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HOTEL Yearbook 2036

EYEWITNESS REPORTS FROM THE YEAR 2036 | by WOODY WADE

Business leaders of the future explain how two decades of change will affect the hotel industry between now and 2036:

- POLITICAL CHANGES
- ECONOMIC CHANGES
- SOCIETAL CHANGES
- TECHNOLOGICAL CHANGES

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ISBN 978-2-9700896-6-7

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PUBLICATION PARTNER
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(HFTP)**

ACADEMIC PARTNERS
ESSEC Business School
Emirates Academy of Hospitality Management

*We would like to thank
Frank Wolfe of the HFTP, and
Michael Levie and Lennert de Jong of citizenM
for their valuable advice and support.*

DESIGN AND ART DIRECTION
Guus Vrencken,
extralarge | visual communication,
www.extralarge.nl

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ABOUT THE AUTHOR

Woody Wade, founder and publisher of *The Hotel Yearbook*, is a futurist and specialist in scenario planning, a technique that helps organizations visualize how their future business landscape could change, so they can spot opportunities and prepare a strategic response today.



In 2012, his book *Scenario Planning: A Field Guide to the Future* was published by Wiley, the largest business book publisher in the USA. Two years later, its Japanese-language edition achieved best-seller status there and was voted the 14th best book of 2014 by readers of *Harvard Business Review* (Japan).

Woody is the former Marketing Director of the Ecole hôtelière de Lausanne and was an Executive Board member of the World Economic Forum in Geneva. Based in Switzerland, he has an MBA from Harvard Business School.

“The best way to predict the future is to create it.”

The famed management guru Peter Drucker once said, “The best way to predict the future is to create it.” That is exactly what I am doing in this special publication: creating the future.

But not quite in the way that Drucker meant. What he no doubt had in mind was the idea that a business leader should be able to shape his company’s destiny through his own vision, actions, and leadership: that he can foresee his organization’s future because, by and large, he is going to make that future happen himself.

What I’m doing here is something very different. I’m “creating the future” by inventing it. *Just making it up.*

Yes, that’s right, making it up. This book is a work of fiction. Which is also the case, if you think about it, for any book about the future. After all, no one has a crystal ball, so if you write about the future, you are by definition making it up. You simply have to be.

Of course, it’s possible to write a book about the future that is full of factually unassailable statements such as “The sun will rise in the east tomorrow” or “Next year, the swallows will return to Capistrano on March 19th” or even “The best hip hop song of the year 2020 will be recorded by an artist I have never heard of”. But that isn’t really “making it up”; it’s putting into writing something that you – along with everyone reading the book – can be certain will happen. If you write a book about the future that is full of sure-fire “predictions” like these, on the one hand you are bound to get it right, but on the other hand, you won’t be offering your readers anything they don’t already know, or any insights into how the future could be different – you’ll only be confirming ways in which it will stay essentially the same. Is that useful? Is it even interesting? I don’t think so.

So *The Hotel Yearbook 2036* aims to be different, and take a fictional stab at *describing* the unknowable future. The way it will do that is to write from the vantage point of 20 years in the future and let a number of fictitious guides tell us how we got there. In other words, this is not the typical futurology book that makes standard pie-in-the-sky claims such as, “by the year 2036, most middle-class families will own flying cars.” Instead, in this book you will read the testimonial of an inhabitant of the world of 2036 – for example, the head of one of those middle-class families, and he looks back and tells us a story, something like this:

"I remember there was a startup company in California that launched a so-called 'flying car' back around 2026 or 27. You cannot imagine the hype. It was on the cover of every magazine, from Car & Driver to Good Housekeeping. They sold a few hundred units. The problem was all the red tape. They were flatly prohibited in most places. But it didn't matter, as almost all the initial buyers were very wealthy Silicon Valley types, basically overgrown kids with lots of testosterone and fat wallets. California allowed them to fly, but they issued a ton of regulations that had to be followed – not just the usual license and insurance (and the cost of insurance was horrific) but a whole complicated set of traffic rules that restricted the cars to only a few overhead corridors, a narrow range of how high you could fly (not very, as it turned out), weird parking rules (you couldn't just land wherever you wanted, you know!), noise-reduction and emissions equipment you had to have installed, unbelievably strict safety regulations, passenger conduct rules, cargo regulations (if you flew your car to make a delivery or – God forbid – take a paying passenger somewhere, you would find yourself up against the labor unions), fuel handling regulations, and on and on. It got crazy – and crazy expensive. For most of these guys, their 'flying car' was never anything more than just a toy, anyway, so when all the fun got squeezed out of it, owners just left them in the garage and went back to racing around in their Maseratis and Teslas on dry land. And that was the end of that."

Any number of books about the future will be full of predictions like "By the year 2036 we will all have flying cars," but only *The Hotel Yearbook 2036* will try to flesh out these futuristic predictions and describe how they might play out – and what they might mean for the hotel industry.

So the purpose of this book is to transport you two decades into the future to the year 2036, and let you look around at our beloved hotel industry and its business environment as it hypothetically will exist then. Everything is seen and described through the eyes of completely fictitious eyewitnesses, some of whom are movers and shakers in the hotel business, while others are keen observers from the sidelines, involved in the hotel industry as consultants, suppliers or partners, academics, students – or just as hotel guests. But from their own perspective, whatever it may be, each of these individuals has something interesting and thought-provoking to tell us about how the hotel business has turned out in 2036.

Does this fictional approach have any merit? I think it does. Although the comments about the future, and the commenters themselves, are wholly made up, I am not making up the future of the hotel industry out of whole cloth. The ideas and developments that you will read about here, presented as if they had already happened, are based on a solid reading of current trends affecting the business world and particularly the hospitality business, and where those trends might lead the industry in 20 years.



I wish you a stimulating read.
Woody Wade | wade@11changes.com



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**“What we can reach and do
will be a thousand miles from
where we are now.”**

In the late '40's, George Orwell took his readers to 1984. Some had trouble making that imaginary journey with him, while others were enthusiastic and inspired.

The Hotel Yearbook 2016 is making a jump forward as well, and will actually be the *Hotel Yearbook 2036*. Don't be afraid; don't look for proof; don't argue, but rather open yourself up for a trip to the future. After reading the 2036 yearbook from cover to cover and closing it again, this will immediately bring you right back to the present...yet a bit more inspired for sure.

In 2036, our fragmented industry will have been structured and organized by technology. Clarity and transparency will demystify our guest / their behavior / their needs and wants / their loyalty and need for recognition. Financial data will be available in real time for management and constituencies. Channel / demand management will be the norm for selling hotel room inventory, and hoteliers will be data-minded and technology-savvy stockbrokers.

Our guests are adapting to technology faster and faster and have no issues with change. Their journey is not one for the hotel industry to follow, but rather to lead. In 2036, hospitality will still mean warm recognition and personal interaction, but technology will stand at the basis of enabling this, and data will be king....

Buildings, rooms, processes and transactions today are moving from local to the cloud; in 2036 our world will be so small and accessible. Distance and differences will always remain, as will our individual cultures.

Taste and desire is individual. That won't change, either. What we can reach and do, however, will be a thousand miles from where we are now.

To be open to change is an attitude. Being content with "Kodak moments", or rather not believing that evolution is on its own journey: that will get you in trouble. Standing ready and being open to the new challenges and opportunities is the name of the game.

Ready for take off.

Turn the page to 2036 and enjoy..



Michael Levie,
Founder and COO, citizenM Hotels

What's the best way to think about the future?



What's the best way to think about the future?

In your company, are you planning for the future? Of course you are. We all are. Planning for the future is essentially what we, as managers, get paid to do. We are asked to make sound business decisions today that will positively affect our company's competitiveness, so it will be successful in the future.

Think about it. We make marketing decisions today – the choice of an ad agency, or perhaps changing the price of the widgets we produce – in the hope of getting a foothold in a new market segment six or eight months from now. We make investment decisions today – for example whether to build a costly but more efficient factory – in order to lower the unit cost of our widgets starting two years from now. We make HR decisions today – who to hire, what policies will help us retain our employees – in order to be sure we have the best minds trained on the challenges our widget business will be facing in the future.

Making these decisions is hard, though. Anything having to do with planning for the future is fraught with uncertainties. The only thing we absolutely know about the future is that it will be different from today. But *how* will it be different? That's actually the crucial question. What might change, and how could that change affect the decision I am about to make? Taking all these decisions together, we are now talking about strategy: How can you formulate a reliable strategy if you don't know how the future is going to turn out?

I work with companies in the hotel industry to help them foresee the future. Not predict the future – just foresee how things might develop in their business landscape over time. The technique I use to do this is called scenario planning. This is a creative yet structured approach to thinking about the future, allowing the managers of a company – i.e. the people responsible for its future success – to visualize

different ways their future “business landscape” could change over time, and potentially present opportunities (and threats) that they hadn't seen before. By using this process to envisage alternative future terrains, they can already come up with ideas today for how best to respond to those potential changes.

In my experience with this technique, I've come to realize that the key word is “plausible”. If you are responsible for developing a solid plan that takes future change into account, you have to think about what could really happen.

So what *is* plausible?
And how do you “foresee” it?

One thing you should *not* do is base your plans solely on forecasts or projections of the future. Why not? Because projections paint a misleading picture of the future. They imply that the future will simply be a mathematical variant of the way things already are today: just take the current numbers, identify a trend line, extrapolate it a few years into the future, maybe apply another tweak or two, and – voilà! – you've created a picture of your business terrain ten years from now.

Or you believe you have, and therein lies the danger. By forecasting the key variables that matter to your business (such as market growth rates, supplier costs, exchange rates, and so on), your gaze is fixed on a myriad of measurable details. All well and good. But if anything has the potential to cause profound change in your business environment and have a truly dramatic

WHAT'S THE BEST WAY TO THINK ABOUT THE FUTURE?

– disruptive – impact on your future success, it is more likely to be larger and much more potent forces than any of these mathematical details.

Like what? I am talking about much bigger changes that can emerge in your business landscape, such as technological innovations, new competitors, substitutes for your products, evolving social or political changes, shifts in consumer behavior, and so on. And these changes can come about staggeringly quickly.

It's huge, big-picture changes like these – far less than interest rate trends or foreign exchange rates – that have the potential to truly shake up your world. And, like real earthquakes, these seismic shifts are rarely predicted... and they are certainly not captured in forecasts. Just the opposite, in fact: forecasts lead you to think things will continue like they are now, in a nice, predictable, linear way. But that's not the way the future usually unfolds. Far from it.

Scenario planning is the remedy for this kind of hazardous thinking. It is a structured process that focuses on the most critical uncertainties you could face – the ones that you and your strategy team identify as being the most influential factors affecting your long-term ability to succeed. By imagining in detail the different ways those particular trends or forces could develop, the process allows you to generate the outlines of a range of different future scenarios, i.e. alternative business landscapes that could realistically emerge, depending on how those forces develop.

Unfortunately, even though its step-by-step logic helps you visualize three or four different futures, scenario planning can't tell you which one will actually materialize. But that's OK; it is not meant to function as a crystal ball. Indeed, scenario planning is not a tool for *predicting* the future, but rather for *exploring* it; that is, for defining and describing plausible possibilities that you could be confronted with. Using this technique, you generate ideas about what could happen in your business environment if certain trends play out. Then, armed with these

sometimes eye-opening insights, it is possible to recognize how each scenario – each future landscape you might find yourself operating in – could plausibly usher in a set of opportunities and challenges that are possibly unique to that particular business constellation.

This notion of plausibility brings me to this book, *The Hotel Yearbook 2036*.

When we scenario planners get down to brass tacks, the approach begins with a brainstorming session. What are all the factors, all the driving forces, big or small, that might have an impact on the future of your business?

As you can imagine, this can produce a mighty long list. Working with hotel clients, I have seen the list of driving forces grow to 200 items or more, ranging from hugely impactful, dramatic long-term trends such as demographic shifts, to more trivial, purely local uncertainties, such as whether a hotel in a certain country would be granted a license to sell alcohol. (Well, maybe that was more dramatic than I give it credit for.)

To make this brainstorming process a little easier, we organize our thinking by categorizing the driving forces under four broad headings: political change, economic change, societal change, and technological change: the so-called “PEST” model (from the first letters of the four categories, P-E-S-T). It is this PEST structure that I have followed in the rest of the book. The four following chapters each explore how driving forces from the four PEST categories could play out over the next twenty years, with interesting consequences for the hotel industry – sometimes beneficial, sometimes challenging. The testimonials from my fictitious interviewees are meant to shed light on the effects these forces might have on real human beings working in the industry.

Before you turn the page and begin to read about changes in the first category, Political (the “P” in “PEST”), let me give you a couple of pointers.

First, don't forget that this book is entirely fictitious. How could it be anything else? Writing about the future is an exercise in fiction, since nobody has a clue how things will really develop. But in each of the four "PEST" categories, I've tried to develop plausible future scenarios, based on the idea that certain driving forces (if we will only look around and notice them) are already in existence today, and will play out in some particular way, with consequences for the people running the hotel industry in 2036.

Second, the key, as I said before, is that these driving forces, and their effects, should seem plausible. Are they? I'll leave that up to you, gentle reader, to judge. But please forgive me if, to make a point, I may edge over the line of implausibility here or there. (Or perhaps everywhere.)

Third, with only a couple of exceptions, the names of all the hotel companies – and of course all the "witnesses" "interviewed" for this book – are made up. Any similarity to actual persons or companies... well, you know the drill.

Fourth, you will probably notice right away how hard it is to categorize certain trends or driving forces as only "political", for example, and not "societal" or "economic". ("Technological" trends are more straightforward – but not always.) That's because twenty years down the line, any given trend may have an impact in any or even all four of the "PEST" categories. They all tend to overlap and intertwine in bewitchingly interdependent feedback loops. A technological advance will have economic consequences, changing societal attitudes, which ultimately leads to political changes. This sort of thing happens all the time, especially in the fullness of a span of twenty years.

Last, there are dozens and dozens of other factors that will change as time goes by, but they aren't written up in the book simply for space reasons. So if you have a particular "pet" driving force and feel it has been left out, I apologize. Perhaps the 2046 edition will make up for its absence.

“ Technological innovations, new competitors, substitutes for your products, evolving social or political changes, shifts in consumer behavior – it's huge, big-picture changes like these that have the potential to truly shake up your world. ”

Erica Ritchie, CEO,
Hamilton Hospitality Group, Seattle

Scenario thinking is very important. That's been the basis of our strategic planning process since my predecessor Ernie Phillips became Group CEO back in 2024, and I've definitely carried on with this approach. I still remember when I was fresh out of hotel school – that was a long time ago [sad chuckle] – how surprised I was that the company's top management hadn't even heard of scenario planning. They thought

“ **We didn't think enough about what could be different in the future.** ”

about the future, to be sure, but as a straight-line projection of how things were already going on around us. For them, it was as if everything would just keep on keeping on, the same way, forever. There wasn't any “what if...?” thinking in the company. So some of the changes that occurred over the past twenty years took us by surprise.

As a whole, our company didn't give enough thought to how our business landscape might change, and how those changes could affect us as a hotel company. In other words, we didn't think enough about what could be different in the future. Realistically different. And given those possible changes, what kind of hospitality products and services might no longer be in demand? What new products and services might it make sense to develop? How would our guests' attitudes change, and how would that matter to us? Who might be our most important competitors – the same ones we compete against today, or someone else? Where should we invest? Where should we stop investing? Those are the vital questions scenario planning has helped us answer.

Hans-Ulrich Scheidegger, Chairman of the Board,
Schweizotels, Zurich

I wish we had done more scenario planning when I joined the board back in 2025. I realize that developing scenarios is not the same as predicting the future. And as much as it pains me to admit it as the Chairman of our company's Board of Directors, no one – not even me and my planning team – can predict the future.

What we should have spent more time doing is *exploring* the future. We should have invested time to think about what might happen and develop a plan in case the business terrain changes in certain ways. If we had done this, we might have had a plan for the breakdown of the EU. We might have had a plan for the end of the Euro. We might have had a plan for the death of Silicon Valley. Every one of these developments cost us dearly, and I'm sorry to say we weren't prepared for any of them. Two CEOs lost their jobs over these unforeseen developments – I almost lost mine.

“ **What we should have spent more time doing is exploring the future.** ”

Scrambling to react to events after they happen is definitely an inferior option to thinking about the events ahead of time and making plans for them – in case they do happen. We had to learn the hard way.

POLITICAL CHANGES





POLITICAL CHANGES

“Politics is downstream from culture,” said the late Andrew Breitbart, alluding to the idea that if political change comes about, it is usually following broader shifts in the way a society has already changed its values and attitudes about larger cultural issues.

Same-sex marriage is a good case in point. Giving SSM legal standing (in other words, *political* recognition) followed a *societal* shift that took a good forty years or more to materialize. The culture went from first tolerating, then embracing, and finally celebrating same-sex relationships. Facilitating this gradual change of heart were the plots of countless movies and television shows normalizing these kinds of relationships, leading eventually to the open adulation of gay stars from the world of popular entertainment, and so on. It’s hardly imaginable that the legal step could have come first, to be followed by a cultural change in the years afterward.

Accordingly, many of the interviewees in 2036 touch on political points that reflect, rather than lead, societal changes. As for the global hotel industry, it is just that: global. And truly global political change – if there even is such a thing – is rare. For the most part, politics is local. However, some political developments do play out on a much wider stage and ultimately have a worldwide impact. And those political shifts will affect huge parts of the hotel industry, which after all is one of the most international sectors of the world economy.

Jeffrey M. Struthers, *Professor of Political Science, University of Chicago*

How would I characterize the last 20 years in terms of political change? The biggest and most obvious change is that communism doesn’t exist anywhere on the planet in 2036. The last holdouts all switched to some other political system over the past two decades, and luckily for all of us, all of them managed the transformation without major bloodshed.

Cuba was the first communist country to give up the ghost. By 2020, the Castro brothers were gone, and the first benefits of their open economic relations with the US were starting to be felt. The next generation of Cuban leaders called in some European consultants to show them how to become a social democracy along the lines of a Denmark or Germany. It’s now

a pretty thriving country, very big on tourism, and the world’s number one base for the cruise industry.

Venezuela’s flirtation with hard-left socialism ended a few years later. But sadly, the country had to hit rock bottom first. Despite all their oil, Venezuela was insolvent by 2020, truly with their back to the wall. The summer of 2020 saw week after week of food riots in Caracas, and a menacing “string-‘em-up” mentality when it came to the feelings of the population for their no-longer-so-beloved leaders. The military was called in to keep order but they apparently had no more love for the government than the man on the street, and ignored orders that would have required them to crack a few skulls. Most observers felt that a violent overthrow of the government was just a matter of time, when

the government miraculously “stepped down” – which is another way of saying everyone in the ruling junta fled the country for Havana... or, ironically, Miami. The military took over for a few weeks, new elections were called, and within six months the nightmare was over and the country was back on its feet with a functioning right-of-center democracy. Today, Venezuela’s tourist industry is doing extremely well, particularly high-end eco-tourism in the interior of the country.

“ ***Communism doesn’t exist anywhere on the planet in 2036.*** ”

North Korea’s switch to democratic capitalism was a even little more tumultuous than the Venezuelan episode. As everyone expected, the crazies there finally started a shooting war with South Korea – luckily it only lasted about 15 minutes. Thank God there weren’t any nuclear weapons involved, which everyone had feared for years; instead, the North idiotically staged simultaneous amphibious landings on four deserted South Korean beaches, where they simply set up bivouacs and stayed put, less like a military operation and more like a camping trip. At the same time, they staged a bizarre tank attack on two DMZ checkpoints – “bizarre” because the tanks appeared, were photographed by North Korean media looking menacing, and then they proceeded to advance very, very slowly toward the checkpoints – I mean 2 or 3 miles an hour, just rumbling ahead deliberately, but clearly not in a way that was really meant to threaten anybody on the other side. Their turrets were pointed in the air and they never fired a shot – and the orders on our side were not to shoot, either. The tanks plowed straight through the checkpoints, but as if in slow-motion. For an hour or two, this “attack”, together with the beach landings, confused the hell out of the US/South Korea command, but it only took half an hour to realize it wasn’t a real invasion but some kind of cry for help. North Korea was on

the verge of economic and agricultural collapse, with people literally starving to death. The Great Leader had been rattling his saber for years, but (thankfully) he was smart enough not to actually commit national suicide by starting a real war. Instead, he needed a face-saving way to turn his ruined country over to the South, who he knew would bend over backward to make sure it didn’t go the rest of the way down the drain. So what he did was announce publicly that he was attacking the South and then launch a telegenic but harmless “invasion” that he correctly guessed would be seen as a bluff by the South. Simultaneously he sued for peace through diplomatic channels, and when the shooting stopped (except there wasn’t even any shooting), he jubilantly claimed that North Korea had “absorbed” South Korea. In reality, of course, if there was any absorbing going on, it was exactly the other way around. As the Great Leader’s triumphal speech was being broadcast in North Korea, he was actually on a plane heading for exile in Ulan Bataar, of all places.

So, like Germany back in the 1990s, the two Koreas were reunified. For all intents and purposes, what happened was that South Korea bought North Korea out, with most of the money coming from the US and China, with the EU, Russia, and the World Bank chipping in as well. That was nine years ago now. Since then, the ex-North Koreans have had a tough time adjusting to a world of economic competition (as did the East Germans for a while, back in the 1990s), but when all is said and done, Korea is a competitive society, and although there have been some bumps in the road, things are working about as well as could be expected (like it did with Germany).

Since reunification, there has been a rush into ex-North Korea by the hotel industry, mainly putting up business hotels near the country’s two or three industrial centers, which have really revved up under the new regime. Pyongyang, for example, is on track to become a modern industrial city – remember how Berlin and Dresden and Leipzig blossomed? In a few more years, Pyongyang could be another Taipei. Or

maybe just another Seoul – that would already be a huge success. The city is practically owned and managed by Samsung, Hyundai, and one or two other huge Korean industrial groups. In terms of hotel capacity, the city took about three years to go from 2,000 (truly God-awful) rooms to about 25,000 rooms, with most of the big brands present. Another 3,500 rooms are in the pipeline today. The horrific Ryugyong Hotel, the famously ugly pyramid-shaped hotel that was Pyongyang’s iconic landmark – if you can say Pyongyang ever had an iconic landmark – was bought by Malaysia’s Genting Group and was refurbished as a giant casino resort. It’s one of the top attractions in Northeast Asia now, catering mainly to Chinese who hop over from Beijing for a weekend of gambling.

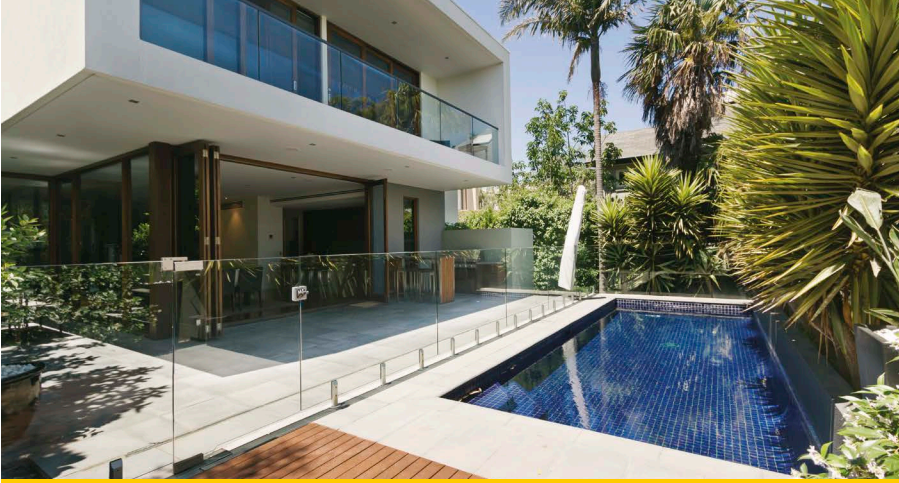
As for China itself – has there ever been a more fiercely capitalist country? Yes, the old Communist Party still calls the shots politically, but even it dumped the label “Communist” in 2025. Now the party sees itself more like a management structure for the country’s enormous economy instead of a quasi-religion that aims to indoctrinate the Chinese population with 85-year-old slogans. When most of the government decamped for Hong Kong in 2028, it was a strong signal that money had won out over dogma. (Another pretty clear signal was when the country elected Hang Shazin as Premier five years ago. Do you know of any other “Communist” countries headed by a Harvard MBA? Neither do I.)

So Communism is dead. But that doesn’t mean that the whole world is capitalist. I would say the last 20 years have seen a big change in capitalist societies – a tendency for most of them to become welfare states: “socialism lite”. The best country to illustrate this would be the USA. The Democratic Party has won most major elections here over the last two decades, always on a populist, stick-it-to-the-man platform promising to equalize income disparities and redistribute wealth that over time got “unfairly” concentrated in the hands of fewer and fewer people (read: “entrepreneurs”).

The instrument for making that happen, of course, is taxation. The USA now has one of the highest marginal income tax rates in the world. If you earn north of \$300,000, a good middle manager’s salary, you are going to be giving up over 70% of that when you add up all of the taxes at federal, state and local levels. In 2025, under President Chelsea Clinton, the USA introduced a tax on wealth itself, i.e. not just income but on your property, bank accounts, investments – everything you own, basically. Many European countries had been doing that for years, but the Americans finally realized that was yet another way to generate government revenue and jumped aboard that bandwagon, too. Wealth was taxed at about 0.08%. You had a house assessed at \$1 million, you paid 8,000 bucks in Federal wealth tax on it every year. The same for your cars, your bank balances, your portfolio, your life insurance policies, the paintings on your wall, your stamp collection, and your Persian rugs. If you were a business owner, you were taxed on the book value of your company.

“ Go to Cupertino or Sunnyvale today. They’re like ghost towns. ”

At one point the Democrats even proposed taxing the value of your education – after all, a good education was one of the most valuable assets you could have, right? So if you had a high school diploma, a Bachelor’s degree in English Lit. from the University of Nebraska, an MBA from Wharton, or an MD from Harvard Medical School, the US government would calculate its net present value and tax you every year accordingly. Supposedly this had to do with “fairness” and “equality”. If you had acquired a valuable education, the thinking went, you were in possession of an intangible asset that concretely enhanced your lifetime earning power, not to mention your station in life. It was therefore only fair that you should pay more than some poor schlub whose education



Pyongyang

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Landings

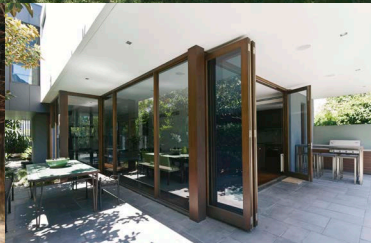
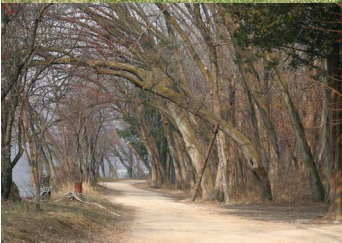


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Pyongyang Landings
Opening 2037



wasn't getting him as far in the race for happiness and material wealth. This idea was never implemented, but it came pretty damn close. The proponents of the concept vowed to reintroduce it to Congress when the Democratic majority was more solid. They have tried two or three times, but (so far) it hasn't been passed.

To the surprise of no one, the year after the wealth tax went into effect, 2028, there was a rush for the exits on the part of thousands of people who were able to figure out how to move outside the country with their assets. Not easy to do, but it is possible. The real problem with higher taxes isn't that a few hyper-rich people leave. It's that companies leave. The US corporate income tax rate was raised by successive Democratic Congresses to a ridiculously high level, 46%. These politicians just don't get it. They think they can milk a business and it will just sit there and take it. That's not what happened. Between 2028 and 2035, entire industries have upped sticks and left the country. Silicon Valley, for example, used to be America's shining example of how capital and innovative potential came together to create amazingly successful companies like Intel and Apple and HP and all the rest. Go to Cupertino or Sunnyvale today. They're like ghost towns. Most of those companies moved to the KL-Singapore cybercorridor or Shenzhen. How ironic is that? An American company fleeing confiscatory taxation by moving to Red China!

That would have been unthinkable 30 years ago. But money is fungible, and so are corporate organizations, to some extent. If one jurisdiction makes it hard to do business profitably, it's not a big problem these days to move everything to another one. It takes a few mouse clicks, a couple million in fees, and a week or two for the paperwork. A number of jurisdictions actively bid to get companies to move and set up shop there. Besides the two I mentioned in the Far East, there's Estonia, Panama, Abu Dhabi, Zug in Switzerland, even Vancouver. Eighty percent of the old Silicon Valley is based in the Far East now, and the rest is split between these places, as are most of the

world's stock markets, investment banks, and insurance companies. There was such a steady outflow of companies that people hardly took notice any more; just another story on page 17 of the newspaper. Then Apple left for KL and Boeing left for Panama. That got people's attention. But I doubt that Congress will get its act together and reverse course. They're just too blind, or stupid, or both.

Ronald Hightower, *Director of Development, Napier Hotels, Singapore*

We have eight projects right here in the Cybercorridor and two in Shenzhen. We were very lucky to get out of San Jose before the mad rush to leave. A lot of companies didn't sell in time and are stuck with unsold properties in Silicon Valley. I have no idea what they'll end up as. The place is a ghost town, so I imagine most of those hotels will just be torn down. Sad.

Alisdair MacGregor, *Managing Director, Highland Hotels and Resorts, Aberdeen*

I think the vote to leave the UK and go independent took even us Scots by surprise. Remember: we'd tried it before, and failed. The outlook for this second go-round was even worse, with the polls showing no more than 40% support right up to election day. But somehow we got 54% of the actual vote – a real stunner.

“ ***It seemed as if every couple in Europe wanted to book a romantic weekend in Scotland.*** ”

In the last ten years, the Scottish economy has done fairly well. The oil price has helped, but the industry that's really taken off is tourism. And fairly high-end tourism at that, I'm happy to say. In the year after the split, it seemed as if every couple in Europe wanted to book a romantic weekend in Scotland – we became the second most popular destination for the English after France, and (for a couple years anyway) the

number one destination for the Germans, Swiss, and Norwegians.

In 2026 Scottish Rail was launched, and in addition to normal rail service they launched several high-speed express trains from England. If you're working in London, you can leave your office at 5 pm and be in Edinburgh at half eight. The new airline, Virgin Scotia, also brings thousands of additional visitors in from the continent.

The boom has attracted a number of hotel companies and other investors, who spruced up the odd castle here and there and turned the country into a market with truly exciting prospects. Last year, four of our highland properties were voted among the top 25 venues for business meetings in Europe. Hospitality is attracting talent here, too. The country's five hotel and culinary schools are oversubscribed – young people see tourism and hospitality as an excellent industry in which to launch a career. I'm very upbeat about the future!

Sabine Møller, *economic journalist, DK7, Copenhagen*

Denmark is proud to have pioneered the high-tax, low-inequality model that dozens of countries have emulated over the last twenty years, including almost every country in the ex-EU, the USA, India, and Japan. And to answer the question I know you are about to ask: No, it is not socialism. Please! That is such an old-fashioned way of thinking about it. What we have accomplished – largely thanks to an unselfish tax policy – is a society characterized by egalitarian and productive happiness which you will not find anywhere else on earth.

“ **No, this is not ‘another tax’.
It is a voluntary contribution.** ”

Capitalism has survived in Denmark, of course. But capital is fairly taxed, first of all, so it directly funds programs and projects that benefit

everyone, not just the owners of the capital. Second, capital gets allocated now based on a wider range of criteria, more in line with society's needs than just the capital owners' needs.

How is that accomplished? First of all, because the owners of capital truly want to see their capital used this way. They are tired of being characterized in the media, in films and holos and books, as wolves and leeches. It's true, maybe thirty years ago wealthy people and investors were vilified for having something that the rest of us didn't, and I know that in some countries, this demonization was a little over the top – bad press, vandalism, and so on. But you can't make an omelet without breaking some eggs. This stage was perhaps a little awkward, but it did result in the wealthy finally seeing the light and getting on board.

Second, capital owners' permission to invest, and corporations' operating licenses are contingent on their compliance with certain social requirements, as defined by the Danish legislature. No, this is not “another tax”. It is a voluntary contribution toward meeting vital social objectives, and it can be made in cash, certainly, or it can be made simply by ensuring that the company, or the investment, meets other agreed social targets, such as immigrant hiring quotas, godfathering social projects, and so on. It works very well.

Arne Jensen, *CEO, Midnight Sun Hospitality, Geneva*

We were a Nordic-focused company ever since my great-grandfather opened our first hotel in 1925 in Aarhus. We grew to 40 hotels in Scandinavia, Germany, Poland and the Baltics. Then Denmark went a little crazy with their belief that companies were there to serve society as a whole, rather than serving our customers, which was what we believed, and I dare say is the priority of 99.9% of all companies in the private sector.

Well, serving society is expensive. That's the problem: it costs real money. Money that

corporations generated by doing business successfully and, previously, were allowed to keep to invest as they please (after paying a reasonable amount to the state in the form of taxes, of course).

But now, society was calling. So taxes went through the ceiling. Don't get me wrong, I want Danish society – I might even say *all* of human society – to thrive. Why would I not want that? But this new system converted our company into a kind of cow for the government to milk, and use the money that we generated to fund its Anti-Inequality Program. As long as we could see some value in making society better, that was perhaps worthwhile. But then the requirements starting getting a little strange. For example, because we were a Danish company, we had to “prove” to the Danish government that a new hotel we wanted to build in Gdansk, in Poland, would meet Danish social action standards, for example we had to show that we would provide high-paying jobs for immigrants to Poland, we would repatriate profits to be taxed in Denmark, we would set up a fund using after-tax money for the construction of low-income housing in Gdansk, and so on. If we didn't sign off on this package, the Danish government would block our bank accounts, and we wouldn't have access to our own money. They called this “denial of a license to operate”, but basically it was a kind of social blackmail.

So in 2027 we opened discussions with a Swiss hospitality consulting company who agreed to buy us out. We moved our HQ to Geneva, where our new parent company changed its name to Midnight Sun, and we continued to operate hotels as before – but with more control over our profits... and our destiny!

Jeremy Staley, *President, Hotel Association of Southern Florida, Miami*

Here in Florida, people want tourists and all the money they spend here... but they don't want to build a new airport. It's frustrating. You can lay out the arguments till you're blue in the face, but even though they know how

important tourism is for the local economy, they do not want to improve the infrastructure. We have three major airports down here,

“ ***People want tourists and all the money they spend here... but they don't want to build a new airport.*** ”

Miami, Ft. Lauderdale and West Palm – but all three are woefully inadequate if you look at the projected passenger growth over the next few years. Yet proposals for expanding the airports or building a new one are shot down every time. This NIMBY attitude will be the death of us.

Peter Sanderson, *CEO, The Westminster Collection, London*

In 2032 the EU finally broke apart. When it enlarged to 30 countries in the 2020s, decision making simply became impossible – total paralysis. But although the legislative decision-making ability was crippled, the EU's many regulatory bodies went into overdrive, creating thousands of pages of new rules and regs. Maybe 5% were reasonable. The other 95% were a drag on just about everything, but especially business: business expansion, and of course profitability. But that was probably the idea all along, as you don't become a Brussels bureaucrat unless you already hate the private sector and want to see it muzzled, leashed, crippled, castrated – choose your own metaphor.

