# THE FUTURE OF RECREATION, TRAVEL & HOSPITALITY

THE FUTURE
OF
RECREATION,
TRAVEL &
HOSPITALITY

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# Contents






**SPECIAL THANKS**

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# Introduction

May 2022

It has been a remarkable couple of years for the hospitality and travel industry. No corner of our world was unaffected by the pandemic. Name-brand global companies along with small businesses had to fight for survival and adapt to circumstances that often changed on a daily basis. As we adapt to the changed terrain, now is an excellent time to have a deep conversation with our team members, trusted partners and industry leaders about the future.

What we see ahead is incredibly exciting. Never have there been better tools to understand and connect with customers. Never have there been more ways to streamline supply chains and create more efficient organizations. And never before has the world been in more need of the joy, escape and human connection that the travel, hospitality and sports industries have to offer.

It took nearly a hundred years for the industrial revolution to shift work from fields to factories and fundamentally reshape human society. The transformation we are witnessing in this generation is no less monumental, but there is a difference: It's happening faster and faster.

Today's business leaders need to be well versed in subjects that hardly existed a generation ago. They must understand—and keep pace with—emerging influences such as blockchains, social media, cloud computing, artificial intelligence, autonomous vehicles, collaboration software and cybersecurity.

This isn't the first "Future of" project that we've embarked upon—we've previously examined Sports and Medicine—but it's the first time we're truly diving into what's on the horizon for the hospitality industry as a whole. We've titled this report FORTH—yes, it's a convenient acronym to talk about the future of recreation, travel and hospitality. But more importantly, it captures the momentum we'll continue to see across our industries.

Why are we sharing the insights in this report outside of Delaware North? No one can see beyond the horizon with perfect clarity, but we believe that it is possible to improve our vantage point through wide-ranging, open and inclusive exploration. We invite you to join us in this one to ensure that our organizations are at the center of a vibrant conversation about the forces shaping the future. That is the goal of the FORTH project. We owe this effort to our communities, families, guests, and our team members, both present and future.

FORTH

THE FUTURE OF RECREATION, TRAVEL & HOSPITALITY

Delaware North.

**Jerry Jacobs Jr.**
CEO, Delaware North

**Lou Jacobs**
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**Charlie Jacobs**
CEO, Delaware North

## Sustainability:
### THE PATH TO FUTURE-READINESS

In 1987, the United Nations Brundtland Commission defined sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." This report takes a similarly broad view on the definition of sustainability, one that encompasses environmental, social and governance (ESG) considerations.

Globally, climate change is wreaking devastation on our natural ecosystems, leisure destinations and health. It will continue to affect the recreation, travel and hospitality industries, from how we spend our free time to where we travel, what we eat and where we stay.

Sustainability plays a pivotal role in how we plan for the future and how we navigate the forces of change that are shaping it. Organizations around the globe are embedding ESG priorities into their strategy and long-term planning in a quest to make their operations and value chains more resilient and future-ready.

**1. New generations care.**

Generations Z and Alpha are eager to align their lifestyle, travel and purchasing decisions with their values. Thanks to social media, organizations attempting to greenwash their environmental or social impact will be called out quickly and ruthlessly.

**2. Climate neutrality is table stakes.**

It is no longer enough to focus on mitigating current impacts of human activity. The next generations of travelers will demand that the businesses they engage with help repair damage done to the environment over decades. The circular economy will continue to gain momentum—as companies explore solutions beyond the traditional take/make/waste model and look for ways to bring materials back into the chain as valuable inputs after their usable lifetime.

**3. Investors demand ESG upgrades.**

The world's biggest investors have realized that consumers expect industry to lead environmental repair and social change. Asset managers like BlackRock, T. Rowe Price and Vanguard are pushing management teams to embed sustainability considerations into strategy and future planning.

**Alba Muñoz Saiz**
Sustainability Editor



## Editors' Letter

In our seven years of teaming up with Delaware North on Future Of reports, we've been a little too bullish on a few things (virtual reality headset sales) and a little conservative on others (the proliferation of digital currencies), but mainly we've seen that the future often arrives earlier than expected. The sudden rise of over-the-top TV, esports and legalized sports betting, predicted in The Future of Sports 1.0 and 2.0, come to mind. The starkest example is this prediction from our 2017 Future of Medicine report: a pandemic borne of "a combination of megacities, climate change, an increasing global population and high rates of travel." That event hit us less than four years into the 40-year time window we gave its arrival.

Few industries have been more deeply impacted by the pandemic than recreation, travel and hospitality. Organizations of every size have had to adapt at lightning speed, or cease to exist. While fans have returned to stadiums and travelers to restaurants, the future has been fundamentally changed. The pandemic has acted as a catalyst, speeding up many of the changes and technologies that we've predicted. Driverless delivery vehicles will be part of everyday life sooner because of the Covid's influence on our restaurant and grocery ordering habits. Closed offices and the drop in business travel have sparked innovation and adoption of new collaborative software platforms using augmented reality (AR) and virtual reality (VR) technology. In a few years, it will be hard to imagine an aspect of our world that wasn't significantly altered by the gauntlet of 2020–2021.

For this effort, we assembled a team of journalists with deep expertise in recreation, travel and hospitality and challenged them to lead us on an informed excursion into the uncertain, frightening and exciting future.

Future-proofing is an essential survival skill set for any organization, and we've seen that the most surefire future-proofing strategy is actually opportunity-hunting. Leaders and teams that approach the future with a combination of optimism and opportunism are inevitably more successful. Yes, the future is full of risks and "black swan" events, but organizations ready to embrace change can become antifragile—that is, they can grow stronger through adversity—and never is opportunity greater than during times of disruptive change.

This report is the culmination of several months' worth of vigorous discussions, pitched debates, eureka moments and virtual table-pounding. Think of it not as a set of answers about how things will be, but more as a shopping list for the tools that we can use to build toward a bright, hopeful future and bring about positive, sustainable change.

ATTENTION SPAN

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**Brandon Presser**
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**Larry Habegger**
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**Ethan Watters**
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**Garrett Law**
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# Contributors

**JOSH McHUGH**
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Josh's experience at the intersection of technology, media and business began at *Forbes*, where he chronicled the brainiacs and billionaires behind the turn-of-the-century tech upheaval, while opening *Forbes*' Bay Area office. A contributing editor at *Wired* for six years, Josh briefly expired while volunteering in a NASA hypergravity endurance experiment. He has also written for *Vanity Fair*, *Outside*, and shelfloads of other publications. He also worked as a copywriter for advertising juggernauts Wieden + Kennedy and Goodby, Silverstein & Partners. Josh graduated from Yale in 1992 with all-Ivy honors in lacrosse and a BA in English. His efforts to dunk a basketball are the subject of *Dunkumentary*, which screened at the 2009 Cannes Film Festival. Josh is both chief executive officer at Attention Span and editor in chief at *Attention FWD*.

**GARRETT LAW**
STRATEGY EDITOR

Garrett is a cofounder of Attention Span and leads strategy development for its clients. An Emmy-winning technologist with extensive experience in content creation, distribution, promotion and communications, Garrett honed his media savvy as VP, CFO and general manager of KHIZ-TV Los Angeles as the youngest GM in LA television. He oversaw all operations of the station and company, executing its successful turnaround and engineering overhaul. Before KHIZ, he helped launch Global Outsight—a media strategy and M&A consultancy in Cambridge, MA—and was on the staff of the mayor of Boston. He is a Harvard graduate who studied engineering while majoring in the History of Science.

**BRANDON PRESSER**
EXECUTIVE EDITOR

Called a "rough-and-tough adventurer" by *Entertainment Weekly*, Brandon has spent time in more than 130 countries, and has written more than 50 books about travel. He currently contributes to a variety of influential publications, including *Bloomberg Businessweek* and *Condé Nast Traveler*. Brandon led a group of eclectic travelers around the world on the Bravo television series *Tour Group*. He earned his stripes as a professional nomad in Paris while working at the Louvre, in Tokyo as an architectural apprentice, and in Thailand as a scuba diving professional. He became the youngest person to join the coveted team of writers at Lonely Planet, crossed the globe authoring books on such far-flung destinations as Iceland, Turkey and Mauritius, and was awarded an SATW Lowell Thomas gold prize for his achievements in guidebook writing. His most recent book, *The Far Land - 200 Years of Murder, Mania & Mutiny in the South Pacific*, was published in March 2022.

**LARRY HABEGGER**
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Larry is cofounder and executive editor of Travelers' Tales publishers, where he has worked on all of the company's 160-plus books and helps oversee their publishing program. He writes mainly about world travel, and is cofounder of The Prose Doctors, an editors consortium. For three decades he wrote a newspaper column about travel security, as well as stories in major newspapers and magazines. He has traveled in more than 60 countries, from the Himalayas to the Dead Sea, the Arctic to equatorial rainforests. He holds a BA in English from Dartmouth.

**ETHAN WATTERS**
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Attention Span's Head of Story, Ethan is an author and futurist who has spent the last two decades writing about culture and psychology. He is the author of *Crazy Like Us: The Globalization of the American Psyche* and *Urban Tribes: A Generation Redefines Friendship, Family, and Commitment*. His writing has appeared in *The New York Times Magazine, Outside*, *Discover*, *Men's Journal* and *Wired*, among other national publications.

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Tyson manages Attention Span's design team in Ithaca, NY, and is a multidisciplinary designer who specializes in brand strategy, user experience design and architectural environments. Tyson received his Master's in Architecture from the University of Pennsylvania, where he studied digital fabrication and parametric design. He received his BS degree in Electronic Media, Arts and Communication from Rensselaer Polytechnic Institute.

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SUSTAINABILITY EDITOR

Alba is a sustainability strategist based in Attention Span's Boston office. She focuses on strategic projects related to sustainability, diversity and inclusion, stakeholder engagement and event planning and execution. Prior to Attention Span, Alba spent eight years at Ceres—a sustainability advocacy organization—where she managed relationships with a cross-sector group of companies, including Disney, Hershey's, General Mills, Ben & Jerry's and Aveda, and led a network of 100-plus nonprofit organizations, coordinating strategy, stakeholder engagement and outreach efforts. Alba holds a Master's in Corporate Social Responsibility from the EOI Business School in Madrid and a sustainability certificate from Harvard Extension School.

**ELIZABETH DUNN**
EDITOR/WRITER

Elizabeth writes about food, business and innovation for the *Wall Street Journal, Bloomberg, The New York Times* and others, including *The New Yorker*, *The Atlantic*, *Esquire*, *Thrillist*, *Medium*, *TASTE Cooking*, *Edible Manhattan* and *Edible Brooklyn*. Prior to becoming a journalist, she worked as a strategy consultant at the Boston Consulting Group. Elizabeth graduated in 2005 with a BA in the History of Art from Yale University, where she served on the editorial board of the *Yale Daily News*.

**PETER WHITE**
INTERNATIONAL EDITOR

Peter taught Asia-related economic development courses at Harvard for eight years. He spent the next decade as CEO of Global Outsight, a Cambridge, MA, strategy consulting firm where he successfully created new companies and turned around underperforming ventures. Before cofounding Attention Span, Peter was the CEO of KHIZ-TV Los Angeles and of Initial Broadcasting of California, where he led the transformation of an underperforming LA broadcast station into a cash-flowing digital TV pioneer, winning an Emmy in the process.

**JILL K. ROBINSON**
EDITOR/WRITER

Jill writes about travel and adventure for a wide variety of publications, including *AFAR*, *National Geographic*, *Travel + Leisure*, *Condé Nast Traveler* and *Outside*. She's the co-author of *100 Things to Do in San Francisco Before You Die, 2nd edition*, and has book projects with National Geographic and Reedy Press scheduled for release in 2022 and 2023. She has won Lowell Thomas, Bill Muster, Society of American Travel Writers, and American Society of Journalists and Authors awards for her writing and photography. Jill is also the editor of *GuestLife Monterey Bay*, an annual magazine for travelers to California's Monterey Bay area.

**MICHAEL SHAPIRO**
EDITOR/WRITER

In a career that's ranged from investigative journalism to sports, from travel to the performing arts, Michael has written for *National Geographic*, *The Washington Post*, *San Francisco Chronicle* and *The New York Times*. He's reported from more than 20 countries and is the author of *A Sense of Place*, a collection of conversations with the world's leading travel writers. He has contributed to more than 40 Frommer's guidebooks, and though he may be the least fashionable person in the Bay Area, co-authored *Louis Vuitton's San Francisco City Guide*. His most recent book, *The Creative Spark*, gleans insights from his interviews with luminaries such as Smokey Robinson, Amy Tan, Francis Coppola, Lucinda Williams and Merle Haggard. The book won the Independent Publisher award. Shapiro's recent National Geographic stories include a feature about Jane Goodall's Trees for Jane initiative, a tribute to Welsh writer Jan Morris, and a look at how road-building is changing Nepal.

**ETHAN FLETCHER**
SENIOR DESIGNER

Ethan is an interdisciplinary designer and programmer specializing in Web, graphic and game design. He has worked on projects involving everything from virtual reality to illustration. Before joining Attention Span's Ithaca, NY, design lab, he worked as a front-end developer at an award-winning Web startup. He also spent several years as an undergraduate researcher and designer at Ithaca College, developing a video game to use as a tool for informal foreign language acquisition. Ethan received his BS in Emerging Media from Ithaca College, where he also triple minored in Web Programming, Game Development and Computer Science.

**MATT VILLANO**
EDITOR/WRITER

Matt is a full-time freelancer who writes, edits and makes mayhem in the multimedia world. He's been writing professionally since 1995. In that time, he's written about everything from milking goats to shellfish farms, Clown College to biometrics. His work has appeared in many publications, including *American Cowboy*, *The New York Times*, *Travel + Leisure*, *Bloomberg Businessweek*, *USA Today* and *Sunset*. He's written Web copy, ad copy, marketing campaigns, executive speeches, brochures and a couple of DVD and online trivia games. One time, someone even hired him to write the toast he gave to his daughter at her wedding. Matt is also proud to say that he contributed as a freelancer to coverage that collectively won a Pulitzer Prize in 2018. His editing business began in 2002. Since then, he's edited adventure travel magazines, corporate newsletters, press releases, corporate reports and blog posts. He's updated a number of guidebooks (about Las Vegas, Hawaii, California Wine Country, and Sequoia and Kings Canyon National Parks). He even does some brand essence work.

**NATALIE JONES**
RESEARCHER/WRITER

Natalie Jones is a reporter, researcher and audio producer based in Oakland. She's worked on podcasts and audio shows that have reached listeners all over the world, and her reporting has been published in *The Guardian*, *The Washington Post*, *NPR.org*, *Grist*, *Civil Eats*, *Craftsmanship Quarterly* and the *Point Reyes Light* newspaper. She has covered technology's impact on society, environmental issues and land use, and medical school admissions, among other topics and events. Whether close to home or on the other side of the world, she is constantly seeking and often finding adventure, and is grateful to have survived hair-raising taxi rides, questionable hostels, single-digit wilderness temperatures, uncompromising rock faces and terrible club music.

**HENRY GORELIK**
RESEARCHER/WRITER

Henry is a junior at Tufts University double majoring in International Relations and Economics. He writes an NFL column for the *Tufts Daily*, and is a staff editor for *Hemispheres: Tufts University Journal of International Affairs*. He has worked on a wide variety of projects for Attention Span, including The *Future of Sports 2.0*, Methane Research Team, AttentionFWD and, most recently, *The Future of Youth Sports*. He has traveled extensively, including stays in Russia, Germany, Italy, England, the Netherlands and Japan. Next spring he will take a semester abroad in Barcelona.

