



Predicting the future of leisure trends is difficult, says **Ray Algar**, but there are always clues to help you find 'the next big thing'

It's the trend of the world

Most leisure organisations are aware of the need to 'trend watch'. For some, it will be a strategic imperative, while others will treat it more as a 'nice to do' at an annual planning event. What follows is an overview of some of the key consumer trends relevant to leisure operators.

Fad or Trend?

Before rushing out and building a business around the 'next big trend', we need some confidence that this new future is where our consumers are going to be. Obviously, there is no certainty to our newly formed insights, but it helps to know whether we are backing a short-term fad or long-term trend. Consequently, in forming these trends, I have focused on consumer behaviour that seems set on a long-term trajectory, rather than something temporary.

Authenticity

Consumers are increasingly seeking honesty, integrity, personalisation and transparency when choosing their preferred brands. Mutual trust flows from an authentic brand positioning. Everything a company stands for (enriching the lives of gym members; creating an unforgettable dining experience), and all its actions, are consistent and build a deep sense of unquestionable credibility with consumers. Innocent Drinks run the annual Fruitstock music festival and offset the CO2 emissions by planting trees. Customers expect this type of corporate behaviour from Innocent. You gain a better sense for the meaning of true authenticity, if you imagine a company that is the opposite – misleading product claims, short-termist behaviour, inconsistent actions and focused on a single stakeholder. Think back to Coca Cola's UK launch of its water brand. Bottled tap water sourced from the London public supply and sold to consumers as pure 'Dasani'. This became controversial because UK consumers believed they were buying spring, not tap water from Sidcup. By most people's definition, Dasani and Coca Cola did not pass the authenticity test.

You can see the march for authenticity in many areas of our lives. Accurate food labelling, the desire for sincere politicians, reality television, value-driven business leaders, genuine user-generated product reviews from companies such as Reevoo, TripAdvisor, and double-digit annual rises in UK 'ethical spending'. Some credit card companies now describe customers as 'rate tarts', fickle and promiscuous for switching between deals with no sense of loyalty, but who is the real culprit? The corporate pain seems self-inflicted with most financial institutions unable to articulate what makes them distinctive. However, look what happens when a financial institution does make a stand. The Co-Op bank with its ethically guided investment policy (an industry first), now has the highest customer satisfaction rating of any high street bank. How would your company fare in an authenticity test?

Having almost everything leaves many of us feeling empty. We gain more pleasure from the hunt

Authenticity: Feeding the desire for: Idealism (social justice), status (social standing)

Consumer propositions: Origin known, sourced locally, realistic brand promises, real consumers dominate advertising and communications

Reciprocity

This captures the trend towards a desire for mutual exchange. A move from zero sum gain to 'win, win'. Spending on Fairtrade products has increased by a factor of fifty since its introduction to the UK in 1994, with one in two UK consumers recognising the trademark. Buy a Fairtrade football and £2 is donated to the Coalition to Stop the Use of Child Soldiers, while adult workers (a child-labour-free product) receive above-market labour rates.

With the ubiquity of global news, consumers can quickly connect the wholesale price a Columbian grower receives for a kilo of coffee and the difference that a small premium can make on a raft of life-saving and enriching community initiatives, such as clean water and better schools. Companies now receive the wrath of consumers when they sense an injustice. Nestlé is attempting to manage a growing international product boycott because of its aggressive marketing of baby milk products in developing countries. The consumer-charge centres on the accusation that Nestlé is using a dominant market position to promote bottle-feeding over breast-feeding. The World Health Organisation estimates that 1.5 million babies die each year through inadequate breast-feeding.

Allied to reciprocity is the emerging notion of consumers 'co-creating' with companies. As I watch today's news about snow-storms throughout the UK, the content is now increasingly sourced from

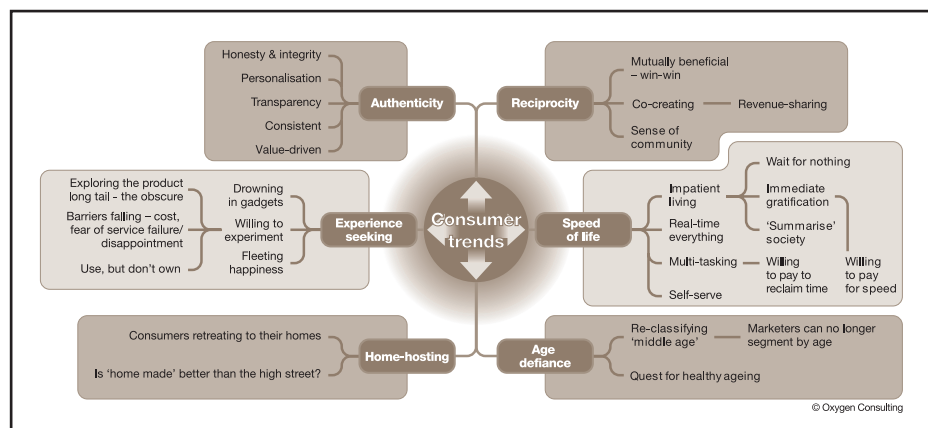
the public, uploading their photos and personal videos. The broadcaster then presents a more engaging programme, as we are no longer passive viewers. Look, how readily we have embraced social networking web sites such as www.myspace.com, and how YouTube has become one of the world's largest 'broadcasters' in just 20-months. The financial spoils of 'co-creation' however should not just flow to companies. Vodafone Netherlands has just launched a revenue-sharing proposition for customers who upload camera-phone videos. Uploaders receive 10% of the revenue for each download. Back in the UK, the '3' mobile network pays uploading customers 1p per download. Also look at the growth in travel experiences where you pay for the privilege of re-building a school, helping with the clear-up of New Orleans following Hurricane Katrina and teaching English to orphans in Nepal. How are you co-creating with your customers?

