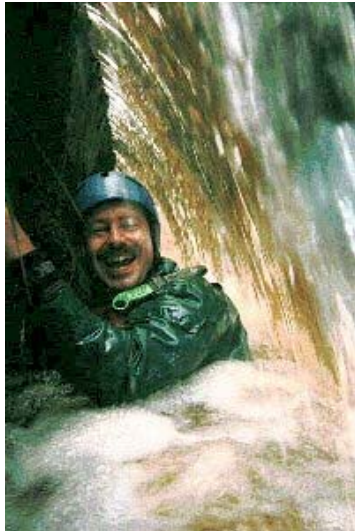




Future Trends in Lifestyles and Leisure –

by Muriel Muirden & Ben Martin,
Economics Research Associates
23rd March 2004

**Organised by Scottish Enterprise in
association with Gleneagles**



Introduction

As a business owner or manager, have you ever wished that you had a crystal ball to help you make those all-important strategic business decisions?

Welcome to the next best thing!

Scottish Enterprise asked tourism researchers Economics Research Associates to provide us with the key trends and changes that will affect tourism businesses in the coming years. The following pages outline some of their findings. You can use this information to help you develop new products and target future niche markets with confidence.

This is only snapshot of the research. You can access further fascinating facts and figures in the Know Your Market section on [scotexchange.net](http://www.scotexchange.net) at: www.scotexchange.net/know_your_market.htm. And check out the Events and Conferences section at: www.scotexchange.net/events_conferences.htm where you can discover how to book your place on a number of forthcoming events where information such as this will be shared, and the industry experts will be on hand to help you look at your businesses future.



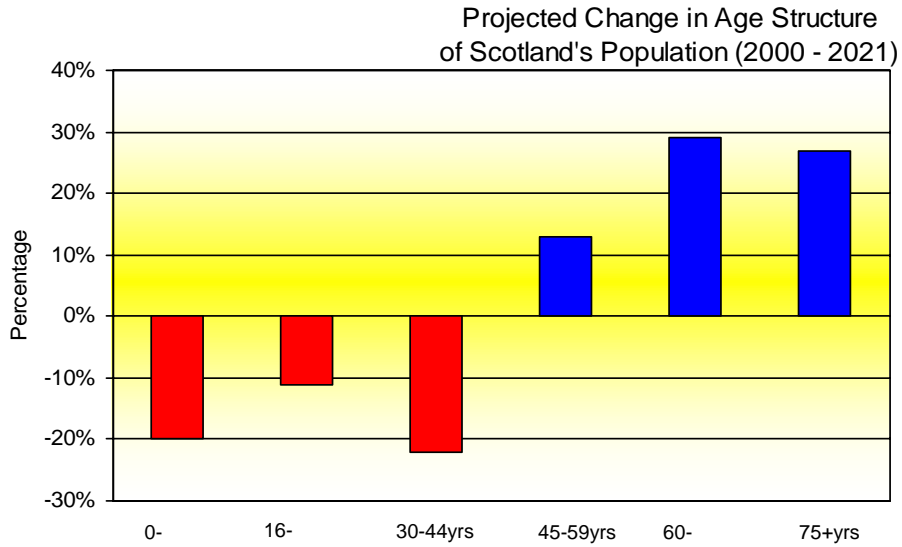
People & Lifestyles

Key Trends

1. The Impact of Demographics
2. Family Dynamics
3. Balancing Work and Play
4. Health and Well Being
5. Money, Money, Money
6. The Search for Fulfilment
7. Self Improvement
8. The Lust for Adventure and Authenticity
9. Consumer Sophistication
10. The Impact of Media and Popular Culture

The Impact of Demographics

By 2020 over 50s will out-number younger generations



Source: GROS - General Register for Scotland; DES



The Limbo Generation

- “60 is the new 40” (active aging)
- Travelling with more intensity
- “Been there, done that”
- Seeking multiple experiences
- Controlling 80% of luxury travel
- Controlling 50% of all discretionary income
- One in five over 60’s going on three or more holidays a year
- Hedonistic approach to life -‘SKIN‘
- Off-season travel potential – shoulder months