**DOMINIQUE SAINT MALO**
RESEARCHER/WRITER

Dominique is a writer and filmmaker whose career has ranged from investigating political and social trends in the US to film analysis and interpretation to the forces impacting our food system. She has worked with StudioBinder, Nantucket Film Festival, Doc NYC, Netflix, NBCUniversal and Hulu. Based in the New York metropolitan area, she seeks out new cultural experiences to spotlight in her next script or article. Dominique has traveled to over 20 countries and speaks two and a half languages.

"Despite China already being the largest outbound tourism spender in the world (pre-Covid), less than 15 percent of the population has a passport. That number will double in the next 5–10 years… the wave of Chinese outbound tourism we saw in 2015–2020 is the second wave. And after that, the third."

—Zak Dychtwald, founder, Young China

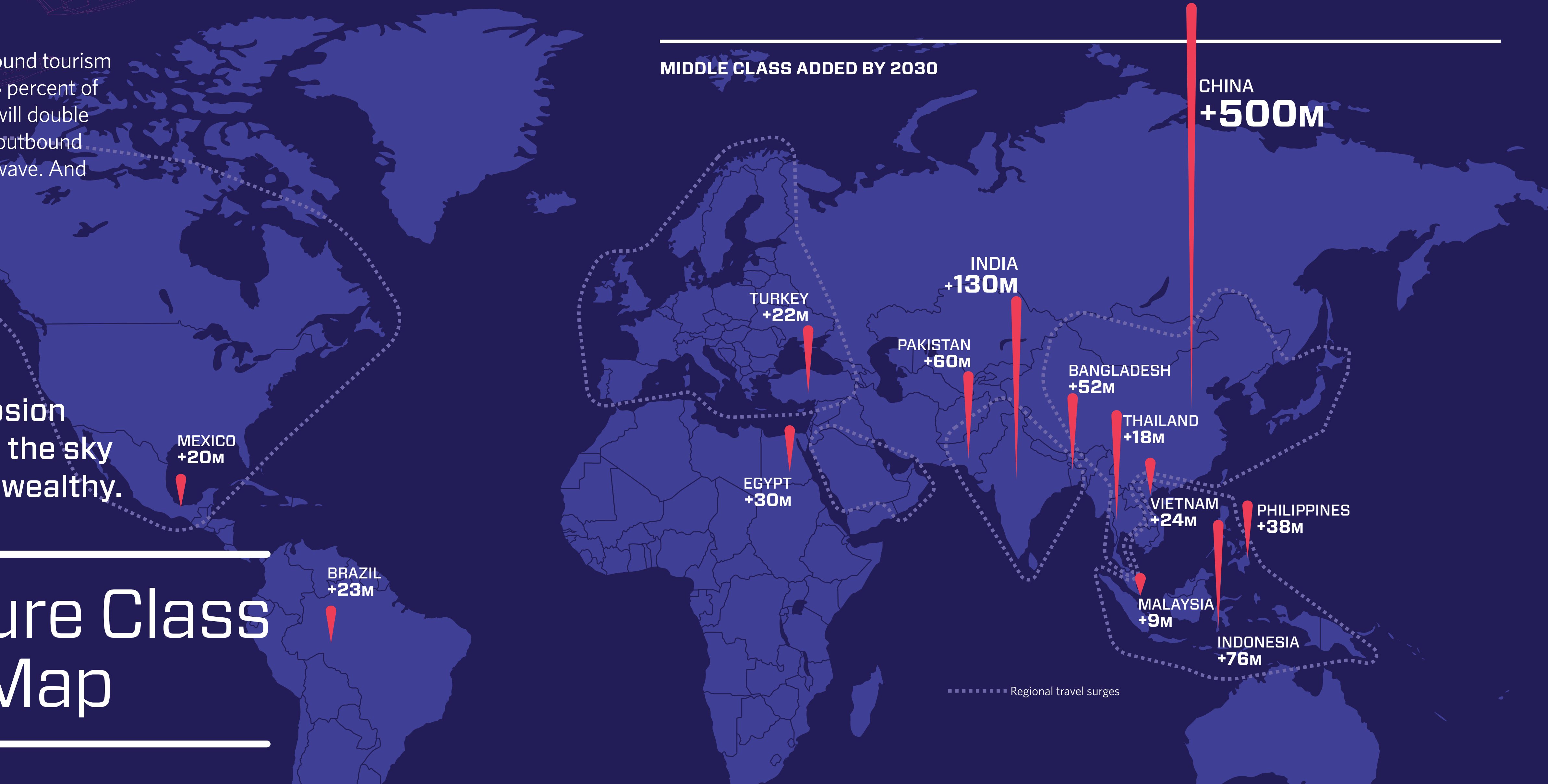
**The global middle-class explosion will launch a travel boom, and the sky won't be the limit for the ultrawealthy.**

# The New Leisure Class Redraws the Map

We're at the dawn of an explosion of middle-class leisure travel. By 2040 it is well within the realm of possibility that another billion citizens of Earth will be jetting off around the world as emerging nations—especially in Asia—are poised to unleash new legions of urbanized individuals with substantially higher earning power.

At the same time, the private wealth of the ultrarich has soared away like an untethered helium balloon, leaving even the so-called One Percent on the tarmac. Since the Covid pandemic began in early 2020, billionaires across the globe have increased their worth by over 60 percent, and their spending on leisure goods and experiences has doubled.

Over the next 20 years we'll see a mass-market travel model evolve to brace for seismic tourism impact. The luxury market will continue to ascend as the price ceiling of experiential spending evaporates in favor of singular experiences in virgin ecosystems and even outer space.




A BILLION NEW
## TRAVELERS?

The traveler of tomorrow is not the nuclear family or the moneyed retiree, but a younger individual without children who has yet to reach the height of their professional career and spending potential.

A new leisure tourist in a developing nation is minted when their annual income surpasses $20,000, or when they join the global middle class. By 2030 China, India, Indonesia and Japan combined will represent almost half of the world's middle-class consumption share (the US will be around seven percent, by comparison). Additionally, Pakistan and Thailand are among the top four countries in the world primed for urban booms by 2040, again creating more middle-class citizens. This means that roughly 500 million new people will have the propensity to travel internationally by the end of the decade, and it is within the realm of possibility that this number will reach a billion by 2040.

China, in particular, saw an increase of 100 million travelers from 2008 to 2018. When tracing that country's growth curve of international departures, the biggest upticks occur right after a crisis: SARS in 2003–2004 and the Global Economic Crisis in 2008–2009. The resolution of these crises spurred sharper rises in travel, which paralleled the revving of its economic engines. After Covid, we can easily forecast another 100 million new Chinese travelers ascending over the next decade. More than half of the nation's population (around 750 million of a projected 1.5 billion) will have the ability to travel internationally by 2030.

POTENTIAL NEW TRAVELERS

**500** Million
BY 2030

**1** Billion
BY 2040

## REGIONAL BECOMES
### THE NEW GLOBAL

The omnipresence of social media and internet usage, and the ease of international communication have been a conduit for rapid globalization, but they are not a prelude to the future of travel. Movement throughout the planet will not be as free-flowing physically as it is digitally. Visa sanctions, travel restrictions and other red tape will worsen as new crises—energy shortages, resource insecurities, political schisms—manifest, further flaring political friction, nationalism and xenophobic distrust.

Ironically, as technology continues to modernize by the minute, connecting us across oceans at faster and faster speeds, a period of international contraction will occur as the cost of travel increases (to cover additional energy and resource costs) and the act of travel becomes a more bureaucratic endeavor.

Yes, an overall increase in wealth distribution will prime new, middle-class travelers to move, but international mobility will remain largely regional for the average person. Travel alliances will take shape within the lines drawn by the United States–Mexico–Canada Agreement (previously NAFTA) and its European and Asian equivalents.

It should not be underestimated just how large the surge in regional travel will be in Asia, especially in the countries already fed by Chinese tourists: Taiwan, Korea, Japan and Thailand. Beyond China's clutch, movement will circulate in three additional gravities: India, Southeast Asia and the Arabian Peninsula. North America and Europe will remain the strongest leisure markets after Asia, which also mirrors their economic output.

South America and Africa will lag, slowed by climate change concerns that, in 20 years, could accelerate migration away from these continents.

## GO NORTH!
### (AND TO OTHER PLACES OF NATURAL WONDER)

While intra-American movement currently shows millions of nationals moving south, the longer-term forecast suggests something very different: As climate change melts glaciers and warms summers, northern destinations will begin to experience palpably longer tourist seasons and less prohibitive winters. Beach destinations across the globe will begin to move northward—imagine the once-chilly dunes around Kennebunkport, ME, hosting the jet set that traditionally roasts on the sands of Miami Beach.

New investments in such destinations as northern Canada, Alaska, Finland and Greenland make them worthwhile prospects for the luxury market. By the end of the decade, Greenland will have widened its tarmacs in such key areas as Nuuk and Ilulissat, and will cater directly to American travelers. We may also see an increase in stopover travel in Alaska en route to Asia. The weak Canadian dollar and the moderate euro (relative to the expensive krona and krone of Scandinavian countries) make Canada and Finland key destinations for the mature luxury markets (America and Europe) as wealthy, seasoned travelers will continue to crave faraway places of wild encounter. Soon, continental extremities will be preferable to over-touristed Antarctica so long as they are reasonably easy to reach and provide a singular experience for the affluent individual.

Domestically, strategic investments that leverage underused national parks will garner a steady traffic flow of short-stay luxury travelers seeking a quick escape.

**UNDERUSED NATIONAL PARKS**
BEYOND ALASKA

- VOYAGEURS IN MINNESOTA
- NORTH CASCADES IN WASHINGTON
- YELLOWSTONE - HUGE SWATHS OF UNVISITED NATURE IN ITS 2.2 MILLION ACRES

Additionally, experience-driven hospitality entities will more readily partner with landowners of large-scale estates to create sweeping networks of privately operated reserves much like Ted Turner's Vermejo. Turner owns more than 2 million acres (double the size of Delaware) and is the fourth-biggest landowner in America.

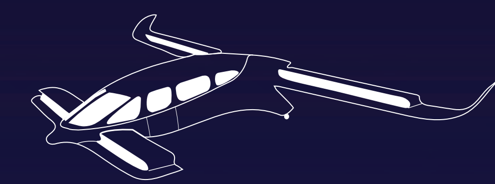
Similarly, oil-rich nations will refocus a significant share of their GDP on the spending potential of inbound travelers, leveraging tracts of wilderness as must-see destinations. Saudi Arabia's ambitious "Vision 2030" project, developing historical sites like AlUla and minting brand new places of encounter like Neom, will be mirrored by other nations in the Gulf, and eventually around the world.

> "Ascending Asia no longer means China, it's the Arabian Gulf, India and Pakistan, and Southeast Asia—Indonesia and Thailand—where the youth populations are growing, the economies are growing, and access to mobility is growing."
>
> —Parag Khanna, author of *Move* and *Connectography*

## PRIVATE BECOMES
### THE NEW BUSINESS CLASS

We've written off the flying car as retro science fiction, but the popularization and ease of private flying will be a mainstay of air travel for the upper class by the end of the decade.

**ELECTRIC AIRCRAFT MARKET**
**$1.5 Trillion**
**BY 2030**



Lilium's 7-seat air taxi

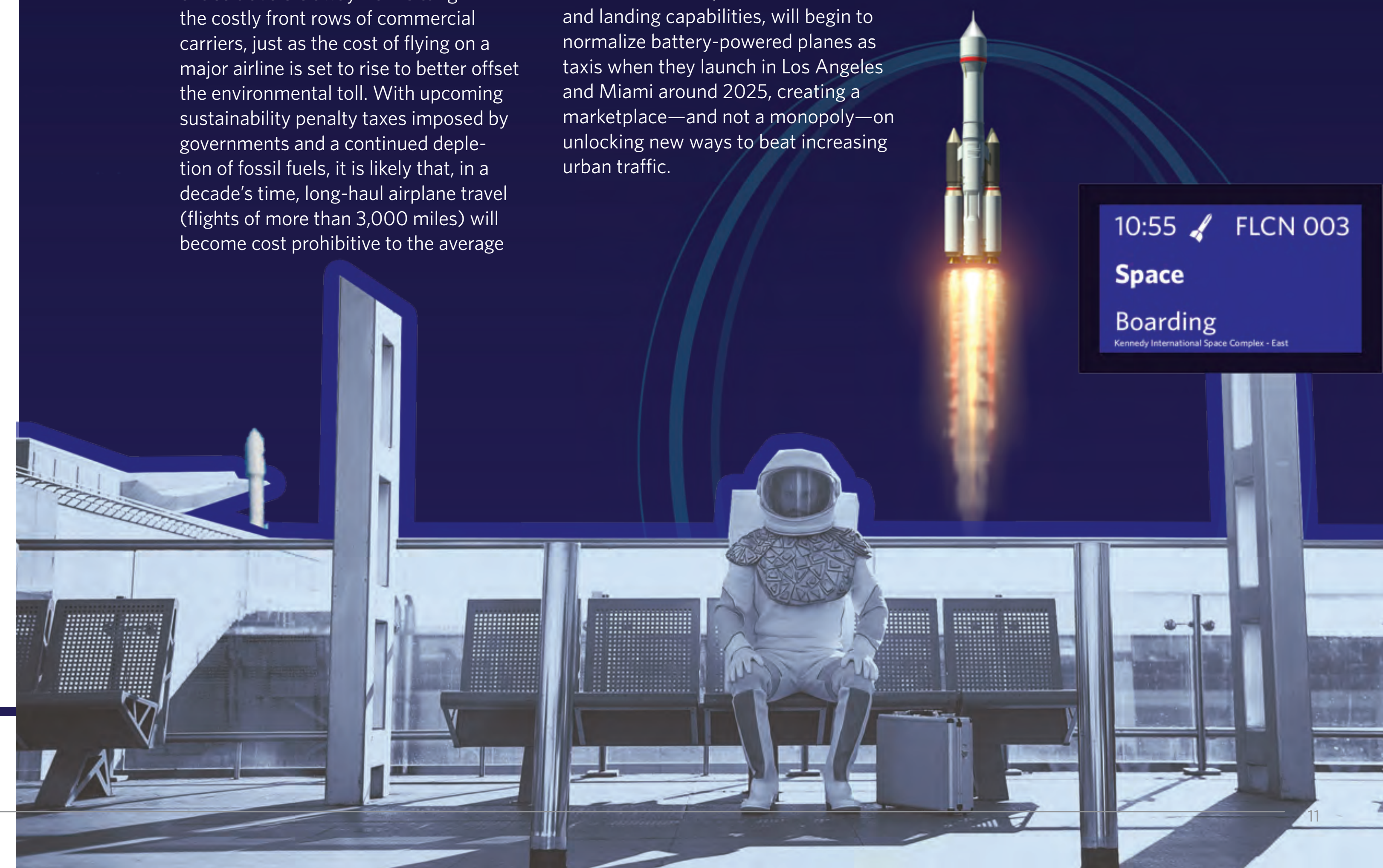
Once deemed an extravagance reserved strictly for the ultrawealthy, private flying is quickly becoming more democratized thanks in large part to the increase in usership during the Covid pandemic.

The price of private flying will drop to entice travelers away from sitting in the costly front rows of commercial carriers, just as the cost of flying on a major airline is set to rise to better offset the environmental toll. With upcoming sustainability penalty taxes imposed by governments and a continued depletion of fossil fuels, it is likely that, in a decade's time, long-haul airplane travel (flights of more than 3,000 miles) will become cost prohibitive to the average traveler. Short-haul private plane travel will become the preferred method of transit for the wealthy elite who will easily pay off the associated climate costs via greenhouse gas (GHG) credits. But there also will be major energy innovations in the sector over the next 20 years. The near-term focus is on sourcing sustainable aviation fuels, or "SAFs" like waste oils of biological origins which emit 30 percent fewer greenhouse gases than traditional jet fuels and do not require any technical modifications for usage. On the horizon just beyond SAFs: electric jet engines. Starting with small jets making short flights, battery-powered flight is set to blast off. The electric aircraft market is projected to be worth $1.5 trillion by 2040.

