



The Consumer Reconsidered

The Travel Convention
October 2025



Agenda

1

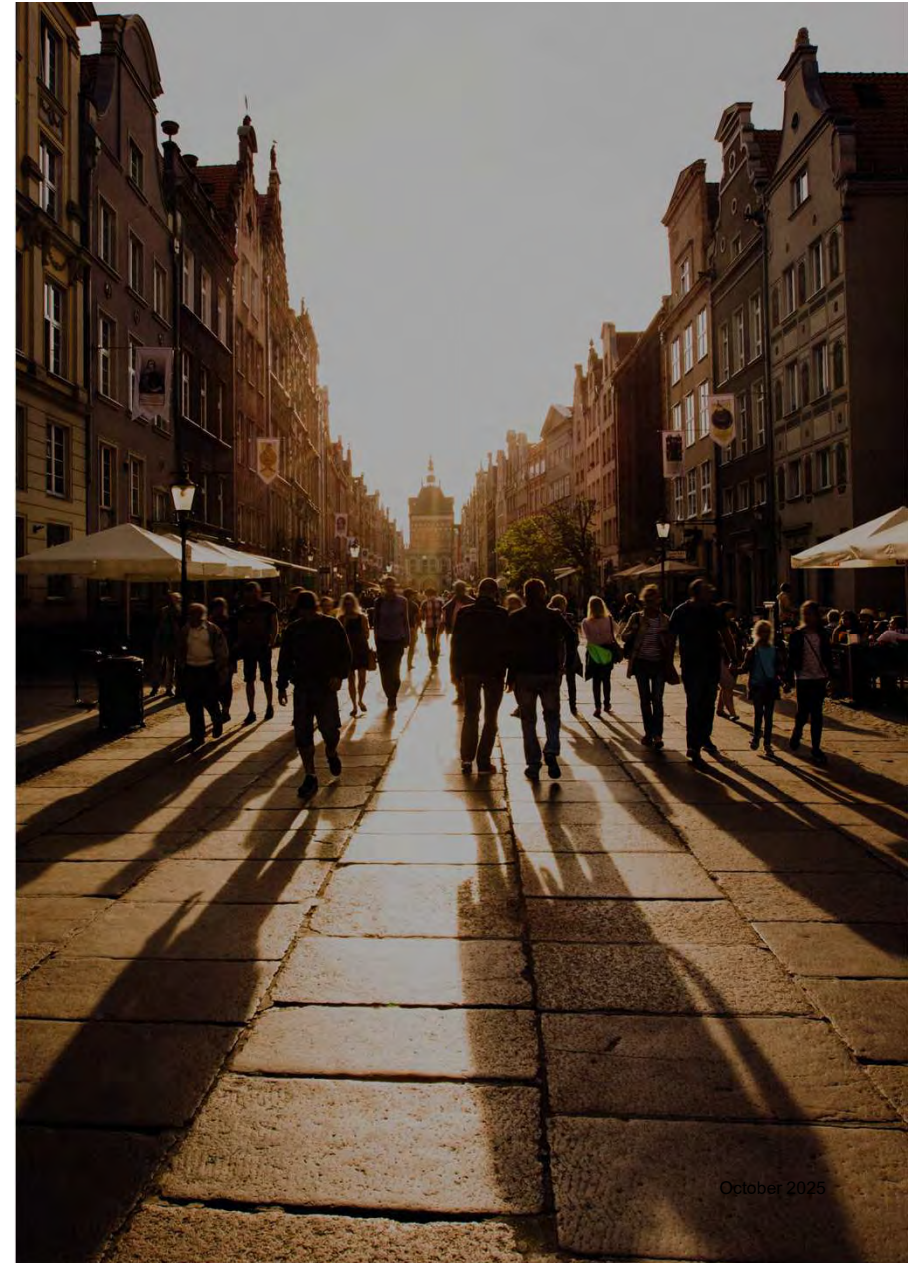
Consumer backdrop

2

Ways to win the consumer pound

3

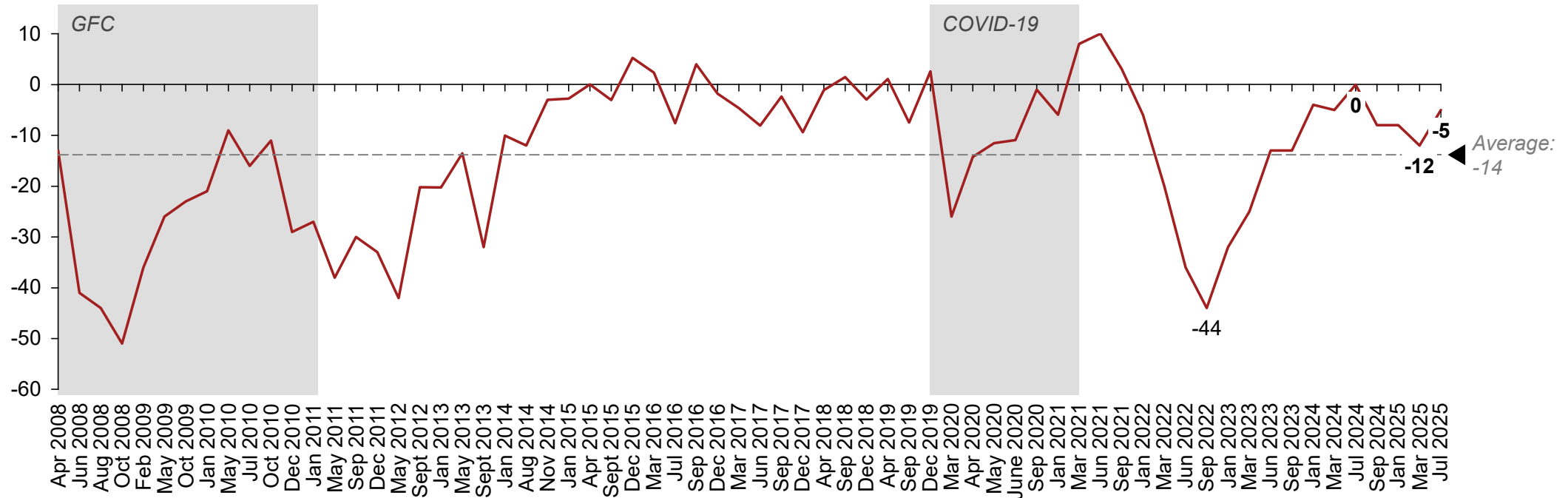
Implications for travel



Consumer outlook for household finances is above the long-term average

UK consumer sentiment in outlook for household finances

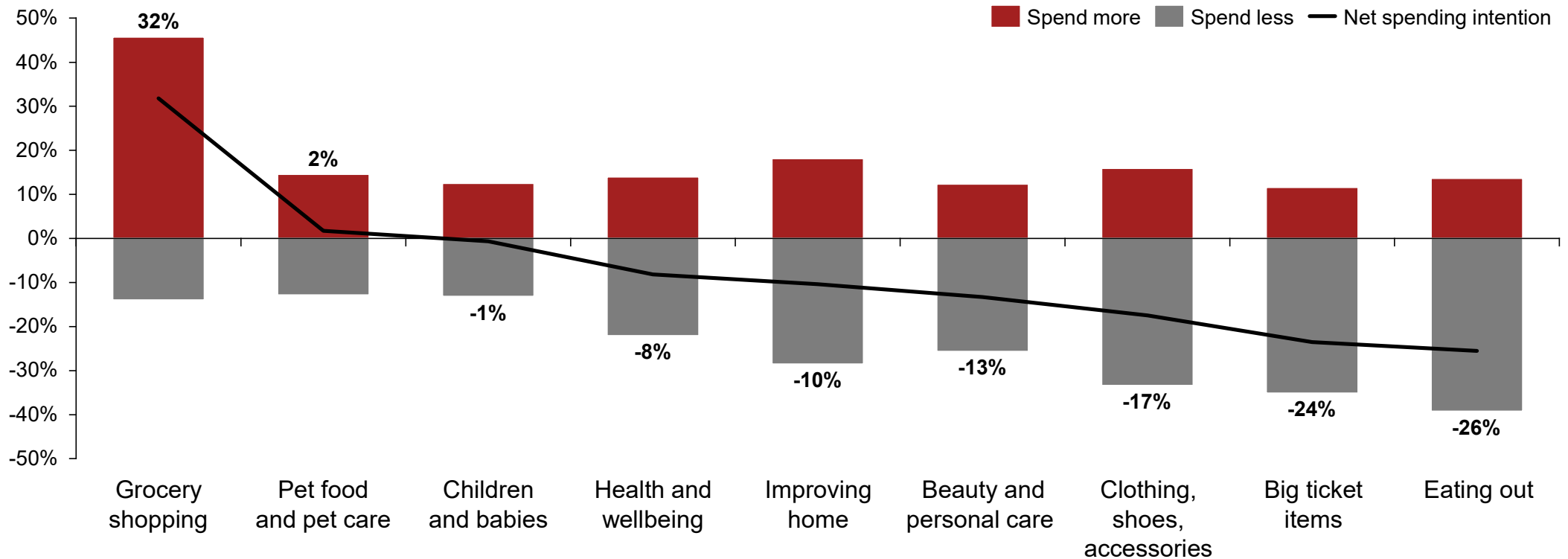
Balance of opinion¹



Consumers are spending cautiously and many plan to cut back

Consumer spending intention: “How do you expect your spending to change in the next 12 months?”

