



## 8 Game Changing Trends and What They Mean to You

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What are the consumer trends that will shape your business in 2011 and beyond? When *Travel Market Report* asked the experts, we learned that seismic shifts are in play right now.

“Culture moves slowly. Every once in a while, there’s a huge quake. It’s happening now,” said trend consultant Daniel Levine.

Trends are not fads, noted Levine, executive director of the Avant-Guide Institute in New York. Trends are big picture forces that alter the way people think and feel, In 2011, those forces will be dramatic, and their impact profound. Take a look.

**#1: Boomers! Boomers! Boomers!** This year, baby boomers will celebrate their 65th birthdays at the rate of 10,000 people a day. These boomers have time, money and energy to spare; they are “a force with tsunamic proportions,” said consultant Ken Dychtwald. They also have a deep thirst for experiences, and that holds true across income levels.

“By the time you reach your 50th or 60th birthday, you understand that happiness is likely to come from having a great dinner with friends, a fabulous vacation, or discovering a new aspect of yourself,” said Dychtwald, founder and CEO of Age Wave in Emeryville, CA.

**Implications:** Boomers will value the expertise of travel consultants who can help them craft the fantastic experiences they want – trips that nourish, rejuvenate and enlighten, learning and volunteer vacations, customized adventures. There’s “too much at stake” for these travelers to book through the Internet, Dychtwald said. “It’s not: what is the cost of the airplane? It’s: what is the cost of that week in terms of its importance in my life?”

**# 2: The search for meaning.** The recession and its aftermath are renewing a consumer focus on meaningfulness, “making people look inward at things that are really important to them,” Levine said. What matters now are: families and friends; education and self-improvement; health and spirituality; creativity; community involvement; and the environment.

**Implications:** “Travelers are willing to spend a lot of money on travel experiences, but they need different reasons to spend it,” Levine said. “For agents, the real strength is in marketing what they have in a different way – offering it to their customers as valuable, meaningful experiences. You have to press different buttons.”

**#3: Green! Green! Green!** Environmental awareness is influencing consumer choices in a big way.

“Concern about sustainability and the planet is top of mind for everybody,” said James Canton, CEO of the Institute for Global Futures, a San Francisco firm that advises global Fortune 100 companies. At Avant-Guide, research shows that environmental concern is “the biggest social trend for the rest of our careers,” Levine said.

**Implications:** “Seek out companies doing green things that are cool. Use that as a selling tool. People are willing to pay more for things that are really important to them, and green issues are one of those main things,” Levine said.

The Institute for Global Futures is telling its key clients that “for every strategy, new product or service, you must pay attention to the fact that over 98% of consumers in every market worldwide view themselves as environmentalists,” Canton said.

**#4: The influential consumer.** Marketing has lost its power; consumers are the “new influentials,” according to Canton. “Brands selling direct to the consumer are now being substituted by consumers recommending to consumers. In some ways they’re hijacking brand marketing for all products.”

**Implications:** Travelers may be getting recommendations from other consumers via the Internet, “but the final arbiter is that intimate relationship with a knowledgeable agent,” Canton said. Travel sellers should be able to capitalize on their role as trusted advisor. “Travel agents can provide a reality check. Consumers want integrity of information,” Canton added.

**#5: A defensive mindset.** Consumers are hedging their bets against events or circumstances that might blow their budgets, said Alexandra Smith, global trends analyst for Mintel International Group in Chicago. “It’s this defensive mindset around spending.”

Among the indicators Smith cited are: divorce insurance, which covers the cost of divorce logistics; increased sales of frozen foods, because they won’t go bad; and wedding day insurance that reimburses couples if it rains on their special day.

**Implications:** Recommend all-inclusive travel options that make it easier to budget and suggest to customers that they buy trip insurance, “Look at creative forms of travel insurance that go beyond lost luggage - insurance that insures that you’re getting the best trip you can. There’s an opportunity for travel services providers to weave that into packages they sell,” Smith said.

**#6: Strong women - with friends.** Expect to see growing numbers of single women over 50 traveling with their friends, said Dychtwald of Age Wave. Compared to earlier generations, boomer women are “more highly educated, more empowered, more independent, more powerful in almost every single way.” Many have also inherited money from their husbands or parents, and they have a passion for learning.

**Implications:** Women Boomers are a market that's ripe for the picking, said Kathy Dragon, founder of the search engine traveldragon.com and a consultant in new media. Travel sellers need only issue an artful invitation. "Women Boomers are taking up any invitation from friends to go anywhere where they can learn. They're saying, 'I'm going to South Africa. Do you want to come?'"

**#7: Internet ubiquity.** "The Internet will be everywhere. It's converging with TV, with computing, with cell phones. It's the convergence of all this information technology into one kind of appliance. Every consumer purchasing decision is going to be mediated by this convergence," Canton said. "The move to mobile computing, mobile communications, mobile transactions is going to transform consumers - always-connected devices that give me choices."

**Implications:** "Brands need to learn how to navigate this new territory," Canton advised. "If you are ignorant of your digital persona in the world as a brand, if you're not managing Twitter and Facebook [etc.], that's a huge liability."

Businesses need to keep three things in mind, Canton said: 1) it's about influencing the influencers; 2) perception is reality; and 3) monitoring and understanding your reputation is more important than any ad a business can take out.

**#8: Stories are trickling up.** The way that news and cultural influences spread has undergone a profound change, said Lisa Johnson, CEO of the Reach Group in Portland, Ore., and an expert on women consumers.

"Things that are impacting culture and what we're talking about are trickling up." Johnson cited the power of social media to take one person's angry TV interview and turn it into a video ("Bed Intruder Song") that became YouTube's most-watched video in 2010. "Things don't come on slowly anymore. They come on like a flood, and they don't have to be mainstream."

**Implications:** Stories communicate and they spread quickly, so use the power of story in marketing and social media, Johnson said. "If you want to create influence, you tell a story. Story is the new flavor for marketing, the enduring flavor."