We are in the nascent stages of seeing the industry adopt an Uber-like model—with a quorum of flyers to help maximize efficiencies—keeping planes in the air and pooling travelers on semiprivate charters bound for the same destinations. A host of startups such as Archer and Lilium, with vertical takeoff and landing capabilities, will begin to normalize battery-powered planes as taxis when they launch in Los Angeles and Miami around 2025, creating a marketplace—and not a monopoly—on unlocking new ways to beat increasing urban traffic.

### THE FINAL
## FRONTIER

The history of leisure space flight is sparse. From 2001 to 2009, the first seven space tourists punched through the Kármán line delineating the inner boundary of space and boarded the International Space Station, each journey sporting an eye-watering eight-digit price tag. Following an 11-year drought, space travel for recreational and not scientific purposes is taking off once more. The number of leisure space travelers doubled in 2021 alone, and new projects such as SpaceX, Blue Origin, Axiom and Space Perspective have ambitious plans to shuttle hundreds of passengers beyond Earth's stratosphere over the next few years. Space Perspective, for example, will begin six-hour voyages on their proprietary "space balloon" in 2024—the company's first 25 launches (carrying eight passengers each) are already sold out (prices are set in the low six figures.) By the end of the decade, the company projects that it will cut its costs to mid-five figures and send thousands skyward on novelty Earth-gazing expeditions.



> “If you lose a generation, it destroys value and connective tissue. Big sports leagues are nervous: Could we lose a generation because we didn’t give them access to what they want?”
>
> —Ted Leonsis, owner of NBA, NHL and WNBA teams

# Fandom and Brand Loyalty: The Next Generations

In 2030, the average Gen Z-er will turn 25. Out of college, with burgeoning careers, they’ll begin their upward economic trajectory, exercising more agency over how they spend their accruing wealth—and spending it. At the same time, millennials will be almost five times wealthier than they were in 2020, as they reach the prime of their professional lives—and stand to inherit more than $68 trillion from their boomer parents. **Understanding the differences between what works for these two generations will be the difference between success and extinction for companies in sports, entertainment, travel and hospitality.**

**For millennials, consumption is largely driven by the so-called “authentic experience.” But Gen Z-ers demand new layers of authenticity—transparency and access**—which guide their ethics and their desire for self-expression. And although they are in pursuit of an empirical truth, Gen Z has barely known an existence without the glossy patina of social media; they are digital natives, whereas millennials are citizens of the physical world. As a result, their respective emotional spending—the capital they’ll drop on pastimes, recreation and travel—will differ greatly, too.

Over the next decade, lifestyle brands will mobilize their fanbases to move laterally across experience-driven industries (a Gucci hotel, anyone?). But at the same time, younger consumers will increasingly engage with esports, short-form video, online communities and augmented reality (AR) with the stigma-free sincerity that the older generations lavish on their “real-life” pursuits. In short, **Gen Z will erase the distinction between the real and the virtual, and successful entertainment and hospitality companies will have to learn to seamlessly integrate both worlds.**

## DYNAMIZING BRAND LOYALTY

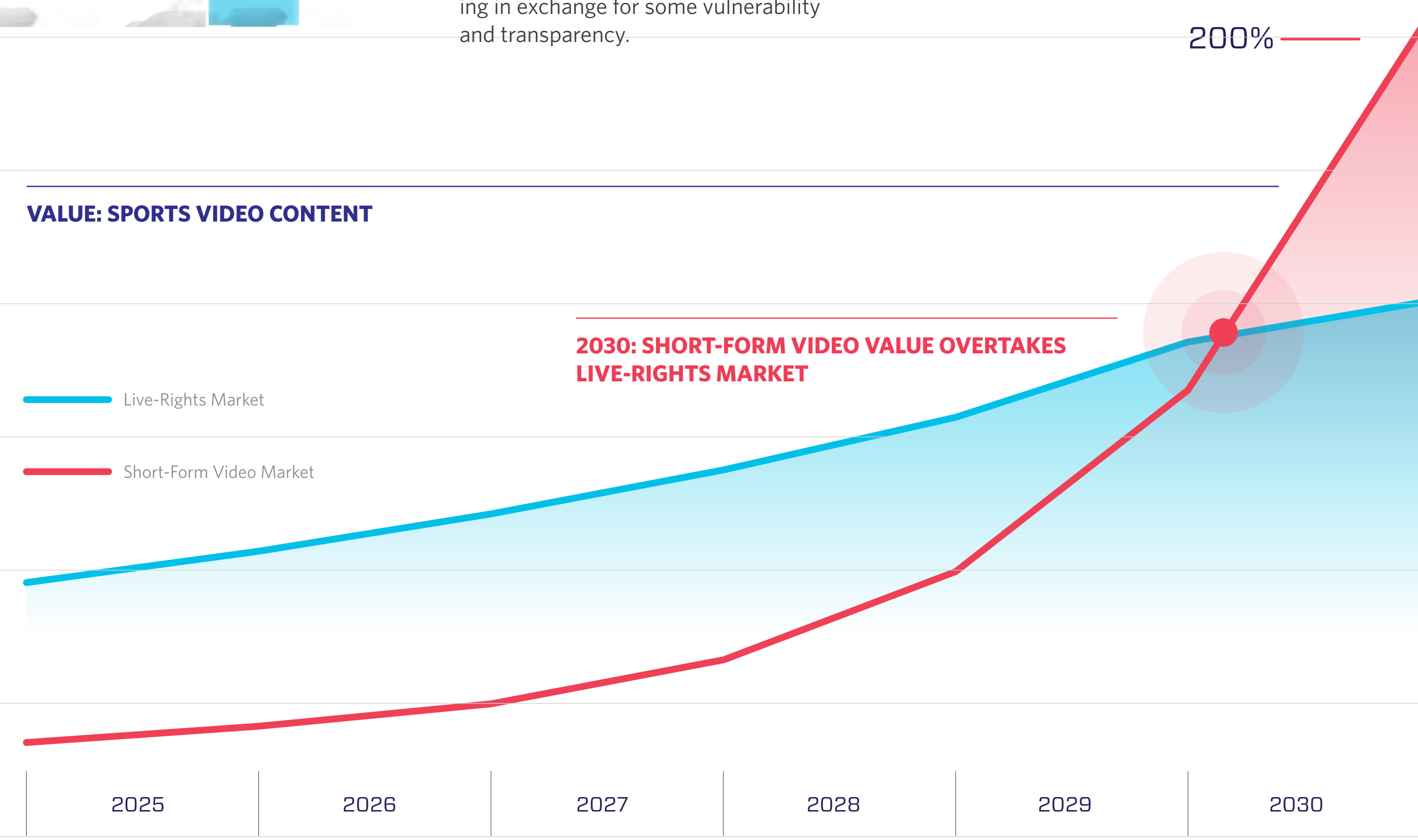
The brands that resonate with ascending generations are synonymous with an experience-driven product. For brick-and-mortar retailers, the key will be to leverage these experiences in their stores to compete with online sellers. After opening a luxury hotel—before the pandemic—Equinox was growing a portfolio of weekender workout-themed excursions. Dick’s Sporting Goods is installing batting cages so people will come into stores to try out new equipment. The possibilities are endless to corral like-minded fans with strong brand allegiances: Large beer and wine retailers can offer guided tasting by experts in-store. Bicycle makers could offer actual bike trips led by cycling pros.

But in order to make the leap from millennials to Gen Z, brands will have to relinquish control over their messaging in exchange for some vulnerability and transparency.

**The psychology of fandom is no longer predicated on place, like hometown sports teams of the last century; the digital realm has democratized consumption—brand loyalists can be from anywhere and from any walk of life so long as they have access to the internet.**

Tech-savvy Gen Z-ers are also used to having the receipts; they are allergic to opaque jargon, they want supply chain clarity and a believable story about how the company benefits the planet, both socially and environmentally. They also want a clear answer on how their personal information will be used or stored. **High-profile brand ambassadors, like athletes, will have to embody their organizations’ core values.** Superlative skills or fame will no longer excuse antisocial behavior.

**VALUE: SPORTS VIDEO CONTENT**



## EXPERIENCE DRIVES SPORTS FANDOM TOO

No longer wanting to be spectators but active participants too, the emerging generations will be less inclined to watch a traditional sporting event without proverbial skin in the game, especially as competitions further inhabit the digital realm.

Esports, now worth over $1 billion, is soaring at a rate of over 14 percent year-on-year; traditional sports leagues remain on a steady but modest growth curve of just under five percent annually. The esports market is expected to reach almost $4 billion in 2030, by which time there may be no distinction for younger fans between watching "real" sports and attending an esports contest.

Only a small percentage of Gen Z—and an even smaller proportion of Gen Alpha—will watch a three-hour live sporting event, preferring video highlights on YouTube, TikTok and other outlets, usually curated by social media stars. Live rights are now worth about $50 billion and are forecast to surpass $60 billion in the mid-2020s. Highlights, in-play clips and off-field content are worth less than $5 billion but are growing so rapidly they could eclipse the value of live rights in the 2030s.

Wagering may be the secret weapon that will keep live sports relevant, as it's embraced as another form of participation: proposition ("prop") bets, fantasy competitions, in-game betting and same-game parlays. With fantasy sports participation on the rise, even routs remain of interest because people aren't betting simply on who will win. Sports betting is now legal in 30 states; in five years it's likely that all 50 states will have legal wagering on sports.

## CAN LIVE CONCERTS AND FESTIVALS REMAIN SACROSANCT TO FANS?

In 1985, the Live Aid concert simulcast famous performers singing "We Are the World." A half-century later, in 2035, almost every major concert will be available throughout the world. Most festivals of the future will have two types of tickets, one for live in-person and one for VR-augmented streaming. In 2020, the Lavapalooza music festival streamed inside Microsoft's Minecraft platform for two days featuring top young talent. Future fests will give you the virtual opportunity to head to the front of the stage and of course visit the merch table.

These festivals remove financial and geographical barriers, opening fandom to a wider demographic. But there will still be VIP action: build up enough Flatbush Zombies fan crypto tokens and you could get a pre- or post-show conversation with the band or even an extremely rare in-person meet-and-greet.

The professional convention circuit has long incentivized deskbound careers with travel perks. But with employees now unstuck from their cubicles, the flow of workers on the move may start to function in reverse, with staff occasionally traveling to their corporate headquarters instead of away. The increased virtualization of career networking may lead to the dissolution of the lucrative professional convention industry, which could pose an economic problem for smaller economic centers—second- or third-tier cities that thrive on the regular influx of convention attendees.

Leisure and hobby conventions like Comic-Con—opportunities to meet actors and performers and interact with like-minded fans—face the same issues as live concerts, with the ascending generations placing less importance on the need for an in-person experience.





## EVERYONE IS AN INFLUENCER

By 2030, virtually all consumers will make their emotional purchasing decisions (from travel to T-shirts) based on recommendations from social media. They will not, however, typically be swayed by the conventional "influencer" who has already begun to be perceived as a disingenuous sellout. Instead, influence will get increasingly personal; advice and recommendations on where to spend one's disposable income will be shared on social platforms among trusted connections.

The niche nature of the future of influence will continue to erode power once held by a few large companies, decentralizing media and entertainment across a smattering of platforms. As personal content creation becomes an amalgam of self-expression, art and native advertising, slick or overwrought production values will be swapped for the handmade variety.

## ARE MUSEUMS AS ANCIENT AS THEIR RELICS?

Attendance at major museums worldwide has essentially flatlined over the past decade, replaced by visits to immersive exhibits. Innovative companies like Meow Wolf and teamLab are leading the charge with a panoply of interactive exhibits that blur the line between reality and fantasy and further the pervasive need for an experience championed by younger generations.

Museums will wake up and join the battle for those culturally curious patrons. When you visit the Louvre, you won't have to wonder why Mona Lisa is smiling like that—thanks to extended reality and deepfake technology, she'll be happy to answer your question herself.

## WANDERLOST?

Beyond the fact that Gen Z is a smaller swath of the population than millennials, other predictive factors indicate a potential decline in travel in a couple of decades among ascending American and European adults. For Gen Z, the digital realm is equally as vital as the real world. Growing up among the omnipresence of online engagement, Gen Z—unlike previous generations—does not ascribe a lower quality to interactions over social media. Friendships and communities forged in the digital space are perceived as possessing equal merit to in-person groups and friendships. Gen Z is also thriftier. Young adults tend to emulate the spending behavior of those who raised them, and millennials and Gen Z-ers are no exception to the rule. While millennials mimic the purchasing habits of their boomer parents—consuming experiences the way their mothers and fathers acquired material things—Gen Z-ers are the offspring of Gen X, an age group that has traditionally held its purse strings tighter, having grown up in more uncertain economic times. Conservative Gen Z spenders are likely to see the rising costs of travel as an impediment to the ease of movement that has largely characterized the globalized millennial's way of life.

SUN 6 | MON 7 | TUE 8

**By 2027, more than half of the US workforce—80 million people—will be part of the gig economy. This inexorable rise means that the labor force will never go back to the previous normal.**

# Labor's New Gig

Both traditional employers and labor unions will face challenges adjusting to a new unbundled style of working. **The most forward-thinking large employers will build their own gig-like apps so they can maintain access to an available workforce while providing employees the flexibility they desire.** Imagine a trained barista for Starbucks who in 2032 can travel anywhere in the world picking up shifts at local franchises as needed. On the other side of that equation is a staffing manager who will make sure shifts are covered—as easily as she summons an Uber today. Unions will want to have a say in the creation of these internal work apps to protect seniority, pay rates and other benefits for their membership.

The remarkable rise of the gig economy has pulled workers away from entry-level jobs in the hospitality industry—and it is a key reason they are not returning. App platforms that didn't exist 10 years ago have an enormous—and increasing—influence on the labor market. By the end of this decade, the collective power of these platforms will rival that of unions. Even though gig jobs may not supply predictable income, they provide other benefits like flexible working hours and a wider variety of work. The good news is that **while the gig economy is currently a big problem for legacy hospitality businesses, in the long run it will also be a solution.**

The maturation of the gig economy won't be without conflict. Gig workers are increasingly using social media to engage in "decentralized collective action"—i.e., informal unionization—to lobby app platforms for better wages and conditions and to expose unfair management practices, poor wages or outright abuses by the companies behind the apps. Legislative battles and legal challenges to the categorization of gig workers as independent contractors will continue for years. However, **as gig-worker networks bring unprecedented levels of transparency to an ever-greater number of industries, conditions will improve for labor everywhere.**

8AM
NURSING - URGENT CARE (DOWNTOWN)
9AM
10AM
PROOFREADING: DR. J'S ARTICLE
11AM
12PM
1PM
NURSING - VIRTUAL APPT.
2PM
NURSING - VIRTUAL APPT.
3PM
CLEAN THE RENTAL & FIX TABLE
4PM
5PM
6PM

**2021: 55 MILLION GIG WORKERS**

**35%** of US Workforce

**2027: 80 MILLION GIG WORKERS**

**50%** of US Workforce

"I expect organizations to become more marketized in the future, with younger generations not holding six jobs in their lifetime anymore but six jobs at the same time, as workers offer their skills to different companies in different projects."

