THE GLOBAL STRUGGLE FOR WORK-LIFE BALANCE AND ITS IMPACT ON CONSUMER MARKETS
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AN EXTRACT FROM THE REPORT
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The frenetic pace of modern life, combined with longer working hours and an increasingly strong reliance on digital devices means that jobs are swallowing up people’s lives, leading to a less defined distinction between work and leisure. A generation of cash-rich, time-poor consumers are looking to get maximum enjoyment and meaning out of the little free time they have available to them, leading to unprecedented demand for faster and more convenient products and solutions.

The difficulties of attaining work-life balance are highlighted in a number of studies. According to Euromonitor International’s Analyst Pulse survey of July 2015, 74% of analysts thought the lines between personal and work life are more blurred now than in the past. More than half of all analysts (54%) believe that employers now expect workers to respond to communications while on holiday. However, a similar percentage (56%) think that constant access to the internet and email allows employees to better manage their workload. Only 52% of analysts agreed that they were able to maintain a good work-life balance most of the time. This opinion is most prevalent among those based in Europe (60%) and least prevalent in North America and the Caribbean (40%).
According to a recent study by EY, managing personal and professional lives has become more difficult for a third of respondents over the last five years. The key challenges are salary growth and rising expenses, increasing hours and more responsibilities at work and at home. In the US, the EY study found that changing job (63%) or changing career (57%) are the two most common sacrifices that employees have made, or would make, to better manage their work and family / personal responsibilities. The survey also revealed that younger employees aged 18–33 are far more likely than those aged 34–49 to be willing to make sacrifices at work to better manage work and family, and that men are more willing to make such sacrifices than women. Another US study by Harris (on behalf of the American Psychological Association’s Center for Organizational Excellence) found that men were far more likely than women to report using such work-life balance benefits as flex time, child care, paid leave and unpaid leave.

A survey by Robert Half UK found that the most common reason for British people leaving their jobs is to seek out roles that offer improved work-life balance, with 30% of HR directors surveyed saying that this is the key motivation for people switching jobs. Another UK study by eHarmony found that as many as 61% of adults feel they are not getting enough “down time” a week, leading to stress, tiredness and depression. 15% of respondents said they have no “me time” at all, while 11% have less than five hours a week.

Work-life balance is especially hard to achieve in East Asian countries such as Japan, South Korea, Taiwan and China, where people often put their job before their family due to a traditional belief in self-sacrifice and a total dedication to work.
Labour force participation is very high throughout the developed world and has gradually increased in most countries as economies have strengthened. While this translates into higher income, it has in effect led to a larger number of people with constraints on their leisure time.

Workforce participation rates are highest in the developed world, particularly in rich countries, such as Switzerland (84%), Sweden (82%), the Netherlands and Norway (each 79%) and Denmark (78%). They are also high in China, at 77%. Workforce participation is notably lower in countries with strong Muslim populations, which is largely due to the lack of female employees. In Egypt, Saudi Arabia and Turkey, only 50%, 57% and 54% of the populations, respectively, are in employment.

There is evidence that many people are working longer hours than ever before. EY’s Global Generations study of 2014 / 2015 found that globally, 46% of managers said they work more than 40 hours per week and 40% said their working hours had increased in the last five years. Euromonitor International data show that among the countries under review, average working hours in 2014 were longest in Egypt and Saudi Arabia (54 hours and 51 hours, respectively).

**Average Working Week, 2014**

Source: Euromonitor International
In developed countries with very high labour force participation, including the Netherlands, Australia, Canada, Norway, Denmark, the US, Sweden and Austria, the working week is only 35 hours or less, although a higher proportion of women are in work in these countries. Average paid leave is especially high in Saudi Arabia, at 33 days. Brazilian and Russian workers also benefit from a high number of paid holidays—30 and 28, respectively—although many Brazilians reportedly sell back 10 days of holiday to their employer. Paid holiday entitlement is relatively low in a number of other emerging markets. Employees in Mexico, for example, receive only seven days paid holiday a year, while in China they get just 10 days.

