

Of trends and trend pyramids

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Abstract

Purpose – *This paper aims to contribute to the understanding of the concept of a trend and the discourse of trend analysis.*

Design/methodology/approach – *This paper concisely discusses the concept of trends, the value of trend analysis for strategic planning and hierarchical trend pyramids as a tool to scan and analyse trends.*

Findings – *The examples will be given of how specific mega, meso and micro trends are related within a hierarchic trend pyramid.*

Practical implications – *The tool of trend pyramids helps to structurally analyse and understand trends and developments. Such analysis and understanding are relevant for strategic foresight and scenario planning in leisure and tourism.*

Originality/value – *The literature on trend levels and pyramids is scarce and varies in interpretation. The aim of this paper is to integrate the various viewpoints into a useful instrument for the scanning and analysis of trends and developments.*

Keywords *Horizon scanning, Trend analysis, Trend pyramid, Mega trends, Meso trends, Micro trends*

Paper type *Trends paper*

Introduction

The early stage of a strategic foresight or scenario-planning process is focussed on environmental or horizon scanning. Environmental scanning or horizon scanning traces back to studies by [Aguilar \(1967\)](#) and [Ansoff \(1975\)](#). It focusses on exploring emerging issues, plans and shifts in power at the borders of what we know ([Lindgren and Bandhold, 2009](#); [Loveridge, 2009](#); [Schultz, 2006](#)). The aim is to identify trends in the external environment of the business or organisation outside of its control and perceived to have implications for the future. Hence, trends play a key role within the domain of strategic foresight and scenario planning. The aim of this viewpoint paper is to contribute to the understanding of the concept of trends and discourse of trend analysis.

The concept of trends

"A trend is a pattern that we read in a series of events" ([Van der Heijden, 2004](#), p. 205). It is a general tendency, a direction of a development or an emerging pattern of change that moves incrementally in a specific direction over a period. This change can be increasing, decreasing or stable and the rate of change might be strong or weak ([European Foresight Platform, n.d.](#); [Hines and Bishop, 2013](#)). Trends are beyond control of individual organisations, businesses and often nation states as well ([Saritas and Smith, 2011](#)).

Life cycle of a trend

New trends grow from innovations, projects, new inventions, innovative start-ups, beliefs or actions or from a controversial, debatable or hot topic (usually with a local and short-term focus) that indicates a change in existing and prevalent views or habits. Trends have the power to turn down or switch off forces such as traditions, habits or idleness, although this

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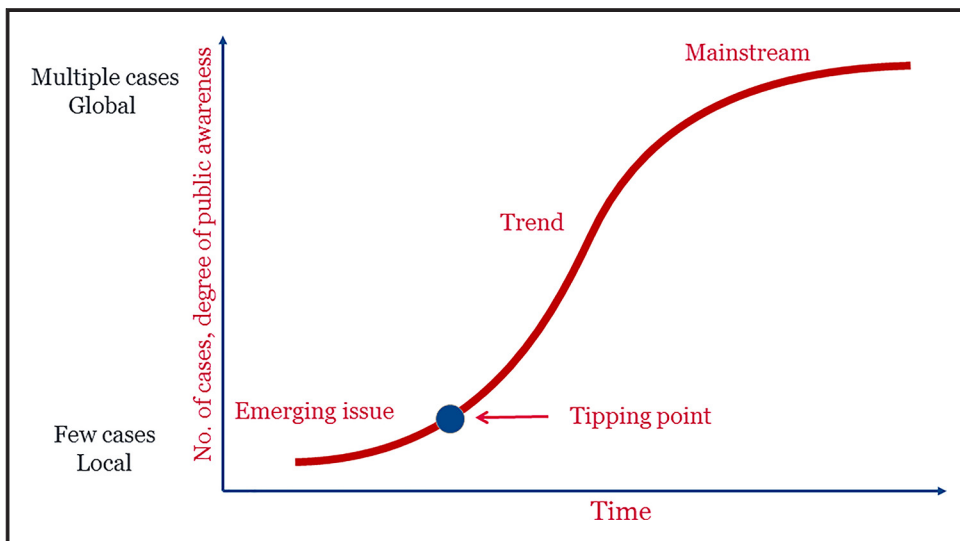
might vary by population group, culture, age category, region and they have the potential to grow (European Foresight Platform, n.d.; Maenhoudt, 2014; Saritas and Smith, 2011). In this earliest stage of a trend, we refer to it as a so-called emerging issue. The public awareness is still small and only artists, scientists, bloggers and vloggers might reflect on it. Early adopters begin to embrace and copy the early examples, and the emerging issue slowly grows in an evolutionary way, such as a snowball. However, as soon as an emerging issue passes a tipping point, the trend starts to spread epidemically (Gladwell, 2000) and turns into what is considered a trend. This revolutionary growth phase allows media, such as newspapers, magazines, journals and websites to pick it up. Late innovators start to join the trend and it becomes mainstream. The trend becomes broadly accepted and institutions and governments start to facilitate the new developments. This stimulates the last hesitant parties to join. The trend ends if it can no longer maintain itself without compromise. The full life cycle of a trend, as discussed, was described by Conway (2009), such as illustrated in Figure 1. This life cycle cannot be completed if a sudden non-anticipated disruption, a so-called black swan, causes a trend to discontinue (Taleb, 2010). Hypes, fashion, fads and hits have a very short life cycle and are not considered trends (Maenhoudt, 2014).