Reciprocity: Feeding the desire for: Social acceptance (inclusion), idealism (social justice)

Consumer propositions: Co-creating, mutual reward

Speed of Life

Everything is happening faster; we have become impatient, we do not like waiting. Speed is what we expect when it comes to dating, information, eating, shopping, communication and service. It is the millennial form of 'wait obsession'. While Bill Gates was presenting the new Vista operating system, audience members were blogging the speech in real-time to the world. Waiting for the next day's newspaper seems so last century. Subsequently, a myriad of service providers have appeared to nourish our time challenged lives. Prefix 'fast' to most leisure categories and there will be a solution. Think 'fast fitness'. How does a 30-minute 'express circuit' sound? Too long? How about a 15-minute vibration-training regime using technology for training Russian cosmonauts? (Google 'vibration training' for a provider near you.) Still too long? How about the 6-second abdominal trainer. That's more like it!



Next, the health club member asserts they cannot possibly wait several months for a new figure, so fast-fitness loses out to the speedy surgeon – liposuction at lunchtime; ‘weight no longer’ is the call from the glossy adverts. No time to read a book? Then the next best thing is to pick up a copy of the *Digested Read* by John Crace, which condenses dozens of books into 500-word summaries. You can buy ‘condensed bedtime children’s stories’ to help busy parents save time. We have become a ‘summarise society’, seduced by the quick-fix. Multi-tasking is now de rigeur, which is why cafes now overflow with ‘power-breakfasting’ WiFi-enabled workers darting between a laptop, blackberry and cappuccino. All this speed comes at a potentially high cost with studies showing a link between pace of life and heart disease. How does leisure fit into this obsession with speed? Shortening the leisure experience is perhaps the answer for some consumers, but for others it may come through bundling several activities together. This is why gyms are now being embedded in libraries, cafes into banks and mobile cinemas appearing at supermarkets.

The counter-trend is to stop rushing to keep up and slow down. Businesses must decide if they want to serve the ‘fast’ or the ‘slow’ consumer. Example of ‘slow’ include book clubs that reveal a chapter per month for members with some novels taking 18-months to complete; spas that serve to relax, revitalise and restore; slow exercise such as Tai Chi, holidays that replenish mind and body, de-stressing DVDs and stay-at-home services that allow a degree of cocooning and recharging.

Speed of Life: Feeding the desire for: Curiosity (knowledge), power (influence others)

Consumer propositions: Solution oriented, ready-made, outsourced

Age Defiance

Medical breakthroughs, better nutrition, rising affluence and improved well-being are some of the factors driving ‘age defiance’, resulting in a re-classifying of the term ‘middle’ or ‘old age’.

The UK has seen almost a 30% rise in the number of people aged over 55 in the past decade, but the last thing on their minds is transitioning to a slower pace of life. Meet Frank Shearer, a non-practising American physician who celebrated his 100th birthday water skiing. You can watch Frank enjoying his birthday water ski at the ABC News web site. Frank may be exceptional, but everyday consumers are defying conventional wisdom. If they feel younger, then acting younger is inevitable.

There is a tendency now to think of us all having two ages. The first being our birth age, while biological is an indication of our ‘real age’, once a myriad of lifestyle and genetic indicators are factored in. I have good genetics and am reasonably active and so am five years below my birth age – it could be even lower if I drove more slowly. Are you interested in discovering your biological age? If so, browse to www.realage.com.

The ramifications for leisure marketers are profound. It makes any notion of segmenting customers by age nonsensical. Who would have expected Octogenarians to be posting videos on YouTube and embracing blogging? Suddenly, these new communication channels have reignited a sense of belonging and community. That is why when I am 50 I will not be taking up Saga’s joining offer.

