

TRAVEL RETAIL – UK – 2024

Amidst the cost of living crisis, offers/discounts have become more important. Consumers prioritise speed, impulse buying, and product variety while travel rebounds.



Utku Tansel, Senior Retail Analyst



Travel Retail – UK – 2024

This report looks at the following areas:

- Market drivers for the travel retail sector and impact of the cost-of-living crisis.
- Leading travel hub operators.
- Which travel hubs consumers visit and how frequently they go.
- What consumers bought travel hubs and purchase drivers.
- Key factors when choosing travel hub services.
- Behaviours around retail in travel hubs.



Amidst the cost of living crisis, offers/discounts have become more important. Consumers prioritise speed, impulse buying, and product variety while travel rebounds.

Overview

Airport passenger numbers experienced a notable resurgence in both 2022 and 2023, signaling a recovery phase post-pandemic. Yet, this positive trend is threatened by persistent challenges, including staffing shortages, cancellations, and escalating fuel expenses. These factors collectively pose a risk to the stability and growth of the airline industry during this recovery period.

There were 1,385 million railway journeys over 2022/23 which is a 40% rise on the previous year. Despite this, journeys remained 29% below their pre-COVID levels. Car ownership, which is important to the travel retail sector for MSAs, also picked up in 2023. However, concerns regarding rising fuel expenses serve as an impediment to car ownership and influence the frequency and distance of trips.

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As travel retail bounces back and against the backdrop of cost of living crisis, our consumer research for this report confirms that **travellers are interested in prioritising offers/ discounts, impulse purchases as well as speed.**

Indeed, **almost half (47%) of consumers cite offers/discounts as a major factor when deciding on travel hub services.**

Around **six in ten (59%) of 16-24 year olds express that they often buy products on impulse at travel hubs** while **just under four in ten (37%) say that quick service is a major factor when deciding on travel hub services.**

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Report Content

EXECUTIVE SUMMARY

Opportunities for the Travel Retail market

- Make offers/discounts a key focus
- Target young consumers with impulse buying offers
 - Graph 1: consumer behaviours around dwell time and impulse shopping, by age, 2024 - I often buy products on impulse at travel hubs
- Use tech to create a seamless shopping experience

Market dynamics and outlook

- Market predictions
- The recovery of consumer sentiment has begun
 - Graph 2: the financial wellbeing index, 2016-24
- Airport footfall rebounds
 - Graph 3: total passenger numbers at reporting UK airports, 2019-23
- Car ownership: confidence is returning after COVID-19
- Rail journeys recover but still below pre-pandemic level
 - Graph 4: rail journeys in the UK, 2019/20-2022/23

What consumers want and why

- Over three quarters visit travel hubs
 - Graph 5: travel hub visitation, 2024 - "Which travel hubs have you visited in the last 12 months? Please select all that apply."
- Bus/coach and railway stations most frequented
 - Graph 6: frequency of travel hub visitation, 2024 - "How often have you visited the following travel hubs in the last 12 months?"
- Food or drink items at the top
 - Graph 7: products purchased in travel hubs, 2024 - "Which of the following have you bought from a travel hub in the last 12 months? Please select all that apply."
- Necessity, indulgence and dwell time drive purchase
 - Graph 8: reasons to make a purchase in a travel hub, 2024 - I have bought a product from a travel hub in the last 12 months... Please select all that apply.
- Focus on offers/discounts, speed and product variety
 - Graph 9: major factors when deciding on travel hub services, 2024 - Which of the following would encourage you to shop at a travel hub? - Please select all that apply.
- Price puts potential shoppers off, many have time to shop at hubs

- Graph 10: consumer behaviours around dwell time and impulse shopping, 2024 - Do the following statements about travel hubs apply to you?

Innovation

- New collaborations, new opportunities: Holland & Barrett launches concessions in WHSmith travel stores
- Pop-ups help create buzz and excitement
- Experiential retail rises higher up on the agenda

MARKET DYNAMICS

Macro-economic factors

- Inflation still key affecting consumers' finances, while interest rates to rise in importance
- The recovery of consumer sentiment has begun
 - Graph 11: the financial wellbeing index, 2016-24
- ...and people are feeling more confident about their financial prospects
 - Graph 12: the financial confidence index, 2016-24
- Holiday sector set to benefit from improved financial wellbeing
 - Graph 13: spending priorities if financial situation significantly improved, 2023

Tourism

- Domestic tourism remains a popular option among Brits
- Holiday participation fully returns to pre-pandemic levels
 - Graph 14: destinations visited on holiday in the past 12 months, 2019-23
- Travel remains a high priority for consumers
- The number of people booking a holiday reached a record high at the start of 2024
 - Graph 15: booked a holiday in the last three months, 2022 vs 2023 vs 2024
- Plans to book a holiday have fallen slightly but are still up year-on-year
 - Graph 16: plans to book a holiday in the next three months, 2022 vs 2023 vs 2024

Travel methods

- Rail journeys recover but still below pre-pandemic levels
 - Graph 17: Rail journeys in the UK, 2019/20-2022/23
- Car ownership is important to the travel retail sector for MSAs
- Concerns around rising petrol/diesel/gasoline prices drop but still high
 - Graph 18: Have you been affected by any of these issues over the last two months? - Increases in petrol/diesel/gasoline prices
- Airport footfall rebounds
 - Graph 19: total passenger numbers at reporting UK airports, 2019-23