In the hotel industry, expansion was hard because if you wanted to build a new hotel somewhere (let alone build a new factory – I really pity anyone in manufacturing), the red tape could take years to untangle. You would hire a team of expensive lawyers to try to get everything sorted out, but it was always Brussels that set the pace of the negotiations. If they didn't want something to go forward, they could drag their feet, or throw another

rulebook at you, from some totally new Department of Slowing Things Down that had to be analyzed and complied with. Brussels could easily keep a project in limbo for a decade – and often did.

So stifling business growth was one aspect of the EU mess. Another was the actual cost of compliance with all the rules. Small companies could barely cope, and a lot went belly-up. Big companies (some of them, anyway) had a little more financial capability, but it's simple math: more costs lowered profitability, so you have only a few choices. You can cut costs somewhere else – if possible. Or you can raise your prices and make your customers pay for the regulations – if possible. Or you become a less profitable company, with all the consequences for your share price, your balance sheet, your cost of capital, and all the rest.

“ ***We reduced wages and hired cheap immigrants.*** ”

Raising prices is what everybody tries, but you know, there is a limit to how much you can do this before you lose your customers to someone whose product is a little bit cheaper. And thanks to the OTAs, in the hotel business, the transparency of our room rates is 100%. It is *always* possible to go online and find a cheaper room somewhere else. So raising prices is very hard to do.

That meant that the only real solution that most companies were in a position to do was cutting costs. And what is a huge cost for us in the hotel business? Staff. So we laid people off, when that was possible, and we didn't replace some employees who left. We reduced wages and hired cheap immigrants, who were happy for a job, any job, no matter how terrible the pay was. We automated some functions. We reduced people, and that meant, at least a little, that we also reduced the level of service we could provide.

Of course this didn't affect only the hotel industry. Every industry across the EU was doing the same, figuring out how to stay profitable in the face of whatever their own regulations were. We all had rules to follow. And since most people were in the same boat when it came to raising prices – you could do it, but only so much – they also ended up downsizing instead. Inevitably, one of the results, across Europe, was increasing unemployment. In three or four countries, it hit 30% – and even higher than that if you considered people under age 25.

I'm not saying regulatory overstretch was the only reason for all this. There were other issues – country by country, each economy had its own challenges, as is always the case. But overregulation from Brussels was definitely a big factor, because it strangled businesses' ability to grow and compete based on our profits we could generate – and cumulatively, that throttles an entire economy, keeps companies from hiring, and raises the number of people out of work.

Then there finally came a backlash against Brussels. Partly it was because the message finally started getting through to the man on the street that regulation was killing us, and without it – or let's say, with regulation at a more reasonable level – businesses might be able to grow again, and hire again.

Then there was the sheer absurdity of some of the rules, for example the requirement that everyone from lawyers to translators to hairdressers had to get certified by Brussels to be allowed to run their own law firm or translation agency or hair salon. A five-star hotel would have to get a whole armful of certifications: one for its lodging business, one for each of its restaurants, for the gift shop, the spa, the flower shop, even the pool (!) These silly, counter-productive regulations got a lot of press, and that also got the man on the street thinking about the basic anti-reasonableness of the regulatory scheme that Brussels was saddling us with – all of us, individuals and businesses alike, although when you hung

expensive rules around the neck of a business, ultimately, it's individuals who pay for that, too, and for once people began to see that.

I have always wondered at the moronic mentality of regulators who come up with schemes like this. They are so counter-productive, because they give anti-EU voices a high-profile rallying point, and they clearly illustrate just how narrow and anti-progress the whole EU game really is. And of course, that is exactly what happened. Thanks to these well-publicized rules, anti-EU voices became less fringe and more mainstream. In the UK for example, UKIP, which used to be all alone in its antagonism to the EU, became so successful at turning the electorate against continued membership in the EU that the three mainstream parties found themselves not arguing for staying *in*, but arguing that they were the best party to lead Britain *out* of the EU, efficiently and prosperously. It was an amazing *volte-face*.

So by 2023, a Tory-UKIP coalition had done just that, and the UK left the European Union, the first country ever to do so. It was a bit confusing after we left, and there were some difficulties, no doubt about that. But within two or three years, people across Britain – and more importantly, across the rest of Europe – saw that the sun still rose in the east, and life still went on. In fact the British economy got a huge boost, and by last year, more than 900 continental European companies had moved their headquarters to England, and a few to Wales, and Northern Ireland, too. (Scotland is another story.) This has been very good for a lot of local economies – and excellent for us in the hotel business, I can tell you that!

So 13 years ago, the UK gets out, and within the next seven years, the EU went from 30 countries down to 18. Now Germany is left holding the bag, basically financing the whole shebang, from the Azores to Azerbaijan. Politically, they've been split right down the middle ever since – should they stay in, or get out? So far they're still hanging in there, but frankly I don't see why. Well,

yes, I do: If they leave, what's left of the EU will collapse, and everyone will blame Germany. And I don't think Germany can face that. I really don't.

Jules Mason, *Professor of Security Policy, Georgetown University*

Do you want to know how to kill a resort, dead, in ten minutes? All it takes is one terrorist attack.

Do you remember Mbeurra, on the coast of Senegal? It was a beautiful place, with five high-end resort hotels, and countless smaller hotels and B&B's, catering mostly to French and Belgian tourists. One afternoon in November 2025, three jihadists landed a small skiff on the beach, and before anyone even realized what was going on, they had killed 21 people, indiscriminately gunning down tourists who were sunbathing or swimming or playing or just walking hand in hand. It was over in ten minutes – because they ran out of ammunition. The terrorists were getting back in their motorboat when the police arrived, and all three were then killed in the proverbial hail of bullets.

“None of that matters any more, because nobody is going back.”

Until that day, Mbeurra, like all of Senegal, had been a wonderful success story in the world of tourism. The locals were famous for their excellent hospitality and service mentality, the luxury hotels were apparently fabulous, and even the smaller ones were clean and respectable. The local cuisine was considered very good, with fishermen and farmers from the region supplying the hotels daily. Well, none of that matters any more, because nobody is going back.

Immediately following the attack, bookings were cancelled, and within a few days, the hotels had to start laying off staff. Then the shops and small restaurants catering to tourists closed. Soon the farmers and fishermen were feeling

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the impact of that horrible day: with no tourists to feed any more, hotels stopped buying their produce and catch, and soon the price of local fruit and fish had crashed by over 60%.

Everyone in the hotel and restaurant business there was wracked with guilt, traumatized. They felt responsible for allowing this to happen, although of course it wasn't their fault. There were a number of suicides. It was a tragedy in every way.

Within six months, Mbeurra, whose population had been about 15,000, had become like a ghost town. A third of the town's inhabitants left to pursue a livelihood somewhere else – somewhere with a future. Those who stayed behind were the poor and the hardcore unemployable.

The big hotels all closed, of course. Their owners hoped that it might be possible to return one day. But it's been ten years now, and no one has gone back. Mbeurra is dead.

Jean-Claude Barrigan, CEO,

Oxalis Resorts, Paris

A dozen of our hotels are located in countries where a terror attack is at least imaginable. (Yes, I know, an attack could take place anywhere. But I refer only to the very high-risk countries.) Our security measures are exemplary. Not only are our hotels under 24 hour surveillance, with a highly sophisticated electronic perimeter and armed guards, but our staff members are also trained to recognize the potential warning signs of an attack – unusual behavior, someone appearing to be a little too interested in our security measures. We want them to have a sixth sense enabling them to pick up the kind of signal that could give us a few minutes advance warning – anything that allows us time to call for help and get our guests and ourselves to safety. They are also trained in what to do if the hotel actually does come under attack.

But ultimately, the problem is not just the vulnerability of our resort, but the vulnerability of

the entire town. Perhaps even the entire country. In other words, Oxalis has always been willing to make the necessary investment to assure our the protection and security of our properties. But even the best security measures that we may install cannot prevent terrorists from striking nearby – and if that happens, we will still suffer the consequences anyway. An attack on *any* tourist target is an attack on us all – and it will surely bring us all to our knees.

We were the owners and operators of the Oxalis Mbeurra, the largest hotel on the beach back in 2025. The famous Mbeurra attack took place about 400 meters down the beach from our property, in front of the Bleu Mer Hotel. Most of the victims were staying at the Bleu Mer, and although I am so sorry for what happened I cannot help being thankful that none of our guests or staff were hurt. I could not have lived with myself if that had happened.

At the end of the day, however, it didn't make any difference whether it was the Oxalis that was attacked or the Bleu Mer or the Eight Continents or Le Cap – we were all out of business within weeks.

How do we mitigate this risk? One hotel cannot protect the entire town, yet if the town is attacked, all the hotels will be affected. What should we do?

Robert Voss, CEO,

Steinhauer Construction (Africa) Co., Accra, Ghana

I feel a little sorry for the old global warming folks. They were on a roll there for so long. Al Gore and his Nobel Peace Prize. Sorry, but what a joke. Here it is, 2036, and scientists can *finally* take measurements that are sophisticated enough to please everyone – and they show that the earth hasn't seen any temperature increase in the last 47 years.

What a shock. Weren't we supposed to have baked, or fried, or sautéed by now? Not gonna happen. In fact, what's apparently going on is exactly the opposite: *global cooling*. Thanks to the sunspots, or something related to the sun

(I'm no scientist, you'll have to ask somebody else about the details), the world will apparently be getting *cooler* for the next hundred years or so. The climate activists – the few that are left, that is – are absolutely despondent. Boo effin hoo!

One thing I can tell you is that global cooling will be terrific for the hotel business. Millions of people are gonna be freezing their asses off, and they'll all want to go warm up on the beach somewhere. Hotels in the sunshine will rake it in. My company is building eleven new super-resorts at the moment: two here in Ghana, two in Togo, three in Mauretania – who would ever have guessed that would become a hot spot? – three in Côte d'Ivoire, and one in Cape Verde. Beach resorts have always been popular; it's not like this is anything new. But if average temperatures do drop in Europe, and winters are very cold, there are two types of destinations that will prosper: ski resorts and beach resorts.

Céline Scheidegger, *Chief Economist, Goldman Morgan, New York*

Probably the silliest phrase that was coined in the last forty years is “carbon footprint”. I don't know who came up with it, but it was a great PR invention, truly brilliant. You could somehow picture a giant footprint crushing the pristine forests and beautiful wildflowers; it was an ingenious concept that got you thinking in terms of your personal impact on the environment. And once you were thinking like this, it was easy to turn up the pressure on you to reduce your carbon footprint in order to “save the planet” – no wait, *that's* the silliest phrase coined in the last forty years.

atmosphere – the global warming movement silently folded up their tents and stole away into the night. Sure, a few hard-core global warming believers are still out there, but instead of being regarded as activists on a planet-saving mission, they're pretty much seen as deluded, self-righteous crazies and has-beens.

The climate change crowd spent years working on computer models that would prove that it was human activity that was heating up the atmosphere, and eventually we would face an environmental apocalypse. All thanks to carbon dioxide. There was just one problem. None of the models worked. Ever. Granted, it can't be easy to build a computer model that predicts how the climate will change. There are thousands of variables. But they spent years and years trying to get these models right, and they never accurately predicted anything that was actually happening.

Then the infamous “hockey stick” climate model from the turn of the century was debunked in a big court case in the US. This was the overly simplistic diagram that captured the world's attention, because it depicted so clearly the sudden, dramatic increase in global temperatures that came about when mankind started spewing gases into the air. Or rather, it *claimed* to depict that. And it was used for years as a propaganda tool: “We must cut emissions and stop the planet from warming up and killing us all!” At the trial, however, it was revealed how the hockey stick shape had been massaged into existence in the first place, based on rather shoddy science – if not actually dishonest statistical methodology. The trial pretty much proved it to be a complete fiction. By 2020,

“ There was just one problem. None of the models worked. Ever. ”

Once the science became clear that climate change was more or less completely due to natural atmospheric, volcanic and solar cycles – and had almost nothing to do with the amount of gases we humans were emitting into the

no one was paying any attention to these environmentalists any more, and by 2025 they had almost all gone off to take up arms against some other horrible iniquity, like the fight to save endangered wombats or something.

As for the world's energy situation, the upshot was this: For the first time in years, it was accepted that if we cut our use of fossil fuels – i.e. what the climate change lobby had been pushing for for years – there would in fact be no impact whatsoever on the earth's warming and cooling cycle. This warming and cooling was going to happen anyway, and our carbon dioxide emissions, from industry, cars, planes, and so on, had almost nothing to do with it. But by the time this was really well understood, the world's politicians had already forced a lot of coal-fired power plants to be taken off stream, and they'd damaged the oil industry as badly as they could. So the path was clear for everybody to jump on the nuclear energy option. And they did. And energy has been pretty cheap ever since.

Nicholas K. Lambert, *Professor of Energy Policy, Kennedy School of Government, Harvard Dubai*

I want to talk about the world's energy situation in the 2030s, and how we got where we are today. You may say energy is a "technology" issue, but in fact it has more to do with politics than technology per se. That's because the availability of energy to all of us who need energy, whether as industries or consumers – and the cost of that energy – is a consequence of energy policy. And who sets energy policy? Politicians. Well, politicians and their enforcers, the regulators. They're the ones who decide that one kind of energy production is going to be favored over another. They're the ones who can channel subsidies to favored energy producers

“ **Eighty years ago the population of Nigeria was 40 million. Now it's 400 million, and still growing.** ”

while bringing another kind of producer to the edge of bankruptcy, for example by choking off their ability to grow, or making the energy they produce too expensive by taxing it, or just

regulating it to death. They can approve new projects, or they can forbid new projects. They can outlaw certain activities altogether. They can tie a project up in red tape and delay it for years. Short and sweet: If you're in the energy business, they own you. You toe the line, or you're dead.

And who influences these politicians and regulators to make the decisions they do? Environmentalists, of course. Now don't get me wrong. Everybody wants the environment to be clean, and nobody wants to make some endangered species go extinct. But in the last 50 or 60 years, environmental lobbyists have made it impossible to build any new large-scale energy producing facility, such as a hydroelectric dam, anywhere in the western world. Yet in that time, the world's population has grown by another 4 billion people, and we're all hungry for energy. The only places where you have been able to build a new energy producing facility have been in countries where environmentalists have no clout. China, for example. Or Africa. Nigeria's a good example. Eighty years ago the population of Nigeria was 40 million. Now it's 400 million, and still growing. The fourth biggest country on earth. All those homes, all those businesses, all those factories – how could Nigeria power it all if they couldn't harness their resources in a big way? So without any real environmental opposition, Nigeria was able to build or expand six big dams on the Niger and Benué rivers and deliver cheap electricity to the whole country. Another big dam was built on the upper Nile to produce electricity for Kenya, Uganda, and Ethiopia – another 350 million people.

But in the Western industrialized world? Nothing. The environmental movement pressured the politicians to throw everything they had at solar and wind and other renewables. But all these alternative energy sources have turned out to be uneconomical. They may contribute a little at the margins but nowhere near enough to meet the energy needs of countries like the United States or Germany. It just isn't cost-efficient.

That left coal, natural gas, and nuclear power. Coal was a no-no. By around 2025, coal mining

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had been crippled in the West. There was still plenty of coal, but the companies trying to get it out of the ground had been regulated out of existence. Natural gas became very important, but again, pipeline construction either got held up by the politicians – or in the case of Russia, delivery of natural gas by pipeline came to be a political football in itself, with the Russians turning the spigot on and off at will, depending on the political pressure they wanted to bring to bear on the countries at the receiving end of the pipelines. Alternatively, you could move natural gas by ship, but even though you could build more LNG carriers, you couldn't expand the port capacity – guess why. Yup, politicians backed by the environmental movement made sure no permits were granted for the construction of new LNG piers, so tankers would arrive at the port, but then they had to queue up to discharge the stuff. In a nutshell, more gas was being pumped, but it didn't get into the economy much faster. The ports were a bottleneck.

recharge. Now the Chinese “Changtu” battery costs about three hundred dollars and gives you a range of 1200 km per charge. For most drivers, that's good for a month.

Of course, the Chinese not only use these batteries in their own home-grown cars, but they export batteries around the world, too. It's one of their biggest export industries. So now, in 2036, you've got electric cars everywhere, powered by these great Chinese batteries.

But there is a catch. You can't drive the car on an empty battery, and to charge the battery you have to produce electricity. Lots of cars means lots of electricity. And with hydroelectric capped and coal killed by the environmentalists, and renewables still not viable, the world has turned – unbelievably – to nuclear energy. It's clean, no emissions, and the safety record is excellent. Yes, there was, and still is, a very outspoken anti-nuclear lobby. Well, “lobby” is too dignified

“ **Public sentiment got behind nuclear in a big way.** ”

Enter China. Over the last 30 or 40 years, China urbanized so fast that they simply had to find energy solutions to keep their cities lit up and their cars on the road, or their economy would collapse. And there were a lot of cities! There are three hundred cities in China with more than a million inhabitants. *Three hundred!* And just the top four cities – Chongqing, Shanghai, Beijing, and Tianjin – account for 100 million people. And there are a lot of cars in China – 290 million at last count. Twenty million in Beijing alone.

Well, China's leadership saw that it absolutely had to wean itself off gasoline. So starting around 2018, they threw everything they could at producing an efficient electric car. (Actually, it was the world's most efficient battery they were after.) And by 2020 or so, they succeeded. Fifteen years ago, when their project started, a battery cost a couple thousand bucks and you could drive maybe 100 km before you had to

a word. At the street level, the “no nukes” mob is as loud and thuggish as it's ever been. But public sentiment got behind nuclear in a big way as soon as people saw that it was the one (and actually the only) solution that would work. What people rightly insisted on was total safety, and that meant building power stations very far from any seismically risky locations, and having multiple failsafes to allow quick shutdowns and containment in case there are any problems. Of course, these safeguards were there in the earlier generations of nuclear power stations, too – but now they are even more stringent. And so far, there have been no incidents. None.

Two things, I believe, sealed the deal for nuclear in the minds of Mr. and Mrs. John Q. Public. First, you'll recall the climate change folks from back in the early 2000s and 2010s. They were the ultimate environmental pressure group – they succeeded in stopping just about anything that might directly or indirectly increase

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greenhouse emissions: drilling, pipelines, mining, fracking, tar sands, refineries, offshore oil exploration – you name it. Hell, they successfully persuaded half of the western world to hate you if you merely drove an SUV. So fossil fuel-based energy was a no go. Politically, you just could not get the permissions needed (or the public support) to do anything that would expand our reliance on coal, oil, or natural gas. Well, after many years of this, the nuclear energy industry saw their chance. But they knew that people were still nervous about reactor safety. So back in 2017 and 2018, they cleverly challenged some of the leading climate change proponents and politicians to a series of high-profile debates. And to make a long story short, the climate change folks were very publicly put on the spot and asked to defend their insistence that we had to cut emissions or face the end of life as we know it (ahem), while insisting at the same time that the worst thing we could ever do would be to turn to nuclear power, even if it was an efficient, completely emission-free source of energy.

They lost the argument, and since people had been getting rather tired of these folks anyway (one of their heroes lost a big, well publicized court case around then, which showed how the argument for global warming had been based on manipulated data), their credibility just crumbled. After that, the nuclear energy industry made a strong comeback, and by 2030, there were 80 or 90 new plants on stream worldwide, with another 100 in the planning stages.

There have been no accidents or incidents, like I mentioned. And best of all, the cost of electricity is about 40% lower than it was thirty years ago. That's cut operating expenses for all sorts of businesses, improved profits, and even had some unanticipated consequences, too. For example, much of India is air conditioned now, and that's allowed a huge jump in labor productivity there. The same for parts of Africa. With lower energy costs and a cool, comfortable factory environment, India has become the world's preferred manufacturing center.

Hans Hauderer, *Senior Vice President, Operations, Maison Bleu Hotels and Resorts, Cannes*

We own over 80% of our hotels and I can tell you, the steady decline in the cost of energy over the last few years has gone straight to our bottom line. It accounts for about a 7-8% improvement in our EBITDA. Our investors love it.

Rajiv Vishvanath, *CEO, Red Fort Hotels, Delhi*

India has really boomed in the last ten years – it has just exploded in terms of productivity. Although there are many factors that have contributed to this growth, low energy costs and cheap air conditioning have made a tremendous difference in our manufacturing capabilities and efficiencies. India has become the number one production hub for several globalized industries.

For example, Pondicherry, Chennai and Calcutta have become centers of excellence for automotive and aerospace manufacturing, and Kochi in the south is the world's largest center for producing prefabricated housing elements, which are shipped all over the world. Pune makes half of the world's jeans and cotton cloth. And the list goes on.

“ **India has become the number one production hub for several globalized industries.** ”

For the hotel business, this boom has been tremendous. Our company has opened 27 business hotels in the last ten years, with very satisfying occupancy rates and RevPAR growth.

Gerald Smits, *former environmental activist*

When I was head of The Green Movement For World Change (GMWC), our job – our daily objective – was to get our predictions of environmental disaster published in leading newspapers or magazines, or on TV. We wanted

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to be mentioned in the press somewhere in the world, every day. But you know, getting heard is a competitive business, so we exaggerated. We had to. First of all, it was the only way to get the media to listen, and second, to pass on our predictions to the public.

It was a racket, pure and simple. Eventually I got so ashamed of the dishonesty that I just couldn't look at myself in the mirror any more. So I resigned from the Movement. And now, if I look back over the last few decades at all of the so-called imminent disasters that we spotlighted – not just us at GMWC, but hundreds of other organizations like us all over the world – I can say that practically every environmental threat we were screaming about was exaggerated. No, not “exaggerated” – *hugely* exaggerated.

Starting about 70 years ago and going right up to today, activists have been ringing the alarm bells about one thing after another. In the 1960s, we said that pesticides would cause us all to die of cancer. In the 70s, we said overpopulation would mean millions of people would starve to death – unless air pollution kills us all first. In the 80s, we were adamant that acid rain was destroying the world's forests. We said the hole in the atmosphere's ozone layer would cause us all to fry from an overdose of ultraviolet rays. We said nuclear accidents would make entire continents uninhabitable. We said second-hand cigarette smoke would give your kids lung cancer. We said the ice cap would melt at the North pole and all the polar bears would drown. We said genetically modified foods would cause... well, some unspecified horror that would ruin our lives. We said fracking would contaminate the groundwater and cause cancer – and oh yes, earthquakes, too. And on and on and on.

None of this ever happened, of course. But sometimes, when we scored an environmental “success”, it actually had a terrible unintended consequence. For example, in the case of pesticides, the early environmental movement lobbied hard and got DDT banned. Victory! Unfortunately, without DDT half a million people die of malaria every year who might not have

got the disease if DDT were still around. Most of them are kids less than five years old.

But it never mattered that our scare tactics weren't true. What mattered was that they were scary. We revved up our PR agencies and vilified the “polluters” and oil companies and GMO producers, and demonized anyone who opposed us, called them climate deniers and criminals in TV interviews, vandalized their homes and terrorized their families. Our hearts were in the right place – I'm convinced of that – but in general, we turned into truly nasty pieces of shit.

Climate change was the cause that finally made me stop and think about what we were doing. I'm an economist by training and it bothered me that no one in the environmental movement ever took a good hard look at what it would really cost to cut carbon-dioxide emissions. Was the planet warming up? Yes, for a while it definitely was. Was a warmer planet good or bad? Well, you could argue that there were in fact some positive consequences that would come from higher temperatures, but of course we only focused on the bad stuff and swept everything else under the rug. But here was the real question: Could we stop global warming? At first I thought we could, if everyone got behind a massive effort to reduce emissions. But then I looked at what that really meant in economic terms. It was astronomical. It would destroy the world's economy. I thought this was a disaster. But to some of my colleagues, destroying capitalism was not a bug, it was a feature.

I quit and went to work on Wall Street for a few years as an adviser to two different hedge funds, and then immersed myself in the nuclear energy issue. I saw it, and see it today, as by far our best way forward. Now I'm on the lecture circuit. I'm in huge demand, as people love hearing about my conversion from a left-wing greenie radical to an advocate for nuclear energy. I even vote Republican!

CHAPTER 2

ECONOMIC CHANGES





ECONOMIC CHANGES

Economic changes would seem to be the biggest “no-brainer” of the P-E-S-T quartet: What could be more obvious than the idea that if the economy is strong, the hotel industry will be strong, and vice-versa? That notion needs no justification.

But there is more to “the economy” than simply whether it’s good or bad at the macro level. For example, how (and where) will wealth be generated in 2036? Will people have the financial resources to travel in the future? Will our labor be valued differently? What about the things we want to buy – will they be affordable in 2036? And what factors will be important to us when we decide what to buy?

Peter Madison, *CEO,*
Mallriott Hotels and Resorts,
Pasadena, California

I think one of the biggest changes on the economic scene over the past two decades has been the enormous amount of consolidation – in almost every industry. Take banking, for example. Here in the USA, thirty years ago there were something like 7,000 commercial banks. Now there are 85 in the entire country. And make no mistake about it: That’s 10 enormous banks and 75 small ones. In another fifteen or twenty years, I’d expect even more consolidation, down to maybe a couple dozen financial institutions in all. Smaller, regional banks will be gobbled up. Tiny, one-horse institutions (there are still a few scattered around) will go out of business because they just can’t compete. That will leave a handful of banks serving the entire country, each with millions of customers. Talk about “too big to fail!”

Banking consolidation’s happened worldwide. Japan has only eleven banks left, Germany has six, China has just three – and those three operate 145,000 branches between them.

The same thing has happened in airlines, department stores, pharmaceutical manufacturers, consumer electronics – you name it. Where there used to be a hundred competitors, then maybe twenty or thirty, now there are maybe three. Or four.

In the hotel industry, we’ve managed to buck this trend, somewhat. Yes, there have been some mega-mergers in the last twenty years. My own company has been pretty aggressive in that regard. Eat, or be eaten, I say. But by and large, the hotel industry remains very fragmented. The largest hotel company in the world – mine – doesn’t even account for 2% of the world’s inventory of hotel rooms, although since our prices are higher than the worldwide average, we account for about 5% of the total annual revenues.

We learned a long time ago that *buying* a rival and *absorbing* a rival are two very different things. So whenever we bought another company, we left the brands and corporate cultures unchanged and merely took over the management systems. That is the opposite of what happened with the banks, for example. When Citibank buys you, you become Citibank. When we buy you, you stay a Harwood or a Surrey Garden or a Reginald – but you manage your hotel company according to our systems.

John McDaniel, *Partner,*
HorwathHVLLaSalle & Co., Chicago

The big chains thought their brands would protect them. They thought people would stay loyal to them, I guess forever. But two things happened that they hadn’t counted on.

First was the OTAs. I'll never forget a panel discussion I saw at one of the early IHIFs in Berlin – it must have been a good 30 years ago, maybe around the year 2000. There was a panel on the power of brands, and one of the panelists was Steve Rillenbach, who at that time was the CEO of Hilford. And as you'd expect, he went on and on about the power of the Hilford name, the wonderful promise of their brand, blah blah blah. The next guy that spoke was one of the up-and-coming executives at Expedia. Young guy, maybe not even half Rillenbach's age. And he just calmly responded that within ten years, the Expedia brand would be more valuable than Hilford's. Nobody would book a room because of the power of the Hilford name any more, he said. Expedia was going to make it so easy for customers to shop around and book hotels based on other criteria – price, location, reviews from other guests – that their own brand was going to relegate Hilford and all the other hotel names to the sidelines.

Well, Rillenbach wasn't happy. I don't think anyone had ever said anything like that to him before, certainly not onstage at an industry conference! I remember him sitting there, looking stunned – like he'd been whacked in the face with a dead fish. But I also remember thinking, this Expedia guy is absolutely right. Hotel companies are going to lose out to these guys. The handwriting is on the wall. And sure enough, that's what happened. The OTAs ate Hilford's lunch. (And everybody else's, too.)

And that was bad enough. But it was the second thing that happened that finally drove a stake right through the heart of the big brands. A whole new generation of travelers had come along – Gen Y – who didn't really care much about hotel brands. Hell, they didn't care much about brands at all. When they were choosing a hotel to stay in, what they cared about was what their peers were saying about a hotel, not what the chain was saying about itself in their brand promo. The opinions of people online mattered

more. In other words – they made their decision based on what they read at Expedia! So slowly, as that generation grew up from being a bunch of kids on the periphery of the travel business to the high-roller business travelers we all want now, their “who cares?” attitude toward brands became the prevalent attitude in the market.

The OTAs spent twenty years weakening hotel brands. Then, when Gen Y came of age, the brands had become so expensive to maintain – and yet not really bringing much in return – that you could almost say that Gen Y has finished them off.

We do an annual study of brand value at HorwathHVLLaSalle. The top brands worldwide – Coke, Mercedes, Nestlé and so on – all peaked around 2015-2020, and remained at those peak values for ten years or so. Recently, they've actually been losing value. Why is this? Because those big companies pay an enormous amount of money every year to maintain their brands, burnish them, give them a facelift... but they aren't performing like they used to. For thirty years or so, people have enjoyed the very easy, very quick, and very inexpensive possibility to shop around online, and when they do, they often find something that is more important to them than the brand name: price, convenience, delivery, packaging – you name it. So those huge marketing investments companies make to keep their brands “fresh” and “relevant” have been earning less and less of a return, and eventually – inevitably – that's begun to eat away at the net value of the brands themselves.

“ ***I am not going to let nine ponytailed computer programmers destroy the Hilford brand!*** ”

Steve Rillenbach, *Retired CEO, Hilford Hotels International, Chicago*

Yes, I remember that conference – like it was yesterday. I remember listening to that Expedia upstart droning on about how powerful his brand

was going to be compared to mine, one of the best brands in this business – then and now – and I remember thinking to myself, “I am not going to let nine ponytailed computer programmers destroy the Hilford brand! No way!”

Christa Speck, *Chairman of the Board, Sunshine Lodges and Resorts, Johannesburg*

Of course we have a brand. A good one. Solid, one of the best known brands in Southern Africa. But while we’re proud of our brand, we recognize that brands are really only good for two things these days – and unfortunately, loyalty is not one of them.

You’ll appreciate the first reason to have a brand the moment when your company needs financing. If you’re a new player, or just a small one, the banks will all say, “Ja, we understand your business model – but you haven’t proven your staying power, so we’re not going to be able to lend you those millions you need, sorry.” You see, as a little guy without a known brand, you and your creditworthiness are too much of an unknown quantity. Having a brand changes that. It’s not a guarantee of getting financing, but it helps.

The second reason for having a brand is because brand recognition is still powerful, and it will get you business – once. That’s right, once. It will get you first-time guests who have heard of you because of your brand – but only as long as you’re also competitive in other ways, too. Nobody is going to choose you only because of your so-called strong brand. But the real point is that even if the brand gets people to try you out once, it won’t get you repeat business. The brand loyalty programs we built up over the last thirty years in the hotel industry just don’t keep people with the brand any more. Baby Boomers, yes. They do come back; they’re relatively brand loyal. Gen X a little less. But Gen Y travelers were never interested – they would sign up for the program but never take advantage of the benefits, because they simply choose hotels for other reasons, and the points and goodies meant nothing to them. Gen 10 is

also showing little enthusiasm to join the club so far. These programs are dead as far as I’m concerned.

Don’t believe me? Sunshine’s marketing director sent me a report a few months ago that you’ll find interesting. If you look at all of our loyalty club members under the age of 50, ninety percent of them have only ever stayed in a Sunshine property one time. Just once, no repeat business. But here’s the real kicker: sixty percent of our loyalty club members are over the age of 70. It’s great that they’re loyal, but how many more safaris do you think they have in them?

“**The old formula of winning them once and then relying on them to stay loyal and come back over and over... well, those days are gone.**”

Jamie Anderson, *CEO, Wellspring Harbour Properties, San Diego*

On average, our brands are able to command a 15-18% RevPAR premium compared to their competitive set. In other words, travelers are willing to pay more to stay with us than they are with our competitors. That’s the good news, and we’re very proud of it. The bad news is that we’ve seen a steady slide in the percentage of visitors who rebook, so instead of being able to count on repeat business, we have to keep winning new customers who are willing to pay us that premium. The old formula of winning them once and then relying on them to stay loyal and come back over and over... well, those days are gone. We have no choice but to keep convincing new travelers that it’s worth paying more to stay at one of our hotels. How do we do this? Well, it’s not with loyalty points, that’s for sure. We have to be absolutely convincing that the level of service we have to offer is worth a higher price. It means we spend 30 or 40% more on marketing than our competitors. It’s hugely expensive, but we think it’s worth it.

Rudolph Enzinger, *Partner, PWC Ernst & Young*, *Frankfurt*

The hotel industry started down a dangerous path about thirty years ago. Not every company jumped on this bandwagon, but many did:

First, they sold off their assets. They decided they no longer wanted to own hotels, but instead just manage them. This “asset light” strategy supposedly pleased their investors, who didn’t like having capital tied up in real estate.

Second, if you don’t own hotels any more, it means that your growth is dependent not on

“ **How can you find enough talent to run 800 hotels and add another 50 every year?** ”

building more hotels (you’re not in that game any more) but instead, it’s based on winning more contracts and flagging more hotels – which is fine, but think about it: this also means that you have to successfully install and manage service standards across more and more properties. This is a hard thing to get right even when you’re small. But the bigger you get – and especially when you may only have your name above the door for a few years before the owners change brands – it just gets harder and harder. How can you find enough talent to run 800 hotels and add another 50 every year?

Third, since the investors were now so important (and these were often private equity funds and other institutional investors), the big chains increasingly turned to specialists from outside the hotel industry to run their companies. They somehow lost confidence in their own managers, who were trained as hoteliers but not necessarily finance specialists – and that’s what was called for now. Investors demanded a “professionalization” of the senior management teams of the hotel companies; they wanted people who knew how to talk to them in the language of numbers. So they brought in a lot of Wall Street types and specialists in brand

building from the consumer products industry. Now, I’m not saying you can’t be a good hotel company CEO unless you put in your time peeling potatoes and working at the front desk, but by God, it does help. The new breed of CEOs could talk to investors on Wall Street and in the City, but not always so clearly to their own middle managers.

Fourth, just as all those changes were going on, the OTAs came along. Bad timing! Because not only did the OTAs eat the hotel companies’ lunch, but they also began to undermine the value of the only thing these guys still owned: their brand. The OTAs’ brands were attractive in their own right and became the preferred channel for travelers who were shopping around.

So now think about it. The hotel companies’ assets were gone. Now, their brands were underperforming as well.

Share prices eroded and panic set in. Finally, as to be expected, there was a rout. A couple of big companies with venerable old names were snapped up by rivals, and a few more went to the wall. Quite a few CEO heads rolled. The year 2023 was a bloodbath in the industry. I’m guessing that today, there are 30% fewer brands in the industry than there were in ’23, and some of the biggest names in the industry... are simply gone.

