CarTrawler Car Rental Market Monitor: Q2 2025

Uneven Summer Demand, EV Bright Spots, Payment Proliferation

An Uneven Summer Travel Season Unfolds

A combination of changes to trade policy, travel restrictions, and stricter immigration enforcement has led to weaker inbound U.S. travel demand. This is partially counterbalanced by stable domestic car rental demand as Americans opt for more road trips, while in Europe there's a sustained interest in sun-and-sand destinations from a range of source markets.

Added to this, disruptions in the Middle East are likely to impact travel activity both within that region and eastward, potentially shifting some demand to Europe. The result is a resilient but uneven car rental marketplace entering the summer travel season.

Europe's Top Destinations

The Iberian Peninsula dominates our Q2 list of top pickup destinations for the third year in a row–and increased average rental prices for a 5-day trip in July (booked between Jan-Jun 2025) reflect surging demand.

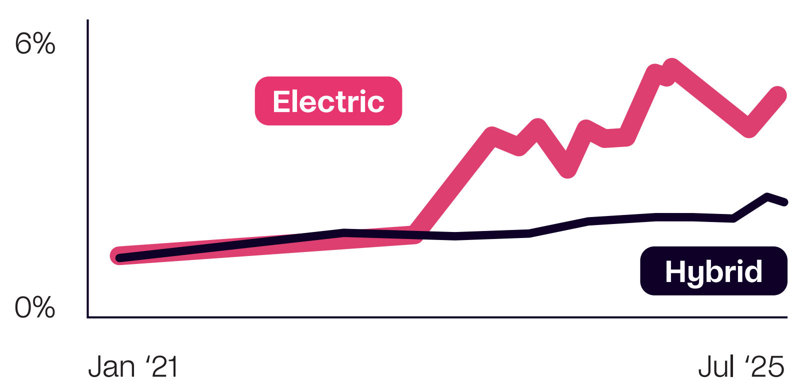
Average Price-5 Day Trip in July

	Avg. Car Rental Price		YoY Difference
1	MALLORCA - AIRPORT	€168	-5%
2	MALAGA - AIRPORT	€140	-9%
3	LISBON - AIRPORT	€206	+19%
4	ALICANTE - AIRPORT	€155	+6%

EV Shows Bright Spots

Electric vehicle rentals in Europe and North America remained consistent with (or increased slightly over) Q1 levels. Tesla remains the most popular EV model type in North America despite political backlash, while EU and UK offerings are more varied.

Percentage of Customers Booking Electric & Hybrid Vehicles



EV Percentage of Total Car Bookings

%	EUROPE Q1	EUROPE Q2	UK Q1	UK Q2	NORTH AMERICA Q1	NORTH AMERICA Q2
Electric	2.8	2.5	2.1	1.6	4.9	5.0
Hybrid	1.4	1.8	1.3	1.8	0.3	0.5

EV Model Percentage by Region

UK

32% | 11% | 11% | 4%

Europe

26% | 14%

North America

59% | 22%

Ways to Pay Proliferate

While Americans still overwhelmingly use credit cards to book car rentals, digital payment methods like PayPal and buy now, pay later (BNPL) options like Klarna are popular in Europe. In the UK specifically, Apple Pay is the most preferred digital way to pay.

> **In June, Apple Pay was the top digital payment method in the UK for car rental booking.**

Percentage of Bookings by Selected Payment Methods

%	EUROPE Q1	EUROPE Q2	UK Q1	UK Q2	NORTH AMERICA Q1	NORTH AMERICA Q2
Pay	3.96	4.53	8.26	9.91	0.69	0.81
PayPal	6.68	6.35	6.16	6.04	0.06	0.05

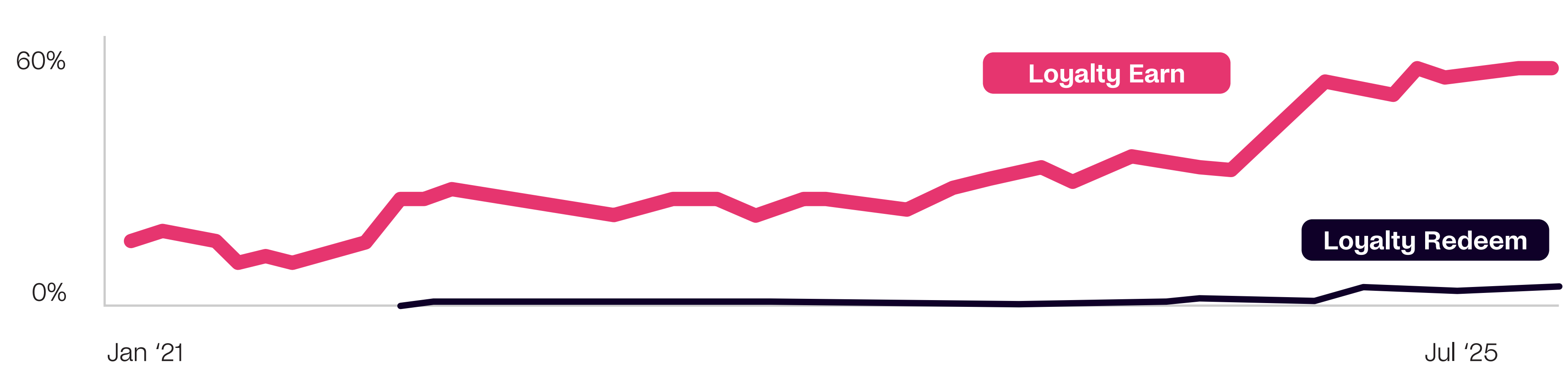
Pay 10.3% | PayPal 5.7% | Klarna 1.4%

Loyalty is a Lifeblood

Loyalty programs are an increasingly crucial booking and distribution channel for car rentals. Although few airlines support point redemption for car rentals, CarTrawler data from six major global airlines shows redemption rates of up to 20% across their total bookings, highlighting a significant opportunity.

Loyalty Earn Q1	Loyalty Earn Q2	Loyalty Redeem Q1	Loyalty Redeem Q2
51.6	52.2	4.1	4.6

Loyalty-Aligned Bookings as a % of Total North American Volume



For more insights into current car rental demand and mobility trends, read our **Car Rental Market Monitor: Q2 2025**. The snapshot from the previous quarter is available here: **Car Rental Market Monitor: Q1 2025**. To learn more about CarTrawler and stay updated on industry trends, visit **corporate.cartrawler.com**.

About CarTrawler
CarTrawler powers car rental and mobility solutions for many of the world's leading travel brands and loyalty programs, creating connected travel experiences through the most comprehensive network of car rental suppliers worldwide. Our Connect Platform scales to meet shifting consumer and traveller demand, giving airlines, OTAs, and loyalty programs the flexibility to offer trusted, reliable mobility services anywhere at any time. Handling over 1 billion passengers and bookings annually—nearly a quarter of the world's car rental market—CarTrawler is a leader in the global travel industry.

Data Sources Analysis
Except where otherwise noted, the data presented in this Q2 2025 Car Rental Market Monitor reflects car rental activity from CarTrawler's extensive travel partners and supply partners. While representing a focused segment of the global car rental market, the findings have been analysed and extrapolated to offer CarTrawler's interpretation of broader industry trends and the direction of the wider market.