It should be noted, that if a trend has become mainstream, it could mobilise the early beginnings of a so-called counter trend or anti-trend. For example, in Europe the trend of globalisation has led to a counter trend in which residents have started to value their own regional identity much more. The individualisation trend has led to a counter trend in The Netherlands with more and new types of collectives. Also, with reference to the trend among millennials (generation Y) in which they have turned their face away from tour operators for the arrangement of a holiday, early signals seem to indicate a counter trend in which they want to return to the tour operator to save precious time, yet only if the tour operator can provide them with modular travel arrangements (Art, 2015).

Trend pyramids

The trends resulting from a horizon scan can only be useful for strategic foresight and scenario planning, if they are understood, classified and their interrelations are grasped (Lindgren and Bandhold, 2009; Cramer et al., 2016). Trends can be analysed and classified in a number of ways as follows:

Figure 1 Life cycle of a trend



- according to levels in the environment of a business or organisation: trends in the transactional environment (industry level) and trends at contextual level (level of society, often referred to as DESTEP, PESTEL or STEEP environment) (Burt *et al.*, 2006);
- according to level of scale: macro or mega trends at the international level, meso trends at national or regional level and micro trends at household or personal level (Den Hartog – De Wilde, 2017); and
- according to time scale or level of abstraction.

A trend pyramid can be used to structure or classify trends according to different levels of abstraction (Cramer *et al.*, 2016; Goldbeck and Waters, 2014). Such a pyramid consists of a few levels of trends, with the long-term and most abstract trends at the bottom and the short-term and most concrete trends at the top. However, different authors have used different numbers and definitions of the levels of abstraction in the trend pyramid (Dumitrescu, 2011; Goldbeck and Waters, 2014; Lindgren and Bandhold, 2009; Maenhoudt, 2014; Roothart, n.d.; Van Boeijen and Daalhuizen, 2010). Despite the differences in how the three or four levels of abstraction of trends are labelled and described, the idea behind it is basically the same. In the context of strategic foresight and scenario planning, the authors opt for the operational definition of trend levels as described in Figure 2: micro trends (up to 5 years, most concrete), meso trends (5–10 years) and mega trends (10–15 years or longer, most abstract). It should be noted that the concept of mega trend was coined by Naisbitt. He defines it as a development that is expected to continue for at least the next 10–15 years; has global reach because it affects almost all regions of the world and society from the macro to the micro level, including governments, social organisations, businesses and individuals and including political, economic and scientific-technological domains; and it has a profound impact on human life and a transforming quality. This means it implies changes that can hardly be neglected (Naisbitt, 1982). Often mega trends are referred to as drivers or driving forces of change: developments causing change, affecting or shaping the future (European Foresight Platform, n.d.; UNDP, 2018) and useful for strategic planning, i.e. strategic foresight and scenario planning.

To understand the connection between the three levels in the trend pyramid it is inspiring to look at the metaphor of a tree, as suggested by Maenhoudt (2014). He compares the mega trends with the trunk of a tree, the meso trends with the branches and the micro trends with the leaves. Just like the germination of a small seed is hardly visible in the beginning, mega trends are hardly visible in their initial stage. With time they grow, their visibility increases, many people become aware of them and gradually they become strong and firm and more resistant to the local circumstances. In some cases, their growing power might be underestimated. Like the lifespan of a tree depends on the specific kind of tree and its sensitivity to specific circumstances where it grows, the lifespan of a mega trend depends on its specific nature and sensitivity to (other) environmental forces. The micro trends can, according to Maenhoudt, be compared with the branches of the tree and represent the multiple ways in which a macro trend can manifest itself. Micro trends are like the leaves of the mega tree. Similar to the lifespan of leaves on a tree, the life span of micro trends can be anticipated. We can anticipate the leaves to fall during the autumn. The weather conditions can speed up or slow down the process, but we are sure that they will not stay on the trees till next spring.