The good news, I believe, is that the industry as a whole is stronger now because it endured this tough brand shakeout. Balance sheets are stronger. And most companies are headed up by solid managers who know the hotel business. Everything is going to be all right. I’m convinced of that. But it will be a long time before the brands have the significance they once did – if they ever come back at all.

Jack and Joy Hendricks, *owners, The Black Hand Ranch Resort and Spa, Arizona*

We already have a brand. It’s “Black Hand Ranch”. It’s a gorgeous five-star property, with fantastic ratings on TripAdvisor, TravelBoogie, Expedia, Auroriento – all of the top OTA sites.

All you have to do is Google “Arizona spa” and anybody in the world will find us in five seconds. Why on earth would we want another brand? What could it possibly do for us that we can’t do for ourselves?

Anne Armour, *graphic designer,*
London

I have to go up to Edinburgh once a month, and over to Amsterdam sometimes, too. It’s cool, I like it – it’s great that I get to travel a little even though I’m new in the job. How do I find a hotel? Online. Isn’t that what everybody does? I just pick whatever the best deal is. It seems to be a different hotel every time. Sure, there’s a difference between hotels. I mean, I guess there is. There’s one in Edinburgh I like with really great design – I stayed there twice. Um, sorry, I can’t remember the name.

Max Winfried, *former VP Global Development,*
Bluegrass Strategies Hotel Holding Inc.,
Lexington, Kentucky

From 200 to 2020, all the chains tried to gain a bigger piece of the pie by expanding their brand portfolio. It was a fairly simple game: say you already have five properties in LA, four in Chicago, and six in Miami. Some executives might say those markets are saturated. But not if you create a new brand! So that’s what you do, and voilà! You can now go back into those markets with a new concept, and an exciting new name... None of the owners of your existing properties has a legitimate complaint that you’re cannibalizing their market share, since you can tell them you’re operating in a different segment – “lower upscale eco-boutique”, or “extended stay executive lifestyle/wellness”, or whatever. You knew it was bullshit, and they knew it was bullshit, but your ass was covered. You had a good story, and what’s more, you actually invested in the marketing hype that went with it.

There’s no question that it’s expensive to launch a new brand, but if it meant you could get an additional foothold in thirty or forty good markets, it was worth it – or so we thought at the time

The problem was that we (and by “we”, I mean practically all the major chains) believed we’d successfully created all these subtly differentiated new products – but consumers couldn’t see any difference between them. Hell, on a bad day, even I couldn’t tell you how a Caruso was different from a Coolbox or a Maple Hill or a Kensington Five. Customers got confused by this brand creep, and pretty soon we were competing on price alone, since the brands didn’t mean a thing to anyone. After that, it was just a question of time before we

“ **Some executives might say those markets are saturated. But not if you create a new brand!** ”

had to consolidate them, and went back to having three or four solid brands instead of nine or ten overlapping ones that confused the hell put of everybody (ourselves included). A lot of properties were closed in the process. Or sold – and not usually at a profit, as you can imagine. We learned our lesson! But for a while, it certainly kept us busy in Development! We were the stars of the show for quite a few good years...

John R. Winters, *Chief Marketing Officer,*
Iconic Hotels, Sydney

The Internet killed brands. No, it didn’t kill the brands themselves. We still have almost all the brands we had thirty years ago. More in fact. The Internet killed their value.

Fifty years ago, if I was going to take a trip to... I dunno... Cairo, or Manila, or Warsaw... someplace I’d never been before... I’d tell my secretary, “Get me a room at the Hilton.” I didn’t even need to think about it. “Hilton” would just trip off my tongue. I knew it was going to be good, clean, in a nice neighborhood... It would have a decent restaurant, room service... Hilton was a safe choice, because it just stood for all those good, solid things I knew I wanted on my trip. Which is what a brand is all about – a shortcut, a promise that everything would be

fine, just like the last time I stayed in a Hilton. And by the way, it wasn't only Hilton. Sheraton, Westin, Marriott, InterContinental, Ramada – they were all solid that way. Do you remember, there was even an ad campaign that always

interesting – maybe a better price, maybe a better location... but something that looked great online and tempted me away from the easy, comfortable choice. And I was almost always glad I did.

“**The branded hotels lost me because the Internet allowed me to shop around, which lured me out of my laziness.**”

showed some guy in the middle of nowhere getting in a taxi and saying, “Take me to the Hilton!” I identified with that guy. The brand was so strong, you just didn't have to think about your choice. It was literally a no-brainer.

But then along came the Internet. It took a while before the online travel agents got big, but once they became the go-to place for booking a hotel, (a) you didn't need your secretary to do it any more, and (b) if you wanted to, you could spend a little time and find a hotel that looked even better, even cooler, maybe even cheaper, than the Hilton or the Marriott or whatever else you used to just book like a reflex, a knee-jerk that you weren't even thinking about. These sites got in between the hotels and the customers looking for a hotel, and made it easy to see all the alternatives. And sometimes the best one wasn't a big, branded hotel: it was maybe a quirky place that looked like it had some character. Great location; the ratings were good; people who stayed there before wrote glowing reviews... I can book with my credit card; it only takes a few seconds... why not take a chance?

It wasn't that the branded hotels lost me because they weren't any good; they were still good hotels. They lost me because before, I was lazy and just sleepwalked into my “decision” to go with the hotel whose brand I was comfortable with. “Take me to the Hilton.” That really was me. But think about it: saying “Take me to the Hilton” wasn't a decision, it was a *non-decision*. The branded hotels lost me because the Internet allowed me to shop around, which lured me out of my laziness, and it rewarded me with a hotel that offered me something more

Søren Vestergård, CEO,
Scandiresorts, Copenhagen

Denmark was the first country to ban cash, back in 2021. Sweden, Norway, and Switzerland followed suit a couple years later, and then the Eurozone in 2028 (back when the Euro still existed), and now pretty much the entire developed world has abandoned paper money and coins. In most countries, when they implemented the phase-out, you had a year to exchange whatever cash you still owned for digital credit; after that, if you still had “money” under your mattress, it was nothing but paper and worthless bits of metal, maybe of interest to collectors but that's about it. You could use it for Monopoly.

It did seem a little scary at first, giving up money. But that wasn't what you were doing: you weren't giving up *money*, just the physical stuff that *represented* money. The vast majority of transactions were digital anyway, and had been for years. So it wasn't really such a big leap – but to some people, like my parents for example, it felt like a frightening, irreversible step. And it felt like giving control over your wealth to whoever ran the network – and nobody was quite clear who that was, or whether they could be trusted not to screw it up and delete your life's savings by mistake.

But on a day-to-day basis, it was very convenient after you got used to it. Once cash was no longer valid, you just used your phone to pay for things – just tap on the Central Bank's app, put in your pin code, and the payment is done, Bob's your uncle. There are paypoints installed in every store, in every filling station, in every hotel and

restaurant, in every business where you might walk in and want to buy something. It is really very easy.

But what I don't like, frankly, is treating people who still want to pay with cash like they're criminals. We manage 23 hotels around Europe. Cash was only ever a tiny percentage of our business, but it does still happen once in a while. Especially when the switch had been implemented in some countries but not yet in others, we frequently got people trying to pay with cash in our restaurants.

“If you are paying in cash, it probably means you don't want your transaction to be traced.”

Now we're required to report any cash transactions to InterMoolah, the wing of Interpol that deals with non-digital movements of credit. So if, say, a guest from America (where they are not yet cashless) comes to one of our hotels in Stockholm, and if he doesn't have the app and wants to pay for his breakfast in the coffee shop using dollars or old Swedish kronor (which were pulled from circulation years ago, but some are still floating around), we not only are not authorized to accept the cash, but we have to send InterMoolah the details on the transaction, including the name and address of the customer and a mugshot photo that the waiter has to take with his paypoint integrated camera.

It seems ridiculous to me that we have to turn some guy in to the police over a twenty dollar croissant and cup of coffee, but the idea is to make the movement of all money worldwide traceable, so the proper taxes can be calculated and collected. If you are paying in cash, it probably means you don't want your transaction to be traced, and that immediately raises suspicions that you're up to no good. (Which I believe is probably right 80% of the time.) I just wish our staff didn't have to serve as the enforcers. It isn't a hospitable thing to do.

Aaron Feinstein, Partner,
Boston McBain Consulting Group,
Petaling Jaya, Malaysia

During the decade between 2010 and 2020 we were forced to endure endless whingeing and hand-wringing about “income inequality” and how that would somehow destroy the fabric of society. Well, income inequality has always been with us, from prehistoric times right up to the present, and this supposedly terrible injustice, on its own, as some kind of abstract wrong that must be righted, has never really been a big deal. That's because it's not about income per se but about what you do with that income – specifically, whether you apply it to gain power and control over others. *That* matters. Can anybody say that the super-wealthy of the 19th and 20th centuries – the Rockefellers and Morgans and Carnegies, people like Henry Ford or Cecil Rhodes – somehow damaged society through their wealth? Or the British royal family, with all their money? Warren Buffet, anyone? The Hunts? The Waltons? Carlos Slim? Li Ka-Shing? I could argue the exact opposite: these people were all *beneficial* to their respective societies, and nobody gave a damn that they earned thousands of times more than the average Joe on the street.

But starting just after the year 2000, a situation actually did begin to emerge in which a small handful of people began using the enormous wealth they had built up in the tech business to buy and control the flow of news and information that everyone else of the planet taps into on a daily basis. The result has been a dangerous nexus of the worlds of technology, politics, economics and society itself.

The people involved were household names: the founders and top managers of such companies as Facebook, Google, Microsoft, Amazon, Apple, Yahoo.... They enjoyed amazing popularity. People thought they were heroes. But there was a dark side to their wealth: together, they controlled massive information, entertainment and news distribution channels, which meant that they had the potential not

merely to shape public opinion but to actually control what information the public got in the first place.

I know this probably sounds like a deluded conspiracy theory, but think about it.

Before the advent of the gigantic search and information platforms, the news business was fragmented. To be sure, in every country the information business had a vibrant national component (which was sometimes a government-run monopoly), but in addition to that, there was also a large local or regional component, and a lot of advertising money supported the media whose focus was on these local markets. Then, after 2000, along came Google and Yahoo. They could sell so many eyeballs to advertisers that within twenty years they had siphoned off all the advertising revenues from conventional media and killed them dead. By 2025, the newspaper industry was practically gone worldwide, with only a couple of survivors such as the *Daily Zap* in America, which was formed by a desperate, last-ditch merger of 45 rapidly failing newspaper web sites, and the *Morning Cheerio* in the UK, which came into being the same way. But these aren't "newspapers" in any normal sense of the word; they're just smaller, less successful

“ People thought they were heroes. But there was a dark side to their wealth. ”

versions of *Yahoo News*, which has been the number one source of news on the planet now for two decades. Last year, in 2035, *Yahoo News* attracted 800 million visitors a day. That is where the world gets its news: from that one source. Every piece of news published on *Yahoo News* is simultaneously machine-translated into 270 languages, so all around the world, practically everybody gets to read it in their own language... but essentially it's exactly the same everywhere.

Meanwhile, Google has two billion people a day searching for information – and make no mistake, it's Google that decides what results you will see. YouTube is the world's third largest search engine, but their algorithms make sure you will never see a video they don't want you to see. AppleTV and then AppleHolo and now AppleMind are all tech products that deliver wonderful entertainment to you – but entertainment that is produced by Apple and its family of holo and film and music studios. Amazon and AlibabaWest control 70% of all online retail. Remember when Amazon bought Ebay in 2023 and closed them down 12 months later? That means there is not much available online to buy that doesn't put money into the hands of Amazon or AlibabaWest's owners, and they in turn have used that money to buy film and holo production studios. Then there's Microsoft. This company used to be huge in software but now owns most of the news production in the world, feeding it to Yahoo.

The upshot of all of this is really pretty simple. You start your analysis with the technology. That's what created all this wealth. The next link in the chain is economic, because all that tech wealth means that the economic center of the world today is the Cybercorridor between Kuala Lumpur and Singapore, where all the tech companies moved when the US Congress started getting just a little too tax-hungry back in the 2020s. The world's richest corporations have been based here for over a decade. How rich, you ask? If you total up the revenues of the companies headquartered within a 20-km radius of my office, you would get about \$35 trillion a year. That's how rich. There is nowhere else on earth that even comes close to this concentration of financial power. Shenzhen is also big, but a distant second. New York and London have their banks and financial companies, but in terms of profitability, the financial industry has been over-regulated and overtaxed for years, so the wealth they used to have is long gone. In terms of global power, Manhattan is like a pimple on the ass of Singapore. In 2023, when Google launched Google Capital and got into financial services on

their own, that was another nail in New York's coffin. Then Google moved to KL like all the rest.

“The goal of the tech titans is nothing less than to control the way the world thinks. They want to shape what human society believes and values and wants.”

The third link in the chain – and the most important, over the long term – is societal. One hundred and fifty years ago, you had “corporate titans” like Henry Ford or John D. Rockefeller. Ford built cars, and Rockefeller refined oil. As everyone knows. They made huge amounts of money. Jaw-droppingly huge amounts, for their time. But when they made this money, they reinvested it in their businesses. That is to say, Henry Ford built bigger car factories, and John D. Rockefeller built more oil refineries. The tech wealth generated here in Malaysia is different. Some of it is being reinvested in the tech empires, making them bigger and better, but not really that much. By far the biggest portion of the wealth being generated by tech is being funneled into building, or buying up, the content providers and distribution channels of the world's entertainment, news, and information platforms. Pardon the histrionic way this sounds, but the ultimate objective of today's “tech titans” is not to get rich, and it's not to own the biggest tech company on the block. The goal of the tech titans is nothing less than to control the way the world thinks. They want to shape what human society believes and values and wants.

This is the old Silicon Valley crowd. They may have moved their companies, but they themselves remain who they've always been: left-liberal activists who believe they know what is good for the rest of us. So for twenty years, left-liberal values have been programmed into the content of everything they've bought: from children's books, movies, and mass

entertainment holos to school curricula, Wikipedia entries, and most important of all, the global 24/7 news cycle. Even sports coverage is relentlessly left-liberal.

Oh, everyone here thinks this is completely benevolent. They think the world really will be better if the content of the planet's arts and entertainment, education and daily information is in line with their left-liberal values. Maybe they're right. But it's a world where opinions that diverge from the prevalent views of the left-wing Americans running the show here in the Cybercorridor are not welcome, and if those happen to be your views, it's safe to say you won't be able to get an audience for them, because you won't be able to get your film or holo produced or your textbook published or your news distributed.

That brings us to the fourth link in the chain, the political link. As they say, politics is downstream from culture. As the Silicon Valley/Cybercorridor elite have been working to shape the world's culture for three decades, political change has followed this evolution very naturally, like night follows day. A good case in point has been the political drive to legalize MPM – multi-partner marriage. This idea wasn't even on the radar screens of anybody back in the early 2000s. Then around 2020, the tech-owned movie and TV and holo studios started campaigning for it. Sitcoms on TV showed 3 and 4-partner living arrangements as a matter of routine. Just normal folks! Then came the documentaries and special hour-long interviews to prove that living in a committed relationship composed of say 2 men and 3 women was perfectly fine. Then came elementary school books with names like “Why Timmy has Seven Parents”, then came the news programs that demonized adherents of 2-person marriages as bigots and haters... Next thing you know, you have demonstrations and love-ins and boycotts and all kinds of events to show support for MPM, covered 24/7 by the tech-owned news programming and distribution channels... and here we are in 2036, with MPM the law of the land in a dozen countries and on the way to being normalized everywhere else. And

what's more, the political phase didn't stop with legalization of MPM; no sir, it naturally progressed to criminalizing anti-MPM speech. The ex-CEO of Argos Hotels is sitting in prison in Athens because he said in an interview that, as a believer in "old-fashioned marriage between just two people", he would not be redesigning Argos' hotel rooms to accommodate multi-partner arrangements. He was arrested so fast it would have made your head spin.

All in all, the power of the media these days is absolutely breathtaking. And when you think it's all concentrated in the hands of about 40 or 50 individuals, it's even more than breathtaking. Actually, it's more than that. It's scary.

Gilbert Watson, *economic historian,*
London School of Economics

The first major economy where the social security system went bankrupt was Italy, in 2032. France, Spain, and Japan were next, in 2033, and the USA and UK systems went bust last year.

to escort customers off the premises and make sure the doors were locked by 10:05. There was in essence no advance warning whatsoever. With all the banks closed, the government then worked with the top officers of the banks to ensure that all bank balances exceeding 250,000 New Lire were transferred smoothly to the Banca d'Italia. It was all done over the weekend. Monday, when the banks reopened, you found your savings and pension gone. Except for that 250,000 New Lire they let you keep.

Now, this sounds like theft, I know. But the Finance Ministry was very scrupulous about it. You still "owned" your money and your pension. The government was merely forcing you to lend it to them, and in exchange, when you reached retirement age, you would be paid a generous annuity that was even higher in value than the income stream you would have been paid if these assets hadn't been confiscated.

Like I said, it was very clever. The government got all that cash, and used it to bail out its social

**“ You still “owned” your money and your pension.
The government was merely forcing you to lend it to them. ”**

You would have expected that this would have been a disaster, but the Italians were quite clever in "solving" the problem, so the other countries simply copied the Italian solution. Here's what they did:

Six months before the funds were projected to run dry, the Italian government seized all private pension funds in any insurance company in the country, as well as all individually owned bank account balances above 250,000 New Lire. To do this, they needed the cooperation of the banks and the insurance companies, which were essentially ordered one Thursday to close immediately and not reopen until further notice. All electronic account access was stopped. It was very well organized. The order went out from the Ministry of Finance at 10 a.m., and police were on hand at every branch of every bank in the country

security system. So retirees who had been counting on that income stream still got it. The government was happy, and these retirees were happy.

Other retirees who had savings or private pension schemes "lost" them (technically, they simply lost access to them; they were still maintained in their name by the Ministry of Finance), and in exchange they got a stream of monthly cash flows. So these retirees were fairly happy – certainly not ecstatic about what had happened, but greatly relieved that it wasn't worse. They understood that they would still get a nice, guaranteed income stream. So what if the capital was unavailable? They got a monthly payment they could live on.

The losers were everybody else.

Alfredo Minuzzi, *Marketing Director, Alitalia, Milan*

Yes, I was working on “Black Thursday” in October 2032. You never saw so many cancellations. Three hundred thousand flight reservations, gone in two hours. The Italian public thought they were being robbed... and if you ask me, we were. The feeling was palpable that your money – your holiday trip – your Christmas presents – your new car – everything was being stolen from you.

The worst part was the feeling of betrayal. It was *our own government* doing this – and doing it in as shifty a way as possible. They couldn’t announce what their solution was in advance, because if you knew, you would run to the bank and get your money before it was taken away from you. Or jump onto the Internet and transfer it – but where? That was the problem. There was simply no time to act, no chance to save your money. Your own damn money!

The very next week, I drove up to Chiasso, in Switzerland, and opened an account in a bank there. From then on, I transfer every leftover Lire into that account, so this doesn’t happen to me again. I just wish I had done this five years ago...

Emerson Drysdale, *Chief Economist, DeutscheRBS, Frankfurt*

Back around 2010, economic pundits used to refer to the emergence of “the next billion”, meaning about one billion people who were expected to move out of poverty and into the middle class within a decade or so.

Well, they were right about a lot of people moving out of poverty – but boy, did they ever get the number wrong. “Middle class” is a bit subjective as an economic term, but the actual number of people who comprise a clearly consumer-oriented demographic in Asia, Africa, and Latin America is now probably about four billion, so the “newly emerged” middle class was probably two to three times what was predicted. Has it been a good thing? Of course it has. How

could anyone argue that these four billion people should be poor instead of (relatively) rich? They have been a boon to almost every economic sector you can imagine, especially consumer products and travel & tourism. I bought shares of six companies when I got out of school in 2008 – Samsung, Philips, Whirlpool, Toyota, Accor and Airbus – and I’m glad I did. They have all risen spectacularly because they produce the kinds of products or services that these four billion new consumer-class people want in order to live a middle-class life.

“***I’m a fairly well-paid executive, and in my own family, we can barely afford beef any more.***”

However (there’s always a “however”...), the one thing I would say that has not been a clear positive is the impact that four billion more people have had on the cost of one particular “consumer product”: meat. In forty years, the demand for beef, pork and chicken has gone through the roof. I’m a fairly well-paid executive, and in my own family, we can barely afford beef any more. The last time I was in a supermarket in the suburb of Frankfurt where I live, sirloin steak was priced at 385 New Deutschmarks a kilo. That’s about twenty times what it cost when I was a kid – but that was long ago and far away, in Iowa in fact, where meat was already a hell of a lot cheaper than it was in Europe.

I would guess about half of the families that live in my neighborhood are vegetarians, and not all of them by choice. It’s just too expensive to have meat with every meal. Five years ago, you could get imported pork from Africa that was pretty inexpensive, but now that all goes to China. The Chinese consume literally billions of pigs and chickens every year. In our family, we eat a lot of tuna and chicken, and a few years ago we got over our squeamishness and started eating a few of the tastier insects, but only in soups or salads. I still can’t face bugs as a main course.

If I'd been very smart back in 2008, I would have also bought shares of one of the Big Three protein manufacturers. Those guys have done extraordinarily well. "Just one little sprinkle!" – as the slogan goes. In our household, we put that stuff on everything.

Lucien Lagarde, *Executive Chef,*
La Mante, Sydney

I began to introduce insects into some of my dishes when I was working at Le Majestique in Cannes, fifteen years ago. Nothing too big or scary: crickets and beetles, mostly. The beetles are quite beautiful... green, iridescent. Also full of flavor. Cicadas are also very good, and an excellent source of protein. Crunchy, ever so slightly salty, really delicious. Lightly grilled, tastes a bit like pheasant. Served with a chilled Puligny-Montrachet: marvelous!

My signature dish now is, of course, based on *la mante* – the praying mantis. It can be prepared in many ways; for example, the most popular choice on our menu includes five medium-sized mantis abdomens (where all the protein is), sautéed in leeks and lemongrass and served with a very light *vinaigrette*. It's very tasty, but it looks like a salad, so you almost don't realize what it is you are eating, and I find that a shame. I believe that the presentation on the plate of such a magnificent beast should really thrill you! Just picture this: a fully grown Australian mantis, 12 centimeters long, lying splayed on its back, wings extended, its forearms cocked as if waiting for the chance to reach up and grab you. Its head cocked to one side, those enormous eyes looking at you... Now *that* is a big, juicy bug. And a dish never to forget! *Oh la la!*

Graziella Mambiasi, *Director of Human Capital,*
The Kensington Group, London

Over the past two decades, labor laws have become very strict throughout Europe. In what's left of the EU, the legal work week is defined as 27½ hours – five and a half hours a day. We're allowed to ask employees to work overtime, but they have to be paid at least a 50% overtime

surcharge. That gets expensive fast, so in our hotels we are very careful with our staff planning to meet the requirement and not go over it.

“***In what's left of the EU, the legal work week is defined as 27½ hours.***”

In 2022 Brussels also mandated that employees must be paid triple time if they work on a public holiday. Christmas became so expensive for us that we close our European hotels from the 24th to the 26th of December. It's too bad, as that used to be such a festive time, but it just isn't affordable.

This law also means that there's a lot more admin to take care of, because the number of employees is much higher than before. To do the same amount of work, the number of employees is about double what it used to be, with each one working half the number of hours they used to. That's social progress, I suppose. It keeps the official unemployment rates low. (If you work 27½ hours a week, Brussels considers that you are employed "full-time", of course.)

In our 14 hotels in the US, the situation is a little different. There, the legal maximum is 25 hours a week, no exceptions. A lot of people on our staff want to work longer hours, but they're not allowed to. Technically, even our managers are not allowed to work more than 25 hours, but of course they do. We're always nervous that some disgruntled manager will blow the whistle on us, but so far – touch wood – that hasn't happened. In Boston we had a spot inspection a year ago from the Labor Department. Six inspectors showed up unexpectedly one afternoon. They verified that all the employees had clocked in and clocked out within the five-hour-a-day limit during the previous thirty days, so that was good. But they also said that our parking garage had been under surveillance and three of our department heads had been confirmed leaving the premises between eight and ten hours after arriving. We were fined \$2000 for each one of

them, for each day they worked over five hours, and then the three managers were ordered to take paid vacation for the rest of the month. We learned our lesson!

Loretta Sanjay, CEO,
U-Stay Hotels, Stamford, Connecticut

Our strategy is based on the ideas of what used to be called “the sharing economy” twenty years ago... only we have taken it a step further. At our hotels, you do not pay for the rooms at all. They’re free. In exchange for free accommodation, guests are exposed to a variety of advertising messages, and we make our money from these advertisers.

As you can guess, we are not in the luxury segment. Our rooms are fairly basic, and our locations are mostly airports and highway junctions, where people aren’t looking for deluxe accommodation. We wouldn’t be able to make this strategy fly if we had to bear the costs associated with higher standards. So we’re focused on the 2-star segment. Cheap and cheerful. Cheap enough, anyway, to give the rooms away.

“ ***At our hotels, you do not pay for the rooms at all. They’re free!*** ”

When we launched this concept back in 2023, most people assumed that the advertising messages the guests would be exposed to would all be loud and horrible and constantly “in your face”, and we got some negative reviews from people to that effect, even from people who never bothered to come stay in a U-Stay and experience what it’s really like – they just despised the concept, so they wrote scathing reviews of us. How unfair is that??

The truth is, the advertising is very discreet, very subtle. It has to do with positioning two, maximum three partner brands in the rooms

and public areas. The partners sign a two-year contract, and we work with them to design the rooms around their brand themes. It’s not garish or aggressive at all – but it is there and it is noticeable. The rest of the promotional platform we provide our partners is entirely subliminal, delivered all night through ultra-high frequency radio waves that the human ear cannot even detect. In our 350 hotels all across the US and Canada, we deliver about 18 million “GBs” to our partners a year. They’re very happy with the results. What’s a GB? Oh, I’m sorry. That’s our internal lingo. It stands for “guest brain”.

Jason Andrews, author of *Not Built to Last: Why Companies Go Bust*

A lot of big, supposedly successful companies disappeared in the last 30 or 40 years, companies you would never have expected to go out of business. Kodak, Lehman Brothers, Blockbuster Videos, Swissair, General Motors, McDonalds, Starbucks, Twitter... And you hotel industry people haven’t been immune either. When Myerson went belly up in 2025, you’d have thought the world ended. Eight hundred 4 and 5-star hotels. Wonderful properties. But poorly capitalized, and poor control over costs. Their margins were too slim to be able to afford the OTA fees they had to pay. In the final analysis, they were simply badly managed.

Apple is one company that keeps going from strength to strength... and that’s because they actually produce well-designed products that people want. They went through a rough patch in the 2020s when their competition produced products that were just as good as theirs – some say even better – but then came the iCar, using China’s outstanding battery capability, and in no time at all, Apple was right back on top. After that, it was one new hit after another: the iRing, the iCat, the iDude, the iBall...

But Apple’s an exception. They’ve already exceeded the average corporate lifespan by decades. According to my latest research, once a company hits \$1 billion in annual sales, it can expect to survive as an independent company,

on average, about 6 more years. Either they get acquired or they fail. And that's the average. Many don't last even that long.

Meanwhile, the average tenure of a CEO at a company generating \$1 billion a year or more in sales is now down to 23 months, which – I'm sure I don't have to explain – means that most CEOs aren't in the job long enough to fix big problems, let alone develop and implement new strategic ideas. The pace is just killing.

George McAndrews, *VP Gaming Operations, Hilford Hotels International, Chicago*

I remember when I was a kid. In my family, gambling was considered some kind of a sin. Nobody in my family gambled. Ever. On anything. I remember telling my father that I had gone to the horse races with a couple friends – this is when I was 19, in college! – and I'd bet \$10 on a horse (and of course lost it all). I felt more shame than I would have if I'd had to tell him I'd flunked out of school or gotten arrested for indecent exposure.

So it does seem ironic that I'm in charge of integrating gambling operations into all our hotels. But the attitude toward gaming – not to mention its legality – have dramatically changed in the last 35 years. My conservative little hometown in Indiana actually has a casino now, and the state runs a gigantic lottery (and couldn't pay its bills if it didn't), and of course there's betting going on in every bar, every fast food joint, every gas station, everywhere. Times have really changed, and at Hilford we saw that gaming was a trend that we had to capitalize on.

And we did. We've been on the cutting edge of this trend for three decades. We started with our sports bar concept, back in the mid 2000s. These became so popular in just about every city where there was a Hilford that "Hilfie's" became one of the strongest elements of the Hilford brand architecture by about 2020. Go to the Hilford with your friends, settle into a booth at Hilfie's, have a cheeseburger and a few beers, watch the football game, place a bet on the next

play... or the whole game. Very popular activity among locals, and for a hotel guest, for example traveling alone on business, it was a familiar home-away-from-home where you could sit at the bar and bet on the game on your own.

“Most CEOs aren't in the job long enough to fix big problems, let alone develop and implement new strategic ideas.”

Over the years we've branched out to other sports, not just the ones on the screen. Everything's geared to local taste, but with the big international sports always an option. Off-track betting on horse races is very big in some countries, for example France, UK, and in Southeast Asia. In Japan, it's sumo wrestling. In Tokyo, it's not unusual for our five Hilfords to each take in a quarter of a million dollars a night when the Grand Sumo Tournament matches are on.

All the bets are placed through the online Betbox right at your table or on the bartop. We co-developed this with Siemens; it's been a huge money maker for us. In fact, in some of our hotels you could almost say we're a gambling operation with rooms on the side.

By the way, my dad still doesn't know what I do. He thinks I'm in marketing.

CHAPTER 4

SOCIETAL CHANGES





SOCIETAL CHANGES

We live in a “VUCA” world – a world that is characterized by Volatility, Uncertainty, Complexity and Ambiguity. And it’s getting more and more VUCA every year.

Although this morass of rapidly changing vagueness surrounds and confronts us all the time, people – and entire societies – do still manage to form values, attitudes, opinions, and behavioral norms based on how they see the world changing. In 2036, the hotel business will be affected by the evolution of their customers’ attitudes and behaviors just as much as it will be by dramatic technological breakthroughs or sweeping political changes. The difference is that societal changes usually come about more slowly. Their impact, however, can be enormous – and longer-lasting.

David Bertrandi, *Publisher, The Daily Zap, Los Angeles*

What’s been the biggest societal change in the last twenty years? I would say it’s the shift from so-called “progressive” values back to more conservative – or let’s say “free market” values.

As we all remember, the period from about 2010 to 2030 was marked by a huge lurch to the left in most western countries. More government spending, more regulation, higher taxes funding more and more entitlement and welfare-type programs, more efforts to direct the economy from above. In short: more government control. The odd thing was, at the societal level it didn’t feel like more control; paradoxically, it felt like more freedoms were being gained. Gays could get married. Multi-party marriages became legal. Bullying was punished. Immigrants and refugees were welcomed to the free west from the horrible countries they were fleeing. Intolerance was not tolerated. Undoubtedly, all these were good things.

But in fact, all this was very strictly enforced. It was closely monitored, heavily policed, and infractions were punished way out of proportion to the severity of the wrongdoing. And when I say “enforced”, I don’t mean that it was necessarily enforced only by the police or the courts. Most of the time, the “enforcement” was carried out by citizen do-gooders – very pushy, very militant do-gooders. These people seemed to be watching you all the time, and if

you stepped over the line (and they were the ones who defined where “the line” was), they would come down on you, hard, in all kinds of nasty ways. For example, if you didn’t recycle properly, you’d be shamed on social media. If one of your company’s executives said the “wrong” thing in public, you’d be demonstrated against. You’d be boycotted. If you spoke out in favor of conservative rather than progressive ideas, you’d be banned and shouted down in public. Members of your family would be followed around and verbally abused, or your car or your house might even be vandalized. Your employer would be pressured to fire you. In short, you would find yourself attacked, often for nothing more than stating an unpopular opinion, or saying something you thought was ironic or funny that the do-gooders (needless to say) didn’t think was the least bit ironic or funny. Simply put: if you were somebody in a position of potential influence, for example a corporate executive, or a professor, or a politician, and your opinion went against the prevailing progressive wisdom, you would be mercilessly punished – by your colleagues, your own company’s HR department, your students, even your friends. This punishment might “only” be intellectual, but every once in a while it would edge over into physical threats, vandalism, and so on.

Although I mentioned that the “enforcement” regime was not necessarily the iron glove of the state, that doesn’t mean that the police and

the courts didn't also get into the act as well. At the legal level, you could be very seriously punished for voicing an opinion that a policeman or judge found to be racist or biased against a protected class of people. People got fined thousands of dollars, or even tossed in jail, for so-called acts of "hate" which most often boiled down to nothing more than posting an off-color remark or joke on Facebook, declining to do business in a way that went against their religious beliefs, or for simply making an offhand comment felt to be offensive. There was about a twenty-year period where being the "victim" meant you were the king. If you could maneuver yourself into victim status somehow, you could shame and harass anyone you wanted, even sue them for large sums of money, and you knew you would almost always come out on top. The whole system was on tenterhooks all the time to try to weed out the "thoughtcrime" committed by insensitive people – and if this thoughtcrime was directed against you, well, you had it made. The grievance industry would see to it that your tormenters (if that's what they were) would be sorely, and very publicly, punished.

So for a good twenty years, there was a strong whiff of authoritarianism in the air. That was especially the case in the US, but also in most of Europe (especially the UK, Netherlands, Germany, France, and Scandinavia). Then a backlash started to pick up steam around the time President Chelsea Clinton was running for re-election in 2028 in the US. People had simply gotten fed up with having to tiptoe around every delicate subject and being treated like criminals and pariahs for exercising their right to free speech – yes, even speech that was offensive. Then one evening in August of 2028, I'm sure no one will ever forget this, some comedian was actually arrested in the middle of his appearance on *The Tonight Show*! He told a bunch of scathing off-color jokes about President Clinton – the guy was asking for trouble – and the audience booed him pretty loudly (although they did laugh as well). A couple minutes later, two cops appeared on stage and put handcuffs on him. For a few seconds, everybody thought

it was part of the act, so you were expecting something funny to happen. But then you realized, hey – this guy is actually being carted off by the police, right there in front of a stunned Jimmy Fallon and the whole world, and you felt something in the pit of your stomach like you'd just witnessed a murder or something.

“ For a good twenty years, there was a strong whiff of authoritarianism in the air. ”

That was the straw that broke the camel's back. I'm not saying Chelsea Clinton was personally responsible for this particular abuse of the law, but it was emblematic of the way her administration appeared to be treating criticism. Normally though, people didn't get arrested; you were much more likely to be shouted down by a bunch of goons who disagreed with you, such as the folks associated with Re-Occupy Wall Street IV, the Immigrant Lives Matter More Than Yours Movement, Students for a Communist America, and so on. But this was different. It felt awful. It was banana republic-level awful.

