

THE FUTURE OF RECREATION, TRAVEL & HOSPITALITY

10:55 ✈️ FLCN 003

Space

Boarding

Kennedy International Space Complex - East



FUTURE-FOCUSED



METHODOLOGY

TEAM OF JOURNALISTS
AND FUTURISTS

SUBJECT MATTER
EXPERTS

FORCES OF CHANGE
ANALYSIS

SYNTHESIS +
SCENARIOS

CONTENT
CREATION



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Virtualization of Expertise

Open Force Movement

Distributed Transactions (Store is Everywhere)
Swarm Intelligence
Rebellion against Data Intrusion
Hacking Metabolism for Endurance
Age-reversal medicines and supplements
Regenerative Medicine
DNA data storage
Force-adaptive and rate-adaptive textiles
End to End Transparency
AI Assisted Training
Circular Economy Products
Exercise in a Pill
Joint Mobility
Virtual Reality
Learning Gamification
NLP Automated Writing
Time Banks / Favor Economy
Birth Rates
Sharing Economy Platforms
Secondary Market Platforms
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Programmable Materials
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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 committing 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.

FORTH

THE FUTURE OF RECREATION, TRAVEL & HOSPITALITY

Fandom and Brand Loyalty: The Next Generations

“ 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

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

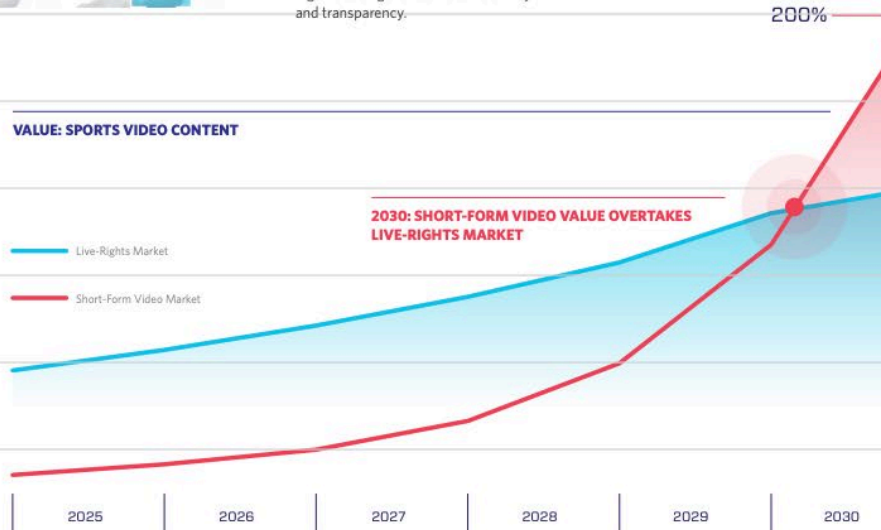
The brands that resonate with ascending generations are synonymous with an experience-driven product. For brick-and-mortar retailers, the key will be to leverage these experiences in their stores to compete with online sellers. After opening a luxury hotel—before the pandemic—Equinox was growing a portfolio of weekend 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.

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 anti-social behavior.

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.

VALUE: SPORTS VIDEO CONTENT



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 thrifter. 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.

“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.

MIDDLE CLASS ADDED BY 2030



..... Regional travel surges

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

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