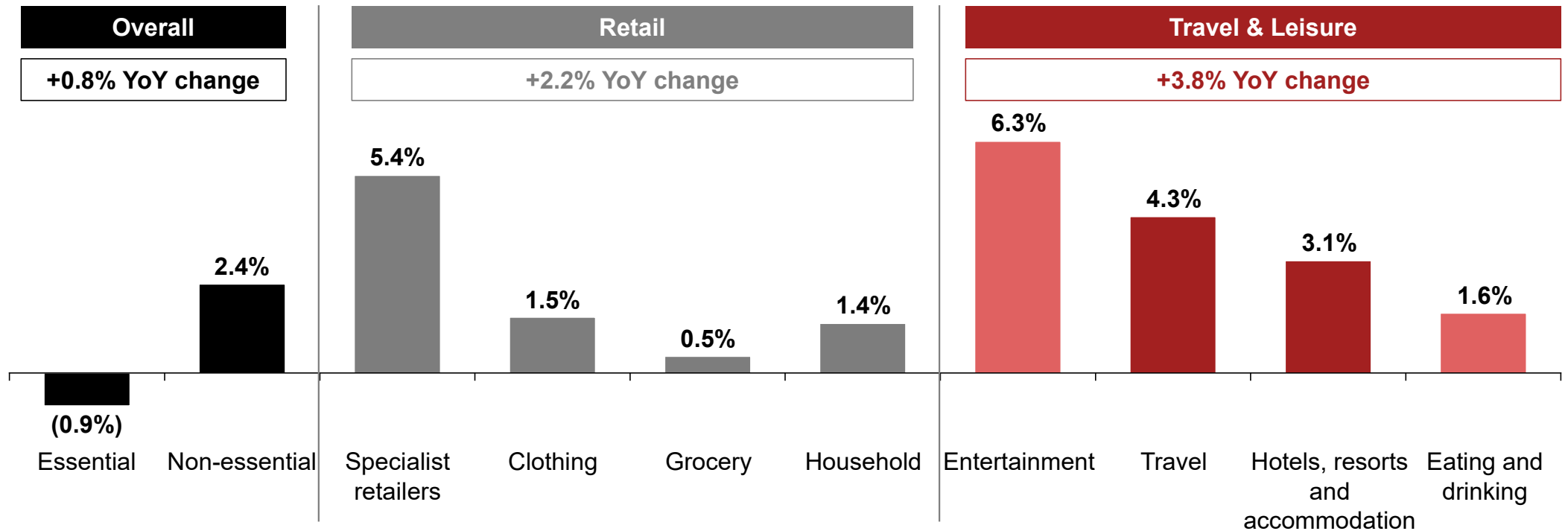
% respondents



Within consumer spending, Experiences are being prioritised

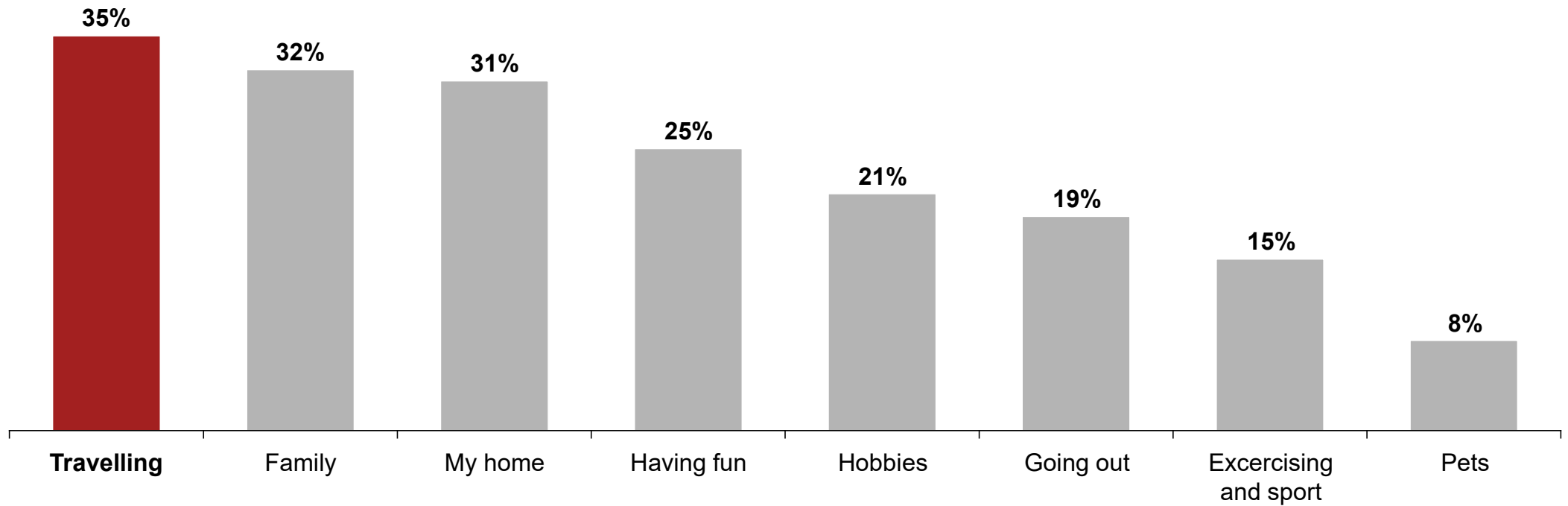
Barclaycard spend growth tracker

% YoY change, January-August 2025



Travel is a top priority

Spend priorities: “Thinking about the next year, which of the following would you like to spend more time and money on?”
% respondents



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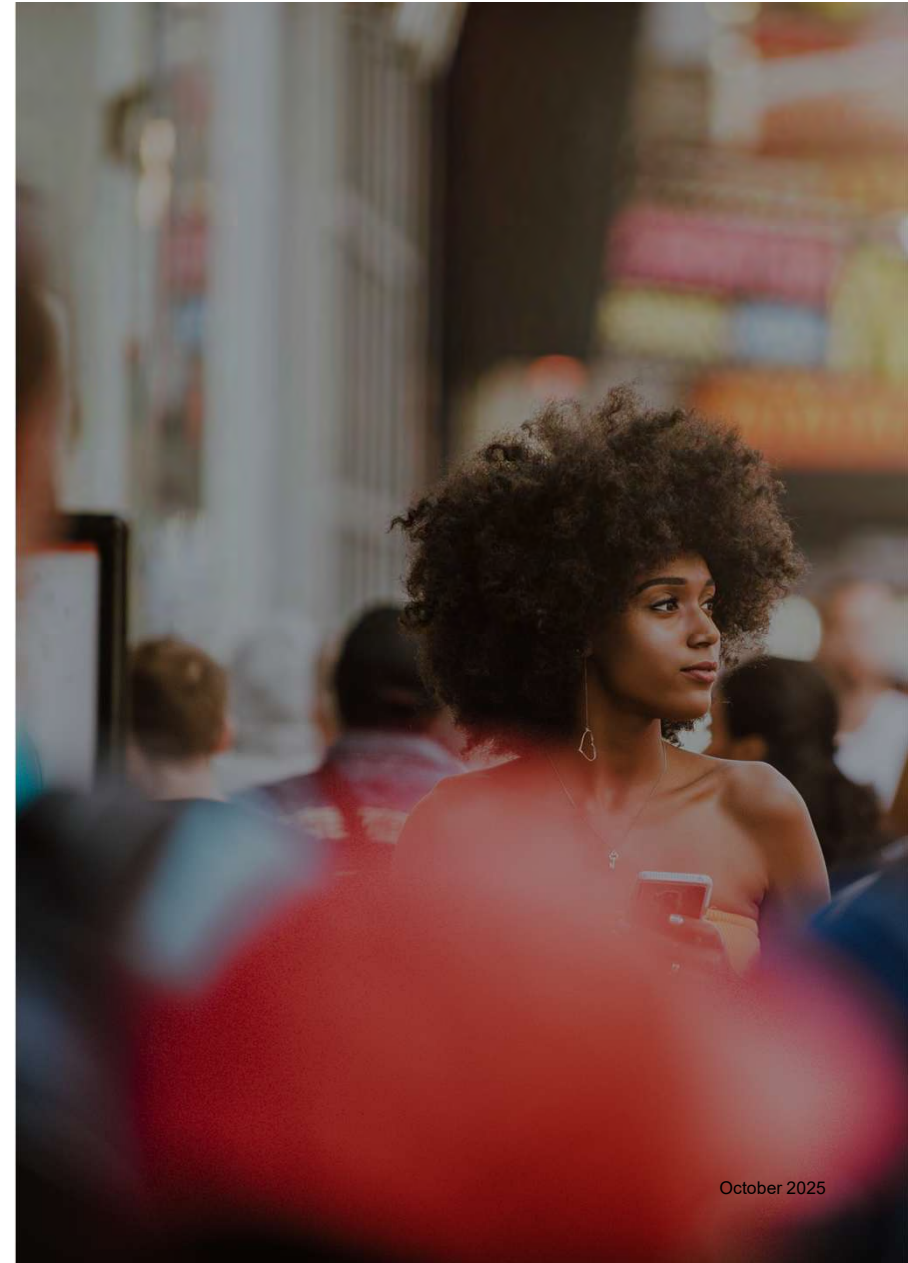
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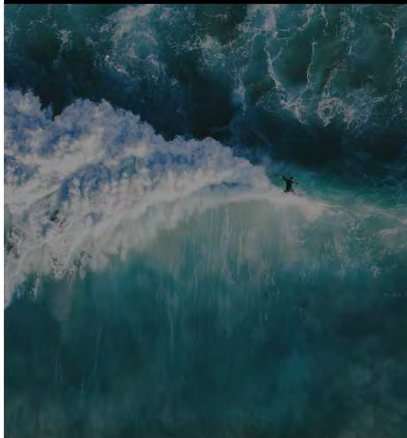