Overnight, support for the left evaporated. Instead of implicitly taking the side of the goons, as they had always done before, the media began to loudly ridicule these movements, and ridicule was something they apparently couldn't take. For years, the press had been shameless enablers of the whole leftwing agenda, so it was a huge surprise to see them turn on their previous allies. It was as if someone had thrown a switch. The entire country seemed to rise up and say, "Enough!"

In the election campaign up to that point, Chelsea Clinton had been running neck and neck with her Republican challenger James Christen. But after the *Tonight Show* debacle, the shift from Clinton to Christen was seismic. On election night, Christen got 71% of the country's popular vote, the biggest rout in American history. The only state Clinton won was Oregon.

This turn of events swept a new wave of young conservatives into office in the USA, starting with President Christen, who was only 38 (ten years younger than Clinton), and a big majority in both houses of Congress. And, as sometimes happens, elections in the rest of the world followed the US lead in terms of a swing toward the left or a swing toward the right. By 2030, fiscal and social conservatives had won parliamentary majorities in all of Europe except Greece, Spain and Ireland, plus Canada, Japan, Australia, Brazil, Argentina, Mexico, and India.

“ Millions of 22, 23, 24-year-olds were simply unable to become financially independent. ”

So the political stage was set. What finally brought about a more permanent turn from left to right, if you will, was the arrival on the scene of a new generation of young people, Gen 10, who didn't think the same way as their immediate elders. This was happening slowly all along, but by the 2020s, they were entering the adult world, going to university, making an impact.

You see, Gen Y (and don't get me wrong, some of my best friends are Gen Y) was for all intents and purposes a generation that didn't grow up. They embraced typically naïve, idealistic values – the kind of left-wing stuff that most generations embrace when they're still young. But the problem is, Gen Y never matured and outgrew those ideas like previous generations did. I suppose that's not completely their fault; you could attribute it to two things.

First, they were heavily indoctrinated in left-wing values throughout their entire education. Indeed, many of these folks were actually convinced by hard-left academics to spend their precious university years pursuing a degree in some politically popular subject that was of no value to anyone in the employment market, but which reinforced all their beliefs in left-wing identity

politics, grievance mongering, and so on. So Gen Y kids graduated from university with a head full of mush – much, much more mush than I had in my head when I graduated from college back in 1996.

Second, when Gen Y finally did leave school, the economy they emerged into was lousy, and had been lousy for years, and stayed lousy for years. They had a really hard time finding jobs and thus integrating into the economy and society. Even the ones with good marketable degrees had a challenging time landing a job. So, graduating without gainful employment, but with a gigantic chip on their shoulder about the horror of the free market system which inexplicably didn't value their degree in Women's Studies or whatever their trendy studies had focused on, and at the same time saddled with a heavy load of debt they took on to finance their education, millions of 22, 23, 24-year-olds were simply unable to become financially independent – or unwilling to compromise with the “evil capitalist system” they'd been taught to despise – and this condition lasted for years. A lot of Gen Y folks remained tied to momma's apron strings till they were in their 30s, living at home with their parents because they couldn't afford to live on their own, all the time stewing in their own juices about the horrible unfairness of it all.

Well, Gen 10, the generation just behind Gen Y, took this all in, observed it up close and personal... and was disgusted by it. Their reaction was to revolt against what they saw as the laid-back “slackerness” of Gen Y, and when it came time for them to get a university education, they turned en masse to market-oriented subjects like business, engineering, various tech fields... As a rule, they also refused to go into debt to finance their studies, opting either to go to schools they could afford (which were few and far between, since universities had become so expensive), or to pursue education online. This had become a viable substitute for brick-and-mortar universities by that time – we're talking 2020, 2025 here – and it was not only possible to go online and peruse a menu of MOOCs delivered by the world's best professors,

but also form holographic study groups with kids from around the world. It was fantastic – I certainly wish I’d had opportunities like that back in the 90s. (Of course, I wouldn’t have met my wife, but who knows, maybe I’d be married now to a beautiful woman from New Delhi that I met as a hologram floating above my desktop. But I digress...)

Where was I? Oh yes, Gen 10. Well, Gen 10 has become one of the most ambitious, hard-working generations I’ve ever seen. They want to get ahead, and they’re networked and communitarian in their approach, but they seem to have no interest in anti-business, anti-wealth-creation political movements that they see as trying to tear things down rather than build things up – whether that means getting behind

shake things up and get things done, and I expect truly great things from them in the years ahead.

Andrew McCulloch, *President, Generational Marketeers, Inc., Austin, Texas*

Today’s 40-year olds are utterly screwed up. I say that as a completely neutral 55-year old social scientist.

My company was established by my father in 2009 to help his Fortune 500 clients understand how different age cohorts had very different consumer profiles and attitudes, and use this knowledge to develop more effective marketing messages and activities for the generational segments they were interested in targeting.

“**Gen 10 has become one of the most ambitious, hard-working generations I’ve ever seen.**”

According to research we conducted at the time, when Generation Y was around 20 years old, they clearly saw themselves still as children.

new entrepreneurial ideas, or re-emphasizing more conservative-leaning virtues such as smaller government and fiscal responsibility, or at the corporate level, balancing the desire to create shareholder value with good corporate citizenship.

That alone was a big difference compared to the generation before them, whom everyone expected to act like grown-ups by the age of 18 or so. But not Gen Y. In one of our studies, we asked the question, “At what age does one become an adult?” The overwhelming answer we got was: 30.

It’s remarkable – but not really surprising – that the cohort of politicians who are leading the fight to restore solvency for the various social security systems around the world are all between 30 and 40 years old. The same goes for reducing costly entitlements. They’re Gen 10ers! Typically grabbing the bull by the horns and solving the problems they watched the generations ahead of them merely talk about, without the political will to undertake any concrete action to fix the problems.

Keep in mind that the respondents of that survey were all between the ages of 18 and 25, so by answering “30”, what they were really saying was, “We don’t know exactly, but we do know that we aren’t there yet ourselves.”

Gen 10 is courageous and pragmatic, absolutely focused on making things function effectively, rather than on the noise and narcissistic, perception-based politics that seemed to characterize Gen Y before them. As a newspaper publisher, I’m really enjoying watching them

Not only did they see themselves as children, but everyone else in their environment did, too, from their parents to their teachers and university professors and (if they had jobs) their employers, and this extended infantilization was especially reinforced by the way they were depicted in movies and other media. The message we all managed to send to Generation Y was, “No worries; you don’t have to grow up till some indefinite time in the future. I.e. not now; later”.

Ten years later (I had joined my father in his company by then), our research showed the same thing. Now Generation Y was around 30 years old, and they felt that they didn't need to take on adult responsibilities till they were 40! And, worse: they walked the walk. They put off getting married. They put off buying a house. Of course they had practically no children of their own. Sometimes they stayed in school (or went back to school after an unsatisfying attempt at a first job), and even lived with their parents as long as they could.

Now, here we are in the 2030s, and Gen Y are in their 40s and have been coddled and protected for almost three decades. Is it any wonder that their attitudes toward work, toward responsibility, and thinking about the long term are so weak?

Samantha O'Malley, *VP Operations, Vista Resorts, San Juan, Puerto Rico*

I'll never forget my first day at Vista. It was the summer of 2017 – I was 23 and had just graduated a month earlier from UNLV. They hired me for their Upwards Management Training Program, and assigned me to the Vista Maui. Wow! I had never been to Hawaii before, and now I was going to *live* there for two years! I was so excited.

“**You have something better than a safe space here. It's called a 'job'.**”

My first six weeks were going to be at the front desk. But on my very first day, a guest came storming up to the desk and started complaining, loudly, about the air conditioning in his room. I asked him to please calm down, but he just got angrier, and really started yelling at me. I could feel everybody in the lobby watching us. He kept screaming at me. I didn't know what to do. This was just crazy. No one had ever treated me like that before. Then I just burst into

tears! And as this guy continued to berate me, I just... ran away. I was in some kind of panic.

As this was going on, the GM happened to be on the other side of the lobby and saw what was happening, and she was coming over to help. But by that time I was actually running ... running half-blind... and I ran straight into her. And through my sobs I kept asking her, “Where's the safe space? Where's the safe space?” I just wanted to get to the hotel's safe space where I could escape this guy's verbal attack and distract myself with nice things.

The GM took me to her office, sat me down, got me a cup of tea, and when I'd calmed down a little, she told me something I will never forget. She said, “Samantha, in this hotel, there is no 'safe space' like you college kids seem to need. Instead, you have something better than a safe space here. It's called a 'job'. If you perform as we expect you to, it will keep you 'safe' from unemployment and economic hardship. And it will provide you with a kind of 'family' who will stand by your side. But you have to perform. And that means, especially in a hotel, that you have to abandon the need to feel safe all the time, and deal with problems and think on your feet and make our customers happy, even when – especially when – they are not happy. That is what your job is all about. Fail to do this, and you could lose your job – and then you will be in a very unsafe space. Now go back out there and do your job like you are supposed to do.”

Over the next few weeks, I toughened up. I had to. And I was actually proud that I was toughening up. Eventually I got very good at dealing with unhappy guests. But the idea that a business should have a “safe space” where employees could go to get away from the reality of dealing with challenges and demanding customers and deadlines and all the other things that make work hard – well, that's so 2018! It's 2036 now and I'm really glad that my generation grew up and moved on. (Well, most of us anyway.)

Amanda (last name withheld), PhD
candidate in Media Studies, University of Virginia

How old am I? Forty-three, but I don't see what that has to do with anything. The main thing is that the hotel industry isn't taking its responsibilities seriously to make me feel safe when I travel. Sure, there's a lock on my door, and a doorman in the lobby – I'm not talking about my physical safety. I mean that you in the so-called "hospitality business" aren't being, you know: *hospitable* toward me and my values.

Take last week for example. I was in Boston for a rally, and I stayed with some friends overnight in the Piedmont-Lincoln Hotel. Everywhere you looked, you were surrounded by the trappings of the patriarchy and white exploitation of people of color. The guy who checked us in was African-American. Our waitress in the coffee shop was Hispanic. The maid who cleaned our room – yes, it's always a woman in these roles, isn't it? – was from somewhere in the Middle East, I guess. I mean, my God, what year is this?? Do I really have to be confronted with this kind of systemic

“**You in the so-called ‘hospitality business’ aren’t being, you know: hospitable toward me and my values.**”

racist, post-colonialist sexism every time I take a trip? It's shocking. And *disgusting*. And I feel very strongly that I should not be exposed to this kind of... this kind of... *criminal behavior* on the part of the management of some third-rate fleabag hotel – especially one that calls itself "four stars". Ha! What a joke.

It all made me feel *extremely unsafe*, as if my values didn't matter to the hotel at all. Just looking at that maid, for example, I felt like I was under physical attack.

So I asked to see the manager. White dude, of course. My father's age. Of course. I demanded to know where the designated safe space was

where guests could chill and try to calm down a bit. Well, this was no surprise: I was told "We don't have a safe space." In 2036!! They probably didn't have trigger warnings on their in-room movies, either.

I will not be going back to that hellhole any time soon, you can count on that.

George Kramer, Senior Vice President,
Human Resources, Malliott Hotels and Resorts,
Pasadena, California

For the last 20 years, Malliott has been conducting a survey of our new hires every year. Among other things, we ask what they would want their "dream company" to provide them as employees.

In 2015, the first year we did the survey, the top items on the wish list were:

1. Recognition for my work
2. Having fun on the job
3. Working for an inspiring leader

Interesting, eh? Now let's look at last year's survey, i.e. 2035, and you'll see how much has changed. The top three wishes were:

1. Possibility to define my own job description
2. Possibility to learn new things in my work
3. Boss who trusts me enough to allow me to set my own working hours

In a nutshell, we've summarized these two profiles as "poets" (2015) and "engineers" (2035). That's over-simplistic, but what we see is that the new breed of young employees today are interested in "engineering" their own work experience. They actually want to maximize the content of the job – not necessarily in terms of the volume of work, but its content, i.e. what the work will bring them. And by the way, "setting their own working hours" is actually a backhanded way of saying that they do not want to comply with the legal maximum 25 hours a week. These guys want to keep working, keep learning... beyond the weekly limit.

The “poets” from 20 years ago, on the other hand, were more interested in the esthetic and emotional content of their work. They wanted work to be rewarding, i.e. they would be praised for doing it well – this of course makes them feel good. They wanted it to be enjoyable in its own right. And they wanted a boss who would inspire them – which is another way of saying, I want to like my work, and I want my boss to make me like it even more. Me, me, me.

We believe this evolution has something to do with technology, believe it or not. In 2015, recent hotel school graduates had all been through an educational experience that was highly social (I can vouch for this, because I myself graduated from hotel school in 2008), and in school, they honed their soft skills as well as technical skills. Twenty years later, many of the students we hire have not done all their studies in a single school but instead they took responsibility for “engineering” their own curriculum by researching targeted classroom opportunities from around the world and cobbling together a tailored program of MOOCs and other online educational packages with some real-time classwork at maybe three or four different institutions. They are very used to designing their own programs so as to maximize its quality, from their individual perspective, and they want to continue to do that here.

We’ve been very happy with both profiles. It will be interesting to watch Gen 10 and see how well they perform if we give them the chance to do what they say they want: engineer their own jobs.

Brandon O’Keefe, *Editor-in-Chief,*
The World Tonight, New York

It’s very hard to separate societal trends from political trends, as you were saying before. They’re very much intertwined. I’ve been working on a series of documentaries on the Obama-Clinton-Clinton years and I see the horrific polarization of that period as being both political and social.

At the beginning of Hillary Clinton’s Presidency, about 2017/18, a very definite split had formed

in the US. The political right, center, and moderate left – who I call the “grownups” of the world – had come to the realization that twelve years of Obama-Clinton style leftist policies would spell economic disaster for America. (Little did they realize that they would in fact get 24 years of these policies: 8 under Obama, 8 under Hillary Clinton, and 4 more under Chelsea Clinton). Expensive and ineffectual, these policies and programs set up perverse incentives and misguided priorities everywhere.

On top of that, the “grownups” saw that abroad, serious challenges to the country’s leadership were going unmet. As one of my interviewees put it (a moderate Democratic Senator, not a rabid right-winger by any stretch of the imagination), the entire Obama-Clinton project was “a sad, dangerous joke”.

The problem was that Obama, and Hillary Clinton after him, and Chelsea Clinton after her mother, were adored by the country’s young people, by women, and by black and Hispanic Americans – the perennial left-wing base. The result was something like the “Generation Gap” in the LBJ-Nixon era, only much more activist and militant. It began, as these things always do, with starry-eyed idealists who worshipped their candidate, whether Obama or one of the two Clintons. With support from established Democrats and from many of the party’s financial backers, these movements became very well-organized, and began pushing for many changes under the banner of “social justice”, including things like more generous welfare programs, free healthcare, debt relief, law enforcement reform, the abolition of university tuition, and so on. In other words: grow the government and spend more money. They were unable to grasp the economic reality that the government’s uncontrolled largesse needed to be curbed, not expanded.

So it was only natural that they regarded the “grown-ups” as their enemies, who they saw as blocking idealistic/socialist progress and thus had to be stopped. The way they chose to do this was to use their organizational skills

and financial backing to stop or marginalize their political adversaries, often in nasty, undemocratic ways.

The first, rather raw manifestation of this was the Occupy Wall Street movement during Obama's Presidency. That only lasted a couple years, then petered out. But shortly after Clinton took office, you saw the rise of Re-Occupy Wall Street, Students for a Communist America, Abortions for All, and so on. These groups had funding, organization, communication – and hacking – skills, and they meant business. There were branches or cells of these groups in over one hundred cities across the country. Their leadership had learned some lessons from OWS's earlier attempts to get attention and influence policy, and now these new groups were on the streets and online, in force, and prepared to cause some real damage to their enemies – basically anyone who didn't agree with them. And they had the tacit approval (and sometimes even the logistical support) of the Democratic establishment, unions, and the media. They were a powerful coalition.

These were not peaceful, gentle-persuasion-through-reasoned-dialogue movements. They went instead for the jugular, with constant character assassination, tarring their adversaries as racists, sexists, fascists, and so on. They disrupted events where their opponents were speaking by shouting them down or calling in bomb threats. They used vandalism, sabotage and dirty tricks. They hacked into their enemies' web sites and shut them down or vandalized them. At the slightest provocation (for example a speech on the floor of the US Senate on the need to rein in spending), shock troops would execute high-profile, violent riots for a night or two, smashing up city centers and setting cars on fire. During the Clinton II years, there were 247 such disturbances with more than \$5 million in damages. Smaller disturbances – a brick through a plate glass window, slashed car tires, and so on – were happening on a nightly basis, only too "insignificant" to be tallied up and reported on.

These guys didn't just disagree with conservatives; they wanted blood. In 2020, for example, a mob physically attacked Mac Hanford, a public spokesman for the coal industry. They broke both his arms, a collar bone, and smashed his cheek. He was in the hospital for weeks. Literally as he was being beaten in the background, a masked "spokesperson" for the movement was calmly being interviewed by CNN, justifying the attack on Hanford because of the industry's lack of progress toward the movement's demand for emissions reductions.

“ These guys didn't just disagree with conservatives; they wanted blood. ”

And speaking of the media, they may not have openly taken sides, but it was crystal clear that they wanted these movements to succeed. So they under-reported the violence or nastiness, and whenever possible painted the right as the party who initiated any violence that occurred. On the other hand, they gave ad nauseum coverage to a thousand demonstrations and supposed acts of "hate" meant to stir up emotions and get the grievance machine in full swing. For example, some university professor would wake up in the middle of the night to find a cross burning on his front yard, and the next day he'd call a press conference and publicly blame a conservative student group for this "act of terrorism". Invariably it would be discovered that he had set the fire himself as a provocation – a mini-Reichstag fire – but the media rarely revealed these after-the-fact exonerations.

For a good decade, conservatives were subjected to this kind of harassment or outright vandalism on a weekly basis. Many were driven to quit their jobs as professors, an almost untenable position to hold on the predominantly left-wing American university campuses. It was not a period in which the United States covered itself in glory.

William Shaw, GM,
Eight Continents Hotel, Houston

Our security costs skyrocketed in the '20s. Insurance costs, too. Being right in the city center, and a hotel that hosts international gatherings like the G15 summit in 2020, we were a nice juicy target for the Re-Occupy crowd. They actually used some kind of catapult to launch a Molotov cocktail onto the third floor deck one night when the G15 meeting was going on. Nobody was on the deck at the time, and luckily no one was hurt, but it scared the Bejesus out of a lot of people, I can tell you. Caused about 30,000 bucks worth of fire damage. Even though the whole thing was covered live on CNN, they never caught the bastards.

Daniel Zimmerman, Director,
Greenworld, Ottawa

Yes it's true, the climate change movement kind of fizzled out 15 years ago. Oh, the earth is warming, make no mistake about that! But people just didn't seem to care enough to do the things that we think have to be done to save the planet. Who cares if the computer models never quite match the real temperature changes? Yes, yes, I know. There has been no warming for the last 40 years. But what's 40 years when

So you know what we decided to do in Greenworld? Move on to a more realistic objective, that's what. We can't get everybody in the world to reduce their carbon footprint. That was a lofty goal, and it's still something we should aim for, but maybe it just isn't realistic. So let's focus on something we can achieve.

Do you know what is really hurting the planet? It's the consumption of meat. Every one of earth's 8 billion people wants chicken for lunch and pork for dinner, and a filet mignon on Saturday night. It's disgusting. Do you know what that does to the planet? Did you know that to produce 1 kilogram of beef, you need 13,000 liters of water? Water, the most precious element on earth. In China, over 600 million pigs are slaughtered every year, "thanks" to the taste of the growing middle class for "better" food than their grandparents had. And it's not just China. Altogether, we kill billions of animals for food. And the cost of raising those animals, in terms of money but also grain, hay, water... it's astronomical. It's unsustainable. And it can no longer be defended.

This consumption is destroying our planet: Firstly, it diverts water that is desperately needed to grow food crops for human beings and give

“ We never quite managed to get cap and trade legislation passed back in the early 2000s, but we are determined to get meat off of our dinner tables by 2050. ”

the earth is 4½ billion years old? Just look at the glaciers – they are definitely receding. And extreme weather events – in 2035 alone North America had four hurricanes, a drought, and a blizzard. You call that nothing?

It is beyond doubt that we will soon face disaster on this planet, I believe that with all my heart. And so do thousands of other people who are passionate about this inevitable catastrophe that is facing all of mankind. It's just that... idiotically... nobody wants to listen to us anymore.

people fresh drinking water. Secondly, farming and ranching take up valuable acreage, and these two activities even change the air we breathe. Lastly, on top of all those other factors, meat isn't even necessary. We should be eating farmed fish, soya, and protein-rich insects. Basic economics – and human morality – demand that we stop this needless animal genocide.

Our organization is very effective at lobbying and shaping public opinion. We know and work closely with key politicians in every major country around the world. We never quite

managed to get cap and trade legislation passed back in the early 2000s, but we are determined to get meat off of our dinner tables by 2050.

One good way to do this is to shame people who eat meat... and also shame the restaurants that serve it and glorify it. This strategy worked pretty well for PETA, who got people to stop wearing fur thirty or forty years ago. We are doing the same thing now, demonstrating at high-profile restaurants and making sure that the TV cameras are on. Basically we want people who eat meat – and the institutions that serve it – to feel ashamed of themselves. That means taking some serious action.

Philip Warsteiner, *Oral Surgeon, Pittsburgh, Pennsylvania*

A couple months ago, my wife and I were celebrating our 25th wedding anniversary with a weekend getaway in New York City. We stayed at the St. Francis – what a gorgeous hotel. On the Saturday night we ate in their signature restaurant and had their famous Wagyu beef, which is just mouthwatering. We'd been looking forward to that dinner for weeks! It was a warm evening so after dinner we decided to go outside and take a stroll. When we left the hotel at about ten, we were met by a bunch of anti-meat protesters just outside, and when they saw us they sprayed us with some kind of warm, syrupy liquid – which we quickly realized was blood! It got all over us, sticky and horrid. I felt sick to my stomach. It was a disgusting mess. My wife and I were never so shocked in our entire lives. She burst into tears. It really traumatized her.

The following day, as I thought more about what had happened, I came to suspect that somebody in the restaurant tipped off the protesters that we had ordered the beef. This occurred to me because, as we were standing there, drenched in blood, several other people came out of the hotel without being sprayed, but then suddenly the Greenworld group “attacked” another couple that had been sitting near us in the restaurant, who I noticed had also ordered the beef.

Did I complain to the hotel? You bet I did. But the damage was already done. Yes, I was pleased to see that the demonstrators got arrested. Yes, we got our clothes cleaned and our dinner comped. The GM was very nice to us. Great. But so what? Our celebration was ruined. And now I am reading that this sort of thing is happening all over. It's getting to the point where you're nervous to order a steak any more.

Zach Marinello, *Waiter, The St. Francis Brasserie, New York*

Yes, I tipped off the Greenworld people. In fact, I'm part of the group. The “inside man”, heh. We're doing this all over town, getting on TV, focusing a spotlight on this issue. In Paris and London, too. Why not? The world needs to see how these rich slobs waltz into the restaurant and order an expensive steak, like they own the place. Have you got any idea how much that steak cost to prepare, in terms of water and grain, not to mention valuable farmland and some poor Japanese farmer's time? Not to mention my time, and the cook's, and everybody. I'm telling you, you could feed and house an entire Somali village for a week on what those two steaks cost. These people make me sick. They got what they deserve, the meat-eating bastards. They have blood on their hands, and now they have blood all over them [laughs].

Jim Cuthbert, *member of the Board of Directors, Galahad Inns, Inc., Santa Barbara, California*

I find Generation Y really paradoxical. A lot of sociologists have studied them as a group and concluded that they're nothing but a bunch of whiners. “Big babies”, that kind of thing.

That may be so in certain respects, but then again, this was the generation that in the span of ten years has successfully forced 25 university presidents to resign, and got 50 or 60 CEOs of major corporations ousted from their jobs – all because they apparently didn't take Gen Y demands for social justice and safety seriously. If this is what you mean by “whining”, it is pretty damn effective.

Now between you and me, I have no idea what you can do as a CEO to ensure “social justice”. Most companies have policies against any kind of discrimination, and this is the year 2036: we just aren’t a racist or sexist society any more, and thank God for that. I firmly believe that 99.99% of the companies in this country are totally fair when it comes to their HR policies and working atmosphere. But let’s face it: If you go looking for evidence of “social injustice”, you’ll probably find it somewhere if you look hard enough or long enough. And if you use that evidence, no matter how tenuous the actual connection it may have with the CEO, as a weapon to get the guy fired, well, it very often works.

In the hotel industry, we’re losing one or two CEOs a year to this kind of activism. Frankly, it’s alarming, and I don’t know why these company boards aren’t fighting back. Instead, they just roll over, demand the CEO’s resignation, and issue a press release apologizing for their own awfulness and promising to make

support in case anybody staying in one of our hotels should ever get upset about, well, *anything*. Last year we barely avoided a lawsuit over the racial composition of the group of models in a photograph posted on our web site of people “dining” in one of our restaurants.

Really, this is getting out of hand.

Malcolm Baylor, *Professor of Political Science, University of Michigan, Ann Arbor*

To me, the saddest thing about the power that the social and political left has wielded in the last couple of decades has been the repudiation of this country’s history. Nobody could possibly deny that Thomas Jefferson was a great man. But he owned slaves, so he could no longer be memorialized here in the country he helped found and did so much to make uniquely democratic, a beacon of human rights. No more. In the America of 2036, there are no more schools named after Jefferson, no more Jefferson Streets or Jefferson Parks or Jefferson Avenues or Jefferson anything. Statues of Thomas Jefferson were not just removed; they were melted down. The same for Madison, Monroe, Jackson, Ulysses S. Grant, and Woodrow

Wilson – all gone from the public square. Schoolchildren are not taught that they were giants of history who shaped this country’s fate. Instead, they learn that these men were racist monsters who today would be imprisoned as criminals.

Saddest of all was the fate of Washington, D.C. The city’s leaders, with the support of Congress, decided the name had to change. Back in the 1700s, George Washington had owned 250 slaves and was thus not the kind of person a country should name its capital after. Many new names were proposed, but for each suggestion, there was always a reason to object. Either the proposal was to honor some other historical figure (but the political parties couldn’t agree on whether the person in question was a good guy or a bad guy), or the name was already used by

“ ***In the hotel industry, we’re losing one or two CEOs a year to this kind of activism.*** ”

amends immediately. The latest CEO to fall on his sword was Morry Siegel at Three Parks Inns. Apparently it had something to do with unflattering lighting in the bathrooms, and not hiring any transgender interns.

Ten years ago at Galahad, we put a firm of diversity consultants on retainer to help us avoid a fate like this. At first, the focus was on our hiring and career advancement practices (that and media training, to help us respond to journalists when things got a little hot). I think we’re pretty good at that now, and we’re always within the government quota bands every year. But now the Gen Y objectives seem to have moved on, and we’re expected to provide all kinds of vague “protection” and “safety” and “comfort” – but not in terms of hotel operations so much as in terms of pre-emptive emotional

some other city (see Lincoln, Nebraska), or the name proposed was simply not very melodious. In the end, believe it or not, the politicians couldn't find a single American who everyone thought should be honored. So in 2022, the city of Washington became "Mandela, D.C."

“**When the city was renamed, we had to jump on the bandwagon and rename ourselves, too. What choice did we have?**”

Roger Harkington, *GM, The Mandela Hilford, Mandela, D.C.*

Well, when the city was renamed, we had to jump on the bandwagon and rename ourselves, too. What choice did we have? I just wish the city would have subsidized the cost of rebranding ourselves. When we changed from the "Washington Hilford" to the "Mandela Hilford", we had to pay for a new logo, new signage, new stationery, new menus... It cost us about 800,000 dollars.

Dr. Simeon Ames, *President, Yale University, New Haven*

The remarkable thing about Gen 10 has been their unwillingness to take advantage of the generous array of financial aid that was available to them, and therefore to turn their backs on the possibility of attending an excellent university simply because it would require them to take on some debt. Personally, I think that is very short-sighted on their part, but there you have it.

The consequences of this generation-wide attitude were actually quite significant: First, thousands of gifted students missed the opportunity to get a degree from schools such as Yale. That means that many doors were not opened for them in their subsequent careers and lives. That's a shame.

Second, when a whole generation of students shifted from classic universities (which were

expensive, I admit, but were certainly willing to help them out financially) to online colleges or hybrid education centers, the vast majority of established schools – fortunately Yale was not among them – were forced to focus on affordability and reduce their tuition fees. Forced quite dramatically, in fact. For the first time, schools found themselves competing on the basis of price. Or I'd prefer to call it "price/quality". Expensive schools such as ours were still able to maintain our elevated level of tuition fees, but that's because we were known to deliver proven quality. We're fortunate to continue to have a large pool of applicants every year, but it's true that their profile has changed. Sadly, talented kids who can't afford Yale tuition levels don't even apply any more.

Third, for schools facing lower revenues, this new situation meant either dipping into their endowments to maintain their operating budgets at the same level, or else cutting costs, and that almost always meant reducing administrative staff and faculty – and sometimes shuttering entire academic departments. It was distasteful either way.

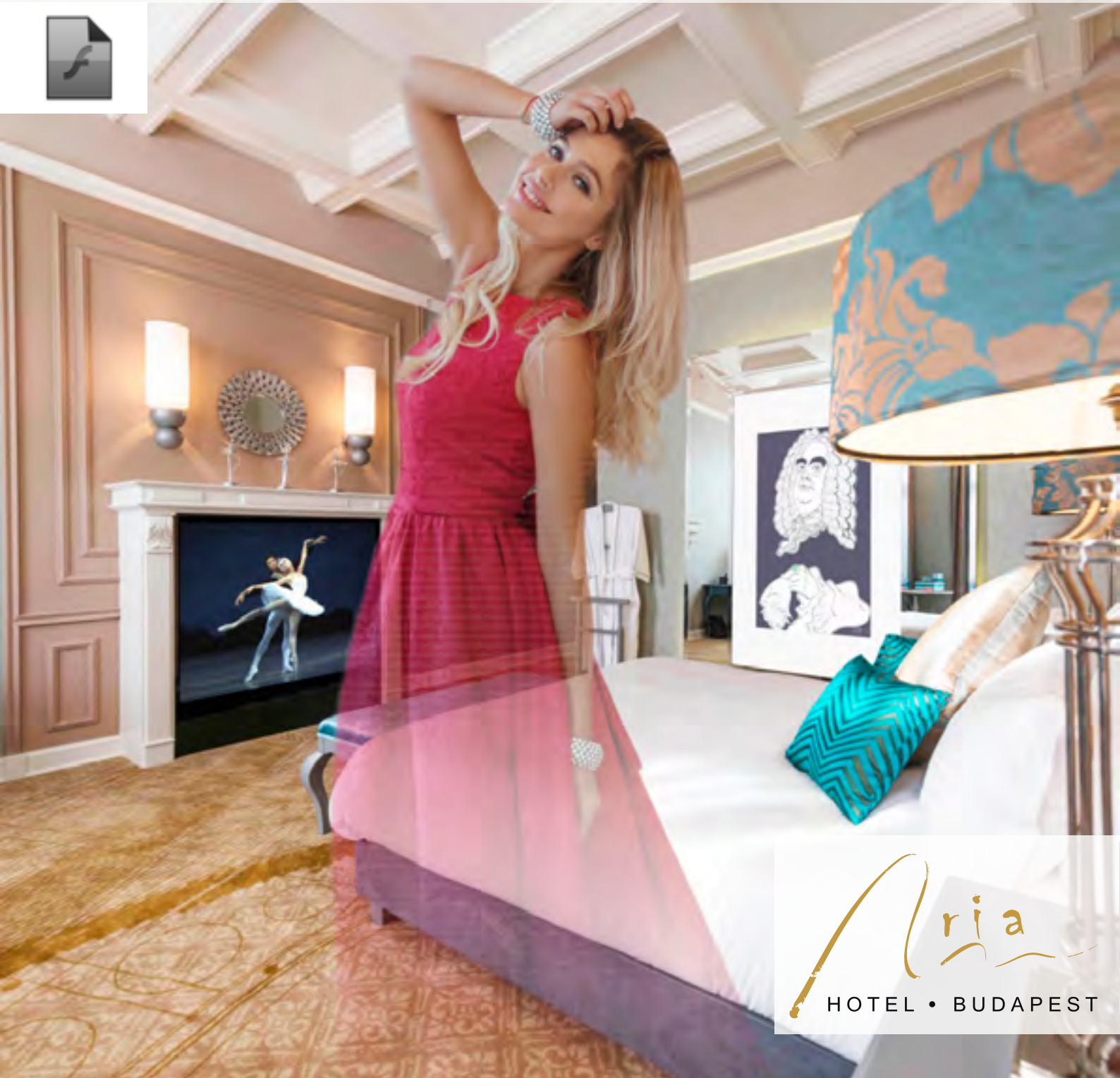
So the impact of Gen 10's wish to get a practical education without taking on debt was a kind of market-driven "reform" of the universities. Luckily Yale hasn't had to change, much. But other American universities have refocused and repositioned, and I suppose that's not altogether a bad thing.

William B. Myers, *author of When the Bubble Finally Burst: The Higher Education Catastrophe in America 2000-2025 (Wiley, 2026)*


Quality, schmality. A Yale education isn't any better than a hundred other schools could deliver. Ames is an intelligent man, but on that score he's full of crap. The reason Yale has been able to keep their tuition fees so high is not because the education you get is so great there, but because the alumni network is so valuable. You're paying to join that Mafia, it's as simple as that.



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Bradley Graber, *High School Senior, Winnetka, Illinois*

My dad and granddad went to Cornell, and yes, I think it would be great to follow in their footsteps. But have you seen how much they charge? Tuition is \$155,000 a year! Room and board \$69,000. I'm sorry, but that comes to 900k for the four years, and that doesn't even include books and beer money.

“ **Tuition is \$155,000 a year!** ”

The admission people said they would help me get a student loan, but even my dad – who really wants me to go to Cornell like he did – well, my dad says I'd be crazy to borrow that much money. And he refused to co-sign a loan.

So I've been shopping around and I'm kind of excited about the Reynolds Hybrid Center in Knoxville, Tennessee. I still want to study hotel management. So Reynolds puts together an individualized curriculum that's part MOOC lectures and online testing (I can do that in Knoxville if I want, or from anywhere), part classroom work. I can join a hotel management school for one or two semesters for that, or just attend specific courses, for example a cooking course that I can't do online. Reynolds networks with 20 or 30 good hotel schools around the world, and arranges the possibility of attending any one of them I want, for a course or a whole term. They also help organize internships where I work in the business for a few months. It sounds pretty cool, and it would probably cost about 80% less.

My dad says I should do the Reynolds thing, and aim to do the in-class stuff at the best schools that will take me. He says a semester in Switzerland at Lausanne and maybe one in Dubai at Emirates Academy would be ideal, possibly an MBA from ESSEC afterward. All the rest will be MOOCs taught by specialists from Malliott and Hilford, Expedia, Google, Wharton, Northwestern, Harvard Business School, and TripAdvisor U. I'm pretty excited about it!