The US lags far behind Europe when it comes to employment benefits, which has contributed to work-related stress and the inability to achieve a satisfactory work-life balance. There is no statutory leave in the US, with leave entitlement decided by employers. A US study by travel research company Skift found that a quarter of respondents were not entitled to any paid vacation at all, while 42% did not take any vacation days in 2014. 13% of workers who could have taken up to 10 days of vacation chose not to do so.

Female employment has risen significantly over the long term, making it more difficult than ever for women to juggle the demands of work and family. Studies show that it is still the norm for a woman to do most of the household chores and bring up the children. As a result, many women face inner conflict when deciding what is best for their families or what is best for their career. When they take time off to care for children or an older parent, women often fear that employers will consider them as less committed. Female employment rates are highest in rich countries such as Switzerland and throughout Scandinavia; and lowest in India and predominantly Muslim countries, such as Saudi Arabia, Egypt and Turkey, where women play a more traditional role of bringing up the family.

![Women as a % of the Workforce, 2014](Source: Euromonitor International)
Improved parental benefits and childcare options have helped improve the work-life balance for new parents in some markets. Long maternity leave is linked to higher female employment rates, greater productivity levels and higher household incomes. Extending benefits to fathers has enabled men to play a greater role in their children’s early lives and allowed women to return to their jobs more quickly after childbirth. For example April 2015 saw the introduction of shared parental leave in the UK. Euromonitor International’s statistics show that Australia and the UK had the most generous maternity leave policies in 2014, both at 52 weeks leave, while in India, Mexico, the US and Saudi Arabia, the law allows for only 12 weeks leave on average. In the US, maternity leave legislation only covers those who work for larger companies. Indeed, according to the Department of Labor, just 12% of workers in the private sector have access to paid family leave.

Employers have begun to realise the importance of the work-life balance in the productivity and creativity of their employees, especially among the younger generation of workers, who place the greatest importance on flexibility. A growing number of companies offer flexible work arrangements, such as part-time, casual and telecommuting work, while others provide compulsory leave and strict maximum hours in order to prevent employees from overworking. Part-time employment continued to rise in most countries over the review period, partly driven by the rise in the number of working mothers and a growing willingness among employers to offer them flexible working hours. The Netherlands is the only country under review in which more than half the workforce (51%) is accounted for by part-time workers. The proportion of part-time employees is also relatively high in other rich nations, such as Switzerland (38%) and Australia (31%).

By contrast, part-time work is extremely rare in emerging markets such as Egypt, China and India, where part-time employees make up less than 2% of the workforce. This is related to the fact that it is not common for women to work in these countries. The use of zero hours contracts, which do not specify set working hours, is common in some countries, such as the UK and Austria. This type of contract is considered well suited to certain types of employee, such as students or second jobbers, but does not provide stability. The ability to work from home (or telecommuting / teleworking) is becoming increasingly attractive to employees and employers, due to the stresses and high costs associated with commuting long distances, and the ability to be more productive without distractions. The advanced technology that has become available in recent years, such as web conferencing tools and cloud computing, has made it possible for employees to work productively anywhere and across different time zones.
Self-employment has also been growing strongly in several countries. While this offers flexibility, it is also contributing to increased work pressure as self-employed people rarely “switch off” from their job and are not entitled to such benefits as paid holidays and sick pay.
FASTER LIFESTYLES

The pace of urbanisation has speeded up noticeably in recent years, as rural migrants in emerging markets continue to move to cities in search of economic empowerment, while newly arrived immigrants in the West head for large towns in search of work. Urbanisation, combined with an increase in car ownership in developing markets, has led to more stressful and time-consuming travel to and from places of work. Countries with fast-expanding cities, such as China, are seeing a particularly strong rise in commute times. Sitting for long hours at work and high stress levels have taken their toll on global health, with studies showing that such factors can contribute to back and neck problems, eye conditions, obesity, stroke, heart disease, type 2 diabetes and even some cancers. In the US, internet addiction has actually become classified as a mental disorder (with symptoms including “eye twitch” and “dry mouth”). “Off-lining retreats” have been established for internet addicts, to help them survive without smartphones, tablets or PCs. In parts of East Asia, including Japan, South Korea, Taiwan and China, there are increasing cases of employees literally working themselves to death, a term known as karoshi in Japan and guolaosi in China. Long hours, tough conditions, low pay and poor future prospects have also led to a number of reports of workers taking their own lives at Chinese factories, some of which have gone as far as installing anti-suicide nets.

