

Passion for leisure

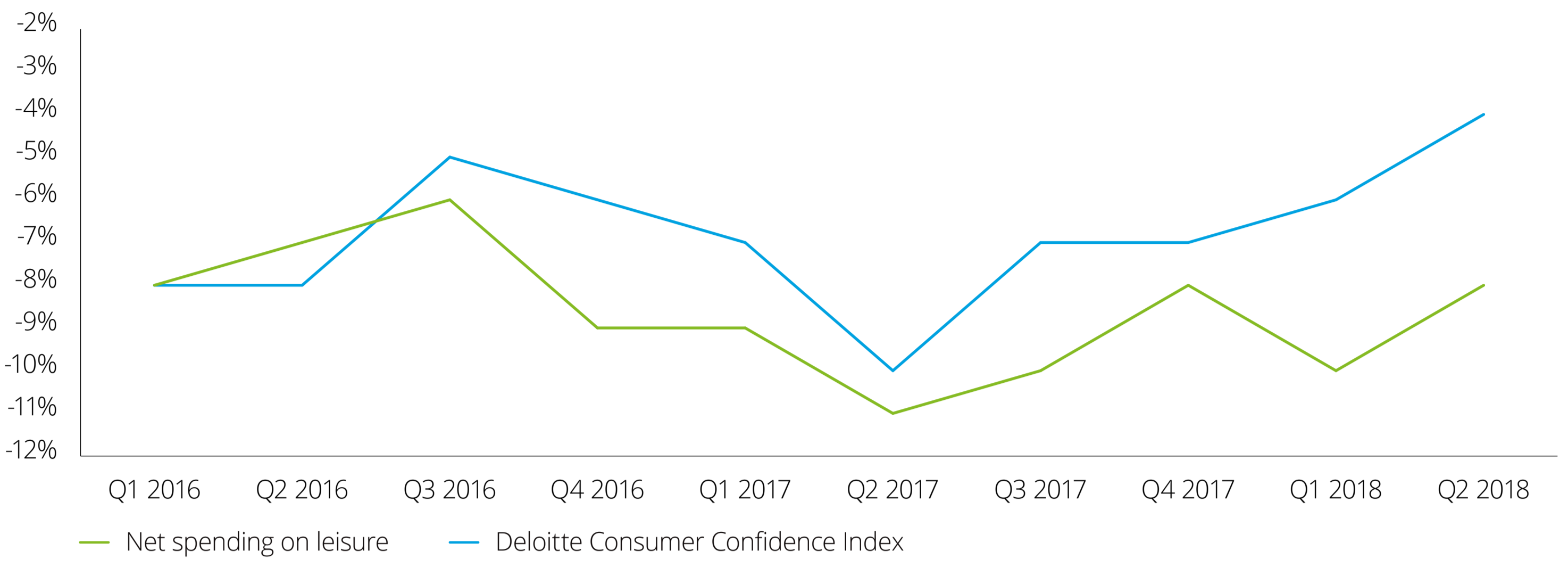
UK Leisure Consumer – Q2 2018



Two years after the launch of our series, the leisure consumer is in good spirits. Consumer confidence reaches a new high since 2011, while leisure spending has increased across almost all categories. Helped by a strong labour market, low levels of inflation and gradual real wage growth, alongside the return of good weather, consumers are once again keen to spend their disposable income on enjoying themselves.

