

MarketingWeek



The great outdoors

More than half of Brits are pleased that a recession and its accompanying financial restraints means there is less pressure to go out. Aided by marketers pushing a stay-at-home culture to sell their products, 85% are spending their leisure time with friends and family, according to research from The Communications Agency (TCA).

But while some companies, particularly in the home entertainment and food sectors, are seeing their revenues rise as a result, leisure businesses need to get consumers out and spending again. A growing number of brands are preparing to fight back and reclaim the sound of tills ringing as the children leave school for summer and the country prepares to soak up the sunshine.

With 64% of respondents saying they are shopping less, and 46% making small trade-offs on a daily basis, can marketers turn the tide against the trend of “staycation”, or spending holiday time at home, and convince consumers to spend their money out and about?

.....
TCA chief executive Adam Leigh reports: “People think the recession has made them better people. It has brought families together, without them having to leave the UK, and people are using home comforts to socialise and relax.”

He adds that 88% of people say it is up to brands to make it easier for them to save money and are looking for them to adapt to recession-driven leisure trends. Also, 60% agree that they are more actively looking for cheap ways to have fun. “Marketers have to react to this,” argues Leigh.

With initiatives such as the Government’s Change4Life health push, the 2012 Olympics and the summer festival season, there are plenty of activity hooks to drive marketing campaigns. Eurostar is preparing a new price war campaign in an effort to entice recession-hit holidaymakers who are seeking a value-for-money holiday. The train company is offering a record number of return tickets for £59.

According to Victoria Treyger, chief marketing officer of online travel agent Travelocity, the idea of summer campaigns launching before the season begins will be to “woo customers now when they’re tightening their purse strings so that these same customers will return when they are willing to spend more money on travel.”

She adds that the effect of the economic problems on global currency rates is making the UK a more favoured destination for good value. VisitBritain is predicting a 20% rise in British holidays this summer and VisitLondon has launched a £2m “Only in London” campaign to promote activities in the capital.

TCA’s research found that 63% of respondents feel that leisure companies should offer more help to consumers by offering more value for money and cost savings, while 61% say the companies should offer better packages.

Glenn Earlam, managing director of Merlin Entertainments’ midway brands – which include short-stay attractions such as Madame Tussauds – says they have embraced this. He argues that even the staycation trend can help people get out and about, if it is marketed in the right way.

“We are seeing the trend of staycations so we’re doing rather well at the moment in places where the economy is struggling, such as New York and London,” he says. “People living in these areas might be staying at home for their holidays but still treating themselves with days out to places like Madame Tussauds or the London Eye.”

The same push is also being seen in the hotel segment. Stephen Joyce, chief operating officer at the Choice Hotels group, which owns the Comfort Inn and Quality Hotel chains, says investment will be increased to fill its rooms with visitors from both the UK and overseas who are staying away from home.

“We are investing aggressively and intelligently in marketing and reservations activities to draw guests to our hotels. Our value-oriented brands are ideally positioned to capture share from guests that are trading down from higher segments,” he claims. InterContinental is running a similar scheme.

Newspapers are also encouraging people to go outdoors, with a series of promotions offering affordable holidays in the UK and Europe. Peter Sakal, chief executive of sales promotion firm GFM, which runs The Sun's £9.50 holidays promotion, says the newspaper sold a record 2.2 million holidays last year.

"UK holidays have always been good value and there is absolutely no doubt that more families are looking to stay in the UK this year, pick up a great value holiday and not have the hassle of airports and poor exchange rates," he says.

He is also keen to point out that part of getting consumers out of the home and spending is presenting great value in a way that doesn't feel cheap. He says: "The Sun offer may only cost £9.50 but we ensure that all applicants get exactly the same holiday experience, from the booking to the holiday itself, as they would if paying full price."

Many brands are using initiatives such as the Government's Change4Life programme to help promote their own agendas. Change4Life aims to help children get active by taking part in a variety of sporting events, which products from soft drinks to computer games are working to associate themselves with.