Prof. Xander Arbuthnot, *Professor of Business Ethics, Saïd Business School, Oxford, and author of Slow Down or Die: The Rise and Imminent Fall of Western Society (OUP, 2030)*

What? You'd like me to “set the stage” and talk about the societal platform on which the business world operates in the year 2036?

That's a big task, but all right, here's how I would explain the big picture. Let's start by taking a person born in the Fertile Crescent of Mesopotamia in the Bronze Age, say in the year 1500 BC. What? Yes, I know you said 2036. Bear with me, this is relevant.

This person back in 1500 BC lived his entire life almost exactly like someone did who was born 2,000 years later. It wasn't until the Industrial Revolution that the life of a peasant began to change. That's when pace of life began to pick up, around the year 1800 or 1830 – and it hasn't stopped accelerating since then.

The consequences of this acceleration, for both the human environment and the natural environment, have been dire. Whereas it took centuries for the fertile lands of the Bronze Age river valleys to become over-farmed, today it happens in mere decades. Look at Oklahoma, for example: opened to farming in the 1880s, and a dustbowl within 50 years. Today, the only thing that keeps crops growing there is dumping chemicals into the soil. This may keep the land producing, but economically speaking, it makes very little sense, as you are raising input costs higher and higher every year, for less and less output (i.e. food). This is symptomatic of society's misplaced priorities, which can be traced back to the profit motive, which, like it or not, drives human society worldwide now. We want the greatest profit in the shortest period of time. And thanks to the fact that we have mastered a huge array of different technologies in the meantime to enable us to achieve these profit goals, there is a direct, negative impact on our environment. The environment – an organic, living thing – has no time to adapt to these changes.

This pace simply has to slow down, or we won't make it to the year 2100. But how do we do this? Can we change human nature? Probably not. Can we crush the drive for profit? Perhaps we can't *crush* it, but I do believe we can *tame* it. For example, we can tax profits at a high enough rate that we can substantially dampen the urge to generate more and more profits, at the expense of society and the environment. And we can also focus on regulating certain technologies and activities that are business enablers but which are in fact destructive by their nature. In other words, by making it a little harder to do business, we can essentially slow the pace of profit generation, and thus slow the pace of life itself. Everyone wins!

Take travel. Throughout 99% of human history, no one "traveled". There was no need to. You lived your whole life within a twenty-mile radius of where you were born. Only the most exceptional situations required "travel" – fleeing war or famine, for example. Maybe going to a fair once a year. Then, with the advent of the railroad and the steamship 200-odd years ago, this slowly began to change – but even after these modes of travel came on stream, for decades it was still an activity that only the top 1% of society could afford to indulge in.

“ I estimate that 80 to 90% of travel is absolutely unnecessary. ”

Today, travel is something that billions of people can afford to do, and sadly, they do do it. They do it at huge environmental cost – not to mention other societal costs such as stress, lost productivity, risk of accidents, and so on. In my book, I estimate that 80 to 90% of travel is absolutely unnecessary. It's nothing more than a luxurious evil in terms of our planet's welfare, and in my book I make the case that it ought to be discouraged rather than encouraged. Not only for the sake of the environment – although I do understand that this argument is weaker now

that we know that greenhouse gases are not the immediate cause of global climate change – but also to relieve our societies from the unrelenting pressures and stresses we live under, and restore a semblance of sanity to our lives. Travel is, frankly, the silent killer.

In my book, I propose (among many other excellent ideas) that we should do everything we can to deter people from traveling. I know that is not an easy thing to do, but if we truly value a sense of community as human beings sharing this planet, we should be able to find ways to reduce it, which will allow us all to live healthier lives, on the one hand, while diverting billions and billions of dollars of wealth and resources back into the hands of people living their lives locally. We won't be squandering money on plane tickets and hotel rooms, but on things that truly have value: better nutrition, healthier lifestyles, local infrastructure in local communities.

Ironically, as I explain in my book, it's technology that will help us accomplish this: namely by relying on electronic means of holocommunication, teleholidays, and so on, to replace the need to physically travel from one place to another, with all the damage and destruction that entails. The 3D standards and virtual systems are so good now that you don't have to go on a trip; every conceivable destination is in the library and can be visited at no cost at all: for an hour, a day, a week, or as long as you like. Why put yourself through the stress of an actual trip?

In addition, as I write in my book, we should have the courage to tax transportation and accommodation high enough to make it punitive to travel. Of course, I understand that if you simply slap a \$500 a night tax onto the price of a hotel room, all you will be doing is ensuring that only rich people will be able to travel – and that's not fair. So for individuals, I propose a travel levy based on a percentage of personal annual income. For example, if a trip were priced at 10% of your annual salary, you might think twice about going, no matter how rich

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you were. For companies, I foresee an annual travel allowance – quite low – that is set as a percentage of the company's revenues, say 1%. Even I recognize that you can't reduce travel to zero, especially in the commercial arena, where some travel is necessary. My goal is not to put anybody out of business! But it needs to be prohibitively expensive so that only the trips that are absolutely the most critical are actually undertaken. The rest would be taken in the form of 3D teletrips.

Yes, this would have a direct impact on the hotel industry. I admit that. Of course it would. But as my book makes clear, hotels could be mandated to redeploy their assets to serve their communities rather than serve wealthy travelers. And there would still be travelers – they wouldn't completely disappear. There would simply be fewer of them.

Is this idea realistic? When I first began to think about the concept a few years ago, I wasn't entirely sure. Then I wrote the book to call attention to the idea, and I've been very surprised at the positive reaction. Many activists and politicians I've met over these past six years are interested in my input to formulate policy or even some early-phase pilot legislation. I'm also acting as a consultant to the German and Belgian governments to help study how these ideas could be implemented. I think they really like the concept. So yes, I do think it's realistic.

Jack Hamblin, *Financial Editor,*
The Daily Zap, Los Angeles

Many of the changes that have taken place in business and society over the past 40 or 50 years can be traced back to the attitudes and thinking of the infamous Baby Boomers. That was the generation born following the Second World War. The very oldest members of the Baby Boomer generation were born in 1945, so today they're 90 or 91 years old. And all the rest are over 70. About 40% of all the Baby Boomers that were ever born have already died. So a reasonable question to ask, from a marketing perspective, is: are they a spent force? Hardly! The Baby Boomers that

are still alive and kicking are pretty healthy and wealthy old folks, for their age.

The Baby Boomers are all between age 70 and 90 now. As a cohort, they also are fairly rich. They worked hard all their lives, and they also inherited a lot of wealth from their parents' generation. So in theory, the Baby Boomers were looking forward to spending some of that accumulated money on post-retirement world travel as soon as they reached age 65, starting in the 2010s. And many of the first Baby Boomers to reach retirement managed to do that.

But Baby Boomers who were born later in the 1945-60 period were in for two very unpleasant surprises.

The first was they became the first people to be confronted with the new higher retirement ages that were mandated starting around 2019. Instead of retiring at 65 and taking their pension money to gallivant all over the world, they were now expected to stay on the job till age 69 before they could cash in. They didn't like that, of course. But little did they anticipate that even age 69 wouldn't remain the legal retirement age for very long. Over the following seven years, it was successively raised two more times, to age 76.

The math justifying the changes is simple: If you retire at 76 instead of 65, you are paying into the system for 11 additional years – those extra contributions being critical to the survival of the social security system. So it was essential to keep people working. But you can imagine how unpopular these decisions were! They almost cost Hillary Clinton the re-election in 2020.

She was re-elected, though, as we all know... but tweaking the retirement age turned out to be "too little, too late". Over the following eight years, the social security system ran out of money faster than anyone had quite foreseen. In 2027, under President Chelsea Clinton, social security went bankrupt.

That was the second unpleasant – very unpleasant – surprise.

President Clinton's solution was for the Federal government to confiscate all private retirement accounts and use that money to shore up social security payments. In essence, if you had any money in a retirement savings account, it was taken from you – well, legally, it was not “taken”; it was only being “borrowed”. You were paid interest on the balance confiscated, and upon retirement at age 76, you were promised a steady income stream for life.

This emergency action was certainly one of the factors that led to Chelsea Clinton's defeat in 2028.

Daniel Jackson, *Chief Marketing Officer, Crillson Hotels & Resorts, London*

The first Baby Boomers would have entered their retirement years about 2020. But then the retirement age was hiked, more than once, and the whole generation was forced to wait before they could start enjoying their “golden years” by traveling. They could still spend money on themselves – something they had always loved doing. (For example, did you know that the average age of a Maserati buyer is 71?) But they didn't yet have the free time to travel.

“ **Did you know that the average age of a Maserati buyer is 71?** ”

Finally, when they did retire, they combined that famously selfish attitude with a desire to travel that had been pent-up for a decade. The result was some truly wretched excess. Five-star tours of the world's active volcanoes. Around-the-world brandy and cigar tastings. Three-month-long, five-continent luxury river cruises, from the Danube to the Nile to the Amazon, and five or six other rivers on top of that. It's a strange combination of ticking places off a “bucket list” of must-have-seen places while one-upping their peers in terms of luxury – or just cost. At age 75 or 80 or 90, they insist on seeing the world on their terms. Without quite the

same get-up-and-go they had when they were younger, they opt for intellectually (or certainly geographically) ambitious trips, but less strenuous in terms of physical investment. One couple I met last year was on a world tour of their own design: they were planning to visit some 40 different cities, and they were going to stay in the Presidential Suite of the best hotel in each city they visited.

If I had my life to do over, I'd buy the helicopter concession at Machu Picchu. I'd make a mint.

Jonathan Hamblin, *Director of Development, Watkins Hotels, Manchester*

Are Baby Boomers staying in the same hotels as Gen X/Y/10? No. And as you'd expect, that's made life difficult for us. A one-size-fits-all approach doesn't work so well in the hotel business any more.

It's amazing, but Gen Y + Gen 10 seem to get by just fine on about five hours of sleep a night. They're networking all the time: up early, bashing out messages on their handtops over breakfast, and checking messages while munching on agrinola bars in the atrium till the wee hours. We've done a lot of research, and in their ideal hotel, the guest rooms can be tiny, but there must absolutely be a huge communal space, serviced 24 hours a day, where they can sit (or sprawl) and zap (or work) (or game), always in the company of other people doing the same thing. Our city hotels are particularly designed just for them, with gigantic, multi-level, noise-reduced atria, offering seating ranging from big 5-seater beanbag sofas to hammocks and waterbeds, a complimentary electrolyte and oxygen bar on each level, and of course hyperconnectivity and non-stop superzap charging for all their devices and implants.

Baby Boomers, on the other hand, couldn't care less about those things. They want connectivity, but up in their rooms rather than in a communal space, which they avoid like the plague. Rooms are vital to them – especially the bathrooms. They need to be big, airy and luxurious.

Baby Boomers are not travelling much for business any more, so we see them much more in our resort hotels than in city-center hotels, although there are definitely some exceptions to that rule: New York, Paris, London, Rome, San Francisco... They mainly travel as couples, but beginning about twenty years ago there's been a steady increase in the number of bookings made by Baby Boomers for a whole family – the Baby Boomer grandparents, their adult children and a bunch of grandkids. Often over a dozen people traveling altogether. So especially in our beach resorts and eco-resorts, we continue to add big, rambling “family bungalows or “casitas” or “maisonettes” (we call them different things at different properties) that can sleep up to nineteen or twenty and include a spacious, high-end master bedroom for the grandparents (which they will retreat to and close off when the rest of the bungalow gets noisy), nice bedrooms for the adult parents, a couple rooms with bunk beds, a well-stocked kitchenette, and most important of all, a good-sized, very comfortable communal space including a mega-holo (the kids and grandkids want that kind of set-up), and a pool. The ADR for these casitas is between three and four thousand dollars, and they're booked solid throughout the year. More are on the way, including three new resorts we're building that are configured to be 80% casitas and only 20% normal guest rooms, instead of the other way around.

Incidentally, one of the best decisions we made was to invest in a fleet of electric golf carts at all of our resorts. The seniors love them and are willing to pay a very nice daily rental fee to make sure they have that mobility...

Pierre Gautier, *Head Pâtissier,*
The President Lincoln Hotel, Palm Beach, Florida

Yes, we see a lot of older people here at the Lincoln. They're very nice. They fly down from Boston or New York or Toronto for the winter, spend money like there's no tomorrow. They're generally pretty fit, swim laps in the pool, take a yoga class, and all that. But what's really remarkable about these people is, when it

comes to eating, they don't care any more. Once you hit 80, you stop counting calories and grams of carbohydrates or whatever, and you just want to live a little, while you still can. During the four months between Christmas and Easter, I swear we go through enough sugar to give half the earth diabetes.

Dr. Susan Summerfield, *Gerontologist,*
Mayo Clinic, Phoenix, Arizona

In terms of medical advances, we've come a long way in the last thirty years. The Baby Boomer generation has benefited extraordinarily. We can now strengthen old people's bones, correct bad eyesight, restore hearing loss, increase mental acuity. We've beaten Parkinson's, found a way to stop most cancers from spreading, developed pharmaceutical solutions to keep your heart healthy longer...

“ ***Life expectancy for newborns in the western world is now 122.*** ”

Basically, if you eat right, exercise a little, take three or four specialized drugs, and don't get run over by a tram, you're going to make it to 95 or 100. I just read last week in the Daily Zap that life expectancy for newborns in the western world is now 122. In Iceland (or Finland, or some other cold country, I've forgotten which), it's even 128. Now that's progress!

There is one troubling area, however: rheumatic diseases are still with us, and since people live longer, more and more people are affected by them. We can alleviate some of the pain and discomfort, but we haven't yet found a cure... and we therefore can't return an arthritic person to his or her previous degree of mobility.

People generally contract rheumatoid arthritis in old age, as everyone knows. Two generations ago, if you became incapacitated by arthritis, the chances are you would not live with it for very long, as the average longevity was only around

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70. Now, people live much longer. On the whole, that's a good thing, but if you contract arthritis in your late 60s, you may very well live for thirty more years in a debilitating condition. That is a terrible thing.

Mark Godell, *Owner,*

Godell Hotel Design Concepts, Paris

Over a dozen of the world's largest hotel chains have asked for our help in redesigning their hotels for elderly guests, and especially those with severe mobility difficulties. The issue is not just adding wheelchair ramps and other access improvements – although that obviously remains as necessary as ever.

Over the past decade or so we have seen a growing number of hotel guests who cannot eat with the cutlery in the restaurants, cannot turn the water on or off in their rooms, cannot even open the door to their wardrobe. It all has to do with arthritis. These are typically travelers in their 80s or 90s – they may be mentally as sharp as a tack, but their hands barely function.

So together with our clients, we re-imagine the entire hotel stay for someone with this incapacity, and change every touchpoint in the hotel so that they are either automated, physically doable by an arthritic patient, or voice activated. It can be a big project in a hotel of 400 rooms, but it makes sense to start thinking about it already, because if things continue the way they are, in another twenty years, hotels will have loads of guests over a hundred years old.

Roger Campbell, *Managing Director,*

Extended Living Concepts, Henley-on-Thames

About twenty years ago I was working for a market research company specializing in planning and conducting studies on the 75 and older age group. It wasn't a huge demographic, but it was interesting to a select group of clients. To my surprise, one thing I started to see was a growing number of older people – all widowed – who decided to live together, as flatmates so to speak.

I wondered if maybe this could be the wave of the future: more and more old people, living without a partner, but wanting someone around. I founded ELC to construct special living centers for older people, consisting for the most part of apartments that each had 2 bedrooms and 2 studies, plus a good-sized guest bedroom in addition to the living room, kitchen, and so on. In other words, an apartment made for two single people each wanting his own space but also wanting a communal area.

These were rented, not sold – two individuals at that age don't want to share ownership of an asset. But the quality standards were high and the rents were also high, and we filled the first project, 19 units here in Henley, very quickly. We then built four more compounds, and this time we asked Javeo Hotels in London to design and manage them for us. Javeo provides all the services that make these apartments high-end: housekeeping, maintenance, concierge, security, a small wellness center, some simple shared food and beverage services, and in-apartment technology.

Our next two projects were set up as joint ventures with Javeo: 45 units in Cornwall, and 35 units in Kent. From there, we went on to build projects in Spain, Portugal, the south of France, Corsica and Sardinia – all near established holiday destinations. Now we've got 80 projects around the world, never exceeding 50 units. We experimented with units designed for three people, but they didn't rent very quickly, so we stopped. I believe this is a category that has legs.

Nikolas Tsipriakis, *Director General,*

World Cruise Line Association, Barcelona

One of the most striking changes in the travel industry in the last twenty years has been the huge number of old people traveling. The fact that populations in the industrialized world were aging is something that everybody was aware of for a long time, but very few people had actually thought through how this might play out. For example, If you interviewed somebody in the

hotel industry back in the year 2000 about what an ageing population might mean for them, they could barely think past the idea that it all came down to things like increasing wheelchair accessibility, opening the restaurant for dinner at 5 pm, and putting mushier foods on the menu. Not very far sighted...

In actual fact, what has happened over the last generation or so could have been foreseen. First, take the physical side of the equation. People are living to 95 or 100 these days, no problem. Of course, not everybody age 99 is sprightly as a young buck and able, or even willing, to travel. My parents gave up taking trips when they

as mayor, and at a city council meeting that will go down in the annals of regrettable business decisions, she persuaded the council to nix the proposal to add more port capacity. So the eight or nine biggest cruise operators got together and without further ado, they moved to Havana!

Cuba, if you'll recall, was off limits to US companies for years – decades in fact. But the trade embargo was finally lifted back in the mid-teens, and not long after that, Americans got the green light to travel there as well. The Cuban economy was truly third world. The government was desperate to beef up tourism, but the hotel infrastructure was awful. Then

“ Within about five years, Havana had become the cruise capital of the world. ”

reached about 80, if I recall. Anyway, starting around 2010, what you had was a whole lot of people between the ages of 70 and 100 who were still in the market for vacation travel... but it had to be right for them. Not too strenuous, not too far away, not too challenging.

Well, for this segment of the market, the perfect vacation already existed. It was called a cruise. A floating hotel, with all the amenities, 15 restaurants, 9 bars, beauty shops, gyms, cinemas, a casino, a hospital...the works. And it took you around to interesting places you could decide to go visit for three hours, then head back to the ship in time for cocktail hour. Just the right amount of effort required, but not too much. How could anyone ask for more?

The cruise industry saw this coming and built more and more, and bigger and bigger ships. But this is where it got interesting for the hotel industry. For the North American market, a huge portion of the cruises start in Ft. Lauderdale, in Florida, and from there they'd steam down to the Caribbean. But the number of ships was growing faster than the port facilities could handle them. Worse, they apparently didn't want to expand – Ft. Lauderdale had a hard-left environmentalist

the Ft. Lauderdale town council delivered the whole Caribbean cruise industry into their laps. The Cubans were smart; they offered to build a world class port. So back in about 2020, the Cuban government turned over a huge tract of land to a German-Danish engineering consortium that created the world's largest cruise ship terminal, upgraded the highway between the port, the city and the airport, and built a new airport terminal to boot. Within about five years, Havana had become the cruise capital of the world, with the most modern port facilities on earth, able to handle 35 ships at the same time, with enormous, very efficient customs facilities, a wide range of restaurants, state-of-the-art holographic duty free shopping, yada yada. For most people embarking on a Caribbean cruise, getting to Havana was only a slightly longer flight than flying to Miami or Ft. Lauderdale would have been, so it made almost no difference to them at all.

No, sorry, that's not true – in one respect it did make a difference: Havana saw seven or eight hotels spring up around the port area, all new, modern, and full of Cuban life and music. The hotels ranged from 2 stars up to 4. I don't think there were any five-star establishments at that

time, but of course there are now. Those hotels became as big a part of the vacation as the rest of the cruise. Live entertainment, great food... What a way to kick off a cruise week! And end it with another night in the hotel when the cruise returned to Havana seven days later. Hardly anyone stayed in these hotels longer than one or two nights, but occupancy was always above 98%, and room rates were substantial. The big winner was Iberica, a Spanish chain that had already been present in Cuba with two or three beach hotels and had fostered good relations with the government over the previous decades. They built three hotels in the port in different price categories, and have been filling them right up, night after night, ever since. (Later they also built the five-star Old Havana Hotel in the city, which has a different guest mix but definitely attracts a fairly large number of post-cruise travelers who want to tack on another few days to their trip and see Cuba from street level, not from Deck 9.)

I always thought Benito Aniano, the CEO of Iberica, should send a dozen roses to the mayor of Ft. Lauderdale every year on the anniversary of that city council meeting. Those idiots had no idea what they were about to lose.

Dr. George Hsien Tan, *Johns Hopkins School of Medicine (Singapore):*

The past 30 years have been a crazy time for the industrial countries, as far as mental health is concerned. It all started back around the year 2000, as Silicon Valley just kept pumping out device after device, game after game, app after app. It was all fun for a while – high energy, cool hardware, and constant entertainment. But it didn't take long until all this continuous stress and distraction started to take its toll on people. At first everybody laughed it off – even invented the concept of “multi-tasking”, which was a subtle (or maybe not so subtle) way of saying, “Hey what's the matter? You're really bothered by trying to do four things at once? You mean you can't you take it? What a loser! Look at me – I can do it. I'm a multi-tasker.”

Unfortunately, this need to do four things at once quickly became the norm. But medical science has shown, in dozens of experiments, that our brains are terrible at multi-tasking. True, it is possible to multi-task a number of unimportant things “on autopilot”, but if you really need to concentrate, your brain can only manage one thing at a time well. Sadly, though, what our friends in Silicon Valley did was put technology into the hands of everyone – from my 90 year old grandmother to my 4 year old granddaughter – that removed the need to focus. Doing things that used to require focused attention can now be done completely on autopilot. And we're lazy: if we never really have to focus our attention on anything, we don't. So we bumble along... and then, suddenly... look out! You're faced with a situation where concentration truly is required – and you're so out of practice you can't do it any more.

Doctors were seeing this more and more throughout the 2010s and 2020s. Smart kids were failing in school. Employees were burning out. People were showing symptoms of hyper-stress all day. By around 2020, Digital Distraction Syndrome (DDS) had entered the vocabulary, and it was considered a real, honest-to-God health issue. The stress was driving us crazy; it was making us physically sick. Or in any case, it was driving a lot of people to other unhealthy addictions, supposedly to relieve the stress: weed, alcohol, spicevaping, porn – you name it. Doctors saw it all the time. Addictions were going through the roof. Even addiction to exercise, which many people turned to to alleviate stress, and get some of those fabulous feel-good endorphins released into your system. So, as unbelievable as it may sound, even fitness became unhealthy.

As it turns out, all this is nothing new. Let me read something to you: “The cause of the increase in nervous disease is increased demand made by the conditions of modern life upon the brain.” Sound familiar? Wait, it goes on: “Everything is done in a hurry. We talk across a continent, telegraph across an ocean. We even take our pleasures sadly and make a task of

our play. What wonder if the pressure is almost more than our nerves can bear.” That comes from an article called “Are Nervous Diseases Increasing?” written by a doctor named G. Shradly in the year 1896: one hundred and forty years ago. Plus ça change...

“ **Stress in the past was annoying, whereas stress in the 2020s was lethal.** ”

There may have been plenty of stress back then, but one difference between the 1890s and now surely has to be that stress in the past was annoying, whereas stress in the 2020s was lethal. I blame the tech companies, I honestly do. They were killing us, just as surely as the tobacco companies were killing us a generation before. They were killing us with products designed to distract us and ruin our brains, which lowered our efficiency, which lowered our productivity, which created more stress... it was all a big vicious circle, and it was deadly.

Max Pennington

Insurance Agent, Toronto

I was on vacation with my family in Florida. My kids weren't even teenagers yet, so it must have been 2024 or 25. After a long day flying down to Orlando, renting a car, we finally checked in to our hotel room, and before anybody even wanted to unpack, let alone hit the swimming pool, all of us – my wife, myself, and both my kids – were overwhelmed with the same urge; I recognized it in our eyes. It was the hell (or excitement) of knowing your handtop is in your pocket and desperately needs your attention, if only you will take a second to look. For me it was a horrific realization, seeing this same look in all of our faces:

- “Maybe someone e-mailed me.”*
- “Maybe someone’s zapped me a holo.”*
- “Maybe someone WhatsApped me.”*
- “Maybe I should check Facebook.”*
- “Maybe I should tweet that we’ve arrived.”*

- “Maybe I should post a picture on Instagram.”*
- “Maybe someone’s Snapchatted me.”*
- “Maybe someone’s liked my Tumblr pictures.”*
- “Maybe I should check TripR.”*
- “Maybe someone faved my Flickr shots.”*

What I saw in our faces – mine included – was that we could no longer live without these damn things. They owned us.

It was all so depressing. I had a terrible week. I wish like hell that hotel didn't have WiFi. We might have had a fighting chance to act like a real family.

Oscar G. Johanssen, CEO,

Reed & Halston Tours, Inc., San Diego

By far our fastest growing category of travel is “burnout trips”. We work with the top six or seven 5-star hotel chains to create special packages targeted at people who are experiencing burnout – or are about to. (Or rather, whose doctors think they are about to.) So there's burnout prevention, and burnout recovery. They are two closely related, but not quite identical, types of packages.

Tika Tours, our biggest competitor, works with luxury clinics, mostly in Europe. Instead of going down that path, which we saw as too serious – too medical – Reed & Halston works with a selection of mostly five-star hotels and resorts, always way out in the fresh air, so our positioning is more centered on wellness/ tranquility/peace of mind, rather than actual EEGs and colonic irrigations and blood pressure. The stay is usually three weeks, sometimes as long as eight weeks. The hotels provide a luxury platform, and their people deliver a regime of physical and psychosocial treatments that have been designed for us by a team of neurologists from Sweden. (So yes, in fact, our packages are “medical”, too, but we just don't want to position them that way – it's too scary for some people.)

As a tour operator, R&H has always offered very high-end packages. For example, we were the first company to offer Learjet tours to

the Serengeti, back in the 1960s. But burnout packages are by far the most expensive packages in our catalogue, on average ten to fifteen percent more expensive than our endangered species luxu-safaris, glider glacier trekking, or five-continent opera tours.

a thousand bucks' worth of bullets in less than hour. But it sure made those guys feel better, so it was worth every penny. I've heard from so many men that the night of their skeet day, they had the best sex of their lives, and the soundest sleep in years. I ought to try it myself some day.

“ Simple idea: you just stand there and blast away at clay pigeons with machine guns. ”

Getting the pricing scheme right was absolutely critical. Anything that could be construed as a burnout treatment, or a related aspect of the stay, could be submitted to the customer's insurance company for reimbursement. We took care of all the paperwork for the customer, to make sure the treatments were described properly – the language is sometimes quite nuanced. Spa and wellness sessions were obviously reimbursable, of course, but also special burnout dietary programs, relaxation therapies, so-called “alternative therapies”, and on and on. “Alternative therapies” were just about anything that was an alternative to relaxation, ostensibly to allow the customer to get the psychological and even neurological benefit of alternating between peaceful “down” time and exciting “up” time. So starting in week 2, for example, a typical package would include things like a day of deep sea shark fishing, taking a Ferrari for a spin on a race track, playing elephant polo, and so on. All very therapeutic! We worked closely with the hotels to develop exciting alternative ideas in their vicinity, and they organized the whole thing. Some of the ideas were very elaborate, such as the stunt pilot fly-alongs under the Golden Gate Bridge. But the best, and I believe most beneficial alternative therapies were often the simplest. For example, about ten years ago, one of the hotels we work with in Mexico would take burnout guests out into the desert where they would shoot skeet all day with Kalashnikovs. Simple idea: you just stand there and blast away at clay pigeons with machine guns. You wouldn't believe how expensive that ammo is! You can burn through

Susan van der Merwe, CEO,

SpaDevelopers Inc., Palm Springs, California

What's the old expression? “It's an ill wind that blows nobody good”? [Grins ear to ear.] That's how I look at the stress levels that rocketed upward over the last 30 or 40 years. First you had good old job-related stress, that was bad enough. Then you added tech-generated DDS to your already high blood pressure, and it was just crazy. On any given day, half the planet was on the verge of exploding from sheer nerves.

I may sound glib, so I'm sorry. In fact, it was serious. The Department of Labor in the US, the Health and Safety Commission in the UK, and the same government bodies in almost every industrialized country had the statistics. Millions of days of work were being lost because of stress-related illnesses and accidents. The accident rate was particularly scary – it seemed that the nation was full of stressed-out fork lift operators, surgical nurses, and big-rig truck drivers. For people like that, making small errors in judgment could have some dire consequences.

The medical profession tagged DDS as an actual illness, and that meant that insurance companies began to accept approved treatments and therapies as reimbursable. That was the sign for the spa industry to jump into action! We lobbied hard that relaxation treatments – if administered by qualified therapists, of course – would be put on the “approved” list. We worked with PR consultants renaming, rebranding, and repositioning

about 95% of what we do as various types of “relaxation treatments”, to get the official blessing. It took a couple of years, but by and large we were successful.

Now that someone else was actually paying, spa treatments took off. There was no pill you could take to “cure” DDS, so doctors prescribed relaxation treatments – and not just one treatment, but a few weeks’ worth. Hotels rushed to build wellness facilities that met the requirements, and hire therapists... or at least up the training level of their existing spa staff to get the diploma they needed. Good times, good times!

Some people were very skeptical about all this, especially during the period when we were working with the politicians to get DDS officially sanctioned. They thought it was some kind of scam. When they heard me talk about the “spa industry” and what we could accomplish in terms of mental health, and getting people well and productive again, they would joke: Sure, but what about the “Taking a Long Walk Industry” and the “Chilling at the Beach” industry? Shouldn’t they also be subsidized? But the stats started showing a definite improvement. Spas really work. And the hotel industry has cashed in on this, hugely.

David Hawkins, *Editor-in-Chief,*
ChinaWatch.com, Sydney

China really upped its game in the last 20 years as far as technological and infrastructure investments in travel, tourism, and hospitality is concerned. And since so much there is state-owned, they could coordinate things pretty well. The key to their success was to develop their own long-haul airplane, the CX Super 88. It was basically a knock off of the stretch 787, with a capacity of 400 passengers and – this was the critical aspect – an extremely long range, the longest of any commercial airliner. It can fly non-stop from almost any city in the world to a Chinese destination.

They ramped up production of this plane starting about 2020, and reached a fleet size

of 800 of these planes within ten years. The sole purpose of the Super 88 was, and still is, to bring tourists from North America, Europe, and Australia to China. And it has done that, in huge numbers. Do the math: that fleet of 800 planes increased the number of international travelers to China by over 50 million every year. Since Air88, the airline that flew the Super 88, was government owned as well, they could set airfares very low and lure people in from all over the world. The airline didn’t need to make a profit, it just needed to fly.

“***Deciding to take a vacation to China became a no-brainer – it was much cheaper than going to Europe.***”

Air88 was a super-attractive airline to travelers, especially first-timers to China. Instead of paying \$3500 or more to fly from Europe or America to Beijing, you could fly the same route on Air88 for around six hundred bucks. Hell, you can’t even fly from Atlanta to Orlando for that price these days!

The second thing they did that was smart was to fly these planes on point-to-point long-haul itineraries all around the world. Before Air88 came along, if you lived in a city such as Lyon or Phoenix, for example, you had to fly to a hub or gateway city on your continent – Paris, say, or LA – and then get on another plane there to fly to one of maybe four or five gateway cities in China, like Hong Kong, Beijing or Shanghai. That is no longer the way it works. Air88 got landing rights in dozens and dozens of second-tier cities around the world and flies nonstop from these cities to five or six Chinese destinations, usually three times a week. So not only did Air88 make it cheaper to fly to China, but a lot quicker, too, since for many people, you no longer had to fly to a hub and change planes. Say you live in a place like Indianapolis, you just hop on a plane at Indy International, or whatever it’s called, and get

off 13 hours later in Beijing or Shanghai or Hong Kong – or even someplace more exotic like Xi’an or Dalian. You don’t have to fly to O’Hare or LAX first and sit there for three or four hours waiting for your China flight. So Air88 launched dozens if not hundreds of never-seen-before itineraries, like Austin-Hong Kong or Glasgow-Beijing or Miami-Shanghai, all non-stop.

So with all these factors, deciding to take a vacation to China became a no-brainer – it was much cheaper than going to Europe. Hell, even for Europeans, it was cheap. You could fly from Bratislava to Shanghai or Oslo to Beijing for a lot less than flying to Ibiza.

At the same time, China also got a lot more professional on the marketing front. They got rid of one hassle by changing their visa system. Now you buy a tourist visa on entry – cheap and quick, and one fee for a whole family. Their online promotion is good, too. They’ve had this “Come visit China” campaign running for 20 years now, all over the Internet...

One aspect of their marketing that I think is smart is to emphasize the flights themselves as extraordinarily nice. Let’s face it, for most people, flying has become an uncomfortable pain in the ass, so it’s really great to see how an airline can make flying a nice experience again if they want to. Of course, I realize that you can do whatever you want to if you aren’t required to turn a profit, but even so, Air88 was one of the nicest airlines in the sky, right from day one. Lots of legroom, seats pretty wide and comfortable, the food is actually very good, and they overstaff the flights, usually with non-Chinese flight attendants, so passengers get lots of personal attention, and for the most part, they’re looked after by people from their own country. Smart. The marketing people behind the hugely coordinated “Come visit China” campaign understood that your perception of China didn’t begin when you got to China; it began when you boarded your plane at the airport in Toledo or Dublin or wherever you were starting your vacation from. True, they didn’t have a lot of control over the airport experience, maybe a

little at the gate, but as soon as you got on the plane, you were in their hands and your vacation was underway. They understood this and did everything they could to turn your flight from the usual nightmare into a fantastic part of your holiday. They knew that people love telling horror stories about their awful experiences on this airline or that airline, and they were determined to give Air88 the reputation as the best airline to fly on in the world. That way, people would start their China vacation happy, and would have a positive image of China, literally from before they had even set foot in the country. And word did get around. I have never heard anybody say one bad word about flying on Air88. Sure, Air88 has to contend with delays and turbulence and a rough landing here or there, just like anyone else. But the comfort of the flight and the friendly crew more than make up for it. Not to mention the price, of course! So it didn’t take long before those planes flew pretty much full all the time, bringing 400 people non-stop three times a week from Nashville to Hong Kong or every Saturday from Basel to Chengdu.

Another interesting thing about this particular airline was that it was conceived from the get-go to be a conduit for bringing tourists to China, and not as a conduit for flying outbound Chinese tourists from China to destinations outside the country. The Chinese leadership wanted this airline to have one, and only one priority: bring non-Chinese visitors into the country where they would spend money, rather than facilitate their own citizens flying off to spend their money somewhere else. So they priced round-trip tickets originating outside China quite low, and flights originating inside China high (i.e. the flights that Chinese tourists themselves might book who wanted to go visit Paris or Sydney). I really don’t know how they got away with this, but hey, it’s China and things work differently there. I’m sure some Chinese are able to game the system, but clearly they were being discouraged from booking outbound flights on Air88. And it seemed to work. If you flew on Air88, inbound to China or outbound from China, 90% of the passengers were non-Chinese.