Five big themes for today



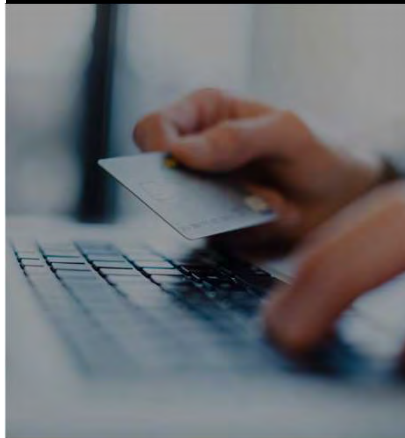
Consumer tribes



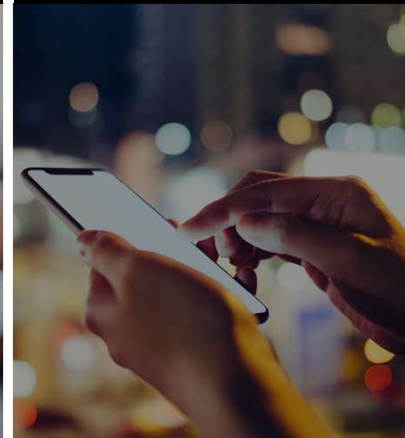
Moments over materials



Smart spending



Social shopping



Loyalty, redefined



Theme 1

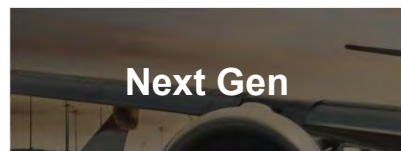
Consumer tribes

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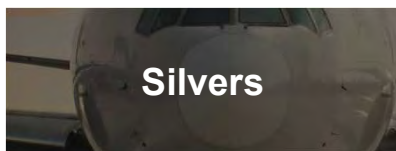


October 2025

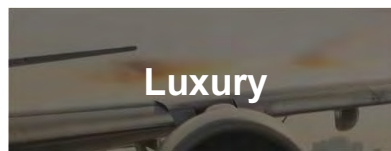
The future consumer is defined by shared values and connections...

