



Travelex's Travel Technology Report

The Changing Face of Travel Technology

2015 - 2016



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1 Executive Summary

Travelex commissioned this annual report to look into how technology is impacting our holidays and how we expect technology to change the way in which we head abroad in the future.

As technology takes an ever increasing role in our lives at home, the findings from The Changing Face of Travel Technology has revealed two key trends: how technology is helping us to have more authentic experiences abroad, and how Brits are using online tools to cut down the cost of their holidays. Over 2,000 people answered questions on their travel, technology and spending habits, to reveal the increasingly clever ways Brits are organising their holidays, and the financial benefits to accompany this new, streamlined approach to travel.

Elvin Eldić, from Travelex, comments:

“

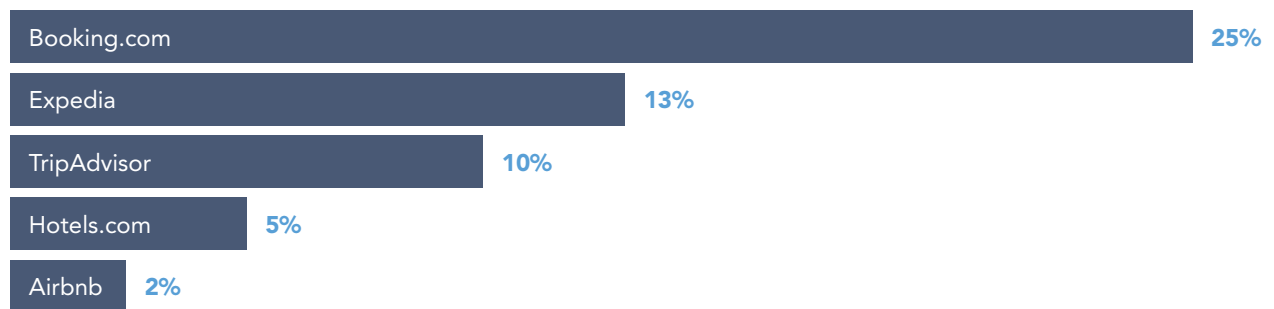
The travel industry has changed rapidly over the last decade, from how we choose our accommodation, to how we purchase currency and book our flights. Our annual Travel Technology Report has delved into these changes to look at the factors which are impacting on our behaviour as travellers, and what we can expect to see in the year ahead.”

2 Cost-conscious travellers

The research reveals that Brits are using technology to save hundreds of pounds when booking a break away. With the average overseas holiday now costing £1,626, this can make a helpful difference.

In particular accommodation and flight apps were singled out for their money-saving potential, saving Brits an average of £320 per holiday, nearly 1/5 of the total cost of the holiday.

2.1 Top apps to save on booking costs (percentage of people who have used the following)



City-breakers save the most by using online booking tools to plan their trip, cutting the cost of their holiday by a third (30%). City-breakers save the most by using online booking tools to plan their trip, cutting the cost of their holiday by a third (30%).

Accommodation booking apps such as Airbnb are known to provide holidaymakers with a more immersive experience on their break. Airbnb's customer base has grown from couch-surfing budget-conscious travellers to include those seeking a luxurious and memorable experience. With over two million Airbnb hosts competing on their rental costs, it's much easier for holidaymakers to get value for their money. In fact rates on Airbnb are, on average, 20% cheaper than a hotel or resort¹.

Those heading on a spa break found online booking tools enabled them to make above-average savings of 23% on their booking. Sales platforms such as Groupon and Living Social, which offer up to 90%² off a range of spa treatments compared with booking directly, are set to continue to grow in popularity. The growing interest in experiential dining is also reflected on platforms such as Living Social, which offers restaurant experiences, among other activities, around the world³.

Demand from Brits for convenience and transparency led Travelex to develop Supercard, which launched as a pilot in May 2015.

¹ <http://priceonomics.com/hotels>

² <https://www.livingsocial.com/cities/12-san-diego>

³ <https://www.livingsocial.com/cities/3-nyc-midtown/exciting-restaurants-deals>

Travellex's Supercard, with accompanying iOS/Android app, is the first and only card in history that enables consumers to use their own debit and credit cards (except for American Express cards) abroad and avoid bank roaming fees.