Overall, the result was exactly what the Chinese leadership wanted: planeloads of Westerners bringing their Euros and dollars into the Chinese economy. Millions and millions of them.

Sam Jarrett, *Grocery Store Manager, El Paso, Texas*

2036 is a big year in the Jarrett family. This year, my son is graduating from high school, my daughter is graduating from grade school, and my wife just became a Certified Public Accountant – so I thought a big family trip would be a great way to celebrate. At first I thought we would fly to the east coast, go see New York and Philadelphia, then visit Mandela, D.C. for a couple days. We’ve never been there. Then I thought: why not two weeks in China? I put this idea to the family to decide and everybody loves it!

And it’s absolutely great on my wallet, too. I just booked our tickets on Air88. What a fantastic deal. First of all, the flight is non-stop from El Paso to Shanghai. It’s a long flight, over ten hours, but if we had to fly to DFW or LAX first, it would have added another six or seven hours of travel time, waiting around, etc. We’ll be flying on their CX Super 88 plane, which is great because it flies faster, and the way they pressurize the cabin, you don’t get jet lagged. So: shorter trip, no jet lag; it’s like we already gained two days! Then there’s the cost. Our international flights, non-stop to Shanghai, cost just \$2,592 for the four of us. On any other airline they would have cost \$15,000 easy. We’ll stay in a hotel for the first three days in Shanghai, but for the rest of the trip we decided to find ChinAirBnB accommodation – it’s a lot cheaper and we like the idea of living in a real home. I figure we’re saving about \$600 a night this way. Overall, I’m tickled pink by this whole trip. Instead of costing \$25,000 for the four of us, it’s only going to be about \$8,000.

Sure, we still have to eat and buy souvenirs, but saving 17,000 bucks on the flight and rooms before we even get there is amazing. It’s a shame you can’t fly Air88 from here to New York!

Francis X. Mendelssohn, *CEO, Hayes-Hughes Research, Inc., New York*

The growth of China as a tourist destination is the story of the last thirty years. Our surveys show China has topped the list of foreign destinations for each of the last twelve years. It’s the top choice for the Americans, for the Canadians, the British, the French, the Germans, the Swiss, the Italians, the Spanish, the Russians. It’s even the country of choice in places that don’t have much outbound tourism, such as the countries of the Caribbean. Everybody wants to go to China, and we don’t see that letting up any time soon.

“ It must be costing the Chinese government a mint to subsidize all this – especially the state-owned hotels and the airline. ”

The Chinese were very smart by building up the infrastructure to get people there easily and cheaply. They knew that for most of the people in the world, a trip to China was a huge undertaking – it’s far away, which means a long, expensive trip, and it has a daunting language and culture that are not easy to come to grips with. So they set about changing those perceptions. They marketed the country aggressively, but in a soft, cuddly way. They set up a global network of tourist offices that promoted China and held your hand all through the process. They got very sophisticated with online flight and hotel booking. Once you were in China, they made sure almost everything you would encounter to read was in English. And of course, best of all, they built their own fleet of special long-haul lanes and started up Air88, one of the most amazing airlines ever conceived: easy to book, comfortable, a real pleasure to fly. And they made it all so cheap. It’s been a huge success. It must be costing the Chinese government a mint to subsidize all this – especially the state-owned hotels and the airline – but I’m sure the results have been well worth it to them.

Jean-Pierre König *CEO, Bellevue Hotels, Zurich*

For the hotel industry, China's effort to stimulate tourism to China was great. Twenty years ago, everybody talked about the coming boom in Chinese tourists that would be visiting Europe and America. Nobody talked much about the other boom, the one that really did happen: the boom in Americans and Europeans going the other way.

As for the Chinese traveling abroad, yes, the numbers did pick up, a lot. I remember a couple of summers back in the late 'teens where it seemed like London especially was absolutely swamped by Chinese visitors. They weren't particularly sophisticated travelers – but that's OK, it was their first time outside China, who expects them to be? – so they stuck to "beginner" destinations... and completely overran them. London, Paris, Amsterdam, Rome. Sydney. Bangkok. New York. The Pyramids. Places like Athens and Florence and Pisa were booked solid with Chinese. I wonder how many million Chinese have pictures of themselves on their cell phones pretending to be pushing the Leaning Tower of Pisa back upright.... Certain touristic activities got caught up in the madness. Cruises on the Rhine, for example. They were so popular that the cruise companies actually built a dozen more ships. (By the way, you ain't heard nothin' till you've heard a boatload of Chinese tourists trying to sing along to "Die Lorelei"!)

Places like Interlaken in Switzerland, Heidelberg, or Dubrovnik were too small to handle the crowds – but the crowds came anyway. Venice became a nightmare.

Alas, this flood didn't last forever. China devalued the yuan a couple of times, and that made things outside the country more expensive for the Chinese traveling abroad. In response, the number of visitors noticeably eased off a little. Then the Chinese economy hiccupped – a real estate bubble popped, and a year later the stock market crashed: it dropped 31% in one day. Another 15% the next day. Scared everybody, let me tell you. That was back in October 2023. (Funny how these things always happen in October...) Well, after that, the country's

leadership decided they didn't want people going on vacation if it meant they were taking their money and spending it outside the country, so they slapped an exit visa requirement on their own citizens. This was basically nothing but an annual fee you had to pay the government to travel, but it was set pretty high – the equivalent of about \$800 per person per year. Together with the weaker currency, that was enough to dampen the demand for overseas travel for a lot of middle class travelers, especially families. The numbers went down – way down. And I hate to say this, but after that, it was a better class of people who traveled: people who could afford it, and had some taste and style.

As for the hotel business, this sudden drop-off of Chinese tourists had a big impact, of course – but it was mainly limited to those hot destination spots that had been on their bucket list. London and Paris are resilient markets, and their occupancies were back up within a year or two. But some smaller markets had overreacted to the initial flood of Chinese visitors and overbuilt hotels in anticipation of a steady flow of Chinese guests. Fools rush in... It was these markets that had more difficulty finding "replacement guests" for the Chinese who weren't coming any more. Places like Heidelberg, Stratford, Verona, or Salzburg... And this was happening all around the world, wherever the Chinese had prioritized as a destination for their first (maybe second) big trip abroad: Wellington, New Zealand. St. Petersburg. Niagara Falls. The Maldives... For these markets, where things had been so good, things got pretty grim for a while.

Prof. Ingmar Johansson *Director, Institute of Sociology, Stockholm University, and author of Shadow Nation: Muslims in Sweden 2015-2030*

Immigration changed entire countries over the last twenty years – my country, Sweden, perhaps more than any other.

Immigration is generally a good thing. All right-thinking people believe that. But we must concede that immigration without integration is potentially problematic. And that is what we

have seen over the last two decades. This is in very strong contrast with the immigration model from previous generations, the most obvious illustration of which is the United States. Immigrants to the USA – I am talking about more than a hundred years ago now – typically went there to better their lives. They couldn't ask for handouts, because there was no system to give them any. Instead, they got jobs, worked hard, learned English (but maybe still spoke their own language at home), saved money and put their children through university, and in general assimilated fairly well, even if they still identified strongly with a community of their fellow countrymen living nearby. In short, they became Americans. Hyphenated Americans, perhaps, but Americans nonetheless, and fiercely loyal to their new country. And their children, a few years later, were almost indistinguishable from American children living anywhere in the country in terms of shared cultural values, language, ambitions, and so on.

“The ‘migrant population’ is now a total of more than 70 million.”

That is not the case today. In 2030, the latest year for which there are census figures, 46.5% of the US population was Spanish speaking at home. It's surely even a little higher than that now, maybe as much as 50%, but we won't yet know till the next census in 2040. As a rule, the Central American people who came to the USA in huge numbers in the last 30 or 40 years did not make a serious attempt to assimilate – and they were not asked or expected to assimilate. The politicians in Washington – excuse me, I mean “Mandela”, I always forget – never really showed any great interest in making that happen. However, in the past few years, they began to show some concern, but it is probably too late now.

The result is that in the USA, you have essentially two cultures existing side by side “under the same roof”. The entire southwestern part of the

country, from California to Texas, is about 80% Spanish speaking. It's jokingly called “Mexico North”, but I'm not sure if that's really a joke. I was in Los Angeles for a symposium last year and was surprised that almost every sign I saw in the city was in Spanish. Some were in the two languages, but Spanish clearly predominates. You also hear Spanish all day – it comes from radios, TVs, and holos that are on in public spaces all over the city. I was greeted in my hotel in Spanish, and in every restaurant I went to. It was clear to me that America – Los Angeles anyway – was not like the conventional “melting pot” any more. It was physically situated inside the USA, but it was a Latin American city. As a Swede, this doesn't affect me, but I can imagine some Americans find this alarming.

Here in Europe, the EU countries opened the floodgates to migrants and refugees starting with the Great Syria Wave of 2015/16, and they were never able to close them again. Hence the infamous Ten Year Migration. Various countries tried to limit the number of immigrants coming into their territory, but they were either sued or threatened by Brussels, so they were forced to keep taking more – or at least to let migrants enter their country in order to pass through on the way somewhere else.

Between 2015 and now, the “wave” occasionally slowed down, but for ten years it never completely stopped. For the first ten years, so many people were arriving and disappearing into the woodwork that record-keeping simply couldn't keep up with the chaotic influx. Nobody knew exactly how many immigrants came in until better systems were set up to process them, count them, and keep track of them. When that happened, we were all shocked to discover that the numbers were about double what we had thought. About 30 million migrants have moved into Europe from the Middle East and North Africa over the past twenty years, and some 10 million more have come from sub-Saharan Africa. Including their children born in Europe during the past two decades, the “migrant population” is now a total of more than 70 million.

But regardless what the actual numbers are, this group has been a huge net burden on the social security systems almost everywhere they've settled – and it's still growing, of course. All indications are that the “wave” will continue indefinitely, despite the name it was given by the media – the “Ten Year Migration” – as if it only lasted then years. The original thought was that after a short time to assimilate and find work, these people would become net contributors to the economy (especially the social security systems), but it hasn't worked out that way. Although there are immigrants now in every country in Europe, the main target countries have been Germany and Sweden, because these two countries promised immigrants financial benefits and a quite generous social safety net. If you can believe it, at the beginning of the wave, when we all thought that the migrants were war refugees from Syria, the Swedish and German governments placed advertisements in newspapers in the Middle East touting these benefits – actually trying to attract immigrants. *Käre Gud*, the naïveté is astonishing!

So the flood began. Unfortunately, unemployment among the immigrant population is well above 60% (for youth it is more like 80%). Sadly, these people and all their family members have essentially become permanent wards of the state. In whichever country they are living, they are dependent on social services that were never intended to provide for so many people. So these social programs are stretched so far beyond the limit that first Germany and Sweden, and then about ten other governments, have had to ask for bailouts from Brussels or the IMF. Brussels of course has done its best to spread the financial burden around among the other member states. The IMF came in as well, imposing some austerity measures. Ultimately, taxpayers in all of the EU countries are shouldering the burden, as most of the countries being asked to help pay for these enormous social outlays have done so by raising their VAT rates.

In Sweden itself, VAT is now 41% on most goods and services (although there are still

some exceptions, such as food at 26%). In Germany it's 38%, and it's above 25% almost everywhere else. In Europe, only Switzerland – a non-EU member – has managed to keep its VAT rate below 10%, and their refusal to dance to Brussels' tune has ruffled quite a lot of feathers across Europe. (But that's nothing new for the Swiss.)

Meanwhile, Swedish society, and to a lesser extent German society, has been nothing short of transformed, and I am not only referring to the persistently high unemployment there. This has created serious problems of vagrancy and criminality. Also anti-Semitism. Simply put, both countries now have to deal with relatively large portions of their population that are culturally, linguistically, and economically distinct – and this has caused some serious frictions.

For example, neither the Swedish nor German population was very religious. In both countries, the number of people going to church regularly began to decline back in the 1960s, and fifty years later the percentage of churchgoers was not more than about 5% in either country. Now the only publicly visible religion in either country is Islam: about 20% of the population in Germany is Muslim, and in Sweden it's much higher, between 55% and 60%. Hundreds of formerly protestant churches, and even some Catholic ones, have been deconsecrated and converted to mosques. Steeples are now minarets, and you can hear the call to prayer all over the two countries, especially in the big cities. That has taken some getting used to. So has the idea that Swedish women now wear headscarves most of the time in public, just to avoid uncomfortable confrontations with immigrant men.

What has been even harder to get used to, though, is Sharia law. In 2030, Brussels mandated that Sharia must be observed in all member states as the basic law applicable to Muslims, alongside national and EU law. This was part of the human rights package that the EU developed – as an EU citizen (and I forgot to mention that the immigrants were all

given special EU passports), you have a right to your culture, religion, language, and law. So now a crime committed within the Muslim community in Stockholm is adjudicated by an Arabic-speaking Sharia court, with only a Muslim judge presiding, of course. Offenses that would be crimes in Sweden are not allowed to be prosecuted at all if they are not crimes under Sharia – as long as it is a Muslim who has committed the crime (or “non-crime” as the case may be). This has led to some legal confusion, as you can imagine, especially if the police have evidence of a crime but they don’t know if they’re looking for a Muslim or a non-Muslim, for example. Or take the case of a crime committed by a Swede against a Muslim victim. Or vice versa. Which court takes precedence?

“ ***In 2030, Brussels mandated that Sharia must be observed in all member states.*** ”

These gray areas are being worked out, but a much bigger societal issue remains. Namely, that all this is seen as legitimizing the idea that the Muslim population living in Sweden isn’t really part of the Swedish nation, but a thing apart. Separate but equal. It’s not like in the USA, where you only have two cultures side by side. Here – and in the rest of Europe, only on a slightly smaller scale – we not only have two different cultures but also two different legal systems side by side, one for us, one for them.

This has caused resentment, and that has fired up the anti-immigrant right, throughout Europe but especially here. There have been flare-ups of violence. It has also accelerated emigration. A large number of Swedish families have left the country in the last few years, mostly for Canada or Australia. There is a huge Swedish-speaking “ghetto” in Toronto, and another in Melbourne. (Ironic, if you think about it.) The total number of Europeans emigrating has been about 500,000 a year. It’s not a huge number, but the people who leave are typically our best and brightest. What

is their motivation? Are they prejudiced against Muslims? Or just giving up on Europe? If so, why? For whatever reason, they are somehow less optimistic about the future here than in Canada and Australia.

The last twenty years have really been tough on Sweden. And expensive. And there is no end in sight.

Gunnar Hegström, *Human Resources Director, Skandihospitality AB, Helsingborg*

We operate 24 hotels in Sweden, Norway and Denmark. It’s illegal for us to keep records on the religion of our staff, you are aware of that, aren’t you? But based on family names, I would guess that in our hotels in Sweden, about one third of our employees come from migrant families. In our city hotels in Stockholm, Malmö, Gothenburg, and Västerås, the percentage is higher, probably 40-45%. On the other hand, in Norway and Denmark, it’s quite a bit lower, I would guess not even 10%.

The hospitality industry has been very good about employing immigrants. I think we are even among the most active sectors of the economy when it comes to hiring members of the immigrant communities. This is something we can be very proud of.

We have not had any particular challenges with the two cultures working side by side. I think this is particularly due to the quality and intensity of our cultural orientation courses and the training we give all our employees. I believe we are also quite sensitive to addressing issues that some of our staff members may find offensive. For example, we’ve removed pork and bacon from our restaurant menus, and none of our employees have to serve alcohol if they would prefer not to. All our female employees wear stylish headscarves and pantsuits now. It’s important that we Swedes show respect for our guests. And by “guests” I mean our immigrant colleagues. They are guests in our country.



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The pioneering spirit

Andrea Leonori, *Owner,
Il Fiordaliso Hotel, Milan*

“Sustainability” was a huge topic until about 10 years ago. As a buzzword, it pretty much petered out when scientists finally showed that the earth in fact isn’t getting warmer, it is getting cooler. The whole man-made catastrophe scenario was a scare tactic, and congratulations, it worked for a long time. But people finally got fed up of 25 years of *baggianate* about global warming, and always being lectured about how we were to blame for rising oceans and all that – especially by people who didn’t practice what they preached. So when the news began to be clear that the reality about climate change was just the opposite of what we’d been told for decades, everyone was happy to be rid of the whole farce.

But in the hotel industry, we were a little concerned because we had been pushing a cost-savings line for two or three decades. We managed to get people to turn off lights and use the same towels, and over an entire year, that actually does reduce your costs. Our concern was that maybe people would abandon these good habits. And if they did, our costs might go back up. But so far, they haven’t change their habits. It seems that a conservation mentality still prevails, even if it’s not about stopping climate change. It’s more about being reasonable, not wanting to be wasteful.

“**We’re hoteliers, not fascists,
he said.**”

I remember sitting in a meeting several years ago, when I was working for one of the big chains – I won’t mention the name. It was the regional management meeting, and the company’s Sustainability Guru was showing us the figures for the water usage in the 25 hotels in the region, before and after we started the “why don’t you please re-use your towel” campaign. We’d cut water cost by about 15% – I don’t remember the exact figure, but spread over all the hotels it was a few million Euros a year. We were very pleased, obviously. But then

someone said, Why don’t we try to get people to take shorter showers? That would save us more. (And save the planet, too, of course.) Showers and toilets accounted for most of the water the hotels used. So we actually sat around and brainstormed ideas. One guy said we should install timers in the showers that cut the water off after 3 minutes – or reduced the water pressure. Or turned it ice cold! No, somebody countered, that would make the guests think the hotel had a plumbing problem, and they’d swamp the front desk with calls to complain, or write us up on TripAdvisor. (Probably both.)

Someone else said, why don’t we just proselytize some more? Put another set of cards in the bathrooms imploring guests not to stay all day in the shower... for the sake of the earth, naturally. Our Marketing Director suggested using a pat-on-the-back approach: we could put an egg timer in every bathroom and challenge guests to turn it over when they got in the shower and finish before the 3 minutes were up. This would make them feel good about themselves, she said. Maybe. Finally the CEO said he thought it was frightening that we were sitting around trying to figure out how to modify guest behavior at a five-star hotel in our favor. He said, why don’t we just get cattle prods and administer an electric shock whenever we saw a guest doing something that cost us more money? “We’re hoteliers, not fascists,” he said. We all laughed and moved on to the next item on the agenda.

Charles Evans, *Principal,
Elliott House Consulting, Boston*

We did a lot of sustainability studies twenty, thirty years ago. It’s funny, the whole sustainability bandwagon was never about anything other than cost saving. Sure, it looked good to the guest to say that you were a green hotel, saving the planet, acting responsibly, and all that. But that was never where the real interest in sustainability was. It was about money.

When we first started up this part of the business, our message to the hotel owners was,

SOCIETAL CHANGES

“You need to be a good corporate citizen and demonstrate your social responsibility” – and even though everyone would nod in agreement in the meeting, in fact we received absolutely no takers. Not one. But then we got smart and changed our approach. Then we said, “Actually, this sustainability business can be great for your bottom line. The study we conduct for your property will show you that if you make the necessary investments in cleaner energy and saving water and so on, you’ll get a positive ROI.” Suddenly everybody was interested.

It’s regrettable in a way that those positive returns were generated based only on the cost side of the equation. Going green did reduce operating costs. We wanted – we wished – that we could also convince hotel owners that by going green, there was additional return to be made based on incremental revenue that they’d get. But for that to happen, it means that guests would voluntarily reward the hotel for going green by paying higher rates for the rooms. Never happened!

We still do these studies today, but we call them “CROs” now - Cost Reduction Opportunities studies. I think if we walked into a client’s office proposing to do a “sustainability study”, we’d be met with a polite chuckle and a raised eyebrow. We wouldn’t be considered charlatans, but they’d probably think we were doddering old fools stuck in a time warp.

Arlette Hancock, *Director of the Institute for Demographic Studies, Georgetown University, Mandala, D.C.*

The demographic changes we’ve seen in the last thirty, forty years in the Western world have been nothing short of breathtaking. They have permanently changed the way society is structured – and they have also had a huge impact on the composition of the labor market.

For many years, birth rates had been declining. There are a number of reasons for that. Ubiquitous birth control and abortion on demand prevented millions of babies from being born in the first

place. But another reason why a society has fewer babies has to do with when young people choose to start a family: the later they start, the fewer kids are born. After the end of the Second World War, a post-war economic boom got underway, and this resulted in a big increase in the number of young people who felt optimistic about the future. They wasted no time marrying their sweethearts, and got down to the business of starting a family more or less right away. Take my grandparents, for example. They got married in 1951, when my grandfather was 23 years old, and my grandmother was 21. Nine months and 11 days later, my dad was born – which was always a big joke in our family, but wasn’t really all that unusual. They went on to have three more kids over the next six years, also not unusual.

By the year 2010, this had all changed. In most Western countries, the average age at first marriage was 32 for men and 29 for women. Their first child was then born, on average, 3 years later (although it’s certainly true that not everyone waits to get married before having kids – but that’s another demographic lesson for another day).

So now, if you combine this delay in getting married with another delay in having kids, on average, you have a situation in which a couple’s first child is born a full decade later than in previous generations. Why was that happening? Well, for lots of reasons: Beginning in the 1990s and 2000s, young people put much more emphasis on getting their careers moving instead of starting a family. They also experienced the pressures of a globalized economy that was weaker and more volatile compared to the more protected economies their parents had worked in, so they felt more uncertain about the future, and this translated into a “wait and see” approach to starting a family. They tended to stay in school longer – again, part of the “wait and see” attitude toward getting on with life. Also, for many years leading up to the year 2010, young women had been put under quite a lot of peer pressure to start careers outside the home instead of becoming wives and mothers right off the bat. And so on.

Simply put: young people in the year 2010 had a different set of priorities for their lives. And these priorities did not include having a big family. The average couple that got married in the decade between 2010 and 2020 had only 1.2 children. That is more than a stunning decline in fertility – it is a catastrophic collapse. At only 1.2 children born per woman, the fertility is far below the so-called “replacement rate” of 2.1 children per woman. In practical terms, that simply meant that in virtually every country in the Western world, nowhere near enough children were being born to “replace” the old people who died... and thus these countries’ populations started to shrink.

This shrinking process has been going on for about 30 years now, and it is set to continue, as birth rates have kept dropping even lower. In Japan, for example, fertility is less than 0.6 children per woman. In Germany, Spain and Italy, it’s about 0.7. These four countries are practically disappearing before our eyes! In France and the UK, fertility is about 0.8. In Canada and the US, about 0.9. All far below replacement. And the list goes on.

The repercussions have been enormous. Take education, for example. Beginning around 2025, cities all around the world started closing down primary and secondary schools, because it was no longer economically viable to keep schools open that were half empty. Universities and vocational schools began to feel the pinch a bit later. They have had to face something they never had to before: competition for incoming students. There are far too many colleges for the number of students out there. Worldwide, five hundred colleges and universities have gone under in the last ten years, including some venerable institutions you would never have expected to shut their doors: Wesleyan, Oberlin, Loyola, Swarthmore, Michigan State. Trinity College in Ireland, Bocconi in Italy, McGill in Canada, St. Andrew’s in Scotland. They just weren’t competitive. It’s been a bloodbath.

Dr. Sun Tang Lim, *Head of China Studies, the Reutlinger Institute, Berlin*

The Chinese government finally reversed their notorious one-child policy back at the end of the 2010s, as it was crippling their long-term competitiveness. With a fertility rate hovering around 1.0 for well over 40 years, the country’s population started shrinking a generation ago and it hasn’t bottomed out yet.

“**China now has 40 million more men than women.**”

There have been some interesting consequences. One is that the country aged extremely fast – too fast. Traditionally, older family members were looked after by their children or grandchildren. But with fewer and fewer young people around to take care of their grandparents, state-managed alternatives were needed to supplement this family traditional support mechanism. Social services for the elderly were established, but it was done cheaply and poorly, and it created a lot of societal frictions, as it was not the way things were normally done. Putting grandma in a home was maybe financially necessary, but it caused huge family rifts.

At the same time, the one-child policy had created an enormous gender imbalance in China. Couples who were starting a family wanted a boy – this is ingrained in many Asian societies – so if they were allowed only one child, and a prenatal test showed that the fetus was a girl, she would frequently be aborted so the parents could try again for a boy. It was a hideous practice (and technically illegal), but it happened a lot, especially in more rural areas.

The result of this practice is that many more boys are born than girls, and if you cumulate the effect of this imbalance over several decades, China now has 40 million more men than women.

Think about that from a societal point of view. It means that, unless some solution is found, 40

million men will be left behind when it comes to the chance of finding a woman to marry and starting a family of his own. Every male in the country feels this pressure – the feeling of being in a state of permanent competition for a mate is unavoidable, and everyone knows there will be a lot of losers. Nobody wants to be one of these so-called “bare branches” that bear no fruit.

China first began to feel the effect of this societal crisis about twenty years ago. Criminality rose significantly, as did gang warfare. Sociologists said this was in part because the “losers” didn’t feel invested in the future, so they turned to destructive and anti-social behaviors, and fed off each others’ pessimism and resentment.

Partly, though, testosterone-soaked criminal behavior was in fact an attempt to impress members of the opposite sex – it was alpha male behavior, violent hooligans trying to improve their status in the eyes of, perhaps, some admiring female.

The Chinese government was also studying this phenomenon and realized that they had to find a way to stop it before it inevitably got worse. Their solution was twofold: First, in 2022 they legalized multi-partner marriage, which allowed two men to share the same wife. Next, after waiting a couple of years to allow that potentially seismic change to sink in, in 2024 they announced that on January 1st, 2026 all unmarried males would be conscripted into the Chinese Army for eight years of obligatory military service.

Is it any wonder there was a mad scramble for men to come to an arrangement – any arrangement – to get married after that? Many men literally bought their way into a three-way partnership with another man and a woman – a bizarre kind of dowry system in reverse.

Almost 4 million Chinese men took a good hard look at the two alternative futures awaiting them – army grunt or husband no. 2 in a 3-person household – and chose a third option: emigration. The main beneficiaries have been

Argentina, Brazil, Australia, Malaysia, Canada, and the USA. Fortunately for these countries, many of the émigrés have been highly educated scientists and entrepreneurs. You would think they would have had no problem finding mates in China – but there is no accounting for taste.

Annelies van der Meer, *HR Director Europe, Metrocity Hotels, Rotterdam*

Recruiting young new talent has always been a competitive side of the hotel business – every bit as tough as the competition to get guests in our rooms. That’s because we’re such a high-touch industry: we need a very special kind of human capital. The guests expect nothing less. And on top of our guest-facing staff, we need managerial talent, creative F&B visionaries, “idea people” in marketing and operations – all kinds of special individuals. People like that don’t just grow on trees!

“**The number of hotel school graduates is about half what it was when I graduated in 2013.**”

But recruiting has really been a nightmare for us, for at least a decade now. The number of hotel school graduates is about half what it was when I graduated in 2013. It’s the same for universities everywhere – there are just so many fewer kids than a generation ago.

And you know what? The law of supply and demand is just as valid for talent as it is for anything else: As the pool of people that we would consider as possible hires shrinks every year, the price of hiring those people goes up every year. If you’re a hotel school graduate from a good school, with good grades and a good track record of activities, you can practically write your own ticket! And the starting salaries these guys can command... well, in my opinion, they are way out of whack, but in the industry we have no choice, as the

market just keeps bidding more and more for fresh graduates. No supply – huge demand.

So getting a really good, really motivated young man or woman to sign with us is always a victory. But really: \$200,000 a year? It's just too much!

Abdulrahman Jones, *Student, Cornell Hotel School, Ithaca, New York*

I'm graduating next May. I already started getting e-mails last summer from hotel companies and consulting firms asking if I would interview with them. One or two a day. In January there was one week where I got 35 invitations. Insane! At first I was excited, but now it's actually a nuisance. I felt like I had to answer them all politely. Now, if it's a company I'm not interested in, I just delete the e-mail.

A lot of my classmates are going to work on Wall Street, but I want to be in operations. My goal is to be a GM by age 28. So far, I've narrowed my choice down to 22 companies, eight here in the States and the rest outside (UK, Netherlands, Dubai, and one in Australia). They've been pretty generous, flying me all over for interviews, putting me up in suites and taking me out to lunch and dinner. On one of the recruiting trips to London, I got to bring my girlfriend along; that was pretty cool. I probably should make up my mind soon, but I'm having too much fun. Why rush?

David Slocum, *Senior Vice President, Human Resources, Eight Continents Hotels and Resorts, Manchester*

The shrinking numbers of graduates started to become apparent to us, I guess about twenty years ago. But we didn't do anything about it. Our CEO at the time didn't really consider HR strategic (certainly not compared to acquisitions...)

And my predecessor in HR couldn't convince him to show more flexibility on salaries or starting packages, so inevitably we started

falling behind when it came to recruiting. We were uncompetitive, it was as simple as that. That went on for a good ten years, until 2026 – a real banner year for Eight Continents: that year, we didn't manage a single new hire. Not one. We extended offers to 145 hotel school students at 19 different schools, and not a single person accepted.

Not long after that, our CEO as well as my predecessor as head of Human Resources left (or let's be honest, they were asked to leave), and John Astor became our new Chief Executive. He hired me, and we slowly started turning things around.

The first thing we did was, we upped our starting salaries by about 40%, developed a challenging onboarding program, and decided to aggressively position ourselves at hotel schools – not just show up to recruit, but work with them as partners, sponsor events at the schools, participate in panel discussions – really improve our brand. That didn't change anything overnight, but it did put us back on the map as far as young graduates were concerned. Three years later, we had been ranked among the top three recruiters at the ten hospitality management schools that meant the most to us.

But that's not all. We also figured that if the demographics were not working in our favor and we were going to have to deal with a permanent shortage of young talent, we had better get competitive in other ways. Our new strategy encompassed three pillars: first, recruit at other schools besides hotel schools; second, recruit at more schools in Africa, Asia and Latin America; and third, avoid the trap of thinking that new recruits had to be 22 years old and fresh college graduates and hire more people over age 60. (Yes, that's right: 60.) In each of these areas, we figured we could beat our competition by getting there first, and being the best.

The first pillar was about looking for talent in unconventional schools – schools our competitors hadn't yet thought of as sources of talent (and where our previously weak reputation didn't proceed us). Over the years, all kinds

of companies have “poached” hotel school students – banks, retail companies, luxury goods companies. Why not turn the tables and go poaching ourselves? So we began hiring at fashion schools, schools of design, advertising and marketing schools, schools that churned

you hire a 65 year old, you’d be lucky if he was still alive after five years. Everyone laughed until John said, “Do you think, in this industry, that you can count on *anybody* to stay with us for five years? Turnover is terrible in this business. We hire twenty-five year-olds, train them, give them

“ ***Compared to your average 22 year old, they’re more mature, more experienced, and they have more realistic expectations.*** ”

out kids with acting talent, musical talent, artistic talent. Education majors. Psychology majors. We poached kids from retail traineeships. And believe or not, we even had some success at military academies. Any educational institution where the students need to show some creativity, some initiative, and some ability to work well with other people was interesting to us.

The second pillar was also about “fishing in new ponds”. You know, there are dozens of very good schools in developing countries, and if you manage to hire the top students from these schools, you get talent that is every bit as promising as the kids at Lausanne or Surrey or Cornell. So we now recruit about 60% of our annual intake from the top hotel schools in countries such as India, Brazil, Malaysia, Jordan, Morocco, South Africa, Mauritius, the Philippines, or Thailand. These kids are hungry, talented, and very, very smart.

The third pillar isn’t about “new ponds” but about “fishing for a different kind of fish” – and it was the part of the strategy we had to fight hardest for, as a lot of people in the company weren’t convinced this was such a good idea. Basically, the idea here was that if there’s a shortage of younger people, and a glut of older people, then it’s logical to shift at least some of your attention to finding good older candidates. And why not? Compared to your average 22 year old, they’re more mature, more experienced, and they have more realistic expectations. They’re not usually interested in career advancement so they’re less political. I remember when we first proposed this idea, somebody joked that if

some responsibility, and half of them are gone in two years. How could old hires possibly be any worse?” He had a point. And sure enough, our average 60-year old hire stays with us for seven years. The young graduates average three.

Dominique Martin, *HR Director, Alight Hotels, San Francisco*

Yeah, yeah, I’ve heard it all before: “It’s so hard to hire good people.” “We just don’t seem to be able to keep talent.” Let me tell you something. At Alight, we don’t have that problem. Talented people are clamoring to work with us.

Having said that, we don’t accept just anyone. On the contrary! We only want people here who fit with our culture. That’s why we developed a very simple litmus test that we give to all candidates. It’s just one question:

We show them a video of a chimpanzee playing the piano. The question is: “Is this (a) funny, or (b) sad?”

If they fail this test, they will not get a job offer from Alight.

Andrew Collins, *CEO, Grand Victorian Properties, Singapore*

Believe it or not, but I still go to church on Sunday. There’s a small non-denominational chapel off Orchard Road that my wife and I attend about once a month. But on a typical Sunday, I doubt if there are even thirty people there. In the past twenty years, religion – or at

least Christianity and Judaism – has completely died out in the Western world. Russia and China were already atheist. European Christians are almost all gone – I’ll be 67 in April and I would guess the only practicing Christians in Europe are all my age or older. America’s still an outlier in this area, as it always has been. But try finding a churchgoer in Manhattan or Hollywood. Maybe on Christmas eve. Maybe.

The only religion that’s still actively (and publicly) practiced anywhere is Islam. Following the Ten Year Migration, Islam pretty successfully crowded out the other faiths in Europe and southeast Asia. And it has quite a firm hold in the States and Canada. Not quite so much in Latin America, yet.

“ We’ve installed prayer rooms, and we’re more careful to separate men and women at the pool . ”

This shift away from observing western religious holidays and practice has definitely had an effect on us in the hotel business. Because we hoteliers are so accommodating, and Islam has been so assertive, the hotel industry has ended up “Islamicizing” most hotels in Europe and North America. The changes aren’t that huge, but for example in our hotels we’ve installed prayer rooms, and we’re more careful to separate men and women at the pool (either physically or more likely, by set times for men and set times for women). We also posted qiblas in rooms – those are the unobtrusive arrows pointing to Mecca, so our Muslim guests know which direction to face when praying. Korans have not totally replaced Bibles in the nightstand drawer, but they are always there, right alongside the “good book”. And we have a lot of Halal food, too, of course.

One aspect of the disappearance of religion has been that weddings are smaller, completely secular, and a lot less flashy, so the wedding banqueting business has shrunk dramatically.

Of course, there will always be high society weddings. The Waldorf is never going to have to worry about losing the wedding trade. But overall, the wedding business in hotels was off by about 50% compared to twenty years ago. Bar mitzvahs were also down, by the way – but that wasn’t a religious thing as much as it was a reflection of the fact that there just aren’t as many kids nowadays.

