

THE POINTS INDEX:

**MAKING A SPLASH
ON HOLIDAY GETAWAYS**

AN ANNUAL REPORT FROM VIRGIN RED - VIRGIN'S GROUP-WIDE REWARDS CLUB



INTRODUCTION

When it comes to everyday buying habits, and with purse strings continuing to be tight, we expect 2025 will be the year when loyalty schemes really prove their worth. But, despite canny shoppers leveraging their points to cut day-to-day outgoings, the experience economy is also proving increasingly popular as the nation seeks-out memorable moments that will last long after a weekly shop has been forgotten.

In this year's Virgin Red Points Index report, we explore **travel loyalty and the ways holiday makers are benefiting from savvy spending**, in a bid to create unforgettable travel experiences they may not otherwise be able to afford.



PURPOSE OF THE REPORT

Last year's Virgin Red Points Index revealed how consumers are making their points go further on everyday spending and how, as a nation, we are committed to saving over splurging.

This latest report takes stock of these changing habits – from those re-evaluating their spending and priorities, to tackling ongoing economic uncertainty and finding the balance between saving and enjoying some hard-earned R&R.



01

THE UK'S RELATIONSHIP WITH LOYALTY POINTS & PROGRAMMES

HOUSEHOLD BUDGET CUTS OVER THE PAST FEW YEARS HAVE PUSHED CONSUMERS TO ENGAGE WITH LOYALTY PROGRAMMES IN MORE WAYS THAN EVER BEFORE.

But this year our research shows a subtle shift as customers look to find more balance between everyday spending and collecting points to redeem against bigger investments.



STAYING LOYAL

THE UK SEEMS AS LOYAL AS EVER TO INCENTIVE SCHEMES.

90%

of those surveyed confirmed they are part of a reward programme

25%

of which are actively collecting points and participating in **five or more separate programmes**

71%

of Brits say collecting loyalty points is part of their daily routine

49%

find them essential in daily shopping

34%[↑]

have collected more loyalty points in the past 12 months compared with last year.

WHAT'S THE POINT?

NOW IN ITS THIRD YEAR, VIRGIN RED'S ANALYSIS HAS SHOWN THAT LITTLE LUXURIES REMAIN A PRIORITY.

Points collection has become an engrained habit:

74% of consumers enjoy collecting loyalty points, while 51% use them to get rewards and experiences they would unlikely get otherwise. 40% also use loyalty points to supplement their income.



This shows that the value of reward schemes is appealing to an increasing number of Brits, whether it's redeeming freebies, rewarding themselves with theatre and cinema tickets, or saving for bigger travel splurges.

Why do we collect loyalty points?

Compared with 2023/24 stats

71% to help save money

69% enjoyment of getting incentives / rewards

59% feel like they're getting something for free

What's more, schemes which allow customers to collect for a wide range of different experiences are proving their worth, and we're changing our spending habits accordingly.

Could our spending habits change in 2025?

59% ↓

are less rigid with how money will be spent

Down 7% from 2023/24

36% ↑

looking to maximise rewards from spending

Up 5% from 2023/24

46% ↑

cost-of-living crisis impacts spending in the long-term

Up 22% from 2023/24

02

FLY AWAY WITH ME: HOW CONSUMERS ARE MAKING TRAVEL MORE ATTAINABLE IN TODAY'S CLIMATE

Despite uncertain economic times our thirst for travel continues and, more than a quarter (28%) want to see more travel incentives available via loyalty schemes on hotel stays and flights. But it's Gen Z (born after 1996) who are most likely to save their points for travel (49%) compared with 11% of over 65s.



EARLY BIRD GETS THE WORM

We're becoming a country of planners, as 80% of us use loyalty points to make things cheaper in the future, while 26% of millennials are most likely to book their trip earlier, in a bid to beat the financial pressures of booking an overseas holiday. We're committed to turning travel dreams into reality.

POINTS MEAN (BIGGER) PRIZES

As pockets tighten, there is a growing appetite for shoppers to bank their points for bigger rewards and experiences they would otherwise be unable to afford – more than four in 10 (45%) are prioritising experiences to new travel destinations, rather than rebooking tried and tested holidays.