The widespread use of laptops and smart devices is both a cause and effect of the blurring of lines between work and leisure. Such technology has enabled consumers to save time carrying out daily chores, but has also led to an “always-on” mentality. Massive global growth in mobile internet subscriptions has been driven by greater affordability of smartphones and tablets, lower data costs, the mushrooming of Wi-Fi hotspots and the development of high-speed 3G, 4G and LTE technology and cloud software. As a result of modern technological advances, it has become increasingly difficult for consumers to disconnect from their workplace, with many consumers admitting to checking emails and sending texts in their down time or even on holiday.

Nevertheless, an example of the positive impact of technology on work-life balance is the recent growth in fitness devices and applications, which allow users to track their physical activities and share them with like-minded people on social media.
With longer working hours and commutes, consumers’ leisure time is increasingly tight. With less time to themselves, people are becoming more choosy about what they spend their free moments on. Euromonitor International’s global Middle Class Home Survey of 2013 found that the most preferred way to spend a free day at home was watching or listening to entertainment (54%), while the preferred activity outside of the home was shopping (50%). A notable outcome of the squeeze on leisure time is that consumers are taking a greater interest in experience over possessions. People want to do things rather than own things, such as attend music or food events or take part in yoga classes or adventure sports.

Reduced leisure time and anxiety about being away from work for too long has also caused a shift in holidaying patterns, with many now preferring to take several short breaks instead of one long one, “staycationing”, or not taking holidays at all.

Digital entertainment has shifted to mobile devices as streaming and downloading entertainment has become ever faster and more convenient. This is allowing time-pressed consumers to consume media such as music, videos and games anywhere and at any time. Media consumption has been enhanced as a result of higher data speeds, the proliferation of Wi-Fi, high-quality streaming services and the development of tablets and phablets, whose thinner and bigger screens allow for more comfortable viewing.
Lack of time means that consumers are less able to meet up frequently with friends and family in person and this has been a key driver of growth of social networking. According to We Are Social, the world’s social media base reached over 2.0 billion in early 2015. Euromonitor International’s global Hyperconnectivity survey of 2014 revealed that only 15% of respondents had not used social media in the last month. Laptops and smartphones were the most common way of accessing social networks (65% and 64%, respectively).
IMPACT ON CONSUMER MARKETS

As consumers have become increasingly cash rich and time poor, a thriving demand has arisen for convenience products and services, from kitchen appliances and tech gadgets to fast food solutions and disposable products. Sales of large kitchen appliances have been driven partly by growing demand from middle-class consumers in emerging markets, and partly by a trend in developed markets towards premium appliances that offer smart technology and improved design and energy efficiency.

The rise of digital media consumption has boosted sales of smartphones and tablets but has had a negative impact on the market for physical media, including CDs, DVDs and video games consoles and software. Tablets with mobile capabilities have taken some retail volume share away from mobile phones but continue to remain niche, as their screens are considered too large for many. However, larger screened smartphones (or “phablets”) are rapidly gaining popularity.

The struggle for work-life balance has ensured that global demand for tourism remains strong. The number of domestic trips grew by 39% over the review period to reach 8.8 billion in 2014, while international trips increased by 26% over the same period, to 919 million. The increasingly competitive workplace means it is no longer common to take weeks off at a time. Those in work are taking shorter, more frequent holidays—in many cases, closer to home—and are demanding constant Wi-Fi connection so that they can access work while away. Increasing numbers of people around the world have also opted for “staycations” in recent years, due partly to reasons of economy, but also to security concerns, weak currencies and time constraints.
Peer-to-peer travel services, such as Airbnb, which serve as platforms for people to rent their apartments, have witnessed tremendous growth in recent years and are also present in other travel sectors, such as transportation (e.g. Uber) and tours (e.g. Viator). Travellers are increasingly going online to compare prices, consult reviews and book trips. Metasearch sites have soared in popularity, thanks to their ability to consolidate a wide offer of travel services, providing consumers with more choice and price transparency. There has been a major shift towards booking travel services via smartphones and tablets, while connected travellers now expect to receive customer service and make additional bookings via their devices throughout their entire trip.