In India, the tummy tuck operation now costs only £400 - less than a year’s membership at a club

It also explains the surge in cosmetic procedures. 21% (up from 18% in 2004) of all ‘tummy tucks’ performed in the United States in 2005 were for patients aged 51 and over. A lucrative business at £3,000 each. Those in the ‘slow’ weight-loss business will undoubtedly be studying this trend, especially with the falling global cost of procedures. The same procedure in India is £400, which is less than a year’s membership at a budget health club.

Age Defiance: Feeding the desire for: Independence (self-reliance), social acceptance (inclusion), status (social standing), romance (sex and beauty)

Consumer propositions: You are never too old... , unleash the child inside of you

Home Hosting

The fear of crime, smoking ban, long working hours, falling consumer technology costs and a sense of always feeling tired are some of the drivers behind consumers retreating to their homes. Trend watchers describe it as ‘cocooning’, but rather than a sense of retreat, perhaps there is a growing realisation that in-home experiences can be fun, memorable, and better than the high street. The commoditisation of technology means that many of the things that we once had to leave home to enjoy can now be experienced without opening the front door. How does a cinema operator respond to the threats posed from video downloading, luxury home cinema, computer file sharing and film on mobile devices?

We are accustomed to Costa serving the perfect espresso, so kettles are being replaced with £400 Gaggias, along with a professional-grade gym, drinks-bar, wine vault, pool table and plasma screen for those night’s when in-home just sounds too tempting. Invite friends, family and work colleagues and you have a 21st century Tupperware party. ‘Made at home’ is a growing threat. So, how can leisure operators respond? Perhaps by becoming co-creators and bringing the service into homes. It happens with pizzas and personal trainers and is expanding into live home theatre shows, mobile spas, expert-led wine tasting evenings, story telling for adults, and hotels offering home delivery of furnishings and consumables found throughout their properties. As well as revenue generating, it also means that brands literally stay in touch.

Home Hosting: Feeding the desire for: Social contact (companionship),

Consumer propositions: We come to you

Experience Seeking

It is clear that as we surround ourselves with consumer ‘stuff’ – mobile phones, personal digital assistants, digital cameras, plasma TV’s, cars, MP3 players, we are paradoxically less content than previous generations. Having almost everything leaves many of us feeling empty. It is as though we gain more pleasure from the search (the hunt) than possession. How often have you longed for something only to find the sense of excitement has ebbed away within days of purchase? We have all become experts

at consuming, but novices at appreciation. We are materially far richer than our parents’ generation, but nowhere near as happy. It must be concerning for anyone who is in the customer-delight business. How often have you been to a bar or restaurant and been underwhelmed by the experience? Should we therefore be surprised that a health club can churn 100% of its membership after a year, or a new restaurant folds after three months?

However, out of this rather worrying picture comes a significant opportunity for those operators who can imbue their offerings with a sense of theatre, fun, surprise and personalisation that leaves us in no doubt that this is not something that should be tried at home. Coupled with a growing sense of adventure among consumers, helped by affordable transport and technology such as GPS, making it almost impossible to get lost, is the growing interest in using, but not wholly buying products. Renting, fractional ownership and ‘pay per use’ neutralises the feeling of post-purchase apathy. Take P1, which is a car club giving members access to the world’s super cars for an annual fee. It is now possible to drive a different car each day of the week. Using, but not owning has now been extended to expensive, jewellery, art, watches and handbags – use and enjoy for the evening and then send back.

Experience Seeking: Feeding the desire for: Curiosity (knowledge seeking), physicality (to exercise), tranquillity (emotional calm)

Consumer propositions: Unique, a memorable adventure, come see the world

What actions can flow from the insight?

To begin, or continue, a process of understanding the impact of consumer trends on your brand, the following questions may help:

- Do we possess a strong sense of curiosity about how to serve our future customers?
- In which ways do we presently track, analyse and interpret trend information?
- Do we presently have a framework for translating trend insights into our service proposition?
- Do we need to understand more about which consumer desires our brand is feeding?
- Can we develop a series of scenarios (some plausible futures) that begin to bring these and other relevant trends to life?
- Do we possess the right capabilities to capitalise on new consumer insights?

Be patient and systematic in your approach to trend watching; some observations may not translate into profitable outcomes, but it only takes one eureka moment to transform an industry. Do you remember when eBay paid \$4.1bn dollars for Skype, a \$60 million loss-making company that allows users to make free telephone calls over the internet? A good return for three years’ work.

About the author

Ray Algar, MBA is the managing director of Oxygen Consulting (www.oxygen-consulting.co.uk), a company that provides compelling strategic insight to organisations serving the global leisure industry. Ray can be contacted on +44 (0)1273 885 998 or e-mail ray@oxygen-consulting.co.uk. Ray thanks Linda Hodgson of Future Cat, and Rob Gregory from Lifetime Health for their contributions.