**Next Gen**

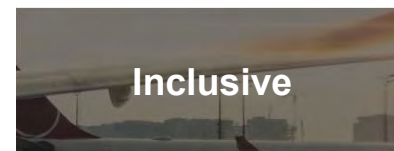
UK population

**SILVERS**

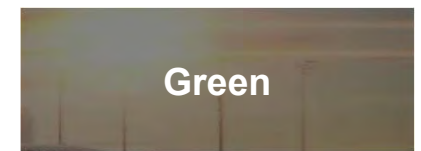
UK 65+

**LUXURY**

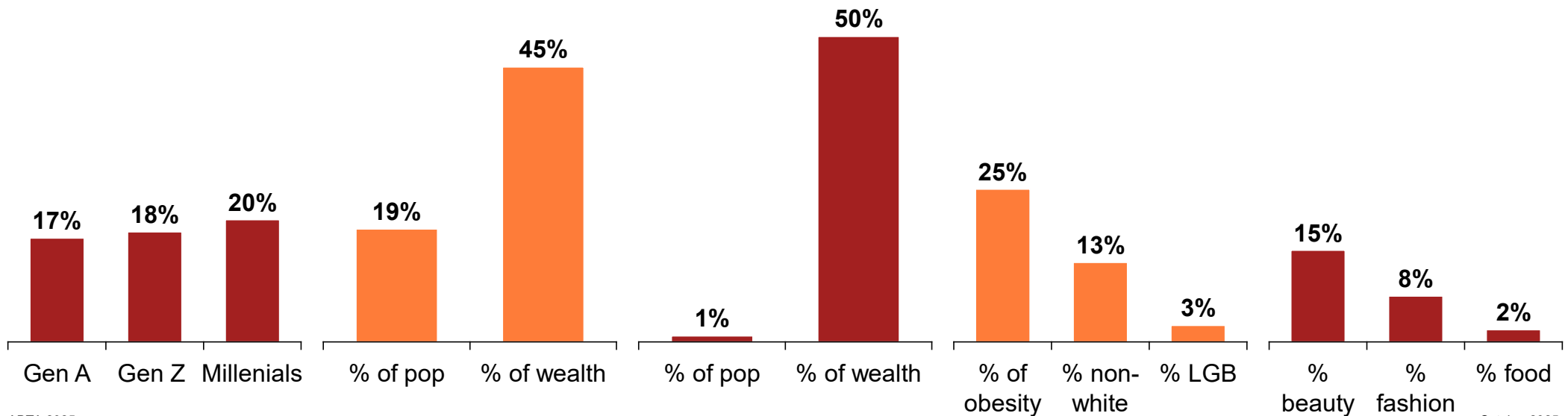
Global HNWI

**INCLUSIVE**

UK 18+

**GREEN**

UK sales



...and some contradictions

Trading down and trading up



60%

See cost as a top 3 factor for their holiday choices

37%

Plan to trade up on holidays this year

Loyalty and promiscuity



40%

Are loyal to preferred beauty brands

60%

Have tried a new beauty brand in the last year

Sustainability and affordability



54%

Expect travel companies to be sustainable

45%

Are unwilling to pay more for sustainable holiday options

Personalisation and privacy



78%

Are likely to engage in personalised messages

77%

Cite data privacy as important for loyalty

Digital and human experience



30%

Retail online penetration in the UK

52%

Prefer to shop in-store if they had the time

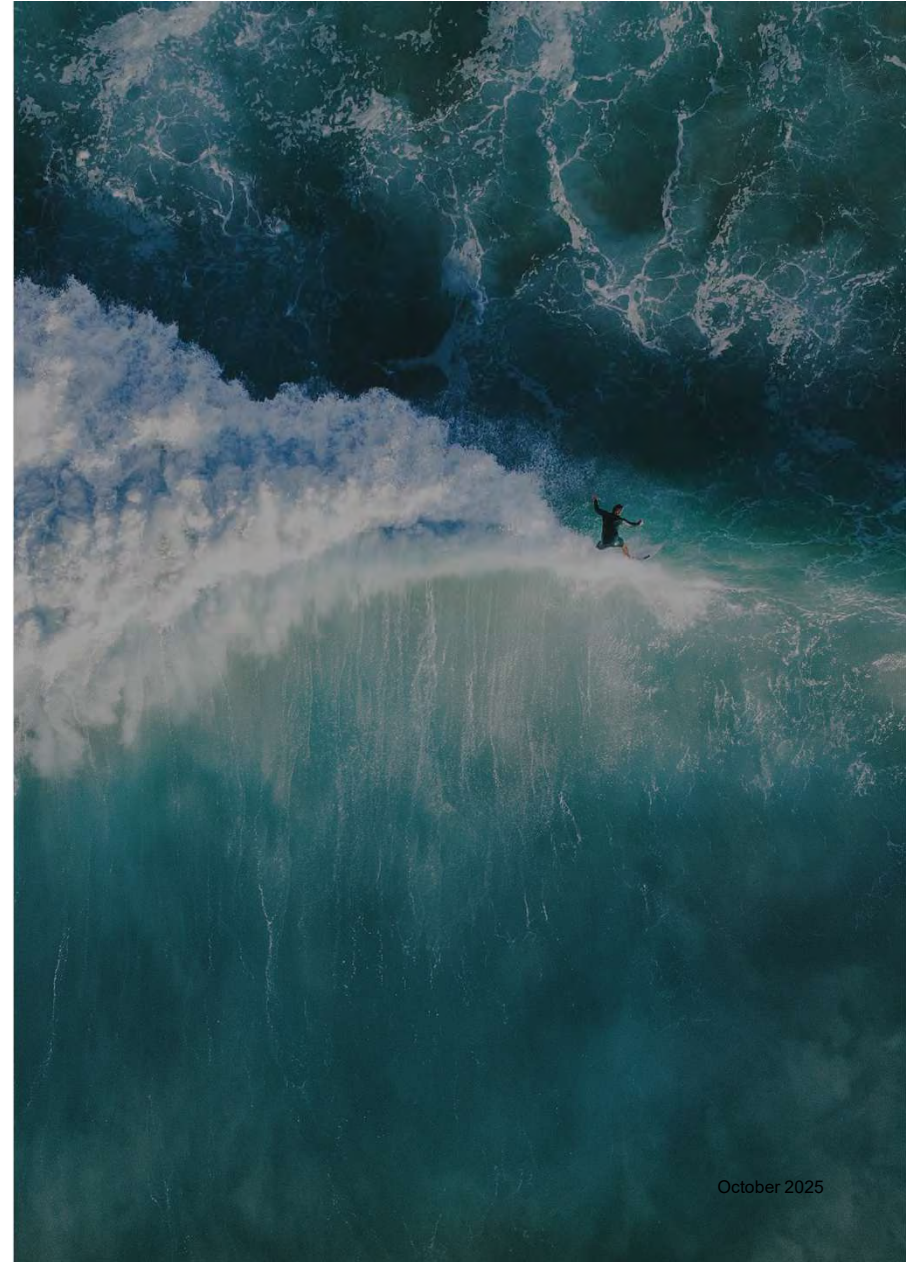
Travel brands are targeting these tribes