The Limbo Generation

- You should have no pre-conceived ideas about what this market can or cannot do
- These are experienced travellers with high expectations of quality
- Gradually increasing requirement to design and cater for the older guest (i.e. enabling-technologies, appropriate food choices, medical support services)

Baby Boomers

- Marketing strategies must reflect aspirations of this market to continue participating in active leisure for longer
- Provide opportunities for learning experiences and interaction with local cultures
- Market offers a significant opportunity for the leisure sector (75% would prefer to spend their cash on having fun than pass it on to their children)
- Baby Boomers are going to make very active and very demanding retirees – be prepared!

Granny Nannies

- More grandparents helping out with childcare on an ad-hoc and regular basis
- Reflects growth in single parent families and double income households (53% of adults are in relationships where both work)
- Professional childcare costs can be prohibitive
- Grandparents now seeking leisure opportunities to occupy the children under their care
- Typically have more traditional views of appropriate leisure options

Older Parents

- Older parenting is impacting family size (2.45 in 1930s, falling to 1.74 today) and leisure choices
- Market accustomed to using high standard facilities and broad range of leisure options pre-children and will look to return with their families

- Operators must embrace this potentially lucrative market, making concessions to accommodate children where necessary (e.g. Gleneagles family activity options)

Wanderlust Singleton

- Single travelling households now represent 32% of US market alone
- In UK increased from 18% in 1971 to 29% in 2003
- People with busy lifestyles, but strong control of their choices
- IT confident
- Lucrative sector, with individual needs
- Strong sense of independence - (IT plus choice = FIT)

Vacation Starvation

- 1 in 3 UK managers are not taking all their holidays
- In the US, one third take only 50% of their holiday allowance
- Leisure time has declined by 100 hours a year, over the latter half of the 1990s in the UK.

Nibble & Nap Syndrome

- Move from 'eaters and sleepers' to 'nibblers and nappers' (from scheduled to ad-hoc events)
- Lack of meal structure (e.g. briefcase breakfasts)
- The 'Family Meal' is becoming an endangered species (snack food is taking over the supermarket)

Plumpositivity

- Provide products and services to help people lose weight (i.e. activity holidays, dietary programmes)
- Increased awareness of problem - fuelling demand for more active leisure and 'well being' services
- Growing acceptance of need to charge larger people more (airlines, cinemas, theatres, etc.)
- Design requirements must be suitable for larger customers

Well Being & Stress Management

- Increasing recognition of need to consider well being and stress management
- Corporate health profiling for stress management
- Homeopathic medicine and spiritual retreats
- Educational programming
- Potential profit centres (retail is key)
- Emerging branded operators as market becomes more specialised
- Impacting hotel design (bathrooms are becoming mini-spas)
- Growth in spas – size, treatment variety and market positioning
- New brands emerging and a strong Asian influence

Life Expectancy

- Life expectancy is increasing (47 years in 1900, 77 years in 2000, and forecast at 85 years in 2030)
- We now have an extra lifetime to work, play, learn, and develop
- The current generation of over-60s is the healthiest and most active on record
- In 1975, 28% of the workforce was over 50 years, by 2025 this figure will rise to 33%
- With an 'extra lifetime' comes opportunities for:
 - Second homes
 - Second families
 - Second degrees
 - Multiple careers
- Workforce implications alongside the consumer implications (employment pool is getting older)
- Senior markets will be regarded as increasingly important across the economy

Mass Upper Class

- There are a lot more wealthy people around
 - One in every 12 US households is a millionaire
 - In UK 230,000 millionaires in 2001 forecast to rise to 760,000 by 2010 and 1.9m by 2020
- Increase in double incomes has strengthened financial resources
- More than 25% of the world now enjoy lifestyle which used to belong just to the rich (Source: Worldwatch Institute)
- Void between rich and poor leads to concern for security

