Insight Department

Trends for 2016

December 2015
Welcome

In today’s rapidly changing world, having an informed outlook is vital. The tourism and hospitality sectors are increasingly sensitive to consumer trends and economic conditions. The VisitScotland Insight Team combines in-depth perspectives using industry knowledge to allow Scottish Tourism to meet the challenges of today’s marketplace.

In this our annual trends review, we have studied the consumer environment and highlighted key trends developing within the tourism sector. The document also includes three of our trends from 2015, which have been validated through evidence gathered throughout the year. The document also includes a current profile of both the domestic and overseas visitor to Scotland, as well as trending visitor profiles for the future.

The trends highlighted within this document are intended to stimulate thought in the tourism industry throughout Scotland, allowing stakeholders to be alert to developing consumer behaviour that may affect their business throughout the year. The ever-changing nature of the consumer environment, through technology, and society, means that stakeholders need to be aware of what may impact their business. Trends for 2016 by VisitScotland provide stakeholders with guidance on possible developments within the consumer environment for the coming year.

For the most up-to-date trend information, VisitScotland’s Trends Team publish a monthly ‘Trends & Statistics Snapshot’, which contains the latest data regarding Scotland’s tourism performance, as well as providing commentary on the drivers that influence Scottish tourism businesses today and in the future. The monthly papers can be found in the ‘Research and Statistics’ section of our corporate website: www.visitscotland.org.

7 Trends for 2016

- Life under the Micro Lens
- Emotiveography
- The Return of the Original Trendsetters
- Overpersonalisation
- #Travennial-generation
- Honesticity
- Seeking Famili-ference...
Honesticity: Your Authenticity may Not Be Mine

What is meant by authentic? To one visitor the tartan, shortbread and Highland vistas is Scotland. To another, it could be the contemporary shopping experience of Glasgow, Edinburgh’s International Festival, or the Tiree surfing classic. ‘Authentic’ experiences are being developed within the minds of the consumer before they arrive, and we need to meet their expectations. When we don’t consider our customers perspectives, we run the risk of resulting in a tainted view of a real authentic experience. Tourism professionals may be aware that although consumers have different ideas of what authenticity is when considering a tourism product, it should be noted that consumers are also searching for honest authenticity. This could be discovering real local customs or cuisine.

Reflection point - Awareness that authenticity is a different concept to different people. Consumers may wish to seek ‘real life’ Scotland. This may be in the form of a local pub or restaurant, or a venue where they can interact with real locals and customs. Shout about any unique products you produce or have in your local areas such as regional dishes, local ales, or farmers markets. Businesses may want to consider VisitScotland’s ‘Taste Our Best’ accreditation scheme, which recognises and celebrates businesses that provide quality food and drink, which is locally sourced. Food and drink is recognised as an important part of Scottish cultural identity and heritage, and is therefore a key strength in promoting Scotland as a holiday destination.

#Travennial-generation: Recognising the Importance of Youth

Businesses looking to tackle seasonality issues shouldn’t overlook the younger demographics in the off season. Other than the over 65 market, the 16-24 demographic stay the longest in quarter one on average than any other domestic demographic. They also spend an average of £145 per trip. Utilise this period to promote short breaks up to four nights, and actively look to avoid peak holiday travel times. Younger demographics are perceived to have little disposable income and are cost conscious, but are seeking quality experiences, and have money to spend. They are environmentally driven and believe in the sharing economy.

Reflection point - Businesses looking to utilise this market should look to offer unique experiences that highlight local or ‘glocal’ products to entice the youth market. They are more likely to travel outside of peak times, making them an ideal market to target during the low seasons. Advertising deals and collaborating with local businesses to promote authentic local products will help to create a scene for this demographic. Remember, the youth market is seeking quality for good value.
Overpersonalisation: Protecting the Joy of Genuine Discovery

Reflection point - Businesses may want to consider offering services of other products within their portfolio or even similar local businesses. This allows consumers to retain control of their decisions and also helps the local tourism economy. Be cautious when applying personalised marketing, and consider timing communications in reasonable quantities. Quality messaging, conversing, relationship management and intelligent call to action are the drivers for the sales generation.

Life under the Micro Lens: Adaptable Products for a Flexible Life

Consumers today are seeking flexibility within their experiences to cope with their fast-paced lives. The adoption of micro products has driven interest in a variety of sectors from accommodation, food & drink, as well as textiles. Micro products feel more personal to the consumer. Examples include:

- Micro-Breweries – Small batch local craft beers/ales, which create illusions of exclusivity and more personal products.
- Micro-Hotels – Short stay accommodation utilised predominantly by business travellers.
- Micro-Adventures – Activities that allow for escapism, but don’t need much planning. Simply taking a short walk to a local park or visitor attraction would offer a release.
- Micro-Retail – Pop up shops allow for convenient shopping experiences, normally unique independent brands.

