of selected brands in the travel money sector, December 2016

The consumer

Foreign currency remains the most popular payment method abroad

Figure 7: Method of spending money on holiday abroad, November 2015 and November 2016

Travel money gives people reassurance when spending abroad

Figure 8: Attitudes towards travel money, November 2016

Budgeting tools can help people understand how much travel money they need

Figure 9: Attitudes towards budgeting travel money, November 2016

Two out of five use their card for larger costs

Figure 10: Credit and debit card usage abroad, November 2016

Rates and no fees are most important

Figure 11: Factors of importance when arranging travel money, November 2016

Shopping habits set to change following fall in the value of the Pound

Figure 12: Impact of the recent decline in the value of the Pound on arranging travel money, November 2016

What we think

Issues and Insights

Falling Pound will affect consumers' travel money shopping habits

The facts

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Travel Money - UK - March 2017

Report Price: £1995.00 | \$2478.79 | €2334.35

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The implications

Foreign currency continues to be preferred due to convenience and familiarity

The facts

The implications

Prepaid cards and apps could be the key to holiday budgeting

The facts

The implications

The Market – What You Need to Know

Total expenditure abroad grows by 11% in 2016

Growth to slow going forward

Majority arrange some form of travel money in the UK

Overseas visits increased by 7.2% in 2016

Europe continues to attract the majority of travellers

Market Size and Forecast

Total expenditure abroad grows by 11%

Figure 13: Total annual expenditure on overseas trips by UK residents, 2010-16

Visiting friends or relatives sees biggest increase in spend

Figure 14: Annual expenditure on overseas trips by UK residents, by purpose of visit, 2010-16

Majority of overseas spend in Europe

Figure 15: Annual expenditure on overseas trips by UK residents, by region of visit, 2010-16

International card payments continue to grow

Figure 16: Value of overseas spend on debit and credit cards, 2015

Growth to slow going forward

Figure 17: Forecast for annual expenditure on overseas trips by UK residents, 2011-21

Forecast methodology

Channels to Market

Majority arrange some form of travel money in the UK

Figure 18: Method of arranging travel money in the last 12 months, November 2016

Preference for in-store purchase

Figure 19: Method of ordering/ collecting travel money in the last 12 months, November 2016

Market Drivers

Visits increased by 7.2% in 2016

Figure 20: Number of overseas visits by UK residents, by purpose, 2010-16

Biggest increase in visits to Europe

Figure 21: Number of overseas visits by UK residents, by region visited, 2010-16

Outlook looks positive for holiday bookings despite Brexit

Figure 22: Booked holidays in the last three months and intentions to book a holiday in the next three months, June 2012-January 2017

Reduced rates will limit spending power abroad

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Travel Money - UK - March 2017

Report Price: £1995.00 | \$2478.79 | €2334.35

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 23: Spot exchange rates, monthly average, US Dollar-Sterling and euro-Sterling, January 2010-January 2017

Home or abroad?

Companies and Brands – What You Need to Know

- Adspend reaches £5.7 million in 2016
- FinTech drives prepaid cards innovation
- Brand building through added-value services
- Post Office is a brand leader

Competitive Strategies

- Travel money providers remain committed to high street presence
- eurochange
- No1 Currency
- Thomas Cook
- FinTech drives prepaid cards innovation
- Revolut continues to make waves
- Soldo travel card targeted at families
- Monzo gains traction among students
- Payment Cloud Technologies and FEXCO launch No1 Currency card
- Brand building through added-value services
- Post Office launches travel money game
- Travelex launches holiday planning tool
- Travel money 'sales'

Advertising and Marketing Activity

- Adspend reaches £5.7 million in 2016
Figure 24: Total above-the-line, online display and direct mail advertising expenditure on travel money (including prepaid cards), 2012-16
- Post Office accounts for 46% of all spend
Figure 25: Top 10 advertisers on above-the-line, online display and direct mail advertising expenditure on travel money (including prepaid cards), 2012-16
- Digital trumps TV spend
Figure 26: Total above-the-line, online display and direct mail advertising expenditure on travel money (including prepaid cards), by media type, 2012-16
- Nielsen Ad Intel coverage