Illustrative examples

Next Gen	Silvers	Luxury	Inclusive	Green
 THE ADVENTURE PEOPLE	 SAGA	 AUDLEY	 wheel the world	 Intrepid
 contiki	 GREAT RAIL JOURNEYS	 ABERCROMBIE & KENT	 ROYAL CARIBBEAN	 eco.mio
 G Adventures	 RIVIERA TRAVEL	 SIMPSON TRAVEL	 NOMADNESS	 inside travel group
 Intrepid	 TRAFALGAR	 VIRTUOSO	 misterb&b	 Byway

Theme 2

Moments over Materials

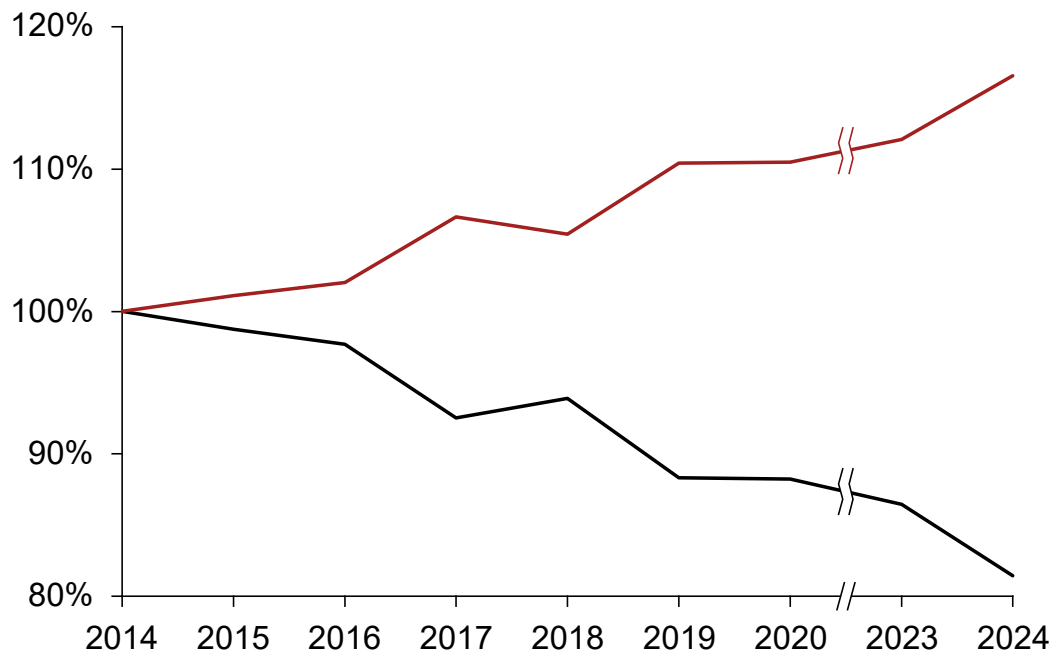


Today's consumers spend on experiences over things

Spend by category as a proportion of discretionary expenditure

Indexed average weekly household spend, 2014-2024¹

— "Things" — Experiences



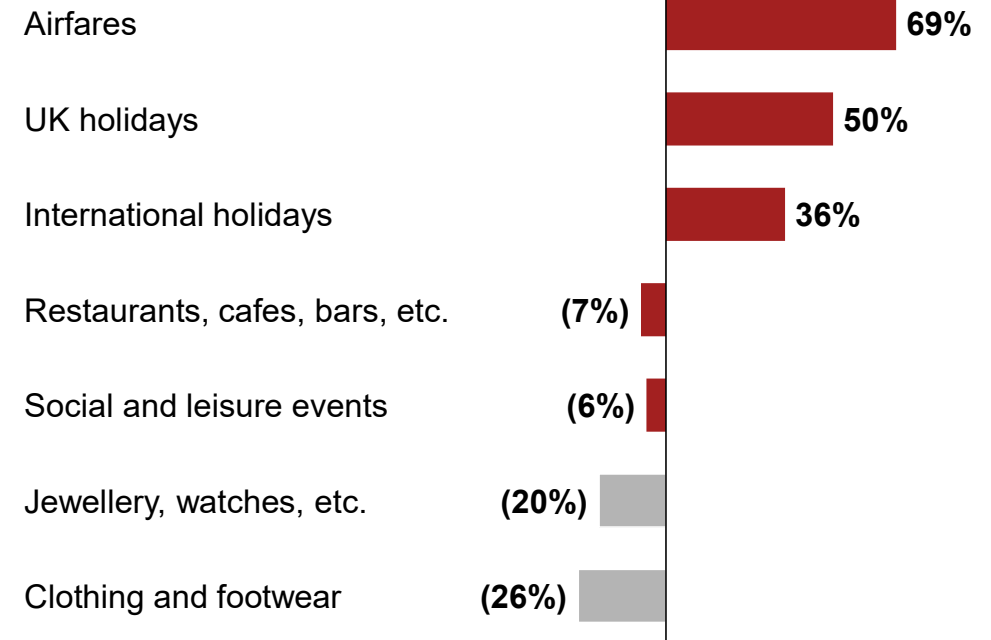
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Notes: 1) Excludes 2021 and 2022 data due to Covid-19 impact | Source: ONS

Spend changes in key categories

% change in average weekly household spend 2024 vs. 2014

■ "Things" ■ Experiences



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Travel groups are developing and enabling access to unique experiences



- **Small-group food tours** led by locals
- Offers **localised experiences across a range of cities and countries**, leveraging in-house systems to support operations