In terms of cost to use, this places it amongst the most competitive spending tools for UK travellers. Without having to worry about how much each purchase or cash withdrawal is costing, users can enjoy stress-free spending abroad. In 2016, Travellex will be launching Supercard to the whole of the UK.

Adam Warburton from Travellex comments, "Advances in mobile payments technology mean that smartphones are becoming an increasingly important part of spending and managing money abroad. The Travellex Money App means holidaymakers can keep up-to-date with exchange rates and make informed decisions on how much to budget, based on research around what their contemporaries have spent. The app has been downloaded over 44,000 times since launch, with the popularity set to grow as further developments are made in 2016.

2.2 Top five things we use our gadgets for on holiday (percentage of people)

1. Taking pictures (62%)
2. Finding our way around (60%)
3. Calling home (50%)
4. Finding out what's going on in the local area (47%)
5. Entertainment (46%)

The results reveal that gone are the days of holding large maps in overcrowded tourist hotspots: digital tools have overtaken the printed map, with 60% of Brits now opting to use gadgets to help them find their way around, without appearing like a tourist. Other popular holiday gadgets include MP3 players (35%), laptops (31%) and E readers (26%).

Research reveals travel technology is particularly popular among 18-34 year olds heading abroad: **wearable tech, such as the Apple Watch and Fitbit, are particularly popular with one in ten taking a piece on holiday.**

While research has revealed that Brits post an average of 45 pictures per trip, the camera is falling out of favour when it comes to holidays⁴. Nearly 10 per cent fewer Brits will take a camera away with them in 2016, instead preferring to use a Smartphone for capturing pictures or videos. GoPros and other portable video devices were also revealed to be on the up according to Travelex's research.



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<http://www.dailymail.co.uk/travel/article-2662478/Flash-Bang-Wallop-What-picture-holiday-photograph-A-way-without-posting-snaps-online.html>

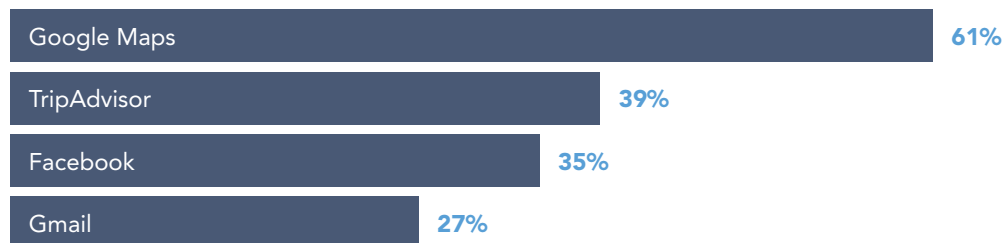
3 Appy holidays

As well as helping holidaymakers to save money, apps are also helping travellers to have a more authentic experience of the destinations they are visiting.

Exploring apps, which help visitors to plan excursions and nights out, were cited as among the most popular as they can really help travellers to get under the skin of a destination. Four in ten Brits now use TripAdvisor on holiday before booking a local restaurant or excursion.

In 2016 one in ten Brits will use apps to keep in touch with others when on holiday, with Gmail and WhatsApp among the most popular. Brits will also increasingly use the likes of Skype and Viber to keep in touch with others from their holiday destination, whilst avoiding costly roaming charges.

3.1 Most commonly used apps on holiday



Adam Warburton, Head of Mobile at Travelex, has recommended his top five apps for a smooth travel experience.

3.2 Top apps to make your holiday a breeze

1.  Trip Case
2.  Kayak
3.  Lucky Trip
4.  Travel Butler
5.  Wi-Fi Map

4 Switching off on holiday?

As Brits switch on to the benefits of spending more time online when abroad, the research has revealed **we spend up to two hours a day on our devices** and for ten per cent of holidaymakers, it's double that.

Bragging about our holiday experience on social media is one of the main reasons for spending time online abroad, with 35% of Brits regularly using Facebook and 14% using Instagram whilst on holiday.

One in seven Brits revealed that they have used a Smartphone or tablet device to do work on holiday – showing technology has led to the line between business and leisure travel becoming blurred.