—Anthony Klotz, professor of Management at Texas A&M

## AFTER PLATFORMS

Gig platforms are taking over huge swaths of the economy. What's next in this evolution? Decentralized Autonomous Organizations, aka DAOs. Run by blockchain-fortified smart contracts (software) rather than bad-boy entrepreneurs, **DAOs create a mechanism for makers and workers to coordinate activities and engage with clients and customers without the need for intermediating (and profit-taking) firms.** Ownership and decision-making power in a DAO can remain with the participants rather than management teams or Wall Street. In contrast to today's regulation-bending, worker-squeezing Ubers, et al., gig DAOs will provide shares of ownership and the ability to vote on strategy and policy to those who use them. Today's early gig DAOs are mainly geared toward software developers and designers. **But by 2025, we will see significant numbers of gig workers buying into ride-hailing and food delivery DAOs that give them a say in how the organization is run—not to mention a piece of the profits.**

## SEGMENTS OF THE GIG ECONOMY

Gig work is steadily moving up the income ladder to include high-paying white-collar jobs—witness such gig platforms as Docketly (for lawyers) and flipMD (for doctors). The number of US independent workers grew by 34 percent in 2021 and they are not all driving for Uber or DoorDash. Fully 55 million people in the United States are gig workers—over one-third of the workforce. **We expect gig workers to exceed 50 percent of the workforce by 2027.**

Gig-platform developers are increasingly seeing the hospitality industry as a prime target for their services. Startups working to supply employees (both permanent and temporary) for a variety of functions in hospitality include Need a Barista and Seasoned.

| CATEGORIES | APPS | |
|---|---|---|
| SHORT-TERM LABOR | TASKRABBIT<br>GIGWALK<br>LUGG | GENERALLY LOWER-SKILLED, SUCH AS MOVING, ERRANDS, LAWN CARE |
| TRANSPORTATION AND DELIVERY | UBER<br>DOORDASH | GIG WORKERS USE THEIR OWN VEHICLES AND GET PAID PER RIDE OR DELIVERY |
| CRAFTY/CREATIVE ENTREPRENEURS | ETSY | MOSTLY GEN Y AND GEN Z, WOMEN USUALLY WITH ANOTHER JOB, LOOKING TO MAKE MONEY FROM CREATIVE ACTIVITIES THEY ENJOY ON THE SIDE |

"Business leaders feel anxious as they struggle to marshal and mobilize the workforce of tomorrow. The workers, however, don't share that sense of anxiety. Instead, they focused more on the opportunities and benefits that the future holds for them, and they revealed themselves to be much more eager to embrace change and learn new skills."

—*Harvard Business Review*, "Your Workforce Is More Adaptable Than You Think"

## WHY HIRING
### HAS BROKEN DOWN

By 2027, artificial intelligence hiring tools will finally prove their worth. Rather than simply scanning resumes for keywords, as most recruitment apps currently do, **AI algorithms will begin to predict more ephemeral qualities like character, intelligence and leadership.** Current AI isn't yet smart enough to judge intangibles that come through in human-to-human interactions. Managers might never see a promising applicant because they haven't broadened their screening parameters. Relying on today's recruiting software, travel and hospitality companies are unwittingly letting the perfect be the enemy of the good.

## MEANING
### STILL MATTERS

While employers reevaluate incentives and consider raises, employees seek meaning and belonging. This is where traditional employers still have an advantage. Having a sense of group membership and shared purpose remains a deeply held human need. Companies that can recognize initiative and show that career progression is possible are more likely to create long-term loyalty.

"A lot of what we're seeing is that people are really reassessing their priorities as it involves work. It's not just around, 'Do I want to work or not?' The pandemic allowed people to step back and say, 'Is it really worth it for me to work now?'"

—Jeff Waddoups, University of Nevada, Las Vegas labor economist

"Over the last few decades, as technological innovation has swept across other industries and sectors at an increasingly rapid pace, hospitality has found itself lagging, needlessly anchored by a reliance on legacy systems. . . . Finally, it seems, an era of innovation is upon us."

—Alan Young, chief strategist, Hospitality Net

## AUTOMATION
### (NOT JUST ROBOTS) CAN SAVE THE DAY

While "automation" evokes robots, self-driving vehicles and other flashy hardware, **advances in software will dramatically reduce the labor demands of running restaurants, venues, hotels and other hospitality-related businesses.** Easy-to-use management and logistics software makes it increasingly simple to hire, onboard and train new staff. Checking someone into a hotel or punching in a food order needn't require weeks of training—or even a human. As hotel and restaurant operating systems become more user-friendly for both managers and staff, new hires will need less training. This, in turn, allows for easier use of short-term and gig employees. This technology will also reduce the need for staff, as customers will order their own meals and check into hotel rooms with no human assistance.

| USE CASE | OPERATING SYSTEMS |
|---|---|
| HOTELS | ALICE, CLOUDBEDS |
| RESTAURANTS | TOAST, UPSERVE |
| CASINOS | WIGOS |

With easy-to-use integrated operating systems, training time and onboarding paperwork is reduced. This opens the opportunity to use recruiting apps like Jobble, Instawork, Qwick, FlexJobs and Clevergig to employ workers from the gig economy as needed. In this way, the hospitality industry can benefit from the gig economy and changing work patterns instead of being the victim of them.

"The restaurant industry is very hot right now in terms of technology and ripe for disruption. There's an acute staff shortage. So I think we do need to embrace technology in certain places where it's going to make life easier."

—Barry McNerney, CEO and cofounder of Unify Ordering

## TIME TO **WIDESPREAD** ADOPTION OF LABOR-REDUCING AUTOMATION IN FOOD SERVICE

### BY 2025

**Waiter-free ordering**

Already employed at major chains and becoming adopted by standalone restaurants and smaller chains through cell phone menu apps and QR codes.

**Contact-free hotel check-in**

Already being adopted in the industry. The convention of checking in at the front counter of the hotel will quickly disappear.


### BY 2027

**Driverless restaurant delivery**

Already in the experimental stage at various places around the country. We have a high degree of certainty about the adoption of this technology.

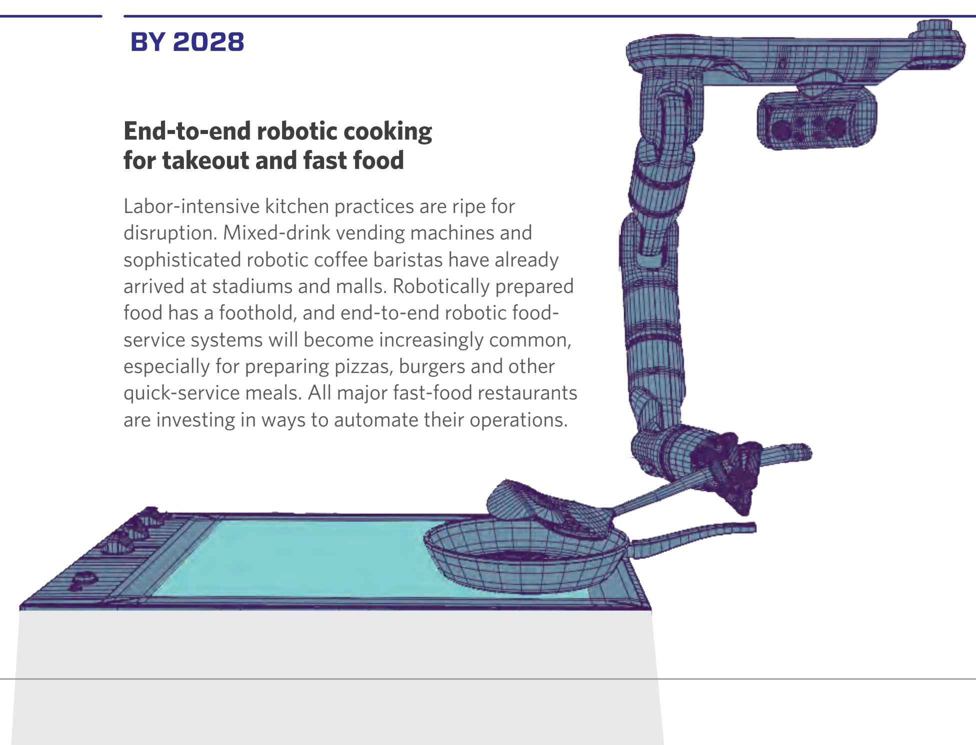
**Table delivery robots in restaurants**

Several startups are already offering this technology but the labor advantages for adoption are limited. For the time being this is more of a gimmick than a potential widespread trend.

### BY 2028

**End-to-end robotic cooking for takeout and fast food**

Labor-intensive kitchen practices are ripe for disruption. Mixed-drink vending machines and sophisticated robotic coffee baristas have already arrived at stadiums and malls. Robotically prepared food has a foothold, and end-to-end robotic food-service systems will become increasingly common, especially for preparing pizzas, burgers and other quick-service meals. All major fast-food restaurants are investing in ways to automate their operations.



### BY 2030

**Fully automated dine-in restaurants**

Small, staffless grocery retail outlets like AiFi NanoStores are being tested out in dozens of cities. Autonomous restaurants that produce cooked food will not be far behind. Piestro, a robotic pizzeria startup, just announced a partnership with 800 Degrees Pizza to create a fully automated kiosk that can deliver a pizza in about three minutes.

Platforms that power the sharing of assets and services—one of the megatrends shaping the global economy—will dominate the travel and transit landscape of the future.

# The Lion's Share

In the coming decades, Airbnb will cement its status as the name-brand platform for property owners of all types and sizes to squeeze the most juice from their real estate assets—whether homes, workspaces, maybe even kitchens or parking spots.

That college grad who, once upon a time, followed her dream job to New York City, sunk her savings into a security deposit and furnished the place off Craigslist? In 2025, that job is remote, and she's getting a taste of Lisbon, Miami and Cartagena on month-to-month Airbnb leases (see "The Great Unsticking," page 24).

In less than 10 years, you won't have to sift through dozens of rental listings to find what you're looking for. In 2030, Airbnb has carved out an Airbnb Plus product, for premium homes with extra vetting, and Airbnb Luxe, for spectacular properties that come along with "trip designers" to act as personal concierges. Imagine expansions of these sub-brands—perhaps powered by acquisitions of boutique homesharing platforms such as Kid & Coe, Plum Guide and Red Cottage—along with, say, Airbnb Hustle (one-bedroom rentals equipped with contactless check-in, terabit broadband and top-notch coffee gear) and Airbnb Rooted (month-to-month leases that professionalize the market for furnished sublets).

Tomorrow's traveler will be drawn to the "just for me" thrill of the treasure hunt for a perfect homeshare find over the predictability, and perks, that come with loyalty to HOTELCO. Meanwhile, a growing class of **thrift-obsessed consumers will take any opportunity to target their spending, whether through unbundling cable subscriptions, trading car ownership for on-demand usage, or choosing homesharing over hotels** when they really don't care about the free breakfast or fitness center. The family of four that would traditionally squeeze into a junior suite? They're booking a two-bedroom apartment for less, and they don't miss the turndown service, either.

## HOMESHARING HAS MADE MASSIVE INROADS…

Ten years ago, your average travel executive thought Airbnb would never go mainstream; today, it's a $100 billion company that broke new ground by solving the biggest obstacle to sleeping in a stranger's bed: trust. Becoming that trusted intermediary has unlocked a powerful set of consumer propositions.

### VALUE

Thanks to a fundamentally new supply model, peer-to-peer lodgings skew cheaper than hotel options.

### REACH

Homesharing platforms have presence in places where traditional hotels are scarce, including emerging rural destinations such as New York's Hudson Valley or the Texas Hill Country, and they can quickly add capacity in response to trends in demand.

### INVENTORY

Most listings are entire homes, which are more appealing for group/family and long-stay travel than conventional hotel offerings.

## …BUT HOTELS ARE ADAPTING TO THE CHANGING MARKET, TOO

Peer-to-peer platforms like Airbnb and Vrbo have grown exponentially in the past decade to an inventory that now tops 10 million listings globally, but these homesharing platforms still account for less than two percent of total lodging revenues worldwide. Over the long term, hotels will still excel at providing:

- A **level of service**, and sometimes luxury, that is hard for peer-to-peer platforms to match
- **Immersive resort experiences** that integrate lodging with dining and entertainment
- **Consistency** and predictability from one stay to the next, including superior trust and safety
- Powerful **loyalty programs**

As short-stay business travel declines, likely for the long haul, hotel companies are thinking beyond the Standard King, beefing up their portfolios with inventory that appeals to families, groups, longer-duration travelers and that thrift-seeker who has become the bread and butter of homeshare.

**To succeed, hotel companies will have to look more and more like homesharing networks.** That's not to say that the major hotel brands will be successful with copycat forays into peer-to-peer property sharing. Managing a dispersed network of individual hosts would require a whole new set of institutional capabilities—such as major investments in technology and new business development teams—to pull off successfully.

**What hotel operators already excel at is branding, loyalty and franchising. Going forward, they can partner with high-end apartment buildings and property management companies**—as Marriott has already begun to do with its Homes & Villas offering—a powerful combination that would bring these lodging types together with their trusted brand standards and quality control, loyalty tie-ins and a direct line to travel agents and corporate accounts. A company like Sonder, which manages luxury short-term apartment rentals in London, New York and Miami, would be a natural acquisition target for a large hotel player.

By 2025, look for a major hotel operator to apply its existing hospitality know-how and capabilities into a flexible lodging management system (a "Hotel OS," if you will) for managing multiple types of lodging: homes, hotels, resorts and apartments.

## TRAVEL IS MOVING

LONG-TERM TRENDS IN TRAVEL PLAY TO HOMESHARING'S STRENGTHS, WHICH FORETELLS STRONG GROWTH FOR THE FIRST-MOVER PLATFORMS—AIRBNB AND VRBO—FOR YEARS, OR EVEN DECADES, TO COME.

| FROM | | TO |
|---|---|---|
| SHORT-STAY BUSINESS TRAVEL | › | LONGER STAYS THAT MIX BUSINESS WITH LEISURE |
| BUCKET-LIST DESTINATIONS | › | TRAVEL FOR THE PURPOSE OF CONNECTION/COMMUNITY |
| LONG-HAUL/INTERNATIONAL LEISURE TRIPS | › | REGIONAL FOCUS |
| ONE-SIZE-FITS-ALL CITY TOURS | › | IMMERSIVE, AUTHENTIC, UNIQUE EXPERIENCES |

> **Ten years from now**, the industry will evolve to the point where platform-based accommodation will dominate the industry. Not all will be hosts welcoming guests—it might be small hotel-like entities that are created exclusively to operate through platforms like Airbnb and Vrbo, but a lot of hotel industry business will be taken.

FEATURED FUTURIST
**ARUN SUNDARARAJAN**

Harold Price Professor of Entrepreneurship at NYU's Stern School of Business, author of *The Sharing Economy: The End of Employment and the Rise of Crowd-Based Capitalism*

## THE **BATTLEFIELD**

Traditional lodging companies will continue to dominate Tier One cities as homesharing platforms face increasing obstacles in these places. Paris, Barcelona, New York, San Francisco, Honolulu and Santa Monica are among the municipalities that already have significant restrictions in place for short-term rental listings. There's a growing consensus that short-term rental markets can decrease affordable housing options and create quality-of-life issues for residents; plus, unlike hotels, home-sharing creates few local jobs. This lack of social sustainability will likely lead to increased legal restrictions for peer-to-peer services to operate in major cities, and will reduce their appeal among younger, more socially conscious travelers. Enforcement remains a hurdle, but we expect this to improve over time. **Peer-to-peer platforms, however, win out in fast-trending places—new weekending hubs away from big cities—where flexibility is key.** Creating new homeshares occurs exponentially faster than securing land rights, investors, construction and management for a hotel; by the time the property is ready to open its doors, another destination has begun touting its newfound cool factor. Over the next 10 to 15 years, peer-to-peer platforms will thrive in these city-adjacent destinations as well as in smaller cities and easily accessed resort areas.