WHAT CONSUMERS WANT AND WHY

Travel hubs usage

- Railways remain at the top
- Over three quarters visit travel hubs
 - Graph 20: travel hub visitation, 2024 - "Which travel hubs have you visited in the last 12 months? Please select all that apply."
- Flexible working has fundamentally changed travel retail
- Railways are the most visited
- Travel hub usage highest amongst younger consumers
 - Graph 21: travel hub visitation, by age, 2024 - "Which travel hubs have you visited in the last 12 months? Please select all that apply."
- Urban consumers remain most prolific users
 - Graph 22: travel hub visitation, by area, 2024 - "Which travel hubs have you visited in the last 12 months? Please select all that apply."

Travel hubs usage frequency

- Bus/coach and railway stations most frequented
 - Graph 23: frequency of travel hub visitation, 2024 - "How often have you visited the following travel hubs in the last 12 months?"
- Address the diverse needs and preferences of consumers at hubs
- Younger consumers tend to be frequent visitors
 - Graph 24: age of frequent (once a month or more) travel hub visitors, 2024 - "How often have you visited the following travel hubs in the last 12 months?"
- Use advanced insights to optimize service offerings

What consumers purchase in travel hubs

- Food or drink items at the top
 - Graph 25: products purchased in travel hubs, 2024 - "Which of the following have you bought from a travel hub in the last 12 months? Please select all that apply."
- Magazine/books also popular
- Younger cohort has a broader range of purchasing behaviours
 - Graph 26: products purchased in travel hubs, by age, 2024 - "Which of the following have you bought from a travel hub in the last 12 months? Please select all that apply."
- Target young consumers without alienating the older cohort

Purchase drivers

- Necessity, indulgence and dwell time drive purchase

- Graph 27: reasons to make a purchase in a travel hub, 2024 - I have bought a product from a travel hub in the last 12 months... Please select all that apply.

- Necessity, indulgence and dwell time drive purchase
- Older shoppers less tempted by retail opportunities

- Graph 28: reasons to make a purchase in a travel hub, by age, 2024 - I have bought a product from a travel hub in the last 12 months because I needed it

- Prioritise price and innovation

Key factors when choosing travel hub services

- Focus on offers/discounts, speed and product variety

- Graph 29: major factors when deciding on travel hub services, 2024 - Which of the following would encourage you to shop at a travel hub? - Please select all that apply.

- Almost half say offers/discounts is a key factor
- Offers/discounts important to all

- Graph 30: major factors when deciding on travel hub services, by household income, 2024 - Which of the following would encourage you to shop at a travel hub? - Offers/discounts

- Use tech to create a seamless shopping experience
- Efficient shops resonate
- Leverage data-driven insights to enhance personalization and efficiency
- Ride on localism
- Almost a third cite product range a major factor

Travel hub behaviours

- Price puts potential shoppers off, many have dwell time

- Graph 31: consumer behaviours around dwell time and impulse shopping, 2024 - Do the following statements about travel hubs apply to you?

- Focus on price
- High prices a key barrier for all

- Graph 32: consumer behaviours around dwell time and impulse shopping, by age, 2024 - High prices make me avoid buying from travel hubs

- 7 in 10 have time to shop at hubs

- Graph 33: consumer behaviours around dwell time and impulse shopping, by age, 2024 - I usually have enough time to shop at travel hubs

- Almost a third would be interested in parcel collection/drop off points
- Impulse buying offers good opportunities

- Graph 34: consumer behaviours around dwell time and impulse shopping, by age, 2024 - I often buy products on impulse at travel hubs

- Young cohort most tempted by impulse purchases

TRAVEL POINT OPERATORS

- Network Rail saw total revenue surpass £10bn mark in 2023
- Network Rail annual retail sales exceed £800m
- The motorway services sector remains concentrated
- Moto revenue jumps surpassing £1bn
- Major airport operators' revenues reach record highs in 2023
- MAG reports strong half year results

LAUNCH ACTIVITY AND INNOVATION

- New collaborations, new opportunities: Holland & Barrett launches concessions in WHSmith travel stores
- WHSmith continues curi-o-city expansion with Belfast City Airport store
- Monsoon trials travel boutique shop at Waterloo
- Leveraging the power of tech: SimplyFresh launches Amazon's Just Walk Out concept in Gatwick
- WHSmith focuses on growing its travel arm
- UAE's Ajmal Group expands into UK travel retail
- Experiential retail rises higher up on the agenda
- Lagardère Travel Retail opens LEGO and Discover stores at Luton
- Pop-ups help create buzz and excitement
- A new pop-up by local coffee specialist Tinderbox at Glasgow Airport
- Travel hubs experiment with pop-ups
- Mondelez World Travel Retail unveils Win a Diamond pop-up at Paris Charles de Gaulle

APPENDIX

Report scope and definitions

- Products covered in this Report

Data sources

- Abbreviations and terms

Methodology

- Consumer research methodology

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This is marketing intelligence published by Mintel. The consumer research exclusively commissioned by Mintel was conducted by a UK licensed market survey agent ([See Research Methodology for more information](#)).

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