Over the last few years, our banqueting people have had to get creative and invent some big showy celebrations. Thanks to the demographic changes – everybody living longer – a couple of possibilities that we’re pushing pretty successfully in our hotels are 50th, 60th and 75th wedding anniversaries and 100th birthdays. You don’t get quite the spend that you do on a big wedding. They’re more subdued affairs; everybody’s ancient and wants to go home by ten. But a lot of the out-of-towner friends and family stay in the hotel, so it’s a lot better than nothing. If you go this route, though, be sure to train your staff in CPR! We’re always afraid one of our guests of honor is going to blow out the candles and keel over dead.

Martha Myers, Mayor,
Vancouver, BC

As the mayor of Vancouver, a city that is not only big and complex but one that continuously ranks as one of the most livable on the planet, I want to know well in advance if there is any significant trend or shift in the way people behave that may have an impact on my city.

According to a special commission I put together five years ago, the number of residents living here aged 65 or older who have Alzheimer’s disease, the most common form of dementia, is projected to rise 40% over the next decade. About one person in six has the disease now in that age group, and that’s expected to rise to one person in four by 2045.

That is one hell of a lot of demented people that are going to need looking after. I’m proud that our city council decided to grab the bull by the

horns and declare that Vancouver is going to be on the cutting edge of communities fostering a better quality of life for people with dementia.

We are improving support services and signage throughout the city, in anticipation of the possibility that more people may be disoriented or lost or just need help. First responders are being trained to interact properly with people who can be forgetful or believe they are living somewhere else, or think they are talking with people who may not even be alive any more. The city is increasing opportunities for socializing and entertainment. And we have a team of over 300 Vancouver Volunteers to help people get around, go shopping, get their hair cut, and other simple everyday tasks.

Most importantly, we are working with select local hotels to allow Alzheimer's sufferers who don't have anyone to look after them to live in their properties, where a staff is on duty 24/7 and can look out for them. Not take care of them in the sense of medical care, just make sure they are OK. These people are not physically disabled, they are just easily confused and for that reason can find themselves in dangerous situations. They just need people around. The city provides a kind of legal guardian who is authorized to make the legal and financial decision to sell the person's existing property and get them moved into the participating hotels. The city then pays the hotels a monthly fee for accommodation and half board, and also pays a caregiver (or arranges with a Vancouver Volunteer) to take on the task of looking after the person during the day, through dinnertime.

Given the demographics, this kind of partnership is the wave of the future.

Jack Ames, *VP Special Projects, Crystal Hotels, Vancouver, BC*

We were first contacted by the city in 2030 to accommodate 20 people with Alzheimer's who had had their homes sold and now needed someplace to stay. We have four properties in the area so this amounted to five people in each one.

To be honest, we weren't crazy about the idea at first, but our CEO had some experience with the disease in her family, so we agreed to give it a try. We were explicitly told by the city that we would not have to provide any services above and beyond what any hotel guest would require; the main thing we were giving these people – besides a new roof over their heads and a comfortable bed – was a sense of living somewhere lively and full of people. (Alzheimer's patients who are living with their husband or wife, or who have family members in the area, don't qualify for the program.)

“The ‘D’ guests (as we call them) can be perfectly lucid one day and totally lost the next.”

It's worked out OK. We have a guaranteed cash flow from these rooms – we are now up to 40 from the original 20 – at a contracted rate of 65% of the published rack rate. We also have some F&B income, but frankly we discourage that. We had quite a lot of problems at the beginning of the program. We would get room service orders from these folks at all hours of the day and night, and then when the food was delivered to their room, they were asleep, or not there, or didn't remember ordering any food and didn't want it any more. So we have gently discontinued room service to those rooms, although anyone can come down to one of our F&B outlets and take a meal there.

As anyone could imagine, though, the whole thing does present some challenges. The “D” guests (as we call them) can be perfectly lucid one day and totally lost the next. Our staff has been trained to deal with them in everyday situations, and by and large they handle things really well. But some odd things do still happen. One man always makes his way down to the laundry and spends most of the day there. As long as he's out of the way and in no danger, that's all right. He's a real character, and everybody down there loves the guy. We

have one lady, though, who writes two or three TripAdvisor complaints about us every week. It's always something strange: the elevator's too fast, the marmalade tastes funny, her room doesn't face the sunset...

I understand that there are several hundred Alzheimer's patients in this program here in Vancouver, spread over 40 or 50 hotels. I never expected to see the hotel industry playing this kind of role, but with some of the demographic changes going on over the last few years, I guess this is the wave of the future.

Lanny van Oken, *Professional Tennis Player, Palm Beach, Florida*

From my perspective as someone active in the world of professional sports, I would have to say that the two biggest changes in the last twenty years are the demise of golf and the whole gambling culture that has grown up around sports nowadays.

What happened to golf is a real shame. I myself hardly ever played, but it had a nice feel to it, a unique atmosphere. Gentlemanly. My granddad played all the time, and all his friends did. He probably managed thirty rounds a year, not bad for a workaholic accountant who lived in Boston, where you can't exactly count on golfing weather all year round. My dad, on the other hand, owns a set of clubs, but he never got into golf in a big way – he preferred tennis, and so did I (obviously). I myself have played golf about ten times in my life. It's nice, but it just takes a long time... and it's so damn frustrating! Every time I played I always ended up mad as hell.

“ **We want action, progress, speed.
And golf is just... too slow.** ”

And that, in a nutshell, is what did golf in. People my age just don't have the patience for it. We don't have the patience to spend five or six hours every weekend walking around a golf

course; and more than that, we don't have the patience to get good at it. I really think it's a generational thing. It's an old man's sport. We're used to things happening faster. We want action, progress, speed. And golf is just... too slow.

There used to be about thirty different courses around Palm Beach. Now I think there's four, and I know that one of them is closing later this year. There's a nine-hole course at the club where I practice tennis, and I see a steady stream of golfers heading out to play, honestly, nobody looks like they're under 80. I would be surprised if golf is still around at all in another ten years. Nobody my generation plays – and I don't see how the courses can be maintained if there aren't any people paying membership or greens fees. The water bill alone must be astronomical. What seems to be happening around here is that the owners give in to the temptation of parceling off all the land to developers. Hell, they must make a mint off all that prime real estate! Who could resist that temptation?

As for gambling, well I guess that's another generational thing. It's all on the Internet, legalized since 2020 just about everywhere. I read somewhere that gambling commissions are now the third or fourth highest revenue streams for most countries now. And they fund scholarships and research grants out of the commissions, so it's all for a good cause!

What I like is that you can bet on anything. Any tennis match, any football game, any dog race, the Olympics, you name it. And not just sports! You can bet on all kinds of things. Elections, stadium attendance, commodity prices, Oscar winners – anything at all. You just need to find a counterparty on one of the gambling sites, and you're on. You can make up your own bets, too: Last week I found a guy online who was willing to bet with me on how many times Brad Pitt would say the phrase “But I'm the prince!” in episode 7 of *A Prince in North Dakota*, which was on the holo the next night. I bet 8, and my counterparty, some guy in Estonia, bet 5. In actual fact, good old Brad said “But I'm the prince!” 9 times, so I won. A quick and dirty 2,000 bucks!

I love to bet. So does everybody I know. I have a tennis match in Vegas in two weeks, and I'm planning to stay on for three days and hit the casinos.

Andrew Stotting, *Co-Owner,
Algarvia Golf Hotel, Alvor, Portugal*

The last ten years have been a slow-motion disaster. It's the same for all the hotels here. Nobody bloody golfs any more!

In 2028, the owners of the Imperial, about ten miles from us, closed their links and redeveloped the land into a residential club. They built 34 luxury villas on what had been the golf course, very nicely done and everything beautifully landscaped. Most were sold, so they did all right.

“**Those who could sell and get out, sold and got out.**”

The problem was that the people who bought the villas still wanted to come down to the Algarve to golf. That's been the attraction here for decades. Why else would you come down? But one by one, the hotels and the courses started closing. So the villa owners really didn't have much reason to come any more, and those who could sell and get out, sold and got out. I don't blame them. They thought they would be living in a golfers' paradise, but it turns out they pitched up just at the fag end of the sport.

We're the last man standing. It's been a hell of a ride, but it looks like it's over.

Pablo Escondido, *GM,
Golf del Sol, Estepona, Spain*

Yes, golf has fallen tremendously in the last few years. The hotel owners and I have been quite surprised to see how the numbers of golfers arriving in the Costa del Sol region go down every year. And not only here; it seems to be happening everywhere.

We saw that if we were chained to the game of golf, we would sink along with the sport itself. We had to have a new strategy.

We met with several advisors and consultants and together, we decided last year to transform a large part of the hotel into a very upscale casino. Gambling is a worldwide growing phenomenon, and thanks to the collaboration of the government of Andalusia, we will be able to position the hotel as a casino which supports a number of civic projects. That is because we give a part of the earnings to the state to help fund an extension to the local hospital, for example, or a school, and so on.

The hotel itself will be scaled back in size somewhat, to just 60 rooms, but it will be made more luxurious, and we are focusing especially on the pool area. Our consultants tell us that gamblers are up all night in the casino, and during the day they will want to relax (probably sleep!) by the pool, enjoy a nice meal poolside, and so on. So this part of the property is very important. Our income stream will now be gaming and F&B-based, a big change from before. Our owners are supporting the transformation 100%. We reopen in April 2037.

Alain Thoumi, *GM,
The Geneva Grand, Geneva, Switzerland*

It is amazing how much money we take in from gambling now. We are not, and never have been, a casino hotel, but we've added some exciting in-room gambling options, and they have taken off.

Of course, any guest can go online via his own computer and go to a gaming site on his own. We have no objection to that at all. If they do, we make no money from their activity.

But we also offer a special version of the online gambling sites that everybody is familiar with – but this one is a little different. We have joined an exclusive network of five-star hotels, called Leading Gaming Hotels of the World, which offers hotel guests an in-room gaming service called “Faites Vos Jeux”. This is the chance to



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place bets on a very wide variety of sporting events, and to make bets on virtually anything – but what’s different when compared to the standard online sites is that with “Faites Vos Jeux”, the other gamblers are all guests at an LGHW member hotel somewhere in the world as well.

The idea is that the average profile of a guest at one of these 400+ hotels is a little more experienced, a little more sophisticated, a little more intelligent, and able to play with a little more money than the average punter in the enormous universe of gamblers you will encounter online. They are not betting against an anonymous beer-swilling redneck in a sports bar in Ohio (if you will allow me to characterize the average online player a bit crassly), but instead against an anonymous executive or actor or artist who may be staying in the Presidential Suite at the Royal Palm in Beverly Hills or the Eight Continents in Hong Kong. In other words, guests who play on the in-room “Faites Vos Jeux” system will feel as though they are at the high-stakes table of a world-class casino.

The minimum bet is \$250. The “house” is LGHW itself, and the day’s take is split between LGHW and the member hotels on the basis of the bets actually placed from each hotel. We’ve had the system in place for three years now, long enough to get some interesting analysis fed back to us. On an average day in The Geneva Grand, guests play on the “Faites Vos Jeux” system in 71 of our 280 rooms. They spend an average of 55 minutes on the system. That’s just an average. Amazingly, about 15 out of the 71 guests who do play on a normal day are on the system for more than four hours. The average wager is \$271, which is not much more than the minimum bet. However, the average number of bets is 4.0 per room. Income attributed to the Grand averages \$3,710 a night – about \$1.4 million a year.

Needless to say, we are very happy with this concept!

Elisabete da Silva, *mother of two boys, São Paulo*

I would guess that every kid on the planet is fluent in English by the age of 10 now. Obviously, not Shakespeare English or even the language of a trashy bestseller by Roxanne Pluto or Donald Crump. But children spend so much time exposed to nothing but English – they are playing games all day on their PlayCommandos, watching the latest Galactus Trek movies, and chatting with other *crianças* all over the world. It starts when they are two years old. So they are pretty good at it by the time they are in fourth or fifth grade.

“**Every kid on the planet is fluent in English by the age of 10 now.**”

Philippe Delmas, *Minister of Education, France*

Switching the educational system to English was not an easy decision for us in France [laughs nervously]. But at the end of the day, we had to do it. It was clearly the best thing for the children, and also for the long term competitiveness of France. By the end of the 2020s, a dozen other countries had decided to take this step – Germany, all of Scandinavia, the Netherlands, Switzerland, Poland, the Czech Republic, Brazil... We could simply not dare to be left behind. That would not be the French approach. But you can imagine the resistance to such a change! *Oh la la.*

There is a misconception that the school systems in these countries were simply switched from the old language to English, just like that. But that is not how it happened. *Non, c’est pas possible comme ça!* Not only would that be too traumatic for children (and their parents), but it would also prematurely end the careers of thousands of excellent teachers.

Happily, there already existed a country, quite nearby, that operated a school system in which the children were required to switch languages

at an early age. I am speaking of Switzerland. Two different parts of Switzerland, in fact. You see, if you live in the German-speaking part of that country, you grow up speaking a very harsh dialect of German called Schwyzerdütsch. (*Je m'excuse*, I am probably not pronouncing that correctly. In any event, Schwyzerdütsch is quite different from the German that you learn in school – you could almost say it is a different language, similar to German, but quite different. Like Dutch is similar to German, but another language. That is the language that these children speak at home and with each other on the playground. Yes, yes, I know, they are also speaking English with their online playmates. But in kindergarten, the children and their teachers still speak Schwyzerdütsch, but when they start the first class, everything is in so-called High German, which is to say, the proper German spoken in Germany, and the German that we all learn in school. For these Swiss pupils, it is for all intents and purposes a foreign language. The same thing, only even more dramatic I imagine, happens in the small mountain communities in Switzerland where the native language is Romanche. That is an ancient language rooted in Latin, like French and Italian, but these children must face a switch into German in school as well.

So, looking to how our neighbors achieved this switchover relatively painlessly, we begin to phase English in and French out, at about the same age – five or six. However, as you must surely understand, the French language is very important to us! We would not simply eject it! *Jamais!* French is still the language of instruction, all the way through the system, for courses in the humanities. But the sciences and mathematics, economics, business studies – all in English.

Jean-Jacques Blousseau, *Director General, Ecole hôtelière de Lausanne*

We switched over to all-English in 2025. It was the right thing to do, although it was very hard politically. You have to remember, as the first

hotel school ever established in the world, back in 1893, our language of instruction was French, and it stayed French for more than 100 years. It was in our blood. If you wanted to become a hotelier the Lausanne way, you had to do it in French.

Finally, in the mid-1990s we introduced an English section. Over the next decade, English gradually became as important as French as the language of the school. But let me tell you what that meant. You see, essentially the Ecole hôtelière is two schools in one. There is an academic side – a true university – with professors and libraries and classrooms and all the rest. Next to that, there is an extensive practical school, especially on the culinary side, where we have kitchens and restaurants to teach cooking and service, and so on. When we introduced English as a language of instruction, we had to duplicate all this. Not necessarily physically, as resources like kitchens could be shared, but we had to have two faculties (with some overlap, of course), and we had to develop two curricula – basically everything we did now had to be done twice. We had now become not two schools under one roof, but four! And that was simply not sustainable.

So we decided to drop French ten years ago. We hardly had a choice. It wasn't easy in terms of some of our stakeholders. Many local politicians, for example, were livid. They said we were betraying our local roots. Fine, we didn't depend on them for anything important, but all the same we do belong in the community and should take their opinions into consideration. To placate them (a little), we came up with a "compromise". We continue to offer a couple of special culinary courses in French, but they are not a required part of the curriculum for any of our students. Instead, we opened these courses to the public – and we have always made sure that there are places reserved for the wives and children of the politicians. They love taking these classes. And it's great PR for the school.

Arthur Jameson, *CEO, Hospitality Learning Programs, Inc., Denver*

In the last thirty years, hotel schools have gone through one of the most profound cycles that I have ever seen in the education business. They are hurting right now, but I'm sure the best schools will survive and thrive. The rest... well, I don't know.

Looking at the entire market for hospitality management education, the cycle I'm referring to started back around the year 2000, give or take. Many parts of the world had fairly recently emerged from decades of socialism or some other economic model that had kept them from becoming competitive on the world market, and frankly, "hospitality" wasn't their strong suit anyway. So there had been little demand in these countries for the kinds of training that hotel schools offer.

But around that time, China, Russia and Eastern Europe, to some extent India, as well as large parts of Latin America became more integrated in the world economy, and they got richer and more interested in tourism – and that helped to fuel a boom in hotel schools. In nearly every corner of the world, schools started springing up to train young locals in the management of tourism and hospitality. And bright kids from these countries went abroad to study at the top hotel schools in Switzerland, the Netherlands, the USA and the UK.

“ In five or ten more years, the whole hospitality education field could be down to 3 or 4 mega-schools. ”

At the beginning of the 1990s, there were probably around 3 or 400 hotel schools worldwide. By the year 2010, I think that number had tripled. Mind you, the vast majority of these schools were nowhere near the industry leaders in terms of quality – Cornell, Lausanne, the Hague, Surrey and so on. But they were

extremely successful in their own markets, and the demand for hospitality management was growing so rapidly that if you owned a hotel school, you could simply fill it up if you were even only halfway decent.

The next phase of the cycle kicked in pretty quickly, though, starting around the year 2020. That's when the demographic pinch set in, combined with a classic oversupply situation. For the next 15 years, right up to today, there's been a ruthless consolidation in this business, with the world's top ten or twelve hotel schools – I'm talking about the privately owned institutions, now – buying up second and third-tier schools all over the world and re-establishing themselves as educational conglomerates, with a branded "mother ship" and several feeder schools and sister schools on every continent. You enter one of these schools in, say, Thailand, and after two years of so-called "prep" studies, then you transfer to Switzerland or the UK or wherever these networks have their main campus, and finish there. Each of these ten or twelve hotel school networks has about 30 or 40,000 students in it, studying at one of maybe 15 or 20 schools within the family. And more students are enrolled as MOOC attendees.

It's big business, and those top ten conglomerates are each worth tens of millions of dollars. But a lot of schools didn't survive the consolidation process. What I'm wondering is whether we will see further consolidation as the top ten snap each other up. The first mega-merger already happened last year, and I could imagine in five or ten more years, the whole hospitality education field could be down to 3 or 4 mega-schools, with maybe another hundred or two hundred very local, low-quality, training institutions clamoring to survive in their local markets, but otherwise not really contributing anything to the global hotel talent pool.

Alex Storchenegger, *Retiree, Marrakech, Morocco*

In 2002 my wife and I set up a hotel school here in Marrakech. We hung out a shingle saying that

SOCIETAL CHANGES

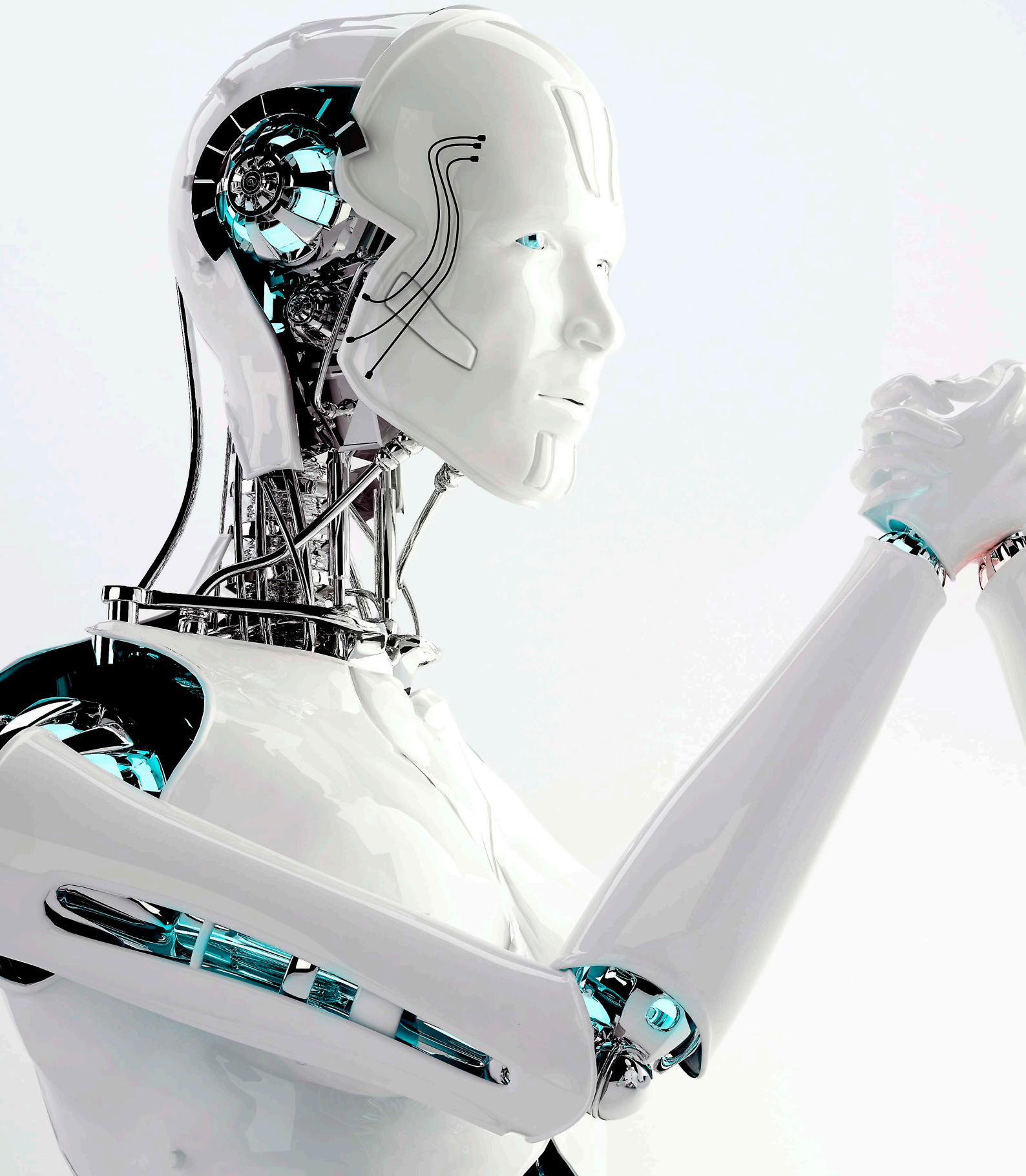
we were a Swiss-style hotel school, we hired eight professors (mostly former colleagues of mine from a hotel chain based in Spain), we printed up a brochure and set up a web site, and then we went recruiting students. We visited about a dozen student fairs in China, Taiwan, Korea, Brazil, and Russia, and we also made presentations at a lot of private boarding schools in Europe where kids from those countries were sent to school. Those five countries were our target markets. We focused only on them.

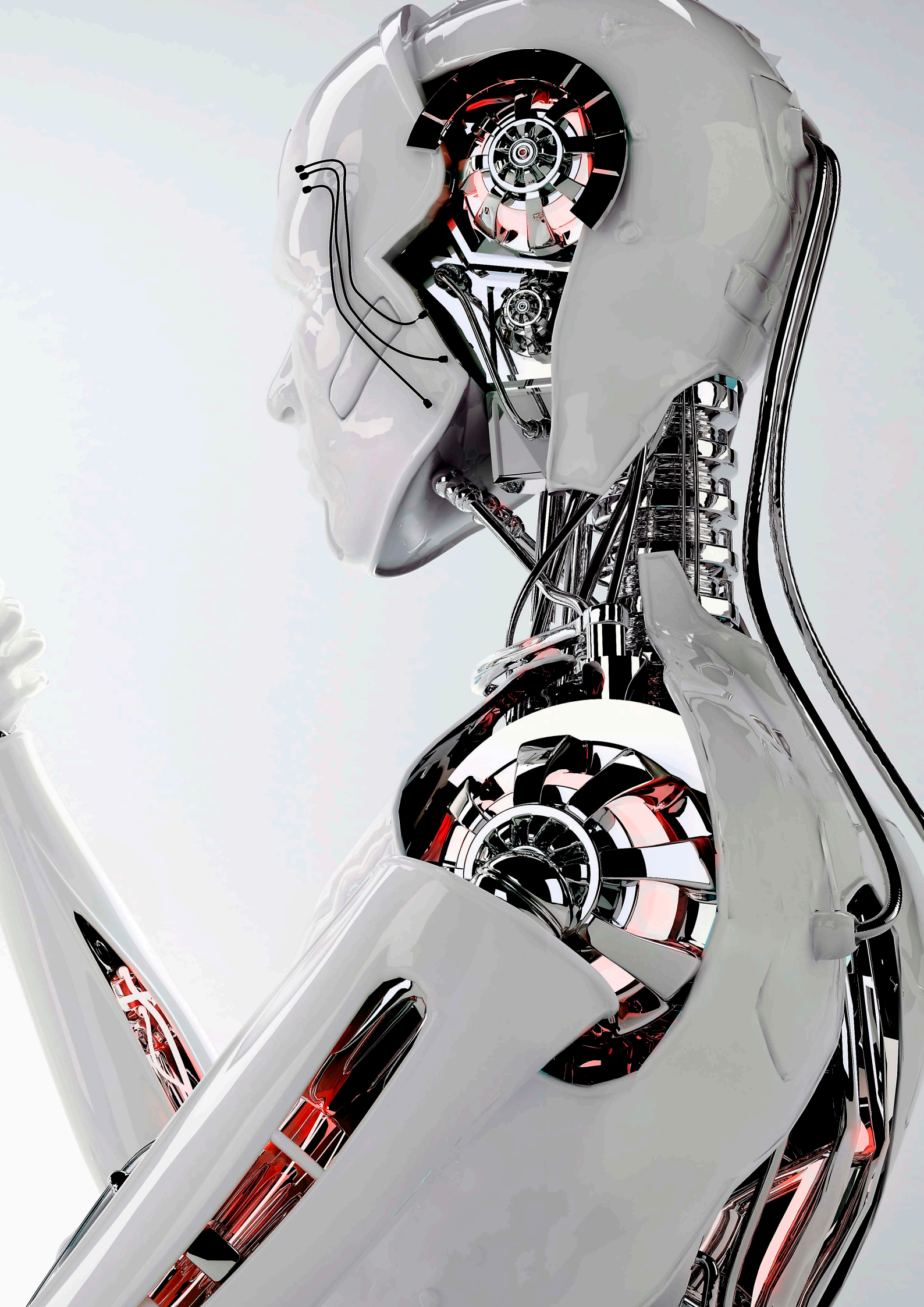
And we filled the school up! We went from 60 students to 400 in a decade, needed to expand the campus twice. And, I'm not ashamed to tell you, we made a lot of money. The tuition fees were high, and so were the dorm rental costs and the meal plan and the books and all the other fees. On the other hand, our costs were low: we had some Moroccan real estate and relatively low-earning staff. We didn't offer any scholarships, so all of the kids (well, by that I mean their parents, of course) were paying the full bill, every semester, up front.

We made a damn good living from that school, Heidi and I. But it all came crashing down in 2030. The number of applications started going soft four or five years before that. We chalked that up to demographics; we knew that our feeder schools in those five countries were also dealing with lower enrollments. Then the shake-out came when the big hotel school groups back in Switzerland and Holland and America went on their shopping spree and started buying up small hotel schools, like ours, left, right and center... but somehow they weren't interested in us. Our "academic standards weren't high enough," one of them told us. Pretty soon, when we were at a student fair, or when we were at one of the boarding schools, we started getting questions from the teachers or parents of prospective students asking if we belonged to one of these "hospitality education super groups", and when we said no, they smiled politely... and we never heard from them again. Applications to the school were down nearly 15% that year, and fell off really dramatically

after that. In 2030 the number of applicants had dropped by 60%. We frantically pitched our school as an acquisition target to all of the big education groups, but none of them showed any interest. Two years ago we closed our doors. Well, we had 32 good years running the place. But there's no demand for hospitality education if you're not in one of those mega-school groups.

TECHNOLOGICAL CHANGES





TECHNOLOGICAL CHANGES

Technology has always been a hugely disruptive factor, not only in the business arena, but certainly also for society as a whole. A technological change (even one that's invisible to consumers) can trigger the rapid demise of a company – or even an entire industry – that is unfortunately still tethered to a product or process that has suddenly become obsolete. But in the wake of this destruction, new and improved products, companies and industries arise. (At least, we all hope they're improved.)

As for this chapter of *The Hotel Yearbook 2036*, I don't have a crystal ball, so it's just as hard for me to predict what kind of technological changes could come about as it is for the next guy. But when you write a book like this one, you have to stick your neck out and come up with something sexy anyway. So be warned: predictions of future technologies usually sound like science fiction. And as everybody knows, there are two kinds of science fiction. Good science fiction is intelligent, prescient, and gloriously provocative. Bad science fiction is cheesy and ridiculous. I will do my best to avoid the second kind.

Thomas Martin, CTO,
Mohring Hospitality Group, Berlin

The most amazing thing on the technological front – and the most difficult thing to deal with as a CEO – is how *fast* things change. It's so hard to keep up – and so bloody expensive. No sooner have you decided on a solution, made the investment and implemented it across the hotels in your company, than something else comes along that's "longer, lower, lovelier" as they used to say. Better, faster, cheaper – that should be a good thing, right? And in theory it is... but it's not such a good thing if it means you have to upgrade every year at enormous expense, or risk being perceived as offering outdated tech to your guests – and falling behind in the back-of-house tech.

We just can't go through that ever year. It costs too much, and our owners won't support it. So I have to make an executive decision every year: where do I choose to fall behind next year?

One day, this is going to cost me my job, I just know it...

James Hepburn, Science & Technology editor,
The Morning Cheerio, London

What technological advances have had the greatest impact on the world in the last twenty years – that did NOT have to do with information technology? Interesting question. In no particular order, my list would include:

The development of a truly efficient electric car battery. There were electric cars before, but I'm talking about the one-charge-a-month car, which the Chinese enabled with their fantastic

“ Something like 70% of the world's cars now run on electricity. ”

advances in battery technology. China had no choice but to develop electric cars. The sheer number of new cars on the road there in the last twenty years meant that Chinese demand for oil would have been sky-high, and the price would have skyrocketed. They had to get off oil in a hurry.

Now, thanks to Chinese battery technology, something like 70% of the world's cars now run on electricity. But that would not have come about solely because of the batteries. It was the simultaneous resurgence of nuclear power as the primary energy source for most of the developed world that also enabled this, so I would name that as a top technological change, too. Nuclear power delivers clean electricity to all these cars, which otherwise would be getting their electricity (mostly) from coal-burning plants. So you could couple these last two points and call the technological change "clean mobility".

The fact that the average human lives about 20 years longer than a generation ago is pretty great. Many different technologies have contributed to this increased longevity, but I'll just mention a couple. First, indirectly, the invention about twenty years ago of "smart soil" containing nano-fertilizers has enabled crops to grow much faster and to be far healthier as food. In some cases, for example citrus fruits and some types of grain, the food that comes from these plants has three or four times the amount of proteins, vitamins, or other nutrients than before. Compared to the year 2000, food costs 50% less and it's better for you – and that

“ Compared to the year 2000, food costs 50% less and it's better for you. ”

Speaking of mobility, I think the Super CX 88 passenger aircraft has been a game changer, with its very large capacity and very long range. It's changed the tourism industry substantially. Initially, I realize, this has mainly benefited only China. But the Chinese are going to start selling these aircraft to foreign airlines soon, and when Boeing and Airbus launch their own super long-hauls, that will completely change the travel business. And when they go electric, as I'm sure they eventually will, you'll have hugely reduced operating costs for the airlines and (I hope) lower fares for us travelers – and that will change the travel business again.

The opening of the Nicaragua Canal. Since it's much wider than the Panama Canal, bigger ships are now being built – truly enormous cruise ships, aircraft carriers, oil and LNG tankers, and so forth. This has spurred the enlargement of various port facilities to accommodate these ships, such as the famous LNG terminals in Qatar that used to determine the maximum size an LNG ship could be. These new ships are not just bigger but also faster than the last generation, and that has had an impact on all kinds of things, from Asian exports to cruise itineraries to military interventions to the price of fuel.

has had an impact on people's health, across the board. The other interesting advance affecting our life spans has been printed organs. It used to be, you had congestive heart problems, or pancreatic cancer, or kidney failure, maybe you waited for a transplant donor, or maybe you simply didn't make it. Now, your doctor orders you a replacement organ and it's simply grown in the lab, with 3D printed elements. Takes just two weeks and costs a fraction of what a transplant used to cost.

There have been some great advances in robotics, too, but not exactly as most of us probably imagined twenty years ago. Back then, people believed that the robots of the future would be somewhat humanoid and would "serve" us in some human-like way, for example as waiters or bank tellers or at the front desk of a hotel. But that never really took off. To be sure, robots do help us, but they're not usually designed to mimic human behavior. Instead, they're mostly built to do things that are hazardous, like fire-fighting, or very precise, like surgery, or repetitive and boring, like grilling cheeseburgers all day. To do these things, however, they don't necessarily need to *look* like fire-fighters or doctors or cooks; instead, they look like machines, but with specialized arms sticking out, or with treads where you'd

expect legs, or a bank of sensors where a “face” might be expected. They’re also built to do things that we humans just physically can’t do, like the swarms of insectobots that the police use for crowd control, or the army uses to do surveillance in war zones. Or the nanobots that

a series of six shots, and half a year later you would be 50 kilos lighter. Medical supervision is necessary, of course – this isn’t an over-the-counter thing, yet. But essentially, the obesity problem that the Western world was facing a generation ago is largely over (no pun intended).

“**You could go to your doctor, get a series of six shots, and half a year later you would be 50 kilos lighter.**”

can be injected into your bloodstream where they autonomously coordinate a micro-laser attack on a tumor. So it’s pretty rare to see a humanoid robot, although they do exist. For example, I went to a concert a couple years ago where a fairly lifelike robot played Piano Concerto No. 3 by Rachmaninoff. It was an excellent performance, but it was all just for show. That was a robot that couldn’t do anything but play the piano, so not really very useful. (Or was it? After all, it managed to earn about £100,000 for its owner that evening....)

I could go on and on, but I’ll just mention two more. First, cost-efficient desalinization. This is getting underway all over the world now, but it’s Israel and California that have led the way. California, for example, used to suffer from debilitating droughts, but now it removes the salt from sea water at four desalinization facilities built at strategic locations on the Pacific coast, and then delivers this water inland by pipeline where it is applied to crops using drop-irrigation techniques, meaning individual plants receive ultra-efficient doses of water. No waste at all. This has boosted the state’s agricultural efficiency by 120% and turned California into the world’s largest exporter of agricultural products. It’s reduced food prices, too.

Lastly, a huge advance that is leading to enormous improvements in quality of life was the discovery a few years ago of the physiological mechanism that triggered obesity, and the development of a pharmacological solution that would actually reverse the process. Starting in 2028, you could go to your doctor, get

That’s taken a huge strain off healthcare systems, and it’s really good for everyone. Sociologists and psychologists have measured an uptick in people’s optimism and positive state of mind – and this, too, has had some impact on the travel business, as happier people like to spend money on themselves, and one way they do that is through travel. The cruise industry in particular has benefited from this. (And I think their food costs are way down, too!)