Reflection point - Micro products are attractive to many markets, particularly the Millennials. Make use of local micro products or services to entice this market to your business. Local businesses that make use of these products help to create a scene for consumers to congregate towards.
**Emotiveography:**
The Emotion of an Image

Capturing images or feelings of a particular time and place. This is generated by geotagging photographs or ‘smoasting’ (internet boasting), and helps to generate ‘feelings’ of a location. Highly utilised through apps such as Instagram, Facebook, and Twitter, consumers can feel emotionally connected to an image, and can be used as a motive to travel to a particular destination. The desire to take similar photographs may also entice consumers to travel to certain destinations, which then creates the need to repeat the cycle by ‘smoasting’ their own images.

**Reflection point** - Businesses may wish to consider the landscape around them and offer walking tours that promote opportunities for photography. This has the potential to create photogenic hotspots for consumers to use to boost their online profile, while promoting the local tourism industry. Consider the wildlife, the built environment, and rural locations as potential hotspots.

**Seeking Familifi-ference...:**
Escapism that Isn’t a World Away

You don’t have to be remote to get away from the familiar. Consumers don’t need to travel to distant locations to experience ‘off the grid’. Many urban areas are littered with opportunities for ‘escapism’, which could simply be public parks, botanical gardens, or roof terraces and beer gardens. Alternatively, consumers can seek out off-grid locations within rural locations, such as ‘Gretna Gateway’. This gives consumers the feeling of being away from urban traffic, while undertaking more urban pursuits.

**Reflection point** - Businesses should consider making consumers aware of these locations when accessing their business. Consider highlighting attractions such as the Borders Railway, which allows for an opportunity for consumers to experience a short journey from urban life to more rural locations. Local knowledge could also be utilised to advise consumers of hotspots, which furthers the theme of honest authenticity as consumers undertake an experience out with the normal tourist activity repertoire.
The Return of the Original Trendsetters: Recognising the Real Consumer

The baby boomer generation want to continue to benefit from the lifestyles they created and defined in popular culture. The generation that created the era of trend culture defined throughout the sixties want to be recognised for their achievements. Many within this group may want to rediscover the youthful exuberance of years past, by engaging in activities normally associated with younger demographics. They may also be inclined to make large one-off purchases to reconnect with their youth. With recent changes to private pension entitlements, this cohort will have access to greater cash liquidity to invest in their futures.

Reflection point - Consider that this group may not necessarily be at retirement age, therefore they may be open to other pursuits associated with younger demographics. They do not consider themselves old, and seek excitement and stimulation.
Additional Trends in Brief

The Trends in Brief section is a selection of smaller developing trends that have been identified. The following are not as developed or detailed as the larger trends identified previously in this document. However, they may become more prevalent throughout the year.

<table>
<thead>
<tr>
<th>Trend</th>
<th>Description</th>
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<tbody>
<tr>
<td>Filling the Lifestyle Void</td>
<td>Brands which fulfil the visitor needs for collective yet unique exclusive experiences. Businesses should be aware of the multi-purpose trend, which has developed within the tourism sector, also known as the ‘bleisure’ market.</td>
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<td>Privacy as a Commodity</td>
<td>As the idea of sharing your information and identity becomes more common due to social media, consumers must realise that their information is being utilised to the benefit of businesses to cater personalised marketing strategies.</td>
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<td>Esc=Recovery</td>
<td>The fast-paced lifestyle of urban life leads many to search for means of relaxation and escapism to more peaceful surroundings. This may be to exclusive resorts, skill exchange accommodation, or activity based destinations (yoga/surfing etc).</td>
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<td>Hyper Connectivity</td>
<td>Staying in touch with the consumer throughout their customer journey.</td>
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<td>Trust in the Online World</td>
<td>Consumers are becoming more reliant on review sites and social media for holiday inspiration rather than friends or relatives.</td>
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<tr>
<td>Urbaneness</td>
<td>The intangible attraction of a destination reflected through its architecture and spatial presence.</td>
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<td>The Re-Emergence of Risk-Averse Consumers</td>
<td>Revisiting one of our trends from 2014, consumers balance and weight multiple factors on deciding on a destination for a holiday. These variables include value for money, quality, and safety, which are based on their personal circumstances, level of risk, income, and previous travel experience. One may find travelling to the arctic a great adventure, whereas others may find an adventure holiday in Scotland equally thrilling.</td>
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Additional Visitor Trends

It is important to understand the profile of your customers, as well as identifying future profiles to ensure you are ahead of the curve. Appendix 1 and Appendix 2 can be used to guide stakeholders on who are the current profile of visitor to Scotland, and the trending future markets based on forecasting analysis.