The practical value of trend pyramids

For an organisation or business to be adaptive or resilient to future changes and disruptions, strategic foresight and scenario planning is a useful approach to strategic policy and planning. In today's dynamic and hyper-connected world it is a relevant competence that requires an ongoing scanning of the horizon and analysis to understand what the future might bring. This implies that emerging issues, trends, counter trends,

Figure 2 Trend pyramid: three trend levels for strategic foresight and scenario planning

Trend label	Level of abstraction	Position in the pyramid	Time frame	Characteristic
Events & phenomena (micro trends)	Low	Top	≤5 years	<p>Micro trends refer to new events or phenomena, or to start-ups or innovative technologies, products and services. This might take the form of emerging issues, fashion, hypes, fads etc. Micro trends become less important when they spread in time and space, and this also determines their life span.</p> <p>To a certain extent they can be created, as long as the macro trend is respected. Monitoring and analysis of micro trends helps to identify meso trends. Recognizing and understanding meso trends helps to observe micro trends.</p> <p>Least robust. Change frequently.</p>
Trends (meso trends)	Intermediate	Middle	5-10 years	<p>Meso trends refer to changes in specific domains of society (such as in leisure or tourism) and are easier identifiable than mega trends.</p> <p>Meso trends are visible in multiple sectors, industries, markets, groups, regions, countries and are better able to adjust themselves to specific circumstances than mega trends, and therefore take a different shape in different situations. This means that conclusions about meso trends cannot simply be transferred from one situation to the other.</p> <p>Meso trends drive micro trends. Therefore, they trends can be identified by analysing patterns of events and phenomena at micro level and/or by recognizing and understanding macro trends and their possible implications.</p>
Drivers (mega trends)	High	Bottom	≥10 years	<p>Mega trends refer to changes in society (such as demography, economy, culture, technology, ecology, politics, together often referred to as DESTEP) that determine our lives.</p> <p>Mega trends will only be sensed by the larger public when a tipping point (point of no return) has passed and they have produced many and more recognizable meso trends. However, the power for mega trends to produce meso trends is contingent with time and place, and thus dependent on country, region or culture. Because of this subjectivity, mega trends can also be referred to as tendencies.</p> <p>The life span of mega trends is determined by their power to resist other external forces from society.</p> <p>Mega trends can be identified by analysing patterns in meso trends. Recognizing and understanding mega trends, their tipping point and life span, helps to anticipate meso and micro trends they might produce.</p> <p>Most robust. Change slowly.</p>

Source: Adapted from Dumitrescu (2011), Goldbeck and Waters (2014), Lindgren and Bandhold (2009), Maenhoudt (2014), Roothart (n.d.), Van Boeijen and Daalhuizen (2010)

innovations or innovative ideas, disruptive forces, changes in the power of stakeholder groups, potential implications and plans in the pipeline, are continually scanned in a multitude of sources. This could be newspapers, websites, blogs, wikis, podcasts, think-tanks, movies, scientific reports, professional magazines, trend watchers, philosophers, reports and literature such as books by science fiction writers and news sites.

A trend pyramid can be used as a valuable tool to structure the results of the scanning exercise and to understand how trends at different levels of abstraction are related. It can be used iteratively, because it has a bidirectional logic. From the top to the bottom, observations at the micro level (e.g. specific start-ups) can be used as indicators to trace meso trends (e.g. changes in consumer behaviour) and understanding meso trends can be used to grasp mega trends (e.g. value change associated with the growth of generations Y and Z). Vice versa, understanding long-term mega trends that drive the future (e.g. geopolitical developments; Singleton *et al.*, 2017) can be helpful in anticipating changes at the meso level (e.g. switching behaviour in tourist travel) and micro level (opportunities and

threats for the tourism business) (Lindgren and Bandhold, 2009; Cramer *et al.*, 2016; Van Boeijen and Daalhuizen, 2010). Thus, the trend pyramid can be used to understand how the environmental system functions, to map plausible future developments in the form of scenarios and to support businesses and organisations in becoming more future proof. Business themselves are able to identify business opportunities before they become mainstream.

This approach is common practice in scenario projects performed by the European Tourism Futures Institute. A few years ago the European Futures Institute did a study for the future of the Wadden Sea dike in the north of The Netherlands. The climate change and the sea level rise (mega level) did lead to new conceptualisations of a sea dike (such as the “soft dike” concept). By relating the concept of the soft dike to the meso trend of cultural tourism, stakeholders generated various ideas for new products and services (Hartman *et al.*, 2014). In another study, a broad analysis of trends was used to develop scenarios and, subsequently, to generate ideas for the future of indoor sport accommodations in a Dutch region faced with population decline and ageing (Postma *et al.*, 2019). More recently the European Futures Institute has been involved in a scenario study for the European Travel Commission and EU-rail to facilitate policies that enable commercial opportunities between destinations and railways.

Conclusions

Strategic foresight and scenario planning is a relevant approach for organisations and businesses in tourism to become more adaptive, resilient to change and, hence, more future proof. Strategic foresight is a competence that is based on an ongoing scanning of the horizon for events, developments and emerging issues. Trend pyramids (or trend trees) are a valuable tool for the analysis of the outcomes of the horizon-scanning exercise, to analyse trends and to get to understand the dynamics of the external environment. The terminology used to describe the levels of trends in the pyramid varies, although the meaning of it is the same. In this paper an attempt was made to integrate the different viewpoints into a consistent model of a trend pyramid that can be used for the analysis of trends and for the anticipation of future trends in the context of strategic foresight and scenario planning.

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