

## Understanding the Staycation – Wave 3 (March 2011) Research Summary

### Headline Findings

- The staycation effect continued into 2010, with both “Switchers” and “Extras” contributing to a volume of domestic holiday taking which, though below 2009 figures, was well up on pre-recession levels.
- Pessimism about the economy and about people’s own financial situations has increased sharply over the past six months, and the degree to which consumer fears are realised will inevitably impact on leisure spending patterns in the coming months.
- The experience of holidaying at home was a very positive one which has increased the desire to take more domestic breaks. While 2011 holiday behaviour is expected to be much the same as in 2010, consumers’ expectations are that in the longer term, as the economy recovers, they will return to overseas holidays – but that this will not necessarily be at the expense of domestic travel.

### Background and Objectives

In 2009, the volume and value of domestic leisure tourism increased significantly, while the number of overseas holidays taken by UK residents fell back – the so-called staycation effect. VisitEngland conducted research early in 2010 to investigate the causes of the staycation and to understand what impact this was likely to have on longer term travel trends.

This research discovered that the increase in domestic holidays was driven by two groups, “Switchers,” who had substituted a domestic holiday for one they would have otherwise have taken at home, and “Extras” who had simply taken more domestic breaks than usual without cutting back on overseas breaks. In the main, the experiences of both groups were overwhelmingly positive, and staycationers expected to continue to take more domestic holidays than previously in 2010 and beyond.

2010 saw a decrease in domestic tourism compared to the previous years, though the number of holiday trips taken remained well above pre-recession levels. At the same time, the volume of overseas holidays also fell back – in other words, the decline in domestic travel was not due to consumers switching back to foreign holidays, but rather to an overall reduction in holidays taken by UK residents.

In September 2010 and most recently in March 2011, VisitEngland conducted further waves of staycation research, with the objectives of understanding holiday-taking in 2010, and expectations about 2011 and beyond.

### Methodology

The research was conducted by Olive Insight, an independent market research agency. 1000 British adults were interviewed using from 28<sup>th</sup> February – 7<sup>th</sup> March 2011 using an online questionnaire. The sample matched that used in the previous waves of the survey, and where relevant, the same questions were used to allow comparisons to be made with past results.

### Summary of Findings

#### The Economic Downturn and Consumer Confidence

VisitEngland have been tracking attitudes to the economy since late 2008. Initially, levels of concern peaked in early 2009, following the banking crisis and high profile retail bankruptcies, but fell back in mid-late 2009 as the economic situation seemed to ease.

However, in late 2010 and early 2011, concern increased again, and the proportion “worried about making ends meet” is now at its highest ever level, while the proportions who are “very concerned” and expecting things to “get worse before they get better” are at a similar level to early 2009.

The most recent period also saw an increase in numbers claiming to be personally affected by the downturn, again to the highest level since the start of the survey, with a corresponding decrease in the least concerned group – just 6% of the population are now claiming to have no concerns about what the economic environment means for them.

### **Staycationers**

The proportion of staycationers (Switchers and Extras) in the population has stayed broadly stable since 2010, though there are some changes in their profiles. A higher proportion of Switchers than last year claim to have reduced overall the amount of domestic holiday taken (despite having switched at least one break), while Extras, who last year were less affected than average by the economic climate, are now feeling the pinch just as much as other groups.

Switchers continue to be motivated to holiday at home largely by financial concerns (though the exchange rate is less prominent as a reason than it was twelve months ago). Extras’ main motivations are about exploring new places in the UK and/or returning to favourite places – but compared to last year, the proportion citing financial concerns as a reason for taking domestic breaks has almost doubled, underlining the increased financial pressure felt by this group.

### **The Holiday Experience**

Just as in 2009, the experience of the domestic holiday was positive, with over 80% describing their experience as excellent or very good.

Among those who took a domestic break instead of one they would normally have taken abroad, around two thirds agreed that they missed their foreign holiday – but at the same time just under half agreed that the experience had made them want to take more holidays in England in future. While this may seem contradictory, it should be remembered that many people take more than one holiday a year, and so it is entirely possible for the someone to enjoy a domestic break enough to want to repeat the experience even while missing the foreign holiday that they can’t currently afford.

### **Looking Forward**

Respondents’ expectations about 2011 holidays very much match 2010 behaviour. This is in marked contrast to the same time last year when consumers anticipated taking more holidays , particularly overseas breaks, throughout 2010 than they had in 2009. It seems likely that this decline in optimism is linked to weakened consumer confidence – less than one in five of those surveyed expected their personal financial situation to change in the coming year.

In the longer term, beyond 2011, just over half expect to take more holidays in the UK than they did in the past, an increase of 6 percentage points compared to last year, and with higher proportions among younger people, families, and “staycationer” groups. The two most frequently mentioned reasons for this are costs – indicating an expectation that finances will continue to be stretched even beyond this year – but also a desire to explore the UK, a very positive motivation with much longer-term relevance.

When asked about likely holiday plans in a post-recession environment, more consumers expect to take overseas breaks than at present – but importantly, this is not at the expense of domestic breaks, which are also expected to increase. Across both break types, the greatest expected increase is in 4-7 night breaks, suggesting that this will be the battleground for share of repertoire as the economy recovers.

A detailed presentation of these results can be found at:

[http://www.visitengland.org/Images/Staycation%202011%20March%202011%20Debrief for%20internet\\_tcm30-26164.pdf](http://www.visitengland.org/Images/Staycation%202011%20March%202011%20Debrief%20for%20internet_tcm30-26164.pdf)