## FOUR FORCES SHAPING **THE SHARING ECONOMY**

**1** THE SPREAD OF ADVANCED DIGITAL PLATFORMS AND DEVICES

**2** A FOCUS ON SUSTAINABILITY AND EFFORTS TO USE MATERIAL RESOURCES MORE EFFICIENTLY

**3** A CHANGE IN ATTITUDES TOWARD OWNERSHIP

**4** GLOBALIZATION AND URBANIZATION





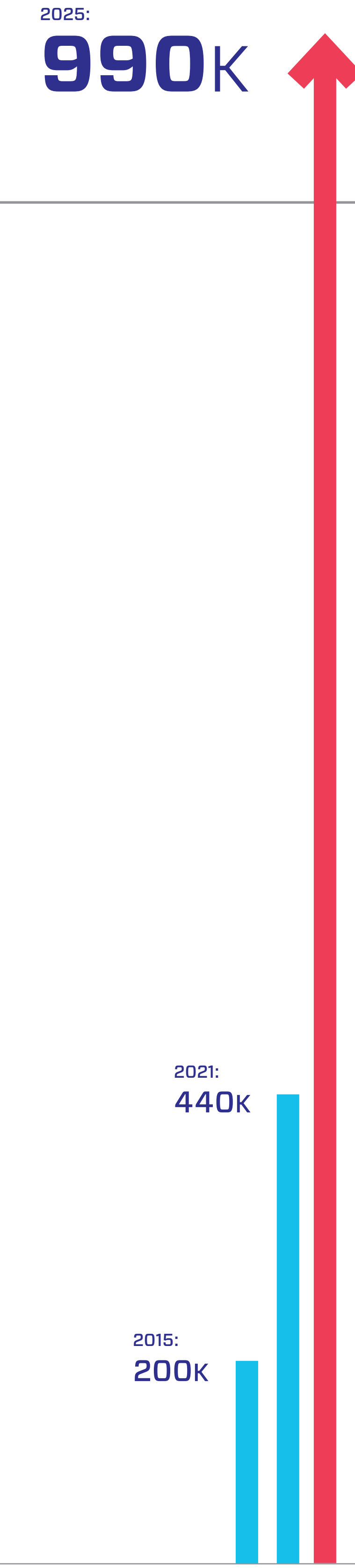
**CONSIDER OWNING A CAR A NECESSITY?**

BABY BOOMERS: **74%**

GEN Z: **40%**

2021 Boston Consulting Group

**THE NUMBER OF PEER-TO-PEER CAR-SHARING VEHICLES GLOBALLY**




## CAR SHARING

Peer-to-peer car sharing is still a niche segment of the sharing economy. At $1 billion annually, it's about one percent the size of the rental car market—but all signs point to car sharing being ready to rev its engines as younger generations transition away from an ownership mindset to a mobility mindset. **Your average Gen Z-er doesn't want a car; she wants an easy and environmentally responsible way to get where she needs to go.**

In five years, peer-to-peer car sharing will be part of a suite of on-demand mobility options that allow consumers to access exactly the equipment they need, when they need it. A household might have a month-to-month subscription for a Tesla Model 3, then borrow bikes and scooters for urban commutes, and an SUV for a family road trip. All of these activities are likely to be united through such mobility platforms as Uber and Lyft, which have already integrated bikeshare and rental cars into their apps.

**Peer-to-peer networks require widespread car ownership in order to function, but when a car no longer requires a driver, will individuals still own them? Ten to 15 years out, autonomous vehicles will transform this ecosystem once again.** The nascent partnerships between rideshare and rental agencies—Uber drivers can now drive cars they've rented through Hertz—will lead to a future where rental car companies or even car manufacturers own and maintain the hard assets for autonomous mobility, rideshare apps provide the consumer-facing platforms, and most people become mobility subscribers.

Public transit systems are the original mobility subscription, and some of these services will wind up interacting with the public sector as well, especially in cases where there are benefits to reducing traffic congestion and greenhouse gas emissions; think of urban bikeshare networks, which in places like Paris and London are city-owned. Imagine the Los Angeles Department of Transportation (LADOT) partnering with Uber, Lyft, Lime and Zipcar for an unlimited pass that functions across cars, buses, subways, bikes and mopeds, optimizing the speed and sustainability of every user's mobility decisions in real time.

**Tomorrow's workplace is scattered around the world—where the workers are. The new hybrid workforce will have a footing in both the traditional office and beyond, as technology offers flexibility in schedules and locations.**

# The Great Unsticking

The promise of ubiquitous high-speed connectivity has tantalized knowledge workers ever since we advanced beyond dial-up internet connections. But while remote-worker numbers have been slowly growing for the last two decades, we lacked an example of how large-scale adoption of remote work would impact employees and employers—as well as society at large.

And then the coronavirus crisis gave the white-collar workforce a crash course in working away from their cubicles. **Some 94 percent of people who began working remotely as a result of the Covid pandemic prefer to continue doing so** (at least some of the time) for the rest of their career, and that number ascends to 99 percent for people who were already remote workers.

A growing number of people and businesses are embracing a future where the focus is on what work is getting done, and not where or when it's getting done. **This tectonic shift will not be reversed.** As remote, asynchronous work moves into the mainstream, both workers and business leaders will choose new tools to handle distributed teams and departments; the days of having all employees at desks in corporate headquarters are over. Constructs like nine-to-five workdays, five-day workweeks, even four-day workweeks—"workweeks" in general—will soon come to seem like relics of an inflexible dark age.

That's not to say that Bali and the Seychelles are about to be permanently overrun by freelancing armies of former corporate drones—that's a pre-Covid vision of digital nomadism. Rather, **we'll see full-time knowledge workers, newly unchained from office-building desks, hopping back and forth between home offices and multiple regional "workcation" destinations.** Nor does it mean that the value of face-to-face team dynamics will or should be written off completely: we'll see an inversion of yesterday's corporate calendar, with management and operations teams convening periodically for multiday gatherings at retooled resort properties to fine-tune strategy and build group cohesion.



## THE UNTETHERED

Eleven million Americans described themselves as digital nomads in 2020, an increase of 49 percent from 2019. **This should grow to nearly 60 million by 2030.** Most importantly, thanks to the pandemic, traditional job holders now make up a majority of workers pursuing this lifestyle, where in previous years the ranks of digital nomads were dominated by independent workers. Digital nomad and work-from-anywhere travelers will help offset the radical decline of business travel. **But with nomads staying in carefully chosen destinations for longer periods of time, the frequency of even short business travel trips has forever changed.**

Companies will establish digital nomad programs for employees and adopt policies for hiring freelance nomads, making it easier to hire in-demand workers and retain existing employees who wish to move around. These programs will also help employers navigate jurisdictional laws and regulations based on the location of an employee's work, even if the company is located elsewhere. To balance company needs for employees at headquarters, premiums will be paid to staff who keep their travel to vacation times. Temporary housing for **digital nomads will include a range of peer-to-peer rentals, hotel stays with co-work space and communities with global co-living and co-working locations.**

Tourist destinations seeking to attract visitors looking for a break from their home workspaces will offer these digital nomads official programs for extended stays. During the pandemic, such destinations as Bermuda, Barbados and Greece were quick to dynamize their off-season offerings to lure digital nomads. Over the next 10 years, major cities belonging to countries experiencing brain drain—in Eastern Europe and the Baltic, for instance—will expand visa amnesty programs to attract globetrotters to stay longer and boost their economies.

## 20-MINUTE NEIGHBORHOODS

After a pattern of growth following the Great Recession (2007–2009), the three largest metro areas in the United States are now shrinking. Global cities all over the developed world started losing some of their population years before Covid. Paris, Sydney and Hong Kong have either shed population or seen growth slow to a standstill. Workers seek affordability and quality of life, and remote work helps bring money and talent to smaller communities.

Office buildings will get smarter to enable the new hybrid workforce with office-to-home connectivity and anticipation of evolving tenant desires.

**Twenty-minute neighborhoods will grow in number, with commercial, residential and institutional needs met within a 20-minute walk or bike ride. Smaller-scale offices, retail and hospitality, and co-working spaces will allow people to work closer to home when they aren't working from inside their homes.** Even shopping malls could see a renaissance as they become more dynamic points of encounter by adding satellite office spaces and extended-reality business-interaction centers for remote workers.

Increased attention to universal broadband access will require a change in how the Federal Communications Commission measures internet connectivity—relying less on self-reported data by internet service providers—to ensure that federal money is being spent more effectively in building out robust broadband in suburban and rural areas.

## COMMUNITIES GO MOBILE

As communities shift away from the workplace, the notion of community will expand, changing formerly solo pursuits to a need for communal space, physically and digitally. The expansion of co-working spaces, whether company-based or café-style, will be equally important to the traditional office. Larger corporations will establish work hubs where employees can still work together in person, closer to home, within reasonable "business travel" distance to headquarters when it's necessary to be on-site. **This will also help companies maintain their corporate culture, a quality too easily lost through remote working but essential for retaining workers and recruiting new ones.**

Rather than merely an experience for travelers looking for a different housing option while on the road, van life will grow to include hubs for communities to gather in roving cities. **The ranks of US-based "van-lifers" who use vehicles as their primary means of lodging, travel and work increased 36 percent, to 2.6 million, in the pandemic's first year.** New vehicle releases include more proficient telematics, multiple USB ports, dashboard workstations, and truck tailgates that fold out to create standing desks.





## NOT ALL WORK WILL TAKE FLIGHT

Senior leaders and middle managers, who have been the biggest resisters of remote work, now increasingly recognize its benefits and the risk of losing top talent if flexibility is taken away.

But not all workers have jobs that can be performed remotely. Only 37 percent of jobs in the United States—accounting for a disproportionate 46 percent of all US wages—can be done remotely, with significant variation across cities and industries. Even with increasing automation for more than 100 million low-wage workers, in 10 years, 10 percent of jobs will stubbornly resist the transition from in-person to remote.

Take primary and secondary education. Many university and adult courses have the flexibility to pivot online, reaching more students. But due to the inertia of the K-12 school system structure—with its patchwork of local, state and federal education requirements—families with school-age children do not have the same option. **Most students will either attend school in person or be homeschooled, with no hybrid offering in the foreseeable future.**

The combination of commuting less with improved productivity, well-being and flexibility has set the stage for remote work to be a permanent offering, with a hybrid of home/office being most popular. **Before the pandemic, one in 10 companies paid for employees' home office setups. By 2025, we expect that number to hit 65 percent, and by 2030, 75 percent.**

## MIXED-PURPOSE HOSPITALITY

The growth of remote work schedules gives workers the ability to more effectively combine their desire to travel with the need to make money. Improved technology and asynchronous collaboration, coupled with work trips being the least-missed type of travel among workers, has changed the emphasis on business travel. As employees become more widely distributed across remote locations, **"business travel" will increasingly mean employees traveling from their primary home office locations to company retreats.**

With additional freedom in work and travel, workers are more open to traveling during off-peak times of year and days of the week, as well as being spontaneous and booking much closer to their travel dates. One-month leases are growing, with travelers renting peer-to-peer vacation homes for longer stays—even holiday resorts are offering discounted rates for monthlong stays—retaining a sense of place while working and vacationing, not needing to rush back to a physical office.

**Many core qualities of hotels give them an advantage over offices and traditional co-working spaces, and their hospitality-first model will draw untethered workers looking for pleasant work experiences and to extend weekends and vacations by working from anywhere.** By 2025, many larger hotels will integrate co-working spaces in a hybrid hospitality model, open 24/7 to accommodate various workstyles and needs. Some hotels will offer short-term rentals for mobile workers, while others will transform guestrooms and conference rooms into remote workspaces with "work-from-hotel" packages as an added amenity.

**For years after 9/11, travelers have been subjected to inconvenient and ineffective "security theater." Moving forward, traveling will actually get safer—and easier.**

"We're in this space of trying to respond and prevent the events of yesterday, but we have the technology on our hands that can streamline the entire travel process."

—Tim Jue, journalist and security expert

# Safer Passage

The year is 2038, and you're walking through an arboretum that's also growing greens for nearby restaurants. Your smart device notices your low blood sugar and suggests a lunch option—it's soon hand-delivered to your park bench. A friend meets you for a coffee as you window-shop and enjoy a live concert projected onto a holo-imager, and then you walk down the jetway to board your flight.

Yes, you read that right. In the future, airports will refashion themselves as broader places of encounter and will no longer have sterile and nonsterile areas—it's all free range. What's more, because of ubiquitous scanners and cameras, you and every other passenger are being evaluated for security threats multiple times a minute, all as you go about your day.

After two decades of removing shoes and squeezing liquids into 3.4-ounce containers, we'll no longer have to perform security theater; with the watchful eye of Big Brother becoming increasingly pervasive, we'll no longer need convincing that we're being watched. And most of us will be OK with it, because we'll be willing to trade a certain degree of privacy for an even deeper sense of safety.

Airlines, airports and governments alike will finally be ready to roll out security precautions that make travel safer—and at the same time more traveler-friendly—than ever before. But where is the limit? Exactly how much of our privacy do we need to relinquish in order to safeguard ourselves from, say, the next health crisis, cyber-Armageddon, political meltdown or act of terrorism?

### THE FUTURE IS ALREADY HERE DEP'T

The **Known Traveler Digital Identity** (KTDI), a World Economic Forum initiative currently in a pilot program, allows individuals to manage their own profiles, collect digital "attestations" of their personal data secured via blockchain and decide what data to share and when. The more attestations a traveler accumulates and shares, the better the travel companies can provide a smooth and safe travel experience. Essentially, it's the ultimate opt-in.

### SELF-BOARDING AIRLINES

Airports with self-boarding gates using biometrics and travel documents:

**19%**
2020

**64%**
IMPLEMENTED BY 2023

## BIOMETRICS
### AND PERSONAL DATA

Currently, the Singaporean government automatically snaps photos of each arriving passenger as part of a rigorous biometrics program—using biological identifiers such as face prints and iris scans to authenticate passengers' identities. Many of these protocols and procedures were implemented in Southeast Asia following the SARS pandemic in 2003-2004. Now it's the rest of the world's turn to have its post-pandemic reckoning.

In the US—a late adapter relative to the rest of the world—Delta Air Lines and the Transportation Security Administration (TSA) rolled out the country's first "biometric terminal" inside Hartsfield-Jackson Atlanta International Airport in the fall of 2021. This made it possible for passengers to use facial recognition technology to minimize interactions with human gate agents from check-in to takeoff.

These developments are only the beginning. Sixty-four percent of airports globally plan to roll out self-boarding gates using biometrics and ID documentation by 2023, three times as many as in 2020. In five years, ubiquitous tech and security protocols will blend biometrics with wearable technology such as watches, rings and other jewelry to expedite access even more.

While incorporating biometrics is a step forward in making travel safer, it also requires the forfeiture of personal data. Small-scale adoption is already on the rise with CLEAR and the TSA's Known Traveler Program—private, opt-in programs allowing passengers to surrender their personal details for ease of passage. Widespread adoption will occur in five to 10 years when airports begin to mandate it—privacy hard-liners who wish to refrain from flying the invasively friendly skies will be forced to choose a different form of transportation.

