

On The Beach reveals surge in five-star holidays while cheaper trips slump

On The Beach Group has revealed a surge in five-star and long-haul holiday bookings, which has lifted its full-year sales by 16%.

Meanwhile, the online travel agency said that its value three-star holiday sales took a hit amid growing cost-of-living concerns in recent months.

The company saw its sales jump ahead of pre-pandemic levels as the travel sector enjoyed a rebound in holiday-goers after global restrictions eased.

The group's sales rose by a quarter in the six months to September 30 compared to the same period last year.

On The Beach said it has invested in its brand, technology, and customer proposition throughout the year, including selling premium lounges and fast-track security and improving customers' access to a wider range of hotels.

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As a result, it saw its five-star holiday sales surge by 83% over the past year, compared to 2019.

This has driven up the average booking value by nearly a third in the period, as customers fork out more cash on their trips.

Meanwhile, full-year long-haul sales swelled by 257% compared to 2019 and business-to-business sales jumped by 45%.

Like many other travel companies, On The Beach has preferred to compare its latest financial results to the pre-pandemic period.

It said that the [Omicron](#) variant heavily impacted its sales in late 2021 and the key booking period of January this year, pushing consumer demand well below 2019 levels until restrictions eased in mid-January.

However, the cost-of-living crisis has led to “tougher trading conditions” in recent months amid “another disrupted and unpredictable” year, boss Simon Cooper said.

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Rising living costs impacted the group’s sales of value holidays which remained “subdued” in the second half of the financial year.

[Sales](#) of three-star holidays plunged by nearly a fifth over the full year compared to 2019, suggesting that households looking for lower-cost holidays have seen a greater cost-of-living squeeze than those splashing out on five-star and long-haul trips.

Nevertheless, On The Beach said that it expects its underlying pre-tax profits for the year to be in line with market expectations, as it reaffirmed its plans to grow its market share and expand in the new year.

Simon Cooper, chief executive of On The Beach, said: “I am pleased with the group’s performance in what was another disrupted and unpredictable year.

“Both the Group’s long-haul segment and five-star holiday sales delivered substantial growth in the year and we will continue to grow these important revenue streams. I am also confident that we will take market share in the group’s core three-star holiday product in the 2023 financial year.

“Despite the tougher trading conditions at the end of the year, the strength of the group’s balance sheet ensures we are well placed to deliver further strategic progress in the 2023 financial year, and the board will continue to appraise opportunities for growth.”

[Shares](#) in On The Beach were down by around 3% on Tuesday morning.