Top travel uses for redeeming rewards points:



REALITIES OF THE COST-OF-LIVING ON TRAVEL PLANS

THE NEED FOR THROW AWAY POINTS-PURCHASES IS BEING REPLACED WITH SAVING FOR ONCE IN A LIFETIME EXPERIENCES, INCLUDING USING LOYALTY SCHEMES TO BUILD POINTS VIA PURCHASING EVERYDAY ITEMS AND LITTLE LUXURIES.

Savvy saving Brits are using programmes like Virgin Red to top up their holiday funds, with more than half (**51%**) of people saying they wouldn't be able to afford a holiday if it wasn't subsidised or they didn't use a rewards incentive to reduce costs. This rises to **75%** of Gen Z travellers.



TOP FIVE VIRGIN RED REWARD DESTINATIONS:

When cashing in for a special trip, the top destinations visited in the past 12 months include:

14% NEW YORK

13% ORLANDO

6% MIAMI

4% BARBADOS

4% DELHI



03

GENERATION TRAVEL

THE WORLD IS YOUR OYSTER

There is a growing belief that 'high-end' rewards are becoming more attainable, as almost a third (31%) use their points for big ticket items like flights (up 4% from 2024).

This is most apparent among younger travellers, perhaps looking to escape the faltering economy and jobs market, as 31% of 18-34-year-olds are using their loyalty points towards overseas travel.



In fact, travel and experiences feature in the top five most redeemed Virgin Red rewards across different price categories.

THE TOP FIVE VIRGIN RED REWARDS BETWEEN 5K AND 10K POINTS IN 2024 WERE:

- 01 £30 Miller & Carter digital gift card
- 02 Virgin Holidays Points Plus Money
- 03 £50 Virgin Experience Days Gift Card
- 04 Virgin Wines: Six Bottle Red Wine Case
- 05 £50 Virgin Wines Gift Voucher

THE TOP FIVE VIRGIN RED REWARDS BETWEEN 10K AND 20K POINTS IN 2024 WERE:

- 01 Virgin Holidays Points Plus Money
- 02 £100 Virgin Experience Days Gift Card
- 03 £100 Virgin Wines Gift Voucher
- 04 Virgin Wines Huge Full-Bodied 12 Red Wines Selection
- 05 Virgin Wines Eight Bottle Red Wine Boutique Case

NEW TRAVEL HABITS

When asked to consider the biggest changes they'd make to their holiday spending, the responses varied quite considerably between generations.

With Gen Z almost three times more likely to save up and book a once in a lifetime travel experience (**73%**) compared with **24%** of retirees.



COMMISSIONED BY VIRGIN RED. 2025

TOP FIVE NEW TRAVEL HABITS AMONG 18-34-YEAR-OLDS:

57% Choosing to go on more adventures

45% Financial priority is saving for a travel experience

44% Of them are booking trips earlier

39% Using loyalty points for all or some of the cost

32% Travelling more to see friends and family

There appears to be a growing urge among younger travellers who are ready to explore new countries and cultures and, to do so they are committing to earning more points on everyday purchases to contribute to their holiday fund.

ONCE IN A LIFETIME VERSUS LITTLE & OFTEN

While less is often more, consumers are also looking at quality and making fewer 'better' trips versus lots of smaller holidays.

84% of people have spent money on a holiday in the past 12 months, and there is a growing proportion of us (45%) choosing to book a once in a lifetime travel experience than rebook something they have done before.



CULTURE IS POWER

As consumers look at juggling the potential financial challenges of holidaying overseas with the desire for escapism, particularly those 'bucket-list' experiences, nearly half (46%) are looking at ways to earn more points per spend, in a bid to recoup rewards to upgrade on holiday purchases like flights and hotel stays.

THE FIVE MOST POPULAR SPENDS WITHIN VIRGIN RED IN 2024 WERE:

- 01 Virgin Atlantic Flight Redemption
- 02 Virgin Trains Ticketing Redemption
- 03 Virgin Atlantic Reward Credit Card - Companion Voucher
- 04 £5 Costa Coffee digital gift card
- 05 Virgin Atlantic Points Plus Money Reward



In a climate of watching those pennies, more of us (15%) are saying that saving for a holiday is now a financial priority; this is even more important for millennials, where that number rises to 25%.