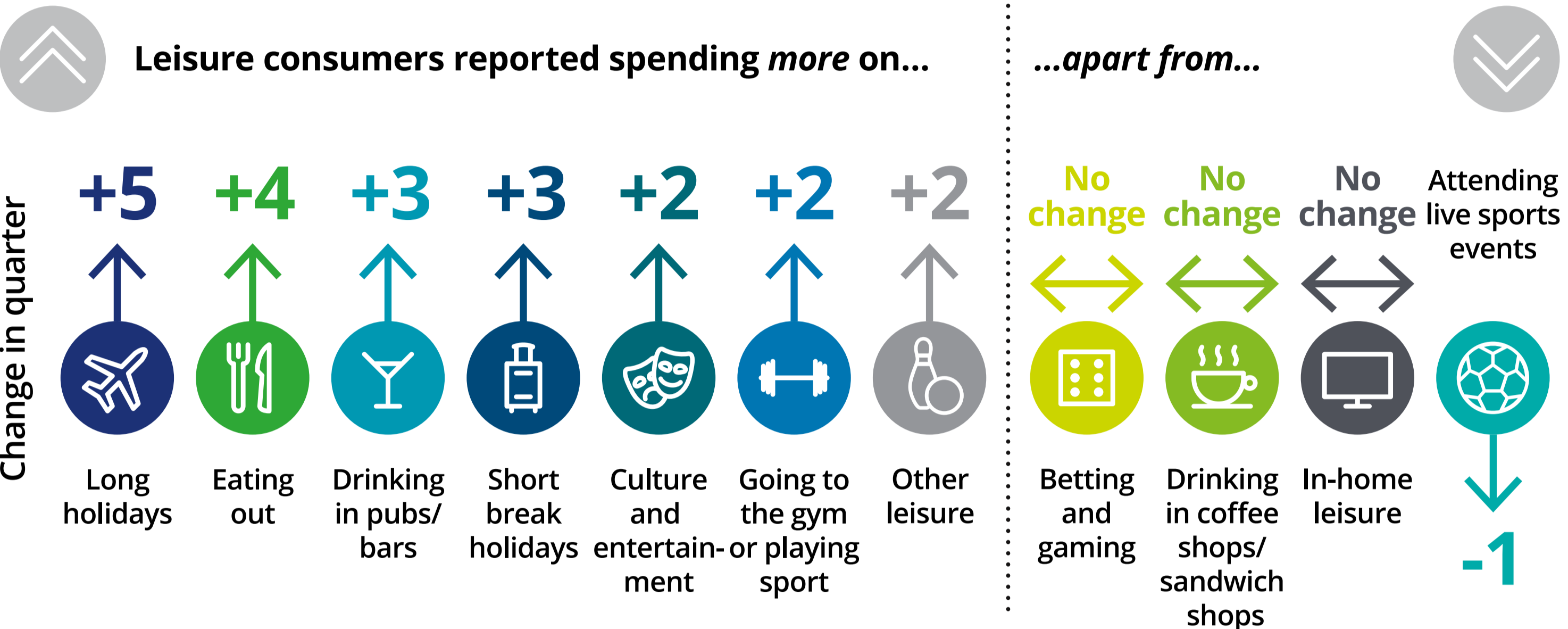
On the up

Leisure spending is ticking upwards again, in line with consumer confidence that has continued an upward trajectory over the last year. The divergence between confidence and leisure spending observed last quarter seems to have been only temporary. The recent improvements in confidence are largely due to a positive consumer sentiment around their disposable income as well as job opportunities; both key enablers of leisure spending.



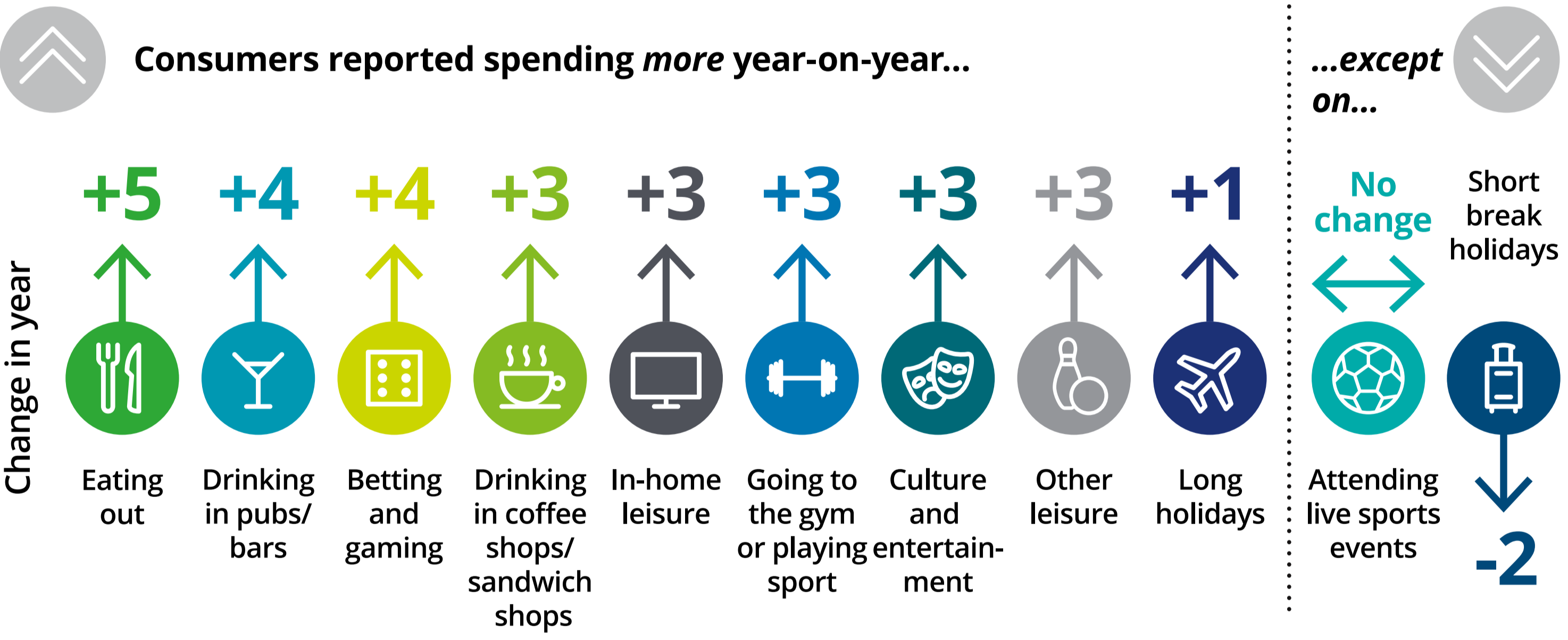
Enjoying the sunshine

Compared to the first quarter, net spending is up in seven out of the 11 leisure categories. The shift from a cold, late winter to a much warmer climate has enticed consumers to enjoy a range of leisure activities, especially outside the home.