Brand Research

- What you need to know
- Brand map
Figure 27: Attitudes towards and usage of selected brands, December 2016
- Key brand metrics
Figure 28: Key metrics for selected brands, December 2016
- Brand attitudes: Currency specialists are considered to be worth paying more for
Figure 29: Attitudes, by brand, December 2016
- Brand personality: Bank brands are more likely to be viewed as boring

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Travel Money - UK - March 2017

Report Price: £1995.00 | \$2478.79 | €2334.35

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 30: Brand personality – Macro image, December 2016

Most brands viewed as competent and helpful

Figure 31: Brand personality – Micro image, December 2016

Brand analysis

Post Office stands out from other travel money providers

Travel money specialists viewed as exactly that

Supermarket and retail banks fail to engage

Consumers confused over Virgin Money

Holiday specialist Thomas Cook benefits from brand reputation

The Consumer – What You Need to Know

Foreign currency remains the most popular payment method abroad

Travel money gives people reassurance when spending abroad

Frequent credit card use for back-ups/emergencies

Rates and no fees are most important

Fall in the value of the Pound means more will shop around

Methods of Spending Abroad

Four in five use travel money abroad

Figure 32: Method of spending money on holiday abroad, 2015 and 2016

Over-55s are more reliant on foreign currency

Figure 33: Method of spending money on holiday abroad, by age, November 2016

Nearly half use only one method of spending

Figure 34: Number of different ways of spending money on holiday abroad, November 2016

Attitudes towards Travel Money

Comfort in taking travel money

Figure 35: Attitudes towards travel money, November 2016

Frequent credit card use for back-ups/emergencies

Figure 36: Method of spending abroad, by agreement with the statement 'I only use my credit card on holiday abroad as a back-up or for emergencies', November 2016

Half of holidaymakers use PCWs for their travel money

Specialist foreign exchange providers benefit from comparison websites

Figure 37: Method of arranging travel money in the last 12 months, by agreement with the statement 'I use a price comparison website to find the best deal on travel money', November 2016

Changing money at the destination

Holiday Budgeting Behaviour

Four in five save for their holiday money

Figure 38: Attitudes towards budgeting travel money, November 2016

Budgeting tools can help people understand how much they need to take away

Element of fun in getting the best deal

Credit and Debit Card Usage Abroad

Two out of five use their card for larger costs

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Travel Money - UK - March 2017

Report Price: £1995.00 | \$2478.79 | €2334.35

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 39: Credit and debit card usage abroad, November 2016

Credit cards offer protection for larger purchases

Figure 40: Credit and debit card usage abroad, by method of spending abroad, November 2016

Higher-income households more likely to have dedicated overseas cards

Figure 41: Credit and debit card usage abroad, by household income, November 2016

Important Factors When Arranging Travel Money

Rates and no fees are most important

Figure 42: Factors of importance when arranging travel money, November 2016

Convenience is key

Figure 43: Factors of importance when arranging travel money, by age, October 2016

Over-45s much more focused on rates

Pre-ordering can mean better rates

People using currency specialists prioritise costs

Figure 44: Factors of importance when arranging travel money, by method of arranging travel money in the last 12 months, November 2016

Impact of Brexit on Arranging Travel Money

Majority plan to arrange travel money

Figure 45: Intentions to arrange travel money in the next 12 months, November 2016

Four in five will compare providers

Figure 46: Impact of the recent decline in the value of the Pound on arranging travel money, November 2016

Two in five concerned about future rate drops

Card users find it difficult to understand impact of falling value of the Pound

Figure 47: Impact of the recent decline in the value of the Pound on arranging travel money, by method of spending abroad, November 2016

Online shoppers more engaged

Figure 48: Impact of the recent decline in the value of the Pound on arranging travel money, by method of arranging/ collecting travel money, November 2016

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

Forecast Methodology

Figure 49: Additional best- and worst-case forecast for annual expenditure on overseas trips by UK residents, 2016-21

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com