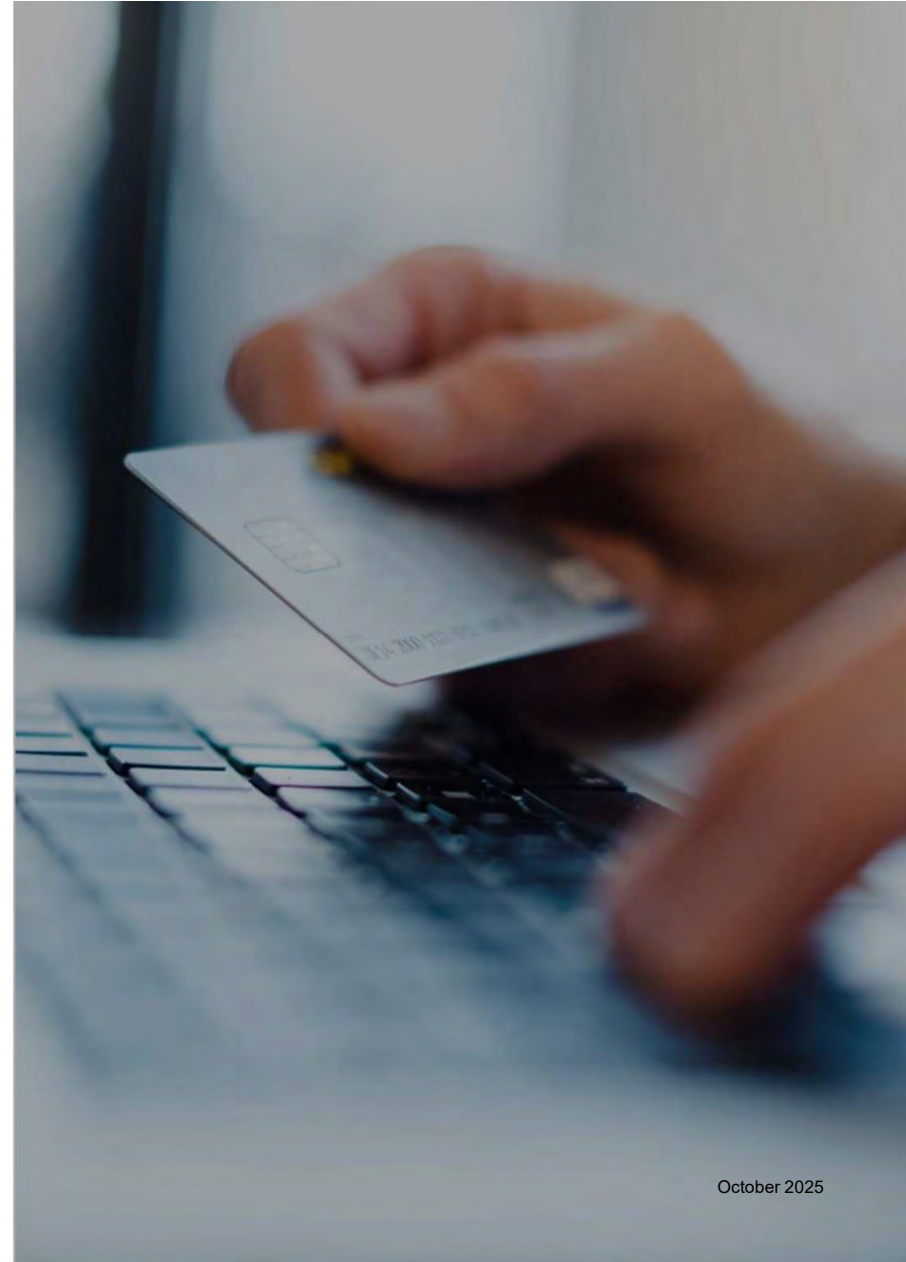
- **Online marketplace** to discover and book **activities**, incl. local tours, shows, workshops
- Aligned to demand for **personalisation** and **localised experiences**



- Helps travel companies **target travellers** with white-label **experience marketplaces**
- Focused on data-driven **personalisation** to increase conversion