### BIOMETRIC DATA — INTERNATIONAL ADOPTION

| WIDESPREAD NOW | WIDESPREAD IN 5 YEARS |
|---|---|
| DRIVER'S LICENSE | RETINAL SCANS |
| ENHANCED IDS | FACE PRINT / FACIAL RECOGNITION |
| PASSPORT | WATCHES, RINGS, JEWELRY |
| | KNOWN TRAVELER PROGRAM OPT-INS |

## AIRPORTS OF TOMORROW

As the air travel industry rebounds from the massive disruption wrought by Covid, it has an opportunity to reinvent its approach to terminal design. By shifting to mobile-driven solutions that allow passengers to arrive at the airport "ready to fly," airports will no longer need to delineate between sterile and nonsterile areas. Instead, ubiquitous scanners will constantly check everything—passengers, bags, footwear, even liquids in full-size bottles—as travelers move unimpeded from the airport entrance all the way to their gate like a browsing shopper strolling through a mall. **These changes will make airports "places of encounter"**—we'll even be allowed to walk loved ones to their gates again. We'll be able to order food from our favorite eatery to be delivered gateside rather than relying on sterile-side airport concessionaires, since every person in the terminal will be checked by cameras and sensors at all times and processed remotely, regardless of whether they have a plane ticket.

A number of international destinations—especially in Asia—are already pushing airport construction in this new direction. The US, however, is dramatically behind in airport design, not to mention that the country still uses radar in its antiquated guidance system. Current rankings of the top 25 airports in the world include zero in the US; a recent study by Airports Council International found that US airports need nearly $130 billion in upgrades. If the US moves aggressively to modernize its airports, it could potentially catch up to the rest of the world by 2040.

## SECURELY UNLOCKING HOTELS

Even before the Covid pandemic, sales of keyless entry systems were growing more than 10 percent a year. The push for contactless check-in and social distancing has only accelerated this trend. Digital keys far more sophisticated than today's key cards are the future of access management in hotels.

With keyless check-in apps that exist today, hotel guests can make a beeline through the lobby and up to their penthouse suite without ever interacting with front-desk staff. These progressions will enable hospitality companies to cut back on staffing, or at least reassign employees to more mission-critical roles where the personal touch is key.

Hotels will ramp up video surveillance in hallways and public spaces, and will eventually deploy sensors similar to those in future airports to thwart potential threats.

## SECURING STADIUMS

Safety and security at live concerts and sports events also will be critical. How do we avoid crowd crush? Weapons? Infectious diseases? In 10 years, how are arenas and venues going to be different? One solution will be the same answer as at airports: ubiquitous scanners.

Automated crowd control is another coming safety precaution, with management companies leveraging extended reality (XR) technology to create a virtual queue system. For instance, **messages from a central control to attendees' phones and smartwatches can help direct the crowd in a choreographed fashion from Point A to Point B, increasing efficiency of movement and safety.**

> "The more technology is integrated into each passenger touchpoint, the more opportunities exist to collect data for improved decision making and operational efficiency. **Data collected at all touchpoints from check-in through boarding can be collated to create a unified view of real-time airport operational events.** This model allows airport authorities to monitor passenger flows in real time and make informed decisions to maintain social distancing or draw on historical data to anticipate how to manage key checkpoints at high-traffic times."
>
> —Sherry Stein, head of technology strategy, SITA Americas



## THE NEXT THREATS TO OUR SAFETY

Of course there's a dark side to security. The more information we turn over to organizations and national security departments, the more pernicious it will be if they decide to use the information against us. Put differently, **if countries that currently cooperate on security suddenly decide to stop playing nice with each other, they can easily weaponize travelers' data, including biometrics and travel histories.**

In early 2021 hackers raided the IT infrastructure of SITA, which handles 60 percent of the air transport community's data exchange over a wide range of services, from frequent-flyer programs to air navigation. In the ensuing weeks, airlines notified millions of their customers that their passport numbers, dates of birth and other key personal identifiers had been stolen. So far, SITA hasn't confirmed that the hackers accessed any additional aviation industry data beyond passenger information. But state-sponsored and independent hacking units are ramping up attacks on airlines and their data partners. **It's not hard to foresee a ransomware attack that shuts down air travel worldwide with a demand along the lines of: "Send us $100 million in Monero [untraceable cryptocurrency] by noon UTC Friday, or we will disrupt air traffic control at 25 major airports."**

To avoid a cyber-Armageddon scenario, the entire aviation industry and governments around the world will need to decentralize and secure their data systems quickly, cooperatively and comprehensively. Here's why: even though Singapore Airlines led the industry by switching its loyalty program to a highly secure blockchain-based system in 2019, its frequent flyers still had their data stolen because that data had been shared with a Star Alliance partner airline that was compromised in the SITA hack.

## THE RISE OF AUTHORITARIANISM THREATENS GLOBAL TRAVEL AND HOSPITALITY

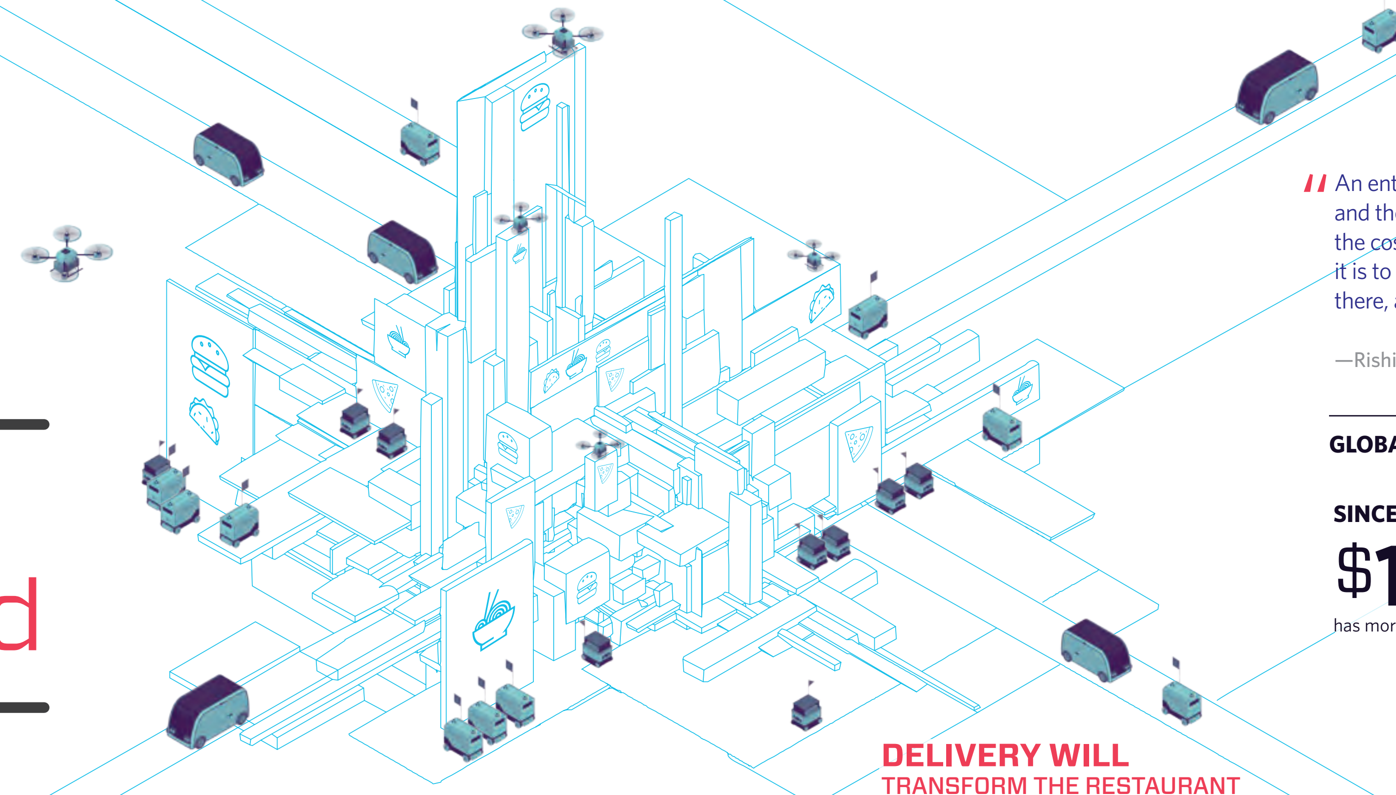
The recent rise of authoritarianism and ultranationalism around the world has been bad for human freedoms and bad for business. If the trend continues, it could be a disaster for the international travel industry.

Measures of global freedom have been on a 15-year decline. Shifts toward tyranny usually have devastating economic consequences. Countries where political power became concentrated such as Turkey, Venezuela and Hungary, saw dramatic drops in their domestic product and foreign investment. By invading Ukraine, Russia has become an international pariah and has effectively removed itself from the global travel map. **Currently over 4 billion people—half the world's population—live under the rule of tyrants, absolute monarchs and other forms of authoritarian power. This amounts to a monumental loss of human potential—and travel potential.**

Repressive regimes pose major obstacles for the business of tourism. International partnerships become harder to maintain as costs and risks are added at every turn. Increased red tape, unenforceable contracts, corruption and the arbitrary use of centralized power are all barriers to creating enduring cross-border relationships. The possibility of boycotts or travel bans and the reputational cost for companies that do business with authoritarian regimes loom over business plans that run through authoritarian-run territories. In addition, **tourists usually avoid destinations prone to political crackdowns, arbitrary law enforcement and security crises.**

In this environment, companies will have to carefully weigh the risks and potential benefits of each international deal, partnership and investment. Tourism can increase the power and wealth of autocrats, but it can also be the antidote for xenophobia and nationalism. **Building understanding between people of different cultures and backgrounds is one of the great benefits of a thriving global travel industry.**

> "I have watched the cultures of all lands blow around my house and other winds have blown the seeds of peace, for travel is the language of peace."
>
> —Mahatma Gandhi



## Delivery at the Speed of Software Will Transform Food Service

# The Revolution Will Be App-etized

The coming decades promise to be an extraordinarily dynamic time for food and dining as climate change and population growth pressure global food production, younger generations place new focus on the role that food and drink play in personal and planetary health, and the rapid expansion of food delivery transforms how restaurants function—and which ones survive.

During the past decade, expenditures at restaurants in the US surpassed grocery spending for the first time in history. Spurred on by Covid, food delivery is growing at an explosive pace, signaling the start of a transformation of the restaurant industry. The driving factor: a bottomless appetite for convenience.

**Gen Z will increasingly view food as medicine, and will pay a premium for ingredients that are nutrient-packed, regeneratively grown and part of a transparent supply chain.** For the same reason, alcohol will continue to lose its luster. In the United States, the no- and low-ABV beer and spirits sector has grown fivefold since 2015, with similar trends seen in Europe. The nonalcoholic drinks category is expected to reach $30 billion by 2025.

At the same time as a growing portion of the population clamors for sustainability, equity and transparency in their food choices, **emerging nations—with their roaring middle classes—will prioritize food costs.** McDonald's continues to exceed earnings predictions and remains the largest global restaurant company by a country mile. We wouldn't bet against value and convenience as a formula for long-term success.

> "An entire paradigm shift will happen where almost every restaurant will offer delivery, and the majority of food consumed will be delivered. As all of these things get to scale, the cost will get to the point where it's inconsequential. You look at how economical it is to spend $100 on Prime and you can have anything delivered... I think food will be there, and you'll have it down to delivery in minutes."
>
> —Rishi Nigam, CEO, Franklin Junction

**GLOBAL FOOD DELIVERY**

**SINCE 2017**

**$150B**

has more than tripled to $150B annually

**2040**

**$400B**

### DELIVERY WILL TRANSFORM THE RESTAURANT INDUSTRY

Domino's has been driving pizzas to American doorsteps since 1960, but the launch in 2004 of the food delivery marketplace Grubhub was the starting gun on a fundamentally new era for the hospitality industry: one where instead of going to restaurants, consumers expect restaurants to come to them. Today, we fire up DoorDash for an efficient desk lunch or a break from the dinner-prep hamster wheel. **Tomorrow, expect predictive ordering technologies that realize you're hungry for a Caesar salad before you do—then cue one up for you to order with a single click.** As sales volumes hurtle ever upward, delivery will transform the restaurant landscape, shaping everything from menus to pricing to real-estate strategy.

### INCREASING FOOD SERVICE VELOCITY

A newfound ability to summon dozens of different meal options at the touch of a button has permanently reset the bar for how consumers define convenience when it comes to feeding themselves. Delivered meals will continue to edge out not just ones ordered or eaten in person, but also those cooked at home. Look at what's happening with breakfast, which historically has been mostly sourced at home: in 2021 alone, delivery apps have seen spending on breakfast items more than double.

**In 10 years, digital-first, quick-service eateries will dominate the restaurant landscape, taking market share from sit-down restaurants, as customers increasingly place orders via smartphone, either teeing up a frictionless pickup or paying a little extra for delivery.** Chains will expand via locations that are smaller, but more numerous, as dine-in seating areas vanish.

The drive toward more convenient formats is so strong that **one Washington, DC, newspaper is now hiring a food critic to focus specifically on carryout food.** And the trend is global; witness the phenomenal growth of food delivery players Meituan in China, Rappi in Latin America, Just Eat Takeaway, Delivery Hero and Deliveroo in Europe, and Swiggy and Zomato in India.

### RESTAURANTS: A 21ST CENTURY LEXICON

**GHOST KITCHEN**
A commercial kitchen with no storefront used to prepare delivery orders placed online; often multiple restaurant brands share a single facility.

**VIRTUAL RESTAURANT**
A food-service brand that exists only on delivery platforms, with no walk-in locations; orders may be prepared within existing restaurants, underused commercial kitchen spaces or ghost kitchen facilities.

**NATIVE DELIVERY**
Orders placed directly with a restaurant, via the restaurant's phone, website or app, which result in lower costs for the restaurant than those placed through a third-party service.

**TAKE RATE**
The fee—ranging from 15 to 30 percent of a total sale—that third-party marketplaces charge restaurants on each order they handle.

**THIRD-PARTY MARKETPLACE**
An online service—like DoorDash or Uber Eats—that lists restaurant menus, accepts orders and delivers food in exchange for a fee paid by the restaurant and its customers.

### THE FUTURE IS ALREADY HERE DEP'T: NEXTBITE

Nextbite, which launched in 2019, is a leader in the fast-growing arena of virtual restaurants. The company develops new brands—18 and counting—listed exclusively on delivery marketplaces, and partners with hundreds of restaurants across the United States to prepare the orders during off hours in their existing kitchens, using existing labor, with a modest list of extra ingredients on hand. Nextbite has already scooped up $120 million from SoftBank to continue its expansion. In 2021, the company had 90 employees; a year later, it reached 330.

## WILL VIRTUAL RESTAURANTS CATCH FIRE, OR FLAME OUT?

A new wave of delivery-only brands has exploded onto the restaurant scene in recent years. Fifteen percent of restaurants operated a second "virtual brand" from their kitchens before the pandemic; by the middle of 2020, 51 percent had at least one. There are now as many as 15,000–20,000 virtual restaurants operating in America.

The sudden frenzy of new entrants has led to some wild claims about their potential future. By one account, virtual restaurants could account for 50 percent of all off-premise orders by 2030, amounting to $325 billion globally. Another figure puts the impact of virtual restaurants at $1 trillion by 2030; that's about a third of today's global food-service sector. Within the next five years, virtual restaurants will grow to own their own substantial piece of the (ever-expanding) food-service pie. But their generic offerings and opaque nature make it unlikely that any single concept will break loose to become America's next megabrand.

