Part Seven

The wider context

Introduction

This brief part, which consists of just two chapters, is nevertheless of great importance, for it sets the content of most of this book, in a wider context, in two respects.

First, Chapter 29 relates what we have been saying about leisure to key trends and developments in other industries and sectors of consumer society. This is highly relevant because, in many ways, what is happening in leisure is mirroring, or even following on from, what has happened, and is happening, in these other areas.

Secondly, Chapter 30 relates what is happening in leisure to developments in the world as a whole in terms of globalisation.

Leisure and the wider consumer society

Key concepts

The main concepts covered in the chapter are:

- Similarities with other countries as a result of political, economic, social and technological change

- The continuing trend towards the concentration of ownership and transnational operation

- Similarity of trends in relation to the behaviour of consumers of leisure products and services with those in other industries.

Introduction

In this book the authors have made a number of comments about the ways in which marketing is developing in the leisure sector. These comments have covered the nature of the product, trends in the market demand and the methods of marketing which are used.

However, it is, perhaps, a significant fact that many of these comments could have been applied, with modifications, to a number of other sectors of the consumer society. What is happening in leisure is often mirroring similar developments in other industries. Indeed, in a number of cases, these developments are taking place at a slower pace than in some of these other industries.

This chapter will consider these links between trends in leisure and those in different industries. We will look at this issue under two main headings, as follows:

1. The impact of political, economic, social and technological change;
2. The structure of industries, including concentration of ownership and the growth of transnational corporations.

While comparisons can be drawn between a wide range of industries and leisure, the greatest similarities are with many other service industries, particularly perhaps the following:

- food retailing
- financial services
- media (press, radio and television)
- education.

However, similarities can also be identified with what is happening in a number of manufacturing industries, including food manufacturing and the car industry, for example.

Political change is creating new markets and new business environments for a range of industries in much the same way as it is for leisure organisations. In Eastern Europe, for example, food manufacturers are seeking to develop new markets for their products while wine and food products from Eastern Europe are increasingly finding their way into Western European retail outlets.

Likewise, the arrival of democracy in South Africa and relative peace in certain regions of the world is encouraging enterprises in a number of sectors to invest in these countries.

Finally, the Single Market and the enlargement of the European Union is also providing new opportunities for companies in a number of sectors. Privatisation and deregulation are also creating new opportunities in sectors such as the water industry where privatisation in the UK has created investment opportunities for French utilities. In many ways, *economic change* is clearly linked to political change, for many economic policies are clearly politically motivated. Differential levels of economic development between countries can stimulate the growth of branch factories in countries where costs are lower than in the company's own country. We have seen this phenomena in the car and food industry, for example. At the same time, economic growth in particular countries can make them attractive places for inward investment as their domestic markets grow in purchasing power. Conversely, economic instability and wildly fluctuating exchange rates can discourage such investment.

Social change is affecting both products and markets in a range of industries. Or perhaps it is more realistic to say that social change in markets is leading to the demand for new types of products. Examples of this include:

- Growing interest in environmental issues leading to manufacturers modifying their products in response to criticisms. Hence the removal of Chlorofluro-carbons (CFCs) from aerosol deodorants in recent years.
- Developments in the idea of healthy lifestyles which has created a demand for healthy food products such as diet foods and organic food, for example.
- The recognition of a growing youth culture on a global scale, which has led to new media and entertainment products being developed for this group of consumers.
- A desire on some people's part to retire at an earlier age than normal which has created a market for new types of personal pension products.
- The increasingly multicultural structure of many national populations has generated a need for education provision to be tailored to meet the needs of students from ethnic minority communities.

Technological change is also changing other industries in the ways it is changing leisure. Interactive television and multimedia systems are leading to the rise of 'tele-shopping'. Smart cards are being used increasingly in food retailing while virtual reality is beginning to play a significant role in education, in the training of surgeons, for example.

If we move on to the second heading, we can also see similarities between leisure organisations and other industries.

The trend towards *concentration of ownership* is being seen in most industries through globalisation. Media 'empires' have grown up like that of Signor Berlusconi in Italy, and mergers and takeovers are creating ever-larger food manufacturers. In many sectors, small independent suppliers are being squeezed by the growth of these larger players with their considerable power in the marketplace.

At the same time, we are witnessing a general growth in *transnational* corporations across the world, in a range of industries, through a variety of different mechanisms. For example:

- Some education institutions have developed strategic alliances with other institutions to offer joint courses, or have franchised their courses to certain foreign institutions, particularly in Asia.
- Services such as financial consultants, estate agencies and civil engineering companies have established branches in the newly developing markets of Eastern Europe.
- Joint ventures in the food industry have been created between partners based in two or more countries.
- Car manufacturers working together in research and development.
- Food retailing like Aldi and Netto setting up units in the UK.