Theme 3

Smart spending



Value for money is important for everyone at the moment

Key purchase criteria by category

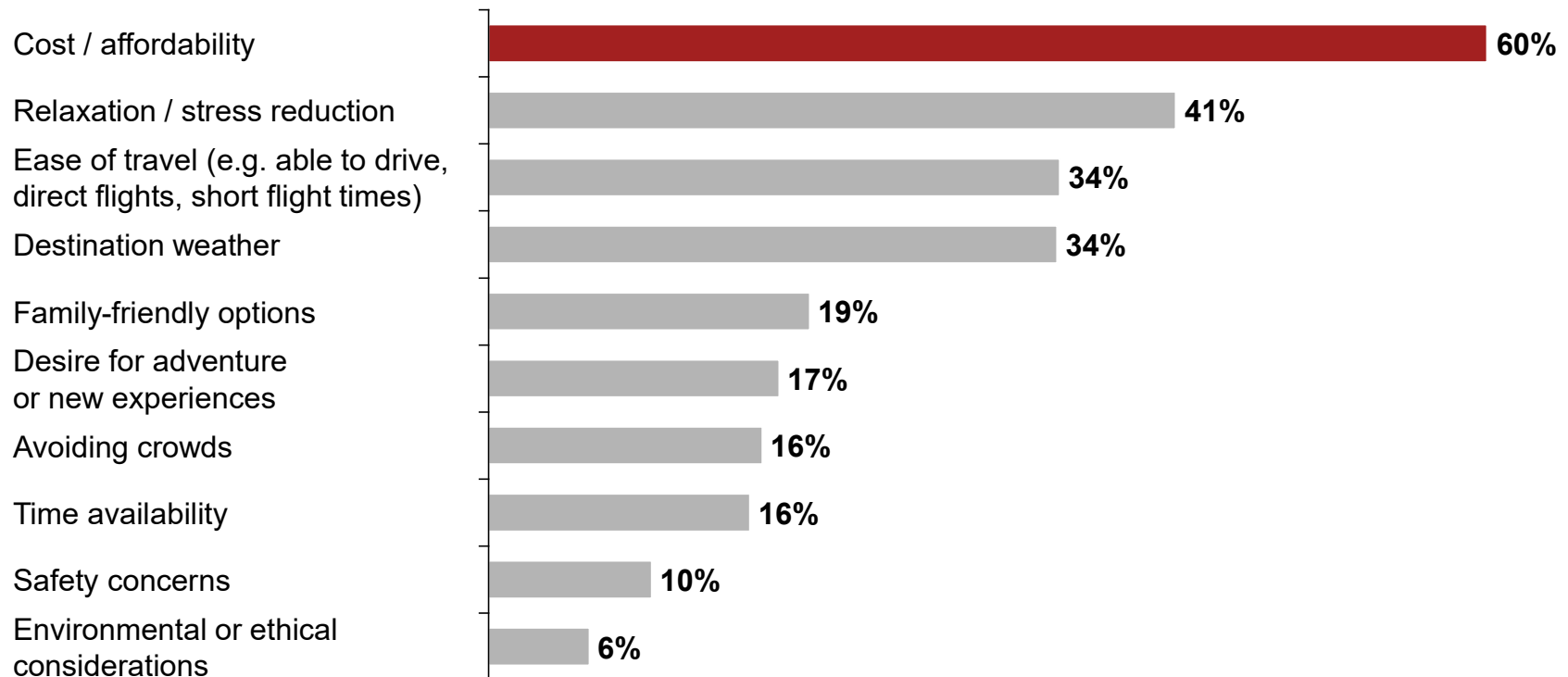
Most mentioned factors, 2025¹

	Electronics			Beauty			Furniture		
	£0-15k	£15k-50k	£50k+	£0-15k	£15k-50k	£50k+	£0-15k	£15k-50k	£50k+
1	Value for money	Value for money	Value for money	Value for money	Value for money	Value for money	Value for money	Value for money	Good customer service
2	Good customer service	Good customer service	Good customer service	Wide range of products	Wide range of products	Promotions (e.g. discounts, vouchers)	Good customer service	Good customer service	Reputation for product quality
3	Wider range of products	Wider range of products	Wider range of products	Promotions (e.g. discounts, vouchers)	Promotions (e.g. discounts, vouchers)	Wide range of products	Reputation for product quality	Appealing product styles	Appealing product styles
4	Positive customer reviews for the retailer	Positive customer reviews for the retailer	Extended product warranty	Wide range of delivery options	Wide range of delivery options	Positive online reviews	Appealing product styles	Reputation for product quality	Value for money
5	Extended product warranty	Extended product warranty	Positive customer reviews for the retailer	Positive online reviews	Detailed product information	Wide range of delivery options	Faster delivery options	Faster delivery options	Faster delivery options

Value for money is also a key decision criterion for travellers

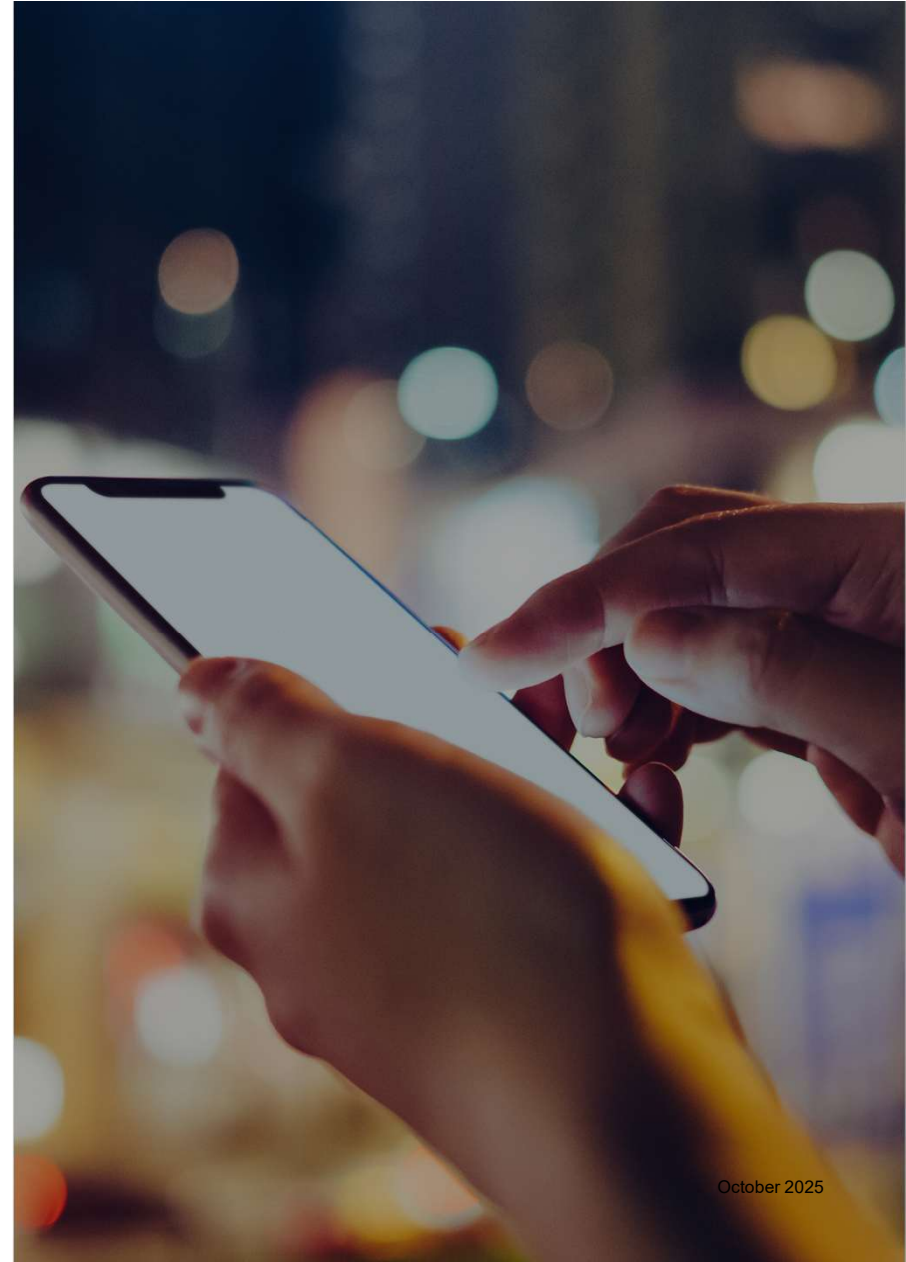
Most important factors influencing consumer holiday decisions

% survey respondents selecting up to 3 factors, May 2025



Theme 4

Social shopping



The social checkout is now fully open!

Rapid growth in social shopping ...



TikTok Shop customers place **3.5x** more orders p.a. than the average online shopper



~54% of UK consumers use TikTok monthly, whilst **~44%** have made a purchase on the platform



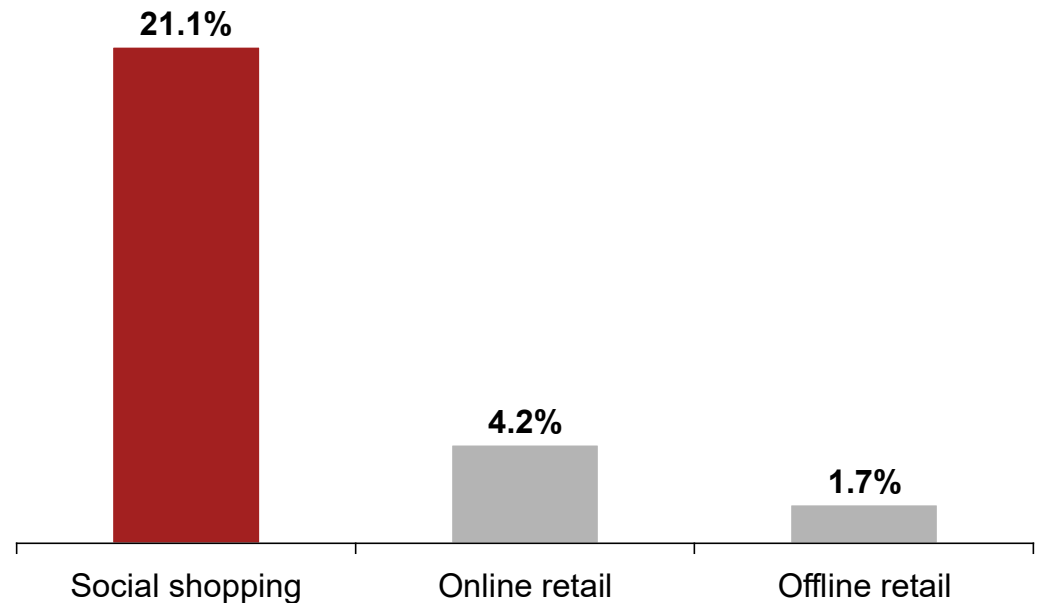
TikTok Shop is the **3rd** biggest online beauty marketplace in the UK