More likely to win out in the long run? New or existing brands that are digital-first, optimized for a takeout and delivery future, but with a significant street-level presence. Think Sweetgreen, Domino's and Chipotle. **E-commerce companies from Casper to Warby Parker have already demonstrated the importance of brick-and-mortar for building brand loyalty, and we expect this to be even truer for food service.**

### THE FUTURE OF VIRTUAL RESTAURANTS: IT'S COMPLICATED

**TAILWINDS**

- Business model built around delivery cost structure, versus legacy restaurants struggling to absorb high fees.
- No set real-estate footprint means little capital needed to scale.
- Menus are optimized for delivery, and can be designed using data on what people are searching for and ordering.
- Digital-only marketing makes it easy to add and remove menu offerings based on trends, memes, etc.

**HEADWINDS**

- Low barriers to entry will lead to virtually unlimited competition from other upstarts.
- Operating through a network of independent restaurants makes product consistency challenging.
- Difficult to create brand loyalty and grow sales without physical locations, compared to years (or decades) of brand recognition and trust built up by established brands.
- Algorithmically designed menus can lead to food that's generic; the "Amazon Basics" of burgers or grilled cheese.
- Potential for unionization of gig workers that delivery services rely on, or changes in labor laws, resulting in higher costs associated with delivery.

> "On-demand drone delivery offers a faster, more agile and more sustainable way for people and businesses to get the products they need, when and where they need them. Already, we're seeing the impact it can have on supply chains, delivery times and ultimately user experiences. As airspace management evolves in the months and years to come, we'll see this technology take off in a big way across industries like retail and hospitality in the US and around the world."
>
> —Anne Hilby, SVP of External Affairs, Zipline

## REDUCING THE COST OF DELIVERY

Today it costs Uber Eats or DoorDash around $6, plus tip, to get an order from the restaurant to your front door— not great math for delivering a Big Mac Meal. A number of innovations will converge to drive this cost down over the next decade, further expanding demand for delivered food.

### SCALE

Despite its massive growth, delivery still accounts for less than five percent of restaurant spending globally. There's still a lot of headroom left. **As volumes increase, couriers will be able to more efficiently batch orders, decreasing the effective cost of each delivery.**

### AUTOMATION

Driverless bots, like the ones produced by Starship and Nuro, have billions in funding behind them, and are already active in a few small markets such as college campuses. They are likely to be in widespread use within five years for last-mile delivery. Thanks to major investments by Amazon, Alphabet and others, **drones will increasingly play a role,** too, though they face substantial regulatory hurdles in the urban areas where food delivery is concentrated. But being able to get a six-pack delivered to the beach: probably not far off.

### GHOST KITCHENS

Colocating several food brands in a single kitchen—of the kind owned by startups **Kitchen United, CloudKitchens and Reef**—makes it easier for a single courier to batch multiple orders for delivery. To date, 1,500 ghost kitchens have opened in the US, at least 7,500 in China, at least 3,500 in India and 750 in the UK. With big funding at the ready, these numbers are growing fast.

## THE MIDDLEMEN ARE HERE TO STAY

Restaurant owners revile third-party delivery players like DoorDash and Uber for their high fees and their control over customer data. But at this point they also can't live without the middlemen. Customers gravitate to the online marketplaces they provide, and their on-demand courier fleets work out better for restaurants than employing in-house delivery staff. Recent years have seen increasing consolidation—DoorDash bought Caviar, Uber acquired Postmates, and Grubhub sold to the Dutch company Just Eat Takeaway—and that trend will continue. In 10 years **a small handful of players will control the global market, each vying to be the Airbnb of food delivery.**

Beginning in the spring of 2020, many US cities instituted fee caps to limit what third-party services can charge restaurants. Uber, Grubhub and DoorDash have already begun litigating these caps. It's widely believed that the laws will either be struck down or that delivery players will find loopholes—such as flat fees, or separate charges for marketing—that maintain substantially the same economics.

**So, will consumers in 2040 have every last breakfast, lunch and dinner bagged up and brought to them? Not quite.**

**Budget will be a limiting factor.** Cooking isn't easy to automate, which is why prepared meals are still more expensive, on average, than those shopped for piecemeal and made at home. That price gap could grow if labor costs increase faster than advancements in kitchen tech can offset them.

Consumers love the convenience of delivery, but they will be increasingly sensitive to the environmental impact of the packaging waste and transportation emissions. By 2035, most restaurants will shift to compostable delivery materials—but optimizing food quality in transit will make it an expensive change.

Pizza, wings, salads—some foods can take a 15-minute journey on the back of a bike and still arrive tasting great. But anyone who has ordered steak frites to go knows that others simply don't stand up well to delivery, no matter how space-age the packaging. **Unwillingness to compromise on quality will always drive some volume of in-person dining.**

**For decades, recreation, travel and hospitality have been all about real-life experiences in the moment. In the future, we will transcend the here and now into new and exciting versions of reality.**

# Extending Reality

Imagine enjoying the best experiences the world has to offer—without actually needing to go anywhere. Don a pair of extended reality glasses, and that comfy recliner suddenly becomes a dogsled mushing through the Arctic night. Want to play 18 holes at St. Andrews? Instead of flying to Scotland, you can drive to the nearest VR sports center and play the same course there, with the cry of seagulls in your ears and the smell of North Sea mist in your nose. And rather than traveling to Athens to see the Parthenon, why not strap on a headset and go back in time to check it out before it became a ruin?

Travel will always be about new experiences, but the industry is also prepping for a future in which at least some of those experiences redefine the term "real." The future is tech-enhanced IRL (in real life) moments you can see and touch, mashed up with extended reality that amplifies sensory inputs. This creates an immersive experience that is inimitable, intriguing and intoxicating on multiple levels, redefining exploration and diversion as we know them, forever.

VR experiences will be particularly important for promoting vacation experiences. Just as consumers pore over photographs and videos before booking a vacation, travelers will soon expect VR tours of attractions and amenities before commiting to an itinerary.

Stealth-stage companies are exploring some interesting amalgamations of these trends. Oakland startup Ethereal Matter is developing a robotic VR-enabled machine that will allow users to fly across Tuscany and other spots around the globe as they exercise their arms and legs. The company expects these machines will populate malls, gyms and airports in the near future.

"These sorts of interactive virtual experiences won't replace travel but will become critical to the industry."

—Scott Summit, founder of Ethereal Matter

## METAVERSE MEGABUCKS

Augmented reality (AR) and virtual reality (VR)—known collectively as extended reality (XR)—are changing the face of recreation, travel and hospitality. The company formerly known as Facebook made waves with its abrupt pivot into the metaverse, broadly definable as the sum total of all digital worlds, from existing videogames to emerging XR properties. The extended reality market is predicted to expand from $42 billion in 2020 to $333 billion by 2025.

Consumers are going places with XR already. The Xplore Petra app leverages AR to give users a 3D mockup of the ancient Jordanian city they can tour in real time. Lights over Lapland, a Swedish travel company, has created a VR app that brings the aurora borealis across the world. Add to this VR lodging previews, no-touch digital interfaces and hybrid online/real-life conferences, and the possibilities are just about endless. Even amusement parks are embracing this reality; many have at least one or two VR attractions, and most are planning to add more in the coming years. Disney is leading the charge with the debut of its Star Wars Galactic Starcruiser hotel in 2022, essentially a landed cruise ship styled entirely as a starship that, with the help of XR technology, will hurl passengers through space and time.

### THE FUTURE IS ALREADY HERE DEP'T: **TRAVEL MINUS TRAVEL**

"Immersive simulations" blend extended reality with additional sensory modifications to create something even bigger. FlyOver Las Vegas is one such attraction. Riders buckle into a row of seats that extends out in front of a 52-foot-tall hemispheric screen. From there, the seats jostle up, down and all around as high-definition helicopter shots on the screen create the sensation of flying over the American West. When riders appear to zip over fresh snow, they get dusted with wet, cold flakes. When they are made to believe they're flying through an old-growth forest, they feel a breeze and smell pine.

VR is also becoming critical in selling destinations to travelers. By donning a headset, prospective travelers are able to walk a tropical beach, tour a faraway fish market's hawker stalls or see the views from a 106th-floor observation deck—all without leaving the comfort of their own homes. As the tools become more sophisticated and prevalent, they will be particularly important for travel to developing countries, areas recovering from disasters, or other destinations that people are hesitant to visit. Studies have shown that a VR experience makes travelers more comfortable with the idea of visiting unfamiliar destinations in real life.

"When you think about the convenience of virtual golf, the fact that you can drive 15 minutes to a local simulator and play a quick round of nine holes on a simulation of any course in the world—you just can't top that. Golf on a course with clubs and carts and caddies is intimidating; golf in a simulator on virtual courses in the comfort of your own community is welcoming."

—Chuck Frizelle, VP Client Success, Full Swing and Topgolf Swing Suite

## VIRTUAL SPORTS

Sports is another area of recreation where consumers increasingly are embracing extended reality—both as players and as fans.

Perhaps nowhere is this more evident than with the rise of virtual golf. The golf simulator market is expected to cross the $3 billion threshold by 2031. This doesn't only account for VR technology that enables you to "play" St. Andrews in Des Moines; it also includes revenues pulled in by recreational attractions using the technology, such as World Golf Tour and the Topgolf Swing Suite. Executives at Topgolf expect the brand to grow exponentially in the next decade, fueled by new installations at malls and at sporting venues where fans are looking for new game-day diversions.

Covid accelerated virtual fan presence when the NBA teamed up with Microsoft to place fans courtside in a virtual experience during live games in a biosecure "bubble." The league used AI and the Microsoft Teams collaboration tool to segment fans' faces and shoulders and display live reactions via screens arranged around the court. Neither fans nor players found telepresence attendance equal to the in-person experience, so don't expect a return of this hybrid any time soon. The virtual fan experience will have to wait for its rebirth in a high-definition metaverse edition, circa 2030.

## CASINOS
### OF TOMORROW

Gaming resorts are cashing in on virtual action as well. In the name of reducing overhead, casinos are replacing dealer-driven table games with automated contests. Many of these options come in the form of stadium-style game pits where one dealer manages action at the front of an area and up to 50 or 60 players can wager on individual-but-linked computer terminals around them.

Casinos also are embracing new technology of cashless gaming—where players fund a digital wallet, then receive a QR code they can bring to a slot or table game to use like cash. (In the case of table games, a dealer scans the QR code and gives the player chips.) Today, this technology exists in real life at Resorts World, the newest casino on the Las Vegas Strip. Other casinos are experimenting with credit card terminals that allow for cash withdrawals at the gaming tables. Bill Miller, president and CEO of the American Gaming Association, predicts casinos will be mostly cashless by 2030. While this trend will likely benefit casinos, it also suggests players may soon be gambling—and losing—more.

Of course casinos and gambling will also move into the metaverse, enabling players to drop in on virtual replicas of some of the most famous casinos in the world and bet whenever and wherever they like. Put a white tuxedo on your avatar and push chips across the felt of a baccarat table at the Casino de Monte-Carlo in the comfort of pajamas at your kitchen table. The experience is not too far away.

## CRYPTO
### EVERYWHERE

Cash is old news. With the rise of cryptocurrency, a growing number of hospitality outfits are making moves to accept bitcoin and other forms of digital money as forms of payment. As more of these providers accept crypto, the entire point-of-sale experience could disappear and give way to cloud-based payment processing triggered by the wave of a watch or ring.

The casino industry has been a trailblazer here, too. Casino magnate Derek Stevens rolled out a bitcoin ATM at the D Las Vegas in 2018, and began accepting bitcoin in restaurants, gift shops and at his hotels immediately thereafter. Other travel industry entities have followed suit. Today consumers can pay for excursions from activity booking site GetYourGuide with Dogecoin, and Travala.com, a blockchain-based aggregator, has reported 70 percent of all bookings being done in digital coin. More vendors will offer this option over the course of the next five years, with Gen Z and Gen Alpha driving these trends. In a decade, there's no question cryptocurrency will be accepted everywhere. Travel and hospitality companies that can embrace it seamlessly stand to gain greater traction among consumers across the board.

## SOUVENIRS
### OF THE FUTURE

The digitization of travel has even impacted the way consumers commemorate their experiences away from home: just as social media has replaced the written travel journal with tweets, posts and Instagram pics, so too have snow globes and shot glasses given way to nonfungible tokens (NFTs), digital snapshots of a moment in time.

NFTs are here to stay, and decades from now they will exist in other forms and likely will have other names. Souvenirs will look different, too. Instead of trinkets you place on a shelf, they'll be digital images, videos or experiential VR clips you play on a screen, project on a wall or view in a headset to relive the moments as if they were happening all over again. The next few years will see the rise of the digital concierge—people affiliated with attractions, travel destinations and hotels who help consumers cultivate and curate digital mementos of their experiences, whether those experiences are virtual, real or something in between.

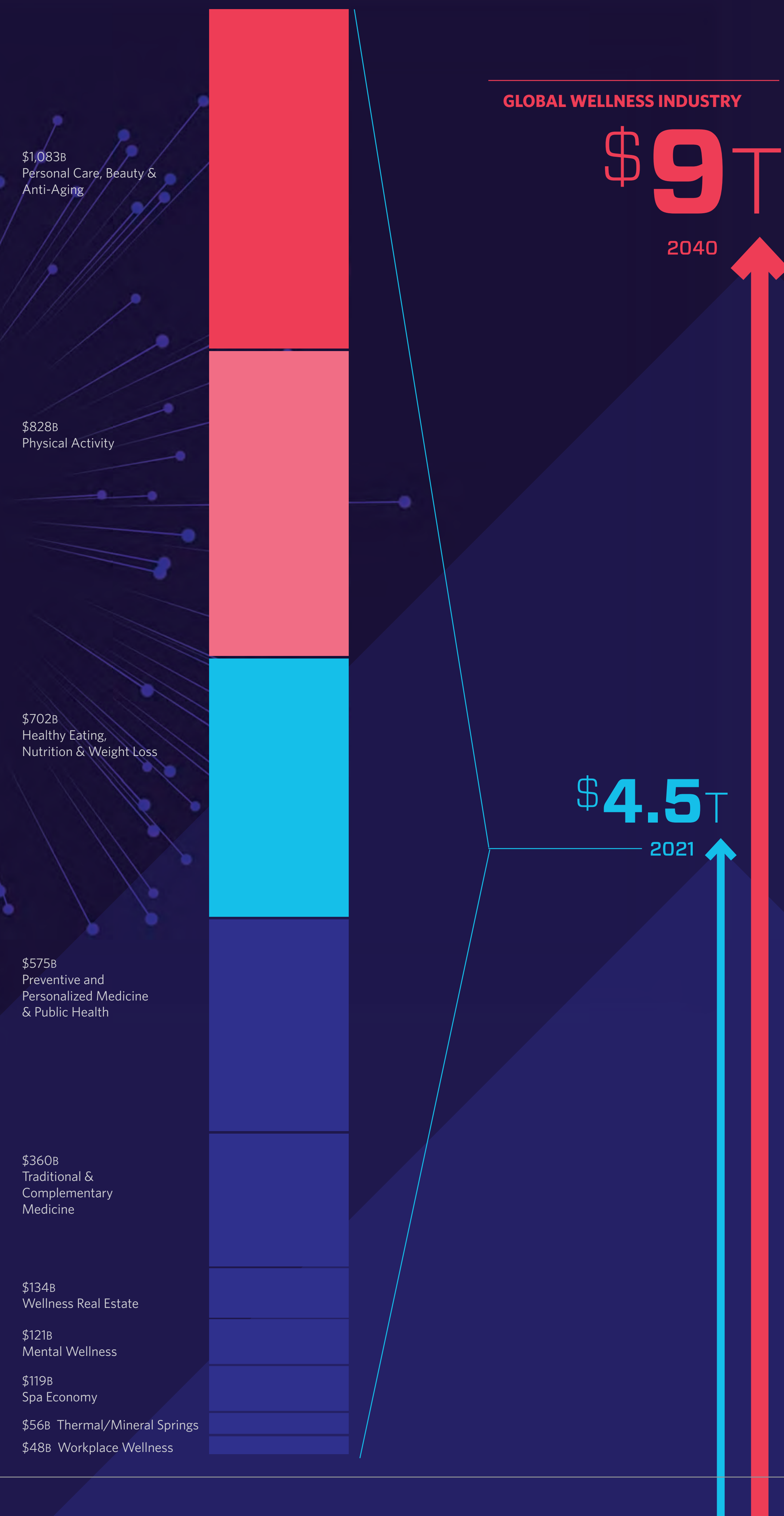
**Expanding in all sectors of travel, hospitality and recreation, the inexorable quest for wellness will drive these industries to new heights in the coming decades.**

# The Wellness Boom

The global wellness economy is currently estimated to be worth $4.5 trillion and will continue along its 5–10 percent year-on-year growth curve well into the future. Using conservative estimates, wellness will double its size—piling on over $200 billion in new revenue annually—by 2040. Comparatively, the entirety of the world's tourism market is similarly valued, but will take 40 years—instead of wellness's 20—to double its worth.