Access to technical facilities is now a crucial consideration when booking holidays. Free Wi-Fi and a fast internet connection are now ranked among the most important features of holiday accommodation, over and above the likes of access to a gym, spa facilities and a laundry service.

5 When in roam

With the increasing demand and use of technology on holiday, the Travellex report reveals that a key concern for Brits in 2016 will be exceeding their mobile provider's data allowance, with one in six admitting they have gone over their allowance while away.

Research conducted by Travellex has shown there's an easy trick to get free roaming in many countries: simply by swapping the Sim card in your mobile for a local one, preventing roaming costs.

A fifth of those aged between 18 and 34 had gone over their data allowance. This is despite over a tenth (12%) of people now adding a data bundle to their phone contract before heading away.

5.1 Top five data drains abroad (percentage of people who have experienced the following)

1. Listening to music (20%)
2. Watching a video (19%)
3. Downloading boarding pass (12%)
4. Downloading holiday apps (11%)
5. Downloading books to an e-reader (10%)

6 Before we go

The report reveals that technology has an influence even before we leave for the airport, with holidaymakers using a range of sources to plan their breaks to make sure they are making the most of their trip away.

The results have shown we're much more likely to shop around for a holiday online, with 67% using websites and 16% using apps to book their holiday.

Independent research carried out by Travelex has revealed that users booking holidays take up to 45 days and visit as many as 38 travel sites before even going on to book a holiday⁵.

When it comes to apps, these are growing in popularity among Brits looking to bag a holiday bargain. Two in three use TripAdvisor, the app which is revolutionising how we plan our holidays. Peer-to-peer recommendations on TripAdvisor are now the favoured route for holiday research, having even become more popular than suggestions from friends and family⁶.

Adam Warburton from Travelex comments "We're now using mobile devices to not only to book our holidays, but also to order our currency online. We've seen a transition in how consumers order their currency, with 28% of our customers now ordering from Travelex's UK website via mobile devices. "Findings reveal that Brits will head off on holiday with more gadgets than ever before, taking an average of four different devices with them.

Leading the charge is the Smartphone, singled out for its ability to save holidaymakers time and money. Eight out of ten (82%) Brits will take one of these on holiday with them next year – more than double the number five years ago.

Despite a gradual slowdown in demand for tablets at home this year, the study reveals these devices will continue to be a popular choice of holiday gadget, with over half of Brits pegged to take one abroad in 2016, up more than 40% since 2010.

The future of travel will also see two thirds (60%) of Brits use a mobile device to find their way around a new destination; half (47%) use them to look up what's going on in the local area and 1/3 use them to get the best local deals.

⁵ <https://econsultancy.com/blog/65964-why-do-people-abandon-online-travel-bookings>
⁶ <http://www.realwire.com/releases/Brits-turn-to-TripAdvisor-over-family-and-friends-Webloyalty-research>

7 In Summary

As technology takes an ever-increasing role in our lives at home, the findings from Travelex's The Changing Face of Travel Technology report reveal this trend to also be true when we are on holiday abroad, with technology impacting the way we plan and experience our holidays.

7.1 Key findings

- Accommodation and flight apps were singled out for their money-saving potential, saving Brits an average of £320 per holiday, nearly 1/5 of the total cost of the holiday
- City-breakers save the most by using online booking tools to plan their trip, cutting the cost of their holiday by a third (30%)
- Travelex's Supercard is the first and only card in history that enables consumers to use their own debit and credit cards⁷ abroad and avoid bank roaming fees
- One in ten 18-34 year old's now take a piece of wearable tech on holiday, such as Apple Watch and Fitbits
- In 2016 one in ten Brits will use apps to keep in touch with others when on holiday, with Gmail and WhatsApp among the most popular
- Brits now spend up to two hours a day on our devices
- Free Wi-Fi and a fast internet connection are now ranked among the most important features of holiday accommodation, over and above the likes of access to a gym, spa facilities and a laundry service
- A fifth of those aged between 18 and 34 had gone over their data allowance, despite over a tenth (12%) of people now adding a data bundle to their phone contract before heading away
- Eight out of ten (82%) Brits will take a Smartphone on holiday with them next year – more than double the number five years ago

7 Excluding American Express