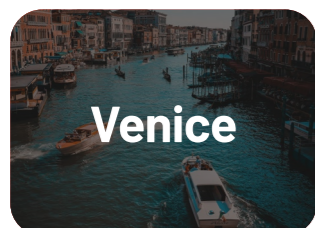
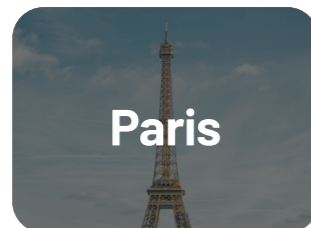
04

THE STORY AT VIRGIN RED

THIS LATEST DEEP DIVE INTO TRAVEL BOOKING HABITS HAS GIVEN US A SNAPSHOT OF THE SENTIMENT SURROUNDING SAVINGS AND LOYALTY POINTS IN HOUSEHOLDS ACROSS THE COUNTRY.

So, what are the trips savvy adventurers plan to treat themselves to in the next 12 months?

TOP FIVE DREAM DESTINATIONS TO VISIT IF YOU COULD UPGRADE USING LOYALTY POINTS IN THE NEXT YEAR:



TREAT YOURSELF

For those already in the know, customers are taking advantage of their points, with redemptions for higher reward items skyrocketing.

According to data from Virgin Red, October saw the greatest number of points earned in 2024 (**316k transactions**), while November saw the highest spend (**28k**) followed by December, which was driven by increased Christmas shopping and seasonal sales for last-minute getaways via Virgin Atlantic (**+27% vs 2023**) and Virgin Trains Ticketing (**+119% vs 2023**).



TOP WAYS VIRGIN RED MEMBERS EARNED POINTS IN 2024

01. Virgin Atlantic UK Credit Card by Virgin Money

02. Virgin Atlantic Flights

03. Virgin Trains Ticketing Earn

04. Tesco Clubcard Conversion of Tesco Clubcard Points to Virgin Points

05. Shopping with retailers through Virgin Red

INTERNAL VIRGIN RED DATA ALSO REVEALS THE VALUE PEOPLE PLACE ON EXPERIENCE HAS RAPIDLY GROWN, AND THOSE ARE MORE THAN JUST MONETARY.

Across Virgin Experience Days, redemption rates increased **22%** compared with 2023, while the biggest rewards redemptions on Virgin Red compared with 2023 were:

+406% Virgin Trains Ticketing redemption

+235% £5 Costa Coffee digital gift card

+227% £20 Just Eat digital gift card

Younger members (under 35) are booking travel more often, and rail tickets remains the most popular choice. This audience is also most likely to earn points booking via Virgin Trains Ticketing, while older members (35+) are most likely to earn through the UK credit card.

CONCLUSION

“As people up and down the country continue to change their spending habits to mitigate the impact of the cost-of-living crisis, loyalty programmes are increasingly forming part of shoppers’ strategies, particularly for booking travel in a bid to avoid missing out.

“With members looking at ways to earn more points per spend in a bid to recoup rewards to upgrade on holiday purchases like flights and hotel stays, many would rather forgo smaller trips, instead saving for bigger once-in-a-lifetime travel experiences.

“This report signals how Gen Z and millennials are demonstrating a remarkable ability to maximise the benefits of loyalty programmes, and for younger shoppers, it’s not just about savings – it’s about the experience and opportunity to personalise their rewards.

“It’s worth noting that this trend isn’t entirely generational, technology is a key enabler across the board. But it’s clear to see that our sense of adventure and escapism has not been lost, and where it used to be a “little and often” approach, more people are using their hard-earned points to create memories from bucket list experiences.

“While approaches may differ, the universal appeal of gaining value from purchases remains strong, whether that’s for travel, groceries or healthcare.”

ANDREA BURCHETT

Chief Loyalty Officer & Managing Director, Virgin Red



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THANK YOU

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THE RESEARCH OF 2,000 ADULTS (NATIONALLY REPRESENTATIVE SAMPLE) WAS CARRIED OUT THROUGH ONEPOLL FROM 06 JANUARY 2025 UNTIL 09 JANUARY 2025

INTERNAL DATA EXTRACTED ON 15 JANUARY 2025, COVERING 01 JANUARY - 31 DECEMBER 2024, COMPARING THE SAME PERIOD IN 2023