But what is wellness, anyway? Simply put, wellness is the multidisciplinary practice of living well, the umbrella under which health, fitness, nutrition, appearance, sleep and mindfulness have come together to form a more integrated approach toward self-care. Being well is no longer defined as the opposite of illness, but rather as the full set of measures we take to nurture our body and mind. **Global wellness is already three times larger than the worldwide pharmaceutical industry.**

Furthermore, wellness tourism currently accounts for roughly 17 percent of the travel industry's total spending and is growing faster than any other sector. **A trillion dollars will be spent annually in wellness-related tourism by 2025,** and by 2045 one in two travelers will factor wellness in when planning their next holiday.




> "Society is becoming more comfortable and open about talking about the state of mental health, and I'm seeing **destination fitness programs morph to rejuvenation retreats where meditation and counseling are essential elements.**"
>
> —Annie Daly, author of *Destination Wellness: Global Secrets for Better Living Wherever You Are*

## WELLNESS EVERYWHERE

From calorie disclosures on restaurant menus to 10-minute massage parlors at airports and "getting my 10,000 steps in"—wellness has found myriad ways to sneak into our lives over the last few years, and hotels have begun to notice. **Gyms—once relegated to hotel basements and broom closets—are now being constructed in prime locations with Instagrammable views and brag-worthy equipment du jour** (hello, Peloton). The bathroom sizes at luxury hotels are also increasing relative to the rest of the suite, offering ample space for a relaxing soak, preening and other facets of care under the most flattering lighting.

Soon, the ubiquitous desire for active and passive wellness will narrow the gap between the different accommodation categories. Business-oriented hotels in the heart of a city will have all the trappings of a resort, and beachside properties will offer the accoutrements needed to blend business and leisure (or "bleisure" as it's unfortunately been dubbed) for that much-obsessed-about work-life balance. In short: **every hotel will be as much of a spa—or as much of an office—as you want it to be, with top-of-the-line broadband to stream your favorite pilates class or Zoom into important conference calls.** Clunky hotel desks will fold up against the walls like a Murphy bed so you can roll out your yoga mat to meditate; room-service menus will offer acupuncture in addition to a club sandwich; and next to the overpriced cashews in the minibar you'll find gut-friendly kombucha and hemp extract–infused gummies for a more restful night's sleep.

## DESTINATION: WELLNESS

As hotels redefine themselves as pliable points of wellness, **there will forever remain destinations around the world that have long been—and will continue to be—associated with at least one of the interdisciplinary facets of maintaining or improving our wellbeing.** The word "spa," for example, originates from the eponymous village in Belgium frequented by the ancient Romans for its natural abundance of warm, mineral-rich water—perfect for soaking. Today, it's such places as the onsen hot springs of Japan, the meditation retreats of India and the hammams of Morocco that inspire international travel. These countries will continue to double down on wellness reputations, further investing in their health tourism infrastructure. **The coveted destinations of tomorrow will be places that can best commoditize the wellness already embedded in their culture for global consumption.** Saunas, for example, thrive well beyond Finland to include everything from the Native American sweat lodge to the birch-lined pirts of rural Latvia.

Health motivations (for baby boomers) and the need to escape the daily routine (for millennials) will drive the growth of **active sports tourism involving such pursuits as cycling, hiking, kayaking, stand-up paddling and long-distance running.** This sector will become a more significant segment of the travel market by 2030, diverting trips away from traditional beach, shopping and sightseeing destinations.

## THE FUTURE IS ALREADY HERE DEP'T

Iceland is leading by example: 20 years ago, entrance to Blue Lagoon, a turquoise lake formed by the runoff of a geothermal power plant, cost less than $20. Today, it costs over $50 and two high-end hotels abut the silica-rich waters, one of which—the Retreat—is arguably Iceland's most indulgent product, with a Michelin-caliber restaurant and a state-of-the-art spa (day-use of the spa costs over $400). Competing hot springs have recently opened—now there's Sky Lagoon (completely man made), Krauma (harnessing a natural spring) and GeoSea (a mix of artesian and seawater) to name a few—each with an entry price tag of around $50 as well. Two more Blue Lagoons with luxury accommodation are due to open in farther-flung places in Iceland over the next five years, enticing travelers beyond the well-trodden tourism circuit that already is attracting the hordes—eight times more than the local population.

Over the next few years, certain destinations will also begin to market another natural resource and wellness premium: fresh air. It may sound antiquated (before the rise of affordable commercial flying, the Catskills in Upstate New York were coveted as a breezy destination to escape from the literal Big Smoke), but **since early 2020 more people have died from the harmful effects of airborne pollutants than from Covid.** In the US, it's Puerto Rico that can claim the country's best air quality. Internationally, such places as Canada, Finland and Estonia will begin a more concerted appeal as data continues to surface that pertains to the health-damaging effects of atmospheric pollution. **By 2027, destinations with premium oxygen will be certified as "Fresh Air Sanctuaries," much like the Blue Flag award for clean beaches, and the Dark Sky honors given to places with the best views of the night sky.**

BLUE LAGOON, ICELAND

**CANNABIS INDUSTRY**

2030
**$100B**

**PSYCHEDELICS INDUSTRY**

2026
**$69B**

## OUR VICES
### BECOME VIRTUES

Consumers' opinions of Western medicine and pharmaceuticals have begun a shift similar to opinions of the food industry, placing great importance on traceability and transparency, and a desire to remedy health issues with solutions found in nature, not a laboratory. As a result, **cannabis has become an increasingly popular tonic for many of our wellness woes, including anxiety and sleep deprivation.** In 2021, 67 percent of Americans polled supported the legalization of marijuana, up from 31 percent in 2000. Currently, a bill to federally legalize marijuana has been approved by the US House Judiciary Committee; it is more than likely that the federal sanctions levied against marijuana will be removed by the end of Biden's presidential term, if not the end of 2022. By 2025, cannabis-related tourism will have further evolved, taking a page out of wine tourism's playbook, with bars and dispensaries in major cities, tasting rooms at various growing farms and a premium on reserve batches and single-origin buds. **The cannabis industry—a $13.6 billion endeavor in 2019—will be worth $100 billion by 2030.**

Following suit, **psychedelics will also find their footing with a mainstream audience;** the industry is expected to be worth more than $69 billion by 2026, as clinicians become increasingly inclined to recommend magic mushrooms and their cousins as remedies for depression and PTSD.

Cultural trends toward wellness and health-conscious practices show that Dry January is more than a passing trend—**imbibers will begin to view alcohol as the new cigarettes, an indulgence that's ultimately not worth the toll on one's health.** The market for low-alcohol and no-alcohol products has grown 32 percent from 2018 to 2022. Sober bars and pop-ups with alcohol-free menus will triple in number by 2030, with more varieties of near-beers, premium soft drinks, mocktails, kombuchas and botanical tinctures.

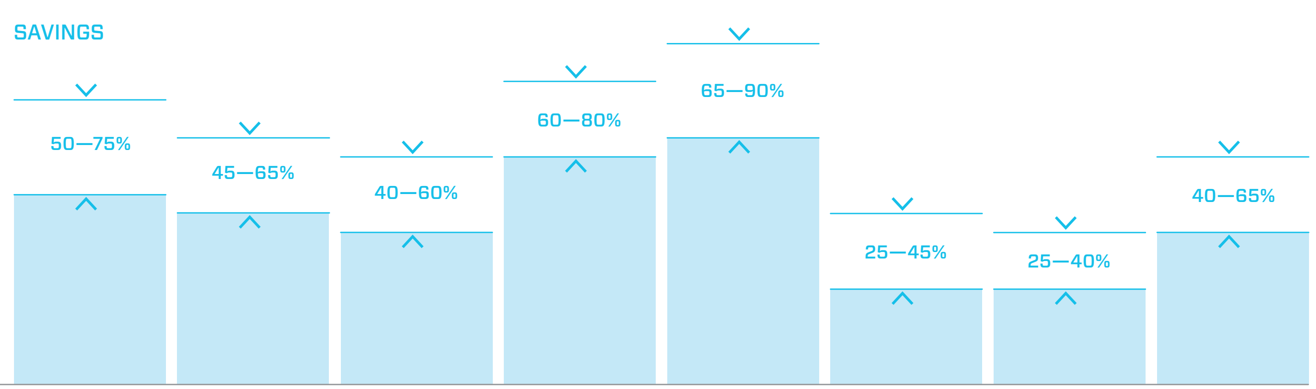
## MEDICAL
### MOVEMENT

In a country like the US, notorious for a lack of a nationalized health service, we are our own health advocates. Fortunately, our smartphones—and the huge proliferation of wearable tech—will make monitoring our wellbeing a cinch, putting sleep-cycle analyses, meditation sessions, heart-rate stats, blood-sugar levels and insulin checkups in the palms of our hands. Soon, the industry of minor care will decrease with better measures to prevent the onset of illness, and certain doctor visits will be permanently relegated to FaceTime.

For higher-level medical needs, however, there is a conundrum to solve: now that we've become so good at nourishing our bodies, there will be vastly more people living beyond 80 and well into their 100s, which will further strain healthcare. And America's fragmented and profit-focused medical system will suffer more than any other modern nation's; by 2030, life expectancy in the US will wane compared with other developed and developing nations, **fueling a meteoric rise in medical tourism.** Before the pandemic curtailed long-haul travel, international medical tourism was already an industry valued between $80 to $90 billion, with the average consumer spending just over $3,500 per trip. **The worldwide medical tourism market is growing at a rate of 15–25 percent, with patients flocking to Mexico, Southeast Asia and South Asia.** A growing number of baby boomers faced with retiring at a lower standard of living than they had expected are choosing to retire as expats in Asia, Europe and Central and South America—where their dollar goes farther and healthcare is cheaper. In 2019, the number of Americans seeking Social Security while living abroad leaped 40 percent; this number will continue to rise without a dramatic not-for-massive-profit shift in American healthcare. **Once travel resumes in earnest, we expect the numbers to rapidly increase, more than doubling by 2030, to $200 billion.** The continued privatization of healthcare in America could also spur the heavyweights of the hospitality sector into action, bringing hotel-caliber service—and brand recognition—into hospitals, offering more value on premium-priced care; imagine Four Seasons Cardiology.

### TOP DESTINATIONS FOR MEDICAL TOURISTS

| THAILAND | COSTA RICA | MEXICO | MALAYSIA | INDIA | SOUTH KOREA | SINGAPORE | TAIWAN |
|---|---|---|---|---|---|---|---|
| COSMETIC SURGERY, RESTORATIVE DENTISTRY | DENTISTRY, COSMETIC SURGERY, WEIGHT LOSS SURGERY | DENTISTRY, COSMETIC SURGERY, WEIGHT LOSS SURGERY, PHARMA TRAVEL | ORTHOPEDICS, TRADITIONAL CHINESE MEDICINE | ORTHOPEDICS, CARDIOLOGY | COSMETIC SURGERY, AESTHETIC TREATMENTS | CARDIOLOGY, ORTHOPEDICS, DENTISTRY | CARDIOLOGY, ORTHOPEDICS, IN VITRO FERTILIZATION, WEIGHT LOSS SURGERY |



# FORCES OF CHANGE:
## SHAPING THE FUTURE OF OUR INDUSTRIES

When crafting future scenarios and strategies, it's essential to have a methodology that can span decades—and subject areas. For this report, we've focused on key phenomena—our editors call them Forces of Change—that will have an outsized impact on recreation, travel and hospitality in the next five to 20 years. They are technological trends and social currents that are emerging rapidly, creating blind spots and opening up new opportunities.

We hope this report sparks a conversation among the thought leaders in your organization that unlocks opportunities and prepares you to be future-ready.

1. Which forces of change do you think will be most important in the coming decade?
2. How is your organization equipped to make the most of these trends?
3. What risks and challenges do you expect to encounter?
4. How might you harness forces of change to overcome those challenges?

### Gig Labor Platforms

Major corporations are beginning to use gig economy platforms to supplement their workforce. Short-term and contract workers will increasingly become more educated and specialized, including nurses, doctors, journalists and programmers. Gig economy platforms' use of big data, new algorithms and cloud computing will fundamentally change the global workforce, uncover new efficiencies and decrease the cost of labor. Distributed Autonomous Organizations will gradually reduce or eliminate the need for middleman organizations such as Uber and Airbnb. **How will gig labor impact your business and workforce?**

### Distributed Brand Ownership

Millennials and younger consumers are no longer interested in being passive consumers. Companies are increasingly understanding the power of sharing brand ownership with customers who are eager to create branded content, advocate on behalf of a product or service and recruit new customers. **How will this active and empowered consumer group change your approach to marketing and public relations?**

### Open-Force Movement

Consumers increasingly expect complete transparency around the sourcing and production of every ingredient in their food and data on the ecological impact of their travel. **How would full transparency impact your relationships with your partners and customers?**

### International Middle Class Explosion

Major economic growth will soon launch the former working classes of dozens of emerging nations into a higher stratosphere of spending. These countries are mostly in Asia, where hundreds of millions of newly minted travelers will, in the next decades, venture beyond their borders for the very first time. **How is your organization prepared to engage this new population of travelers?**

### Ubiquitous Delivery and Autonomous Vehicles

Covid accelerated the popularity of home food delivery, making it nearly ubiquitous. Autonomous vehicles, including aerial drones, will reduce delivery costs and further fuel this trend. **How will on-demand delivery impact brick-and-mortar restaurants and reshape downtown retail districts?**

### Automation and Robotics

Restaurants are ripe for robotic disruption. Already apps are taking the orders instead of the wait staff. Experiments are underway to fully automate fast-food kitchens. **Where will automation impact your business?**

### Blockchain

Blockchain technology increasingly rivals the sovereignty of nation-states as the world's preferred arbiter of truth and value. It also gives rise to a new, ever-expanding ecosystem of "real" digital entities, both fungible (cryptocurrencies) and non-fungible (NFT art and collectibles). **Do you have the knowledge within your organization to understand and utilize these new technologies?**

### Mixed Reality

Augmented reality (AR) and virtual reality (VR)—collectively known as extended reality, or XR—will erase the boundary between the digital and physical realms, providing an intelligent overlay on the physical world we move through and opening up new territories for exploration and consumer engagement. **Is now the time to buy real estate in the Metaverse?**

### Peer-to-Peer Commerce

Software platforms make it increasingly easy for anyone to earn extra money by loaning out their car, sharing a ride, renting a room for the night or even selling homemade food. Led by Airbnb, peer-to-peer purchases are increasingly becoming a major part of travel expenditures. **How can legacy businesses participate in the peer-to-peer economy?**

**What other forces (technological or social) could significantly change your industry?**

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