Methodology

By using data from our domestic and international tourism monitors, VisitScotland’s Insight team analysed the current domestic and international tourist profile. This has been achieved by calculating an average of total volume and value to Scotland between 2010 and 2014. In order to calculate trending demographics within the tourism industry, the average figures were calculated against the first year of analysis to generate the percentage growth over the period. The figures used within the infographics highlight the areas which have achieved the most significant growth over the period.

Please see Appendix 1 and Appendix 2.
Trend Impact on Scottish Tourism

The table below displays the importance and impact of the trends on the consumer, as well as the influence on Scottish tourism.

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<tr>
<th>Impact/Importance on Consumer</th>
<th>Influence on Scottish Tourism</th>
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<tbody>
<tr>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Low</td>
<td>Low</td>
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Trends found within the High/High (Top Right) quadrant are expected to have the greatest impact on the Scottish tourism industry. This would suggest that consumers are seeking more authentic experiences from their holiday. The Honesticity trend indicates that consumers may be looking to investigate further and are open to trying new experiences while on their vacation. This may be accessing 'off the beaten track' bars or restaurants, often associated with 'locals'. This allows consumers to experience ‘authentic’ Scotland. Similarly, the Seeking Famili-ference trend resonates with those individuals searching for ‘off the grid’, authentic experiences, but within a reasonable distance from their current location. The Life Under the Micro Lens trend also furthers the authenticity theme as consumers search for unique experiences, which are flexible to modern living. Finally, the Scottish tourism industry should be aware of the needs of the baby boomer generation (Original Trendsetters), who are looking to undertake a wider range of activities to reconnect with their youth. These four trends in particular focus on the need for unique experiences, which may not be recognised as the norm for consumer behaviour. In turn, by focusing on authentic and unique experiences, consumers enjoy discovering these products on their own. This is where stakeholders need to take caution when producing personalised marketing (Overpersonalisation).

The #Travennial-Generation trend can be found within the Low/High (Bottom Right) quadrant, which is expected to have a high influence on the Scottish tourism environment, but a lower impact on the consumer. This trend is recognised as having great potential for addressing low season occupancy issues, as well as building a future customer base for Scottish tourism.

The Emotiveography trend can be found within the High/Low (Top Left) quadrant, which is expected to have a high impact and importance on consumers, but a lower influence on Scottish tourism. The power and emotion generated by images on social media are recognised as a motivator for consumer’s decision making, and stakeholders should be aware of its capabilities, however it is still at an emerging level for Scottish tourism businesses. It is expected that such trends will grow as more businesses become aware of the potential of user-generated content.
2015 Trends Validation

December 2015 saw the publication of the Trends for 2015 document.

Since January 2015, the VisitScotland Insights team have been scanning the consumer environment to validate the most developed trends throughout the year. Here is a list of the most prominent trends discovered over the course of 2015.

Emotional Uncertainty

Consumers are increasingly uncertain about predicting the future in terms of wealth generation. Baby Boomers see low interest rates eroding wealth; Generation-X is the squeezed middle having children and elderly relatives as dependants; Generation Y has entered an insecure workplace, and has only experienced austerity. Segments of consumers are becoming hesitant spenders taking fewer risks and require more research before committing to purchases; others take an attitude of why save, what’s there to save for?

Research by VisitScotland indicated that from 2013 to 2014, consumers were becoming increasingly more hesitant on what they spent their money on, especially holidays or short breaks during that time period. It is perceived that consumers were adopting a ‘wait and see’ attitude towards their spending while on holiday due to the uncertain nature of the economic climate during that period. This ‘wait and see’ attitude could indicate a focus toward more spontaneous spending patterns or more researched purchases being made by consumers. Further research from that time period found that around one third of all respondents would be unlikely to take a short break or holiday in the next 12 months due to the current economic climate. Similar studies from the beginning of 2014 also suggested that consumers were becoming more frivolous in their spending habits. Low interest rates, coupled with the lack of wage rises led consumers to feel that saving is difficult, if not impossible to achieve due to the economic climate at that time. Therefore, spontaneous travel and leisure by UK residents would have been attractive options for consumers.
The farm to fork phenomenon is changing shopping and eating habits through many consumer markets. Local food and provenance are now something to shout about. Farmers markets, food stalls at events and festivals are increasingly gastronomic, street food, and glocal (global / local). The move by consumers to understanding and seeking provenance has its links in trends of health and wellbeing, connections to landscape and appreciation of iconic produce. Recent research by VisitBritain has found that international visitors to Scotland are shopping for food-based souvenirs more than in other areas of the UK.