Within foodservice, full-service restaurants are responding to demand for interesting new food experiences that offer escapism and excitement. In addition to value, consumers seek freshness of ingredients, variety, simplicity in preparations and flexibility in formats. Third party delivery businesses have emerged as consumers seek out ways to maximise convenience. These include pick-up services from restaurants, “virtual restaurants” with no physical presence and companies that deliver ingredients for a home-cooked meal. The global café culture has driven demand for modern coffee shops, which are a popular choice of venue for socialising and relaxing with friends, as well as for professional purposes such as conducting business or holding informal meetings.
A need for convenience and flexibility, combined with technological progress, has also changed the face of retailing, with online and, in particular, mobile commerce continuing to grow rapidly at the expense of brick-and-mortar retailing. Savvy retailers are moving towards an omnichannel offering, which gives shoppers access to retail brands in a number of different ways, allowing them to seamlessly switch from mobile to in-store to computer to tablet as they move through the purchase decision-making process.

While most internet sales concern non-food items, major grocery chains are increasingly offering online ordering services with home delivery or collection point facilities in order to cater to time-poor consumers. Mobile shoppers are now able to pay easily thanks to the availability of “digital wallets”, which store consumers’ payment information in the cloud or on a remote secure server in order to reduce the steps to purchase. QR technology can quickly link to content on smartphones, allowing consumers to download coupons, connect with a brand’s website for more information or compare prices in store; while augmented reality apps allow shoppers to better visualise products on their devices.

One way of addressing the work-life balance for those who work long hours is to pay others to do their chores for them. A growing army of “taskers” are available in some cities to carry out everyday errands on behalf of busy consumers.
As economies remain sluggish, cities continue to expand and businesses become more global and competitive, pressure on employees to work longer hours and be available on-call will increase. Furthermore, a squeezed generation of consumers will find themselves caring at the same time for both elderly parents and children, while many will have to work beyond retirement age. All this means that consumers’ time will be more stretched than ever in years to come.

At the same time, however, a shrinking pool of young talent means that companies will be forced to make more efforts to improve workplace flexibility and employee benefits in order to keep workers happy and productive. Employees of the future may be offered more flexible parental benefits and working hours and the opportunity to work from home. A recent concept that may take off is wellbeing leave, whereby workers are offered extra days’ holiday to spend on wellness activities. A rise in teleworking will free up commuting time and allow people more time to spend with family or at leisure. However, employees will also find it harder to switch off from work outside official office hours, thus further blurring the lines between work and play.

Some analysts believe the emphasis will shift in future from work-life balance (i.e. creating clear boundaries between work and life) to work-life integration (i.e. acknowledging that boundaries no longer exist). More sophisticated cloud technology will enable the workplace to morph into a “workspace”, consisting of less defined areas and a “turn up and work” environment. Companies will incorporate more leisure facilities into the workspace, or work areas into leisure spaces.
The ongoing demand for speed and convenience spells tremendous potential for growth in sales of web-enabled devices such as smartphones, tablets and wearable devices, in addition to cloud software, apps, video and audio content and mobile games. While 4G will continue to be rolled out globally over the forecast period, the longer-term future will see the development of 5G, which will have an even more profound impact on data speeds and device capabilities. In their quest to generate more “me time”, consumers will seek products that will make everyday chores more simple and efficient. The “internet of things” (IoT) will ensure that smart technology is incorporated into an increasing range of appliances and objects in the home.

Demand for tourism will remain strong, but due to the increasing pressures of work and the expectation that employees be reachable at any time, the future is likely to see a continuation of the trend towards shorter but more frequent trips. The internet and mobile apps will continue to play an ever-increasing role in purchasing processes. The most successful retailers of the future will be those that embrace the concepts of multichannel and omnichannel retailing to give consumers seamless shopping experiences.
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