The issues we have been briefly discussing in this chapter have led to a number of trends in terms of marketing in a range of industries including leisure.

In terms of the *market*, they have led to a growth in segmentation, a recognition that most markets are made of sub-groups with shared characteristics as purchasers. Identifying these segments, developing products which are tailor-made for them alone and giving them the right messages about these products is increasingly seen as the key marketing challenge in a range of international industries.

Likewise, there is a growing belief that we are seeing the slow rise of some international segments which behave similarly irrespective of their nationality. Such groups might include:

- young people and teenagers, who share similar tastes in clothes, music and food;
- those interested in living a healthy lifestyle who take regular exercise and are careful about their choice of diet;
- people who are particularly concerned with environmental issues for whom this concern manifests itself in the household products they buy, the forms of transport they use and the food they choose to eat;
- business executives who are united by their use of particular modes of communication and the management theories by which they operate.

If this trend continues, then these groups will develop into the 'global consumer'.

What makes them fascinating from a marketing point of view is that their whole lifestyle is determined by the types of factors we have outlined above. Every purchasing decision is consciously or unconsciously designed to reinforce the lifestyle, both in the consumers' own eyes and in the eyes of other people.

Clearly this offers considerable opportunities for *new product development* by international companies. This is already being seen in a number of industries, including:

- the food industry where the so-called health products such as 'bio-yoghurts' are being sold across the world to health-conscious consumers, whether they be Swedish or Spanish;
- global branded clothing products, particularly in relation to the teenage market;
- pan-European management education courses, aimed at the 'Euro-business executive' market.

The *way in which products are marketed* is also changing in a range of industries, largely in response to technological innovations. Direct marketing based on computerised databases is growing as the technology that underpins it becomes ever more efficient. This is clearly a threat to marketing intermediaries such as retailers. Technology is also leading to the growth of some forms of advertising media such as the Internet, multimedia systems like CD-ROM, and Interactive television.

This brief summary has hopefully shown that there are great similarities between trends in leisure marketing and other industries.

However, we must be careful not to exaggerate these similarities, for there are differences, and the speed at which the trends are moving also varies between the different industries.

There are some intrinsic characteristics of leisure that mean it may never be like other industries in some ways. For example, in general, the consumer still has to travel to enjoy the tourism product while in most industries the product can, in some form at least, be taken to the consumer. This point also leads to another relevant observation namely that leisure marketing is not in itself a homogenous activity. While the tourism product often requires the consumer to travel to it, many leisure products can be taken to the consumer. We must therefore recognise the differences and similarities within leisure marketing, as well as those with other industries.

However, ultimately, leisure is merely a part of our overall consumer society. It is likely, therefore, that in many ways they will mirror and influence changes in marketing practice in other industries to some extent.

Finally, we should also recognise that in this chapter we have not dis-aggregated the discussion to the level of individual countries. Yet this is important for a number of reasons, as follows:

- Countries differ greatly in terms of their business environments, so that in some countries trends that we have discussed in this chapter will be almost unknown.
- In some countries the similarities between trends in leisure marketing and marketing in other industries will be very close, while in others they will be much less obvious.
- Trends such as industrial concentration and transnational operations are much more highly developed in some countries than others.

If the reader wants to test this view, he or she should simply look at the issues we have discussed and compare, almost at random, four different countries which all share the same first letter, namely Sweden, Singapore, Saudi Arabia and Senegal.

Conclusion

We have seen that there are similarities between what is happening in leisure and developments in certain other industries.

We have now looked at the first aspect of the wider context of leisure marketing, albeit briefly and selectively. It is now time for us to look at the second element namely globalisation.

Discussion points and essay questions

1. Compare and contrast the impact of technological developments on leisure, with their impact on other industries, now and in the future.
2. Evaluate the differences and similarities in market trends between leisure and other industries.
3. Discuss the extent to which leisure organisations are using marketing techniques similar to organisations in other industries.

Exercise

Choose *one* organisation from *each* of the following industries:

  (i) Leisure;
 (ii) Financial services, media, education or food retailing;
(iii) Car manufacturing, food processing or textile production.

Identify the political, economic, social and technological factors which you believe will have the most important implications for your three chosen organisations over the next decade.

Compare and contrast these factors between the three organisations to see where there are similarities and differences.