Provenouncement

The importance of food and drink to Scotland as part of the overall tourism product cannot be underestimated. Figures from VisitScotland’s Scotland Visitor Survey indicate that 49% of visitors want to try local food while on their holiday, 30% want to visit a pub, 20% a distillery, and 20% want a picnic or BBQ. The varied offering of in terms of food and drink for tourists is part of the attraction of visiting Scotland, due to the offering or unique and authentic products. It could also be suggested that foods such as haggis, whisky, and shortbread, items that are considered traditional to Scotland and are sought after as unique representations of cuisine native to the country. Research conducted by VisitBritain and the Office for National Statistics found that 40% of visitors who come to Scotland buy food or drink to take home with them. Research also found that international visitors to Scotland are shopping for food-based souvenirs more than in other areas of the UK, furthering the connection of provenance associated with Scotland and its rich food and drink product.

Value Disparity

Value for money still doesn't mean cheap. We have long held that since the banking crisis consumers still recognise the inherent value of goods and services and will pay accordingly. Consumers will set budgets (see Emotional Uncertainty) and hunt for bargains but we are not experiencing a race to the bottom in terms of price. Consumers will rebel against unnecessary or hidden costs and recognise and reward quality through patronage. In tourism, leisure and hospitality terms, a premium will be placed on experience and pricing should reflect that.

This trend is most notable within the airline industry, when you consider marketing tactics of low-cost carriers. With many carriers offering flights at discounted rates, but later charge consumers hefty hidden costs, such as baggage, pre-booked seats, and food & drink. This is leading many to consider the cost of paying more for their flight, as they are likely not to incur any hidden or further charges. Consumers then have trust in the brand, and know they will receive a high standard of quality for their experience. Another example could be ‘premium economy’ airline seats. Many business travellers cannot afford to travel business class, due to the high premium afforded to this luxury. However, many airlines are now introducing and marketing premium economy seats as an upgrade from standard economy. These seats usually include larger seats, more leg room, premium food service, as well as personal TV screens. The consumer is more likely to enjoy their experience knowing that they are getting value for their money.
Insights on...

**Current Domestic Visitors to Scotland...**

- **44%** are between 35 and 54 years old
- **70%** do not have children in household
- Majority are from social grouping **A/B/C1**
- **89%** car owners

**Purpose of trip**
- **Holiday**: 50%
- **Business**: 17%
- **VFR**: 31%

**Transport used on trip**
- **66%** Car
- **14%** Train

**Accommodation Usage**
- **Hotel/Motel/Guest House**: 46%
- **VFR**: 35%
- **Self Catering**: 18%

**Region Visited**
- **34%** North West/Mersey
- **29%** West Midlands
- **26%** South East
- **11%** North East of England

**Region of Residence**
- **52%** Scotland
- **46%** England
- **20%** NW/Mersey
- **15%** North East
- **14%** Yorks/H’side

**Trending Domestic Visitors to Scotland...**

- **16-24** are likely to increase their spending, along with **65+ market**
- Age - Highest growth in **16-24** (5%), and **65%** (2.3%) markets
- **16-24** are likely to visit **large cities/large towns and seaside.**
- **16-24** likely to be from social group **A/B**
- **16-24** most likely to utilise commercial accommodation, most likely hotels.
- **16-24 most likely to travel during quarter 2**

**Growth in English 16-24, particularly from North East, South East, and East Midlands.**

**Likely growth from South East, West Midlands, and North East of England from all demographics.**

**Large towns/cities and seaside locations are increasing in popularity for all demographics.**

**Will continue to be a destination for married couples of all demographics.**

**Disclaimer**
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**Source**: VisitScotland’s Insights Dept/ GBTS
Insights on...

Current International Visitors to Scotland...

- 2/3 are between 25 and 54 years old
- Spend on average £652 per trip and £81 per night
- Average length of stay is 8 days.
- Trips between 4 and 14 nights are the most popular.
- 45 to 54 years old are the highest spenders

- 52% come to Scotland for holiday.
- 40% come to Scotland between July and September

Trending International Visitors to Scotland...

- Would be over 35 years old.
- The highest spenders would be over 45 years old
- Would visit Scotland primarily for holiday
- Would stay in Scotland for longer, with most popular trips between 4 and 14 nights.
- Would arrive to Scotland mainly by air.

- Would most likely travel to Scotland during the months of July, August, and September.

Top 5 overseas markets
USA, Germany, France, Australia, and Netherlands

- 14% USA
- 12% Germany
- 7% France
- 6% Australia
- 6% Netherlands
- 5% Australia
- 5% Netherlands
- 4% Canada
- 4% Spain
- 4% Brazil

The high spenders would come from the USA, Germany, and Australia.
More money would be spent by visitors from China, Norway, Poland, and the Scandinavian countries.

More visitors coming to Scotland in the future from China, Poland, Sweden, Norway, and the UAE.

Source: VisitScotland's Insights Dept/ ONS-IPS

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