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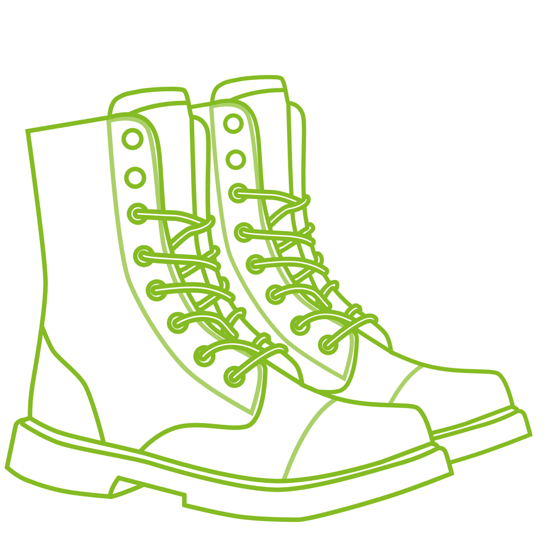
Passion for leisure
UK Leisure Consumer – Q4 2017



The leisure consumer remains confident. Despite slow wage growth and sustained inflationary pressures on disposable income, the UK consumer continues to spend on leisure. Experiences remain high on the agenda, as evidenced by an uptick in our spending data in the context of a wider drop in general discretionary spending. In 2018, consumers expect their spending on many habitual leisure activities, including drinking in pubs and eating out, to remain unchanged while the big-ticket leisure items, such as holidays, are likely to see more spend compared to this time last year.

It's the most wonderful time of the year!

The leisure consumer ended 2017 on a high as spending increased in seven out of 11 categories compared to the previous quarter. The festive season led more consumers to seek experiences both in and outside the home, with in-home leisure, culture and entertainment and drinking in pubs and bars benefitting the most.

Leisure consumers reported spending *more* on...

Change in quarter

In-home leisure	Culture and entertainment	Drinking in pubs/bars	Eating out	Other leisure	Drinking in coffee shops/sandwich shops	Betting and gaming
+8	+7	+6	+3	+3	+1	+1

Leisure consumers reported spending *less* on...

Attending live sports events	Short break holidays	Long holidays
-1	-5	-6

Life of leisure

The wider Deloitte Consumer Tracker for Q4 2017 showed that overall discretionary spending was down compared to this time last year, as slow wage growth and high inflation meant consumers focused spending on essentials. Similarly, a 16 point fall in the GfK major purchases index in December 2017 and some disappointing trading updates from a few big-ticket retailers compared to prior year reinforces the message that consumers are being more cautious with larger discretionary purchases of goods. However, our data shows that leisure spending was up year-on-year in most leisure categories, including big-ticket items such as holidays. This suggests that while money might be tighter for consumers, they are not cutting down on leisure in the same way as they are on other discretionary purchases.

Consumers reported spending *more* year-on-year...

Change in year

Short break holidays	Long holidays	Going to the gym or playing sport	Attending live sports events	Culture and entertainment	Drinking in pubs/bars	In-home leisure
+2	+1	+1	+1	+1	+1	+1

Apart from...

Other leisure	Eating out	Drinking in coffee shops/sandwich shops
-1	-2	-3

Bring on the sunshine

Going into 2018, the survey shows consumers continuing to favour leisure activities and maintaining spend in big-ticket items, such as holidays, which are forecast to experience the largest increases among leisure categories. Meals out, drinking in pubs and bars or coffee shops as well as leisure at home appear to be so habitual to consumers that they have no intention to scale back on this spend in the next three months.

Consumers expect to spend *more* in the majority of categories...

Change in year

Long holidays	Betting and gaming	Gym/sport	Culture and entertainment	Attending live sport events	Short break holidays
+4	+3	+2	+2	+1	+1

While maintaining spending similar to last year on...

Change in year

Eating out	Drinking in pubs/bars	Drinking in coffee shops/sandwich shops	In-home leisure
No change	No change	No change	No change

Consumers expect to spend *more* on...

Hey big spender

18-34 year-olds are, once again, the most positive about leisure spend in the next three months with a stated intention to increase spending on leisure in eight out of 11 categories. While continuing to spend on habitual activities such as gym and exercise, they are also planning to spend more on expensive experiences, such as holidays or culture and entertainment.

	Gym	Long holidays	Short break holidays	Betting and gaming	Culture and entertainment	Other leisure	Attending live sports events	Drinking in coffee shops
Previous	-5%	-4%	-5%	-12%	-12%	-11%	-8%	-17%
Latest	**0%**	**0%**	**-1%**	**-8%**	**-8%**	**-9%**	**-6%**	**-16%**

Apart from...

	Drinking in pubs and bars	Eating out	In-home leisure
Previous	-14%	-15%	-13%
Latest	**-14%**	**-16%**	**-17%**

A spring in your step?

Are inflationary pressures going to ease in Q2 2018?

Will leisure spend continue to tick upwards?

Will consumers continue to take breaks away?

Contacts

Simon Oaten
Partner
Travel, Hospitality & Leisure
020 7007 7647
soaten@deloitte.co.uk

Andreas Scriven
Lead Partner
Hospitality & Leisure
020 3741 2068
ascriven@deloitte.co.uk

Alistair Pritchard
Lead Partner
Travel
07710 326724
ajpritchard@deloitte.co.uk

Edward Jenkins
Director
Hospitality & Leisure
020 7007 9989
ejenkins@deloitte.co.uk

Numerical values represent percentage points which reflect changes in responses from one quarter to the next.