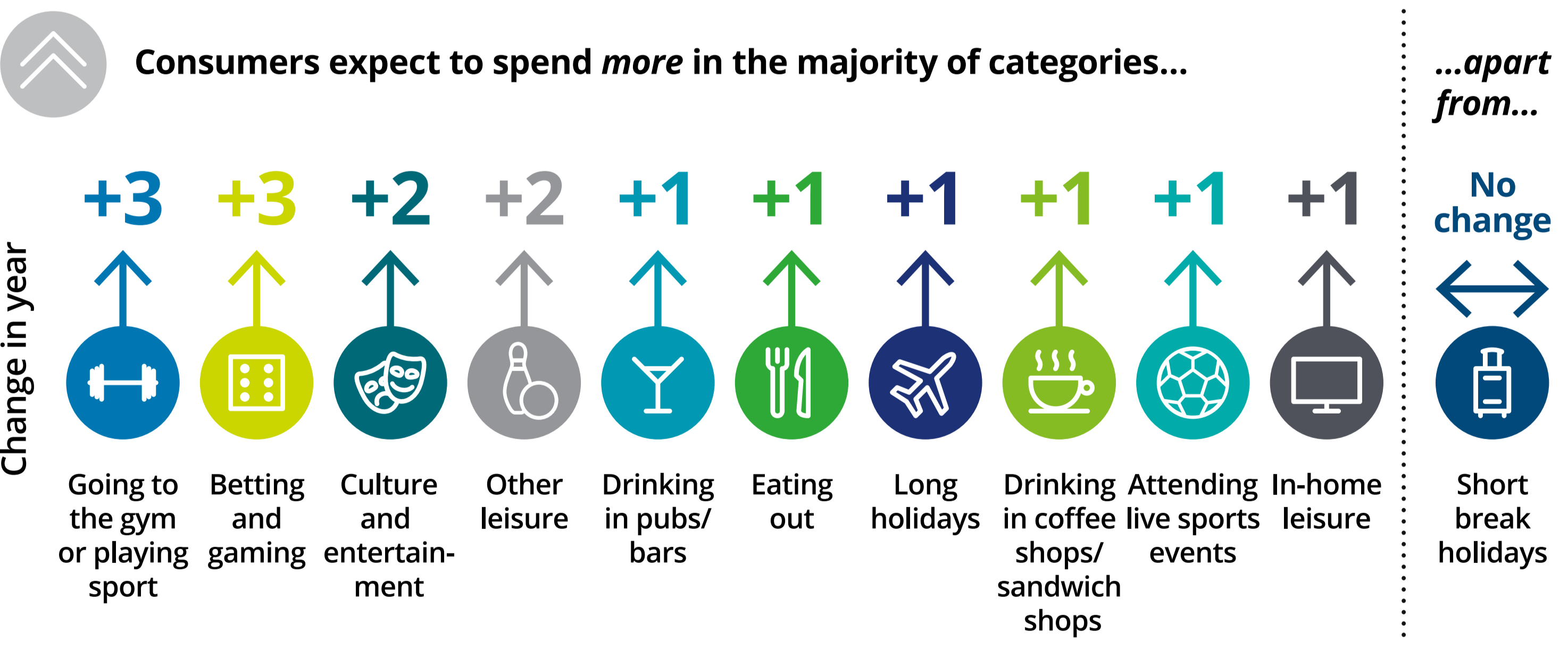
Focus on having fun

Leisure spending is also robustly up compared to a year ago, with only one category seeing a decline. The more habitual categories such as eating and drinking out have seen a bigger lift, supported by the combination of easing income pressure and improving consumer mood. As consumers have spent more on a wider range of leisure activities and enjoyed the sunshine and events such as the royal wedding at home, they seem to have spent less on going away for short breaks.



Bring the heat

In the third quarter of 2018, consumers expect to continue spending on habitual leisure activities. In addition, the summer holidays are likely to entice them to go out and spend on some more considered activities, such as culture and entertainment. The World Cup is likely to have driven consumers to boost spending on betting and gaming as well as eating and drinking out while in-home leisure might also benefit as consumers choose to mix both in- and out-of-home socialising. The positive consumer outlook is in contrast with the news about the struggling high streets and the defensive and watchful corporate mood. However, our research has shown that leisure spending has been a bellwether for the prospects of the UK economy. In many cases the confidence of the leisure consumer has helped to overcome or delay the impacts of wider political or economic shocks. Thus these spending intentions offer a positive context for the coming months.



What's next?

Will consumer confidence to spend on leisure hold up in the second half of 2018?

Will the World Cup fever have boosted leisure spending in Q3 2018?

Will the warm start to Q3 2018 have an impact on consumers' holiday spending?

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