Over **1.5m** UK businesses already have a presence on TikTok, and **200k** have an established “shop”

...outpacing traditional retail

UK retail market growth 2024-2028F CAGR



Many retailers have been slow to respond

Presence of retailers' TikTok Shop and select performance metrics



Travel operators are in early stages of developing social commerce



- **'Big Orange Sale'** campaign built from short-form creator content
- Used to inspire consumers and market their sale



- **'Moments'** feature in app with short videos linking to the travel itinerary and booking
- Encourages in-app trip discovery and booking



- Trialling **TikTok shop**, with video content links to hotel information and booking within TikTok
- Enables easy research and booking at point of inspiration

Theme 5

Loyalty, redefined

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Retailers are offering personalised, localised and dynamic loyalty programmes

	Reward	Experience	Engage
Objective	Recognise customers with traditional mechanics (e.g. discounts, cashback and redeemable points) 78% of shoppers value discounts in a loyalty programme	Personalise end-to-end customer experience, leveraging advanced analytics and AI 64% of shoppers value personalisation in a loyalty programme	Connect with customers emotionally, creating a sense of belonging to a community 49% of shoppers value local community in a loyalty programme
			
Impact	- Increased frequency - Increased basket size - Increased share of wallet	- Bounce rate, dwell time, pages viewed - Customer retention - Customer lifetime value	- Brand affinity - Brand advocacy - Brand value

Travel operators are also evolving their loyalty propositions

Points based programmes



Introduced **Genius Rewards Visa Signature** credit card, linking travel benefits to every-day consumer spending



Maldives **Border Miles** represents the first national loyalty programme, incentivising tourists to make repeat visits

Loyalty clubs

SAGA

Brittania Club offers member perks, e.g. exclusive on-board parties or laundry services



Sailing Club & Perks offers members a suite of benefits, including a “Shake-for-Champagne” app delivery service

Subscription models

eDreams ODIGEO

Prime subscription club where members can access features, e.g. price freezes, family perks and free cancellations



All you can fly membership, enabling unlimited flights to be booked for a small fee

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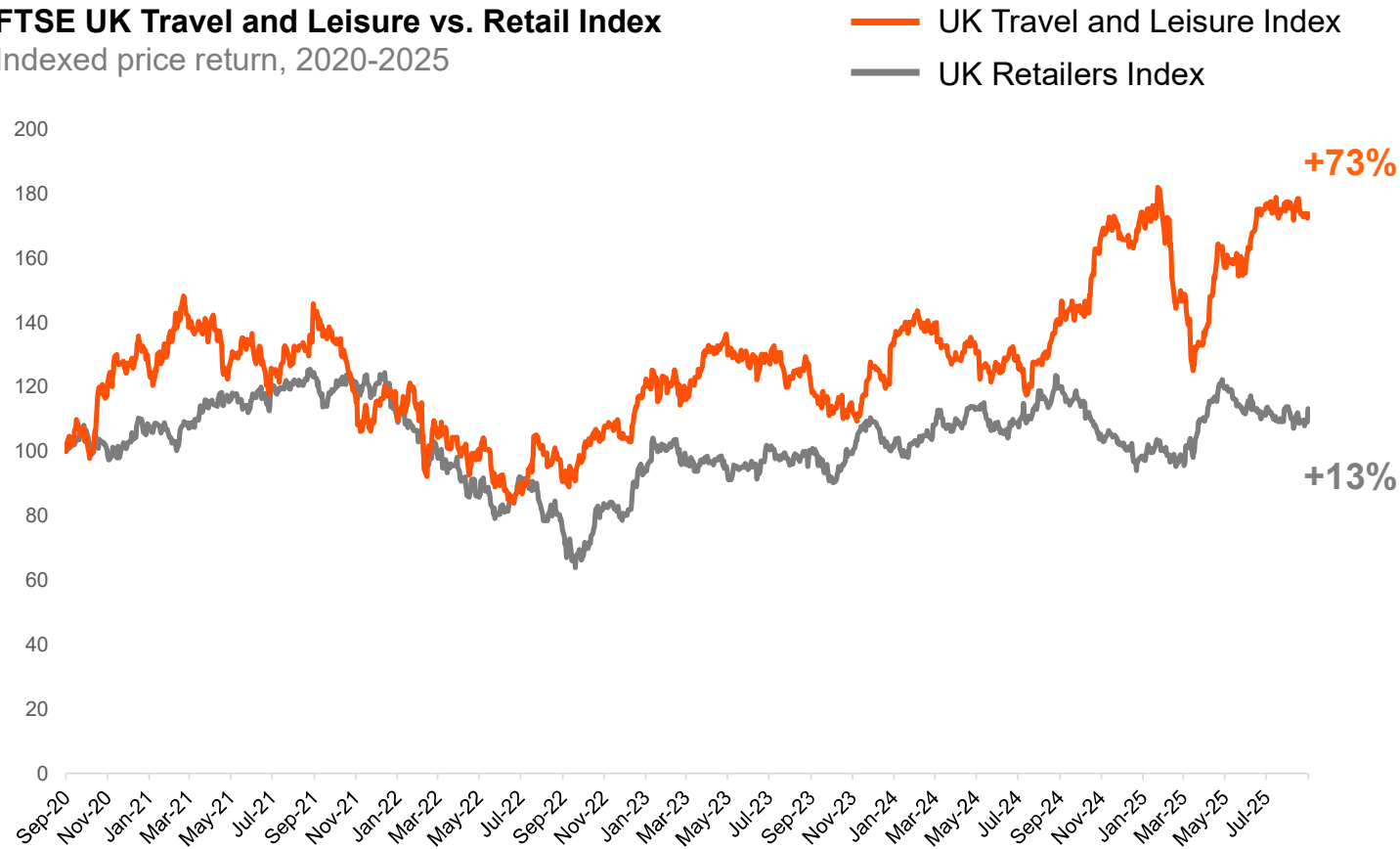
Implications for travel



Closing thoughts

FTSE UK Travel and Leisure vs. Retail Index

Indexed price return, 2020-2025



The Travel & Leisure Index has significantly outperformed the Retail Index over the past 5 years

Plenty of reasons to be cheerful

1

Travel is well-placed to target specific consumer “tribes” who share similar values



2

Spend on experiences continues to increase over “things”



3

Value for money remains king – across all categories and consumer segments



4

S-commerce represents a huge opportunity – for those who embrace it



5

Retail provides food for thought on how best to “redefine” loyalty