High Volume Emerging Markets

- When 10 new countries joined the EU in May 2004 the population increased by 20% to 460mn

- China is now Asia's major travel source; 12.1 million outbound trips from China in 2001 (1 per 100 inhabitants) if same frequency as Hong Kong would be 800 million trips
- Major European airlines are opening up new routes to China (e.g. Finnair, Lufthansa)
- From 1992 to 2001 Russian outbound trips rose by 10% per annum

The Impact of the Cost of Travel

- Cost of travel coming down in real terms
- Growing demand for 'Low-Cost' flights has been unprecedented
- Demand is fuelling the establishment of more 'Low-Cost' airlines (trend continues)
- New opportunities for both domestic and international holiday taking
- Environmental impacts of increased air travel of growing concern

The Search for Fulfilment

1. Tribing
2. Downshifting
3. Spirituality and Social Awareness
4. Rudeness – a global epidemic

Tribing

- We like to be part of well defined social groups (defined by geography, religion, hobbies, etc.)
- Trend to join a group or club (e.g. Friends Reunited, Golf and Country Clubs, Book Clubs, N
-
- nostalgia Clubs and Dangerous Sports Clubs)
- Increase in demand for 'Holidaying with the Tribe' (e.g. golf breaks, ramblers weekend breaks, church weekends away)

Downshifting

- People are working longer hours with less job security than ever before
- "Britain faces an epidemic of stress-related illness" (Times 1st March 2004)
- 25% of Britons over 30yrs want an easier life (i.e. trade off - less income for an easier life)
- Prosperity being redefined to emphasis higher quality of life
- Number of staff working from home has increased

Spirituality & Social Awareness

- Search for 'quality' destinations for 'precious' family time
- Growth in 'reunion breaks' and multi-generational trips
- Resorts offering the opportunity to relax and interact are winners
- 'Volunteer vacationing' (a growing sector)
- Design implication: smaller rooms / larger social spaces

Rudeness – a Global Epidemic

- 90% of Americans think rudeness is a serious problem
- 88% of Japanese feel that manners have deteriorated
- In China, the Government banned 50 'rude' phrases from use by people in the services sector

Self-improvement

- New opportunities for 'creative tourism' (learning a skill on holiday) and 'sports tourism' (now an established niche sector)
- Opportunities for tourism with a 'worthy' component
- Counter Trend: The 'Pleasure Revenge' (holidays as an opportunity to indulge yourself - where quality and pampering are key)

The Trust Deficit

It is harder to communicate marketing messages -
3 lessons to be learned:

1. Tell the Truth – evidence based marketing
2. Back to Basics – don't over promise
3. Sell Genuine Experiences

Consumer Sophistication

1. Cross Pollination
2. Hybrid Consumer
3. Mass Customisation

Hybrid Consumer

- Increasingly sophisticated customers will pick and choose the experiences they require, blending high quality accommodation with low-budget travel, fast-food with fine-dining
- Markets will defy traditional segmentation (i.e. socio-economic groups)
- Independent holidays now out number packages

Mass Customisation

- People looking for experiences they can imagine no one else is having (cater for individual whims on a grand scale)
- Consumer is used to customised purchases (coffee, computers, jeans, etc)
- Service provider has to strike a balance between client satisfaction and profitability

The Impact of Media & Popular Culture

1. Home Improvement Explosion
2. The Power of Celebrity
3. Hooray for Hollywood

The Power of Celebrity

- The emergence of the 'Delia' factor (media dictating purchasing decisions - "where they go I go, what they do I do")
- Trend fuelled by strengthened role of media and increase in 24hr celebrity surveillance
- Increasing range of magazines and journals dedicated to celebrity lifestyle and travel choices

Closing Thoughts

- Maintain a balance – choose your markets and strive to exceed their expectations
- You cannot be all things to all people
- Become a market observer – identify the trends most relevant to you and your sector and be pro-active
- Flexibility required in design and management approach to take advantage of shifts in market demand

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