Coca-Cola Great Britain is supporting the launch of Schweppes Abbey Well bottled water with a "Get Britain Sch... wimming" on-pack offer that introduces a year-round scheme offering free swimming to all consumers. While Coke's fizzier drinks might benefit from bums on sofas, its water products work better for active consumers. Coca-Cola GB marketing director Cathryn Sleight says the promotion is intended to "stimulate people to rediscover the joys of swimming and all of its resulting health benefits".

Gyms are also looking carefully at this change in tone, in an effort to sign up consumers looking to shed pounds for their summer holidays. Pru Health research reveals the percentage of adults doing the government-recommended amount of exercise has fallen significantly from 34% to 29% in just six months. With the stress of the recession, people are falling into bad habits.

Over half (56%) of Britons feel they cannot currently afford the added expenses associated with being healthy, such as gym memberships. Virgin Active marketing director Tim Davis says the company must use its marketing to fight this trend and prevent more people turning either to comfort eating or in-home fitness DVDs.

He adds: "It's important to communicate the lifestyle benefits of a health club membership. We're committed to providing fun, different ways to be fit with innovation and value for money consistently our focus. No matter what the state of the economy, people will always want to take care of themselves."

While many in the music and film industries are banking on people staying home and watching DVDs and ordering movies online, film marketers are trying to drag people out of their homes. This year, piracy is seen as more of a threat than ever before. With budgets squeezed, more people might be tempted to opt for illegally recorded films.

One way of combating the counterfeiting threat is through the release of a handful of blockbuster films. Big-budget movies such as Star Trek, Angels & Demons and Terminator Salvation are all hitting cinemas over the next few weeks. Similarly, the music industry is lining up big headline acts like Neil Young, Blur and The Killers in a continuing effort to monetise its busiest season. TCA's research shows there is a market for this, with 43% of respondents saying they are not prepared to sacrifice fun and entertainment.

This is an area where alcohol brands are also likely to invest. Gaymers will be the official cider at Glastonbury, Reading and Bestival this summer. Gaymers marketing director Peter Spencer says that getting people out of the home will help feed in-home sales too.

"If we can get people to try our product when they are really enjoying themselves, then hopefully they will buy it when they are out socialising, or in the supermarket," he explains.

Fighting back against the stay-at-home trend will be tricky, however, when so many marketers are focused on capitalising on the year's biggest trend alone. TCA found that 54% of consumers are looking for new things to do at home, 52% are glad that there is less pressure to go out and 70% say relaxation is vital.

Indeed, Scottish & Newcastle is investing in an experiential campaign offering vouchers and the opportunity for consumers to win "The Ultimate Night In". The campaign aims to add value and excitement to its canned lagers by "fuelling the growing consumer desire to offer pub quality at home".

Ian Cheshire, chief executive of Kingfisher, owner of B&Q, is also predicting more consumers will stay in their gardens this summer instead of going abroad.

For restaurants, the summer presents a new challenge for the already struggling sector, as consumers consider getting their barbeques out or ordering in. TCA found that 63% think restaurants, pubs and clubs should offer better deals.

Claudia Nicholls-Magielsen, marketing director of Pizza Hut's restaurants division, says that its business has seen a "healthy growth" both for its eat-in and home delivery businesses. But home delivery in particular experienced an 86% growth online in the past four months and is seeking to improve on this through an association with the new Terminator film.

Sky brand marketing director Robert Tansey adds that those companies backing the stay-at-home trend will not only try to keep people spending but boost their share of the market over the next few months. He believes that home entertainment brands such as Sky and Virgin Media can take a greater slice of home entertainment revenues, despite the summer approaching: "More families consolidate their entertainment and communications with one provider and save money in a tougher climate," Tansey argues.

TCA's Leigh says that marketers turning away from the stay-at-home trend are being brave but they must not stop finding ways to reach people. The summer ahead offers them a chance to stimulate the UK's economy if they can find the right promotions.

He warns: "As the seasons change, brands must change the language of their ads and motivate consumers to help the ailing economy. Brands must encourage consumers They cannot be complacent. We are beginning to see this, but more still needs to be done."