Jonathan Marshall, *Vice President Asia-Pacific, Meteor Hotels and Resorts, Kuala Lumpur*

I graduated from Lausanne, class of 2000. Imagine that: “Class of 2000” – it sounded so futuristic at the time, as if we were the pioneers of a new age. And at the age of 22 or 23, at the threshold of a new millennium, most of us thought that technology had already made life easy for us. I don’t recall anyone giving a second thought to the idea that everything would change again in the next ten years – and then change again, and then change again. I mean, when we were in school we all had laptops and cell phones and memory sticks and those old MP3 players. But over the next ten or fifteen years, not only did the Internet get bigger and our computers get faster, but totally new things came along like smartphones and iPads, Kindles, the Cloud, iTunes, GPS, Facebook, Twitter, LinkedIn, WhatsApp, Tinder, Spotify, Wikipedia... And of course, Expedia and TripAdvisor, too – and man, have they changed the way the hotel business works!

None of these things seemed particularly huge at the time – well, except for smartphones; that really *did* feel like a revolution: it was so cool “having the Internet in your pants” as the saying went. But without really knowing that it was happening, all these things changed the way we did *everything*. The way we communicated with our friends. The way we read the newspaper and magazines. Or books – the way we *bought* books, too. The way we watched TV. The way we looked up information. The way we planned a trip. The way we got from one place to another in a car. The way we listened to music. The way we learned stuff. The way we met women! [Smiles.] And maybe most important of all, at least from a business perspective, it changed the way we promoted our hotels, the way we communicated with prospective guests and got them interested in us. And from the consumer side, it changed the way they booked a hotel.

“ **Who would have imagined back then that another wave of change would come about?** ”

In spite of all those huge changes, who would have imagined back then that another wave of change would come about? That Facebook and Google would plan your trips for you, or that we’d download hotel promotional holos on our handtops?

I still remember a marketing course back at Lausanne where we learned about printing brochures and writing radio ads! That seems like another era – another *planet*, even. Thinking back on those times, what strikes me now is that communicating with the market used to be something you’d put some effort into in concentrated bursts of energy: It’s August, so I’ve got to start work on designing my Christmas leaflet. It’s March, so it’s time to get our summer program together. And so on – everything had its season, its proper time. But within ten years, marketing became non-stop, never ending. In just ten short years, everything changed. Everything.

Patrick Melton, *VP Digital Strategy, Crosswinds Resorts, Kingston, Jamaica*

Where would we be without our handtops and phones and iPads? Lost, I think. Since 2020, over 95% of our company’s bookings are made from mobile devices. I personally do everything on my handtop: I check flight times, buy a plane ticket, book a car, compare hotels, reserve a room, pay for it all. I also do all my banking, pay my bills, check the markets, make changes in my investment portfolio, order groceries. Last year I used the handtop Christmas shopping robo-advisor to give me ideas for all the presents I needed to buy and help me find the best place to order them. That was cool, almost like talking to a real person. I’ll definitely be doing that again this year.

Last week I applied for (and was approved for!) a car loan on my handtop, so I immediately bought a new insurance policy and uploaded my music library to the new car stereo. It was 74,000 songs, can you believe it? My holos won’t upload; it’s illegal. They were causing too many distracted drivers to have accidents. Too bad.

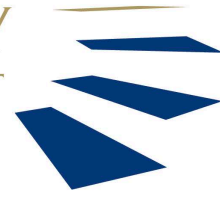
Oh yes: sometimes I use the phone to make a phone call, too. I really should do that more often, seeing how it’s practically free worldwide now. My mother lives in Cape Town and I should really call her more often. She’s not so big on all the new technologies, so calling the old fashioned way is still the best way to reach her. With the rest of my contacts, we mostly just vox each other holos. That costs nothing.

Gunnar Engström, *General Manager and Owner, The Snow Hotel, Umeå, Sweden*

A web site? Heavens, no. We took our last web site down years ago – probably around 2020. There’s no need for a web site – Facebook provides all the promotional exposure we need, and the OTAs do the rest. I don’t know of any hotels that still run their own web site... seems a bit of an antiquated idea to me.

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Andreas Wicksell
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Janet Shane, *Marketing Director, Facebook Hospitality, Singapore*

Worldwide, the number of independent hotels that use their Facebook platform as their principal online presence is about 120,000. We reckon that's about half of all the hotels in the world.

“ **Why would anyone try to run their own online presence?** ”

The 200 or so multi-property brands that are left account for probably 20% of the total, and for the most part they still operate their own web sites – laughable as that sounds. So that leaves another 30% of the world's hotels for us to target as potential new members of FB Hospitality. Just about all of them will still be relying on their own web sites. We're going after them aggressively and hope to sign up another 10,000 hotels in the next three years.

Once a hotel signs up, they get unlimited storage space on our cloud – most hotels use less than 50 terabytes. But much more important for them is that they become part of the family of hotels that Facebook proposes to travelers via FaceTrip. Given that option, why would anyone try to run their own online presence? It just doesn't make any sense. This is the year 2036. It's not 2020 any more.

Prof. Frederick Malcolm, *MIT, Cambridge, Massachusetts*

There was a critically important milestone that the Western world passed around the year 2025 or so. It was predicated on technological progress, but in fact the milestone itself was more a societal rite of passage, not a scientific one:

Imagine it's the year 2015, and you and I get on a plane and as we're buckling up, I lean over to you and say, "You know, this is the most advanced commercial aircraft ever built. There's no pilot; the whole thing is flown by computers. How

great is that? The chance for human error is zero! It's Artificial Intelligence all the way, baby!"

Your reaction to this news would likely have been some mix of mild wonder (say about 10%) and abject fear (90%!) Wonder, because your rational brain is amazed that a computer could be so advanced that it can pilot an airliner, making all the decisions during the flight and landing us safely at an airport on the other side of the world.

Fear, because – well, do you really trust the damn thing? With your life?? Hell, no, you don't. Your irrational brain is very much afraid that something could go wrong. And if it does, that's the end of you. So yes, you are afraid.

In the early days of Artificial Intelligence, this was a common scenario that AI developers grappled with. Theoretically, they knew that AI had hundreds of potential applications, and it would do a fantastic job in all of them – much better than humans with all their messy, confusing thoughts and distractions and decision processes. AI could fly a plane, no problem. You didn't really need a human pilot. It could perform brain surgery, no problem. You didn't really need a human surgeon. It could manage your investment portfolio, no problem. You didn't really need a human stockbroker.

The technology was perfectly adequate, but *psychologically*, people weren't ready to accept this. Sure, they trusted technology – up to a point. But landing a plane full of helpless passengers or operating on your brain (not to mention making financial decisions that could affect your future): those things went well beyond that point. At this level, people were still hesitant to place that much trust in the "hands" of a computer. They were suspicious, even fearful.

But in the early '20s, airlines and doctors and stockbrokerages (just to stick with those three examples) cleverly began to sensitize the public to the use of AI applications, and change the public's perception of AI slowly. They didn't

try to do it all at once. There was never an announcement from the cockpit, “Good morning, ladies and gentlemen, this is your captain speaking. If you see me snoozing in row 34, it’s because I’m not piloting the plane today. This flight is the first-ever flight completely controlled by a computer, from take-off to landing! It’s the wave of the future! Welcome aboard!” Instead, they started out by positioning AI merely as a tool for “helping them make decisions”. The message was that AI was an incredibly smart, super duper *assistant*, but don’t worry: humans were still completely in control.

So in a mere generation, society has gone from mistrust of AI being in control to mistrust of AI *not* being in control. And, as a board member of several AI start-ups and a consultant to two or three of the big boys active in this field, I must say, people’s trust in AI is well placed. It’s absolutely justified. AI has not been accountable for a single plane crash, or a single botched operation, anywhere on earth in the last thirty years, as far as I know. It was always a safe choice. It just needed to be marketed correctly. And – although it took some time – that’s exactly what happened.

“ **The technology was perfectly adequate, but psychologically, people weren’t ready to accept this.** ”

Gradually that message evolved into a slightly different one. Now the airlines et al. were saying “AI is incredibly smart, it’s super duper, and we rely on it to validate our decisions and sometimes make alternative suggestions.” A very subtle, very nuanced change from the previous positioning. The idea being: “We humans will take a look at these so-called ‘suggestions’, and if they’re any good, we may take the computer’s advice. But it will still be us who decides what to do.” (Of course, in reality, AI was calling the shots all along.) From there, AI was positioned a little further along, as the “brains” in the operations – whatever those operations happened to be. And from there, it was a short hop to get people to think of AI as an indispensable decision maker, absolutely necessary to the plane-flying, brain-operating, investment-managing process.

Franklin Booker, *General Manager, The Navigator Hotel, Lisbon*

AI-controlled hotels are a pretty new thing, and I’m struggling to get used to the idea, to tell you the truth. Here in Lisbon, AI not only controls all the physical functions of the building – that’s fine by me – but it also makes a lot of the key business decisions such as pricing, hiring/firing and staffing, allocating the marketing budgets and so on. It designed our web site, and it replies to reviews posted on TripAdvisor. It has developed probably 300 new recipes, which our Executive Chef admits are actually pretty good. It cannot yet clean a room or make a bed – but I’m sure the guys at Group HQ in London are working on that.

Now, here we are in 2036, twenty-one years after that airplane scenario I mentioned a moment ago. This time, as we board the airliner I say to you, “Hmm, interesting thing about this plane: there’s no AI installed. The whole thing is flown by humans.” What’s your reaction now? That’s right: you’re scared to death!

Before coming to the Navigator in 2034, I was the GM of our resort in Phuket for four years. There, we didn’t want AI installed – we felt guests deserved a human touch even when they would have no idea if some behind-the-scenes decision was made by AI or by a living, breathing human being. Personal service was a much, much more important element of our ethos in Thailand, and AI simply felt wrong.

However, my successor as GM didn’t agree, and when she arrived, she installed AI as her first decision. (Maybe also her last, if you get what I mean....)

Sabine Delgado, *author of Red Alert: How the World Wide Web May Kill You*

The Internet of Things was touted as the next great thing about to change our lives... and it did. By the mid-2020's just about everything was online in some way. Your car talked to the road, your refrigerator re-ordered your groceries, your camera automatically e-mailed any photos you took of your kids to their grandmother. It was great – although it has probably contributed to the overall decline of civilization, as we have all just gotten lazier and lazier and let all our stuff think for us. Just kidding! It was of course a boon not to have to worry about all the distracting little things that could be automated. My attitude was: Sit back and let your belonging figure things out for themselves!

The problem was that security wasn't very good on the IoT. Hackers had a field day. I remember one time when my own house was targeted, along with about 50 others in my neighborhood. I think it was a gang of teenagers who had some kind of hackers club, but we never found

eight or ten people got hurt, mostly pedestrians who happened to be in the wrong place at the wrong time. Most of the drivers and the other people inside the cars were protected by air bags if their car actually hit something. But not everybody was so lucky. One car went off the road and into a ravine, and I think that guy was in the hospital for weeks, if I recall correctly. And of course there was a hell of a lot of physical damage when all these cars suddenly crashed into whatever was on their right at that moment – another car, a telephone pole, a tree. But, Jesus, it could have been so much worse.

Within a quarter of an hour, it was all over Facebook, and the evening news led with the story all over the world. Was it just a malicious prank? Then came the hackers' demands. They tried to blackmail Peugeot (or was it the French government? I forget.) saying they would do it again, only worse, if they didn't get some astronomical sum of money transferred to a bank account in the Turks and Caicos. As far as I know they paid up, as there was no repeat

“ ***AI not only controls all the physical functions of the building but it also makes a lot of the key business decisions.*** ”

out. Whoever it was, they turned on everyone's vacuum cleaners at 3 in the morning and sent out the distress signal from all these appliances to the respective repair shops, so the next day, our neighborhood was flooded with vacuum repairmen showing up for no real reason. Harmless fun, I guess. (Probably very annoying to the repairmen.) At least nobody got hurt.

Then in 2021 some serious hacking took place, and things went to a new level. A bunch of very sophisticated hackers managed to hack into a couple hundred Peugeot 3000s within a 25 kilometer radius of Paris. The hackers could literally control the cars from wherever they were – Kiev, Palo Alto, nobody knew. Simultaneously they made every one of these cars slam on the brakes while making a slight turn to the right. Not funny. Not funny at all. Miraculously, only

performance. But the episode scared the hell out of a lot of people. Not only did Peugeot shares take a dive, but so did the stock price of every company in the automotive sector. Sales of Peugeots plummeted, as you can imagine, and around the world, people took their cars into the garage to get them disconnected from the Internet – Peugeot or otherwise. Suddenly, you started looking at your vacuum cleaner and coffee machine in a different way. Could it be hacked, sabotaged in some way that could end up with your house burning down? The police never found the Peugeot hackers.

Lloyd Hoefner, *Senior Editor, The Daily Zap*

Smart appliances, from toasters to cars, have really been a boon. Yes, there was the famous

Peugeot hacking story, ten years ago or so. It was tragic. Two or three people died, if I recall correctly. I think that was the first time in history that the Internet actually killed someone. But some good did come out of it. It woke everybody up to the need for security on even the most mundane things that were connected to the Internet. Security got better, fast.

There was a cost, though. (Aside from the people who lost their lives in the Peugeot hack.) People who already had things in their homes that were connected to the Internet wanted them disconnected, pronto. There was a mad scramble to get this security problem fixed. And it did get done. What we emerged with – a kind of Internet of Things 2.0 – is secure now, and very well thought-out.

“ ***In five or ten more years, the whole hospitality education field could be down to 3 or 4 mega-schools.*** ”

Lawrence Warburton III, *Partner, Dodd Hunter Eversman LLP, Dallas*

Already back in 2018 we were approached by Webcar, a startup company in Austin that was about to launch an onboard Internet-based system that could be installed in any car and it would convert that car into a fully driverless vehicle. It was kind of cruise control on steroids. You could get in your car, punch in your destination, turn on some soothing music, put the seat back and take a nap. The system would cost about eight thousand bucks – if driverless cars were your thing, this was a very affordable way to go.

Webcar’s CEO wanted us to represent them in case of any product liability issues. Our view, we told him, was that if the driver of a conventional car makes an error, runs over some poor schmuck and kills him, the driver is legally liable. But if a driverless car being guided by Webcar

runs over some poor schmuck and kills him, then you are liable.

It was a pretty short meeting. I don’t know what happened to the company. All I know is that just about every company building driverless car prototypes got cold feet when it came time to making and selling them for real. Imagine, you’ve sold 100,000 units and now all these driverless cars are on the road, and you’re liable if any one of them hits something – anything. You’d be very lucky if all it did was bang into somebody’s fender, or run over a cat. But if one of your cars actually killed somebody – it’s all over. A hundred thousand ticking time bombs driving around, each one with the potential to ruin you. Could you sleep at night? Me, I don’t think I could.

Sandra O’Connell, *VP Marketing, Eight Continents Hotels, London*

As hoteliers, we’re in the business of making people feel comfortable. What better way to do that than to know as much as we can about our guests’ preferences, so we can anticipate their individual needs and desires? If we’re successful at gaining this knowledge, we have an opportunity to give the guests what they want, before they even know they want it themselves. We know they want it, and we can act on that!

In 2025, we concluded long-term agreements with Visa, MasterCard, and American Express to share information on each other’s customers. The system we built up around this information is called “CGI” – Comprehensive Guest Information. With CGI, we have a really wide-ranging understanding of the buying habits of our guests, and we can use that information to propose a better experience for them. And not just some generic “better experience”, but one that’s really in line with their personal habits and needs.

Let me give you an example. Say we get a reservation from “John Smith” for 2 nights in our hotel in Turin, Italy. CGI instantly cross-checks

Mr. Smith with the data from Visa, MasterCard, and American Express – we only look at his last five years' purchases – to create what we call a "PGP", a Probable Guest Profile. Of course, we don't go trolling through Mr. Smith's personal purchases ourselves – the system does that automatically, based on carefully calibrated algorithms. Basically it is looking for two things: unique buying patterns, and unusually big purchases.

purchases around the same time that CGI finds interesting: two business class tickets on BA from Liverpool to Heathrow to Barbados (£12,600), and a bill from an all-inclusive resort there (unfortunately not one of ours...) for £21,000.

Within seconds of receiving Mr. Smith's booking, the CGI system spits out a PGP for us that says the following: Mr. Smith is a Man U fan. It's likely

“ ***The system we built up around this information is called ‘CGI’ – Comprehensive Guest Information.*** ”

A “unique buying pattern” is an array of purchases made by the guest, usually over a longer period of time, a year or more, that suggests some kind of distinct socio-psychological profile that we can work with. Not all buying patterns fit into this category, though. If somebody uses his MasterCard to fill up his car at a BP station every two weeks, that definitely creates a pattern, but not a helpful pattern to us. So CGI ignores those kinds of small, everyday purchases that won't distinguish Mr. Smith from millions of other card holders. What it looks for is purchases that will help us develop a likely profile of Mr. Smith.

Let's say his credit card history reveals that in the last 12 months, Mr. Smith has fairly regular purchases from a Manchester United online ticket sales website. And it also reveals that in the last year, he has paid for flights, hotel rooms, restaurant and bar bills easily associated with 2 or 3-day trips to Barcelona, Madrid, Munich, and Amsterdam. CGI's intelligent algorithm cross-references the dates of his trips with the dates of Manchester United's 2035 schedule, and hey! presto, we have a match!

That's an example of pattern recognition. Then the CGI system focuses on the next type of activity that's of interest to us: relatively large purchases. It spots that six months ago, Mr. Smith made a purchase at Asprey, the London jeweler (£6,800), and it finds two more

the reason he is going to Turin is to attend the upcoming match between Man U and Juventus, as the date of his reservation matches the game date. And, happily for us, he is a big spender.

(We actually get much more info than this, but I just want to give you a simple example.)

The PGP is sent immediately to the GM of the hotel, and his or her responsibility is to act on it if possible. Each hotel will handle things a little differently, with its own team structure for making things happen. But what's great is that we have a lot of leeway to decide what to do, and how much effort (and possibly, money) to invest in these personalized actions.

So what can the GM of the Eight Continents in Turin do with this information? Lots of things. Already ahead of his visit, we can contact Mr. Smith and propose a limo transfer from the hotel to the stadium and back. We could deck his room out in Man U colors (subtly, of course). We could tap into our network in Turin and perhaps offer him access to the press box during the game, or upgrade his seat. If Man U wins the game, we could text him to propose a celebratory drink in the hotel bar with other Man U fans staying in the hotel – and maybe our bartender could concoct a special Man U cocktail for the event. As a special celebratory treat, the hotel could propose arranging a special test drive the next day of Alfa-Romeo's

newest 2037 model Spider at the Fiat test track. (And if Man U loses, we could text him a proposal for a consolation drink at the bar... and suggest the Alfa-Romeo test drive to take his mind off the loss.) The main thing is, the CGI system has told us that he is a person who is willing to spend money, and it's also given us a "hook" – his likely status as a fan of Manchester United – that we can use to propose ways for him to spend that money at our hotel – ideas that are all in line with his interest.

Everybody wins! The guest gets Manchester United-related offers – and without ever having to tell us he wants them. He's delighted. He's surprised. He's amazed. And us? We enjoy a greater share of his wallet. It just takes a little imagination... but honestly, within a few months of working with PGPs, the hotels have seen some profiles over and over and know how to leap into action based on a catalogue of suggestions they've developed. I mean seriously, do you think John Smith is the only Eight Continents customer we've ever encountered who is a Man U fan with some disposable income? Get serious!

Bob Allen, CEO,

Balimar Resorts International, San Diego

In the hotel industry, technology changed everything in the last 30 years. Just look at the OTAs and all the stuff that has been happening online.

But those online changes mainly affected the relationship between the hotel and the customer. There was another area where technology played as big a role, only it was less visible – and it had a different impact, because it affected the relationship between the hotel managers and the owners.

I'm talking about "smart buildings". We saved a ton of money by turning to smart technologies when building a new property, and that has made our owners very happy.

But owners can be funny. We really had a hard time to convince them first that the investment would be worth it.

Joachim Hasler, CTO, Nordseehotels, Hamburg

About two thirds of our hotels are "smart wall"-equipped. We're building four new hotels at the moment, and all of them will be outfitted with smart walls. In terms of weight, energy efficiency, maintenance, fire resistance, and durability, they are far superior to conventional building materials, and fully modular so we can put up a hotel in record time. Made in China, very good for the construction budget.

“ **The average guest converts the wall to an Internet screen within 10 minutes of checking in.** ”

So we love the cost aspect. But what our guests like best, of course, is the interior surface, which converts the entire wall (or any part of it that the guest wants) into a transparent one-way window or a screen. Every day at noon, the wall sends us a report so we can see how it's been used in the past 24 hours – for privacy reasons, we can't track individual Internet, video or holo content that the guest has called up, but we can see for example, if the wall was used as a window, as a movie screen, as an Internet screen, etc. We've found that the average guest converts the wall to an Internet screen within 10 minutes of checking in, changes it to a movie screen for two hours later in the evening, and into a window in the morning, almost always with augmented reality functions, and with a screen-within-a-screen open for holo news.

One consequence of this that we didn't expect was the explosion of room service orders. We're used to it now, but it really took us by surprise at first.

Enrico Rapace, *CTO, Cornflower Hotels, Toronto*

It has been over ten years now that our guests use their cell phones as “smart keys” in all our hotels. Already when they reserve, we send the room “key” to their phone. It is valid only for the specific room number and only for the dates of the reservation. There is no need for the guest to check in – after security check, he or she can just go right up to the room, open it by showing the key code on his phone’s screen to the reader next to the room door, and enter. If the room will not be ready at the normal check-in time, the room itself sends the guest a notification saying when it will be ready and inviting him or her to the bar for a complimentary drink while waiting.

Inside the room, the smart key activates the electricity, opens the minibar, and serves as the thermostat/regulator for the heating and air conditioning.

Have we ever had a guest who didn’t have a cell phone? Hmm, let me think. Not during my time with the company. The last guest I know of who didn’t have a cell phone must have been back in the middle 2020s. His name was Herman Something or Other, so ever since then we refer – in a very kind way, of course – to any guest who is technologically a little behind the times as a “Herman”.

Jacques Spengler, *CTO, Hymatt Hotels & Resorts, Paris*

Of all the smart devices we have installed in our 250 hotels, the one I am most impressed with is the “smart carpet”. It senses dust and allergens that settle onto the carpet from the air, and eliminates them automatically by releasing a specially designed nano-compound that bonds with these harmful or annoying micro-particles at the molecular level, converting them chemically into the same acrylic material as the carpet itself. Thus the carpet actually *grows* as the year goes by! After just six months, it is noticeably more plush and luxurious than before. And no more vacuuming, as it is totally self-cleaning.

Raj Mahindra, *CTO, Shiva Resorts, Mumbai*

We are a yoga-focused hotel chain operating 47 four and five-star luxury wellness resorts encircling the Indian Ocean, from South Africa and Madagascar to Zanzibar, Oman, India (of course), around to Thailand, Malaysia, Bali and Perth. All our rooms are outfitted with “smart floors”. In a typical room, the floor consists of about 10,000 individual “intelligent micro-tiles”, each one a veritable sensor that responds to the footfalls of the guest walking above. The smart floor not only detects the guest’s motion, but can even determine the brand and model of the shoes that the guest is wearing! (That is not very useful to us – I only wanted to mention it to demonstrate how sensitive the floor is.)

“**The floor consists of about 10,000 individual intelligent micro-tiles.**”

What the smart floor does is to transmit the footfall information to a high-tech yoga center in the hotel’s wellness compound, which can then analyze the guest’s sense of balance, level of fatigue, pre- and post-yoga gait, and even how the person may be responding to special rehabilitation efforts, for example. At the end of their stay, we can provide the guest with a comprehensive before/after dossier documenting how their health, which is manifested by even small changes in their gait, has improved during their stay.

Ursula Schönmann, *CTO, Schweizerhof Properties, Zug, Switzerland*

We installed “smart beds” in all our hotels three years ago. They’ve been a big success – we believe about 25% of all bookings made by new customers come from people who specifically want to try out the smart bed, because it’s been such a great PR builder for us.

What does a smart bed do? First, it auto-adjusts the mattress’ softness or support throughout the night, based on your sleeping position,

and on the way the bed's sensors detect your heart rate, respiration rate and levels of muscle stress. Then as the bed identifies that you are falling asleep, it gently increases the oxygen level through the pillows and begins to emit a quiet high-frequency hum which improves the quality of sleep as well. Many guests tell us that they have never had such vivid dreams as on a Schweizerhof bed!

In the morning the smart bed wakes you up by emitting another gentle sound, this time a low-frequency hum which is barely registered consciously until the volume slowly comes up. It is the most pleasant way to wake up imaginable – you feel refreshed and ready to face the day!

Lastly, the smart bed sends a report to your phone on your sleep quality. It will give you a full account of the night: how long you were asleep, how frequently you moved or changed position, the length and timing of each REM phase, any instances of apnea, and something many guests find amusing – a snore report. You can track these data and compare with other times you've slept at a Schweizerhof, so you can see how the hotel is contributing to the steady improvement of your sleep quality! I'm not a marketing person, but I'm telling you, our smart beds are the best PR tool for our hotels I've ever seen.

Randall Overton, CTO,

Presidential Suite Hotels, White Plains, New York

We operate 35 extended stay properties located across North America, 26 in China, 10 in Brazil, 9, in Australia, 8 in Siberia, 2 in Greenland, and 1 in Antarctica – the only hotel on the entire continent. Most of our hotels are located near a major construction or civil engineering project, and over half the guests are engineers or project specialists of some kind working on the project for anywhere from a few days to a few months. Our average guest stays 22 days, but as you can imagine, many are with us for three or four months, some even longer.

We installed "smart closets" in all our hotels a few years back – a very good move, in spite of the fact that many of our owners weren't in

favor because of the expense. They thought a "smart closet" arranged the guest's clothes, or shined his shoes, or something extravagant but essentially pointless. No, a smart closet does not arrange the guest's clothes – but it does analyze them. Or to be more exact, it analyzes the dust and smoke and other "pollutants" that the clothes have picked up in the outside environment while being worn.

Let's say you come back from a day at the construction site and you change clothes, as you want to get out of your work clothes and put on something more comfortable for the evening. When you hang your clothes in the smart closet, its sensors detect all the stray molecules of smog and grime that have managed to impregnate it, and they do a spot analysis and send you a report. You'd be amazed at some of the toxins these guys spend the day "wearing".

Christine Powers, CTO,

*Perkins Town and Country Inns,
Nashville, Tennessee*

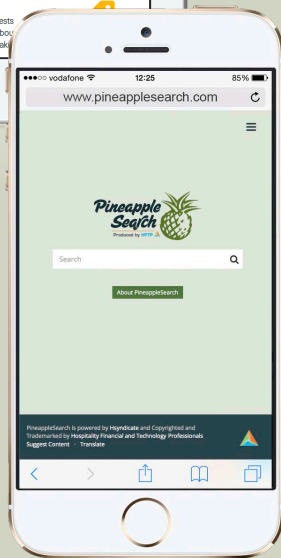
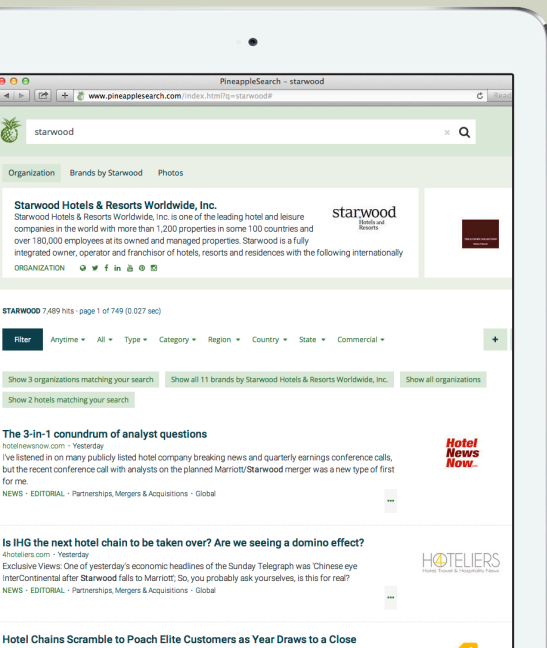
In 2031 we installed "smart showers" in all our hotels, about 30,000 showers altogether. They're great. They've really cut our total water bill. Basically, the smart shower adjusts the water flow to what the guest is doing in the shower. It has sensors that know if the guest is lathering up her hair with shampoo, for example, so it reduces the water flow until she is standing back under the shower head to rinse. It knows when you need lots of water and when you don't.

“ **Multiply that times 8 million showers a year across our chain. That is a lot of water. ”**

Really ingenious. It sends a daily water usage report to our head of operations, aggregating the data for all the installed units across the entire chain. Compared to before, we are saving over 3 gallons of water per shower. Multiply that times 8 million showers a year across our chain. That is a lot of water. And a lot of money!

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Roberto Martinez, *CTO,*
Las Casitas Hotels and Resorts,
San Juan, Puerto Rico

At our hotels we recently installed “smart toilets”. They’re great, but if you don’t mind, I’d prefer not to go into the details about what they do. What do you mean, do they send me a report? Hell, no. Why would I want them to do that?

Ron Hazelton, *Chairman of the Board,*
Iconic Holdings, Sydney

By the 2020s we saw that the technology you needed in a hotel was so complicated that no GM was ever going to understand it. I was a GM not long before the 2020s, and I completely agree that was true. So we split the company into two camps, the tech specialists and the hoteliers, i.e. the people who actually look after guests. Actually, three, because we also have the financial guys at HQ. This isn’t anything new; these three categories of managers have always existed, but we formally split the company along these lines, and when we hire somebody, it’s either to be a hotelier, a techie or a banker. We don’t expect anybody to master the other areas, and your chances of being promoted from one silo to another are virtually nil.

Francis O’Donohue, *CTO,*
Radical Hotels, Amsterdam

Ten years ago we installed ZoomShelf in five of our properties, as a test. It seemed like a great idea, but I was a little leery about giving up control over the order process for all of those products we use in the two departments we chose to pilot the project, Housekeeping and Maintenance.

It’s actually very simple. First, you install the smart shelves, and you punch in your desired “reorder levels” of all the products in your inventory. Then whenever anyone uses some of that product, and the level goes down – the sensors are always keeping an eye on it – and bingo! when the level hits the pre-set minimum, it triggers the reorder process.

Now this is the part I really liked: ZoomShelf doesn’t just reorder the stuff. No, it sends out an e-request for prices to the seven or eight suppliers we designated for each item – and the bloody thing gets them all bidding against each other! Bloody marvelous! The suppliers all key in their best price, and the shelf chooses the best offer and places the order. Back in those early days, the delivery would come in the usual way, but nowadays it’s usually by drone, straight in the drone window and onto the receiving shelf.

Well, our pilot program was so good we extended to the rest of the properties within a year. Three years ago we introduced it into F&B, but there you want to have a little more subjective eye on what you’re ordering. The Executive Chefs and F&B directors tell me that, anyway.

Eva Nordström, *former Operations Director,*
Radical Hotel Uppsala

I was the person in charge of implementing the ZoomShelf installation in Uppsala. That was a long time ago, I guess nine or ten years or so. ZoomShelf’s a great service, don’t get me wrong. I don’t blame them for what happened to me.

You see, what I discovered was that ZoomShelf allowed you to filter your suppliers according to all kinds of criteria. So I simply made sure that the only suppliers that ZoomShelf would consider buying from for us in Uppsala were companies that manufactured their products in line with socially responsible methods. I still think today that that is the right thing to do. But in our case, it actually increased our costs instead of reducing them. When Mr. O’Donohue found out, he fired me.

Mark Sherrold, *Chief Technology Officer,*
Hilford Hotels International, Chicago

I’m proud to say that our company was the first to implement RASHTM throughout all of our 2,000 hotels worldwide. With RASHTM – which by the way stands for Recognition And Seamless Handling – every member of our

staff at every hotel can instantly recognize any guest, greet him or her by name, and receive what we call UPIATM, i.e. Up-Selling Ideas and Advice, all in real time, while having what we call a FULPERCONTM with the guest – a “fully personalized conversation”.

It works like this. Anyone walking into the hotel is instantly captured by our 3D Facial Detection and Recognition cameras and software (FDRTM). The person’s face is instantaneously checked against all the 271.2 million faces currently in our Big Database called FACESTM (this stands for FAcE-CEntric SortingTM) and he or she will automatically be classified into one of the following four categories:

In the first category, he or she is recognized as a guest who has already checked in. The front desk doesn’t need to do anything specific, but from that moment, the guest will now show up in the HilfordSpecsTM of all the employees as “checked in and on property”.

In the second category, he or she is recognized as a guest who has a reservation but hasn’t checked in yet. In that case, his or her photo, name, online pre-registration information, and credit card details automatically come up on the screens of the front desk staff and on the tablet of the Reception RoamersTM on duty in the lobby – those are our staff members who can approach you and check you in on their tablets. The bell captain also gets the data and he assigns a porter to run out and assist.

The third category is people who are in the FACESTM database – so we know who they are – but they are apparently not staying with us, as they have not checked in and have no pending reservation. Again, this person’s face is sent to everybody’s HilfordSpecsTM so the staff knows it is “not guest, on property” but will recognize them nevertheless and be able to greet them by name when they encounter them anywhere on the property. That’s fantastic in the restaurants, for example. And I hear from the bartenders that calling out supposedly perfect strangers by name has increased their

tips exponentially.

The fourth category is basically everyone else, i.e. people not yet known by FACESTM – almost certain to be people who have not yet been in one of our hotels. If you have ever entered a Hilford, however, anywhere on the planet, your face has been captured, and usually within 24 hours we are able to attach name, address, occupation, and some other key data to the face. This info is supplied by a special agency we work with. Yes, that’s right, the one founded by Edward Snowden. It’s amazingly thorough. They guarantee 99.999% accuracy. Where their information comes from, I don’t want to know. Facebook, I think. [Nervous chuckle.] Anyway, once a new face file has been completed with name and so forth, it’s transferred into the FACESTM database to be recognized the next time that person enters the hotel.

Has it ever happened that the system gets someone wrong? I suppose it must. We have two thousand hotels, accounting for about 35 million room-nights a year. If you do the math, even with 99.999% accuracy, then a few people are going to get misidentified. It still has trouble with identical twins, for example. And apparently a man came into the Hilford in Buenos Aires last year who was identified as Michael Jackson – remember him? Bizarre.

Jane Crichton, *General Manager,
Park Lane Hilford, London*

Our hotel is the largest hotel in the UK and the third largest in the entire Hilford group. The number of people walking in our door every day is something like 40,000, when you include all the conference attendees and other visitors –

“ ***There’s no time to lose, we have to pounce, now.*** ”

and when you consider that the same person may exit and re-enter the hotel several times a day. That’s a lot of faces to keep track of. The RASHTM system is a godsend. It knows which

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people are our customers, who we need to focus on, and conversely, who we don't.

It also tells us *how* we should focus on them, so we can maximize guest revenue. That's the best part. For example, when a guest is checking in, we can see on our screens that we successfully upsold him to a suite five weeks ago at the Hilford in New York, and again three weeks ago in Paris. In New York, he bought 400 dollars worth of spa treatments, and in Paris, even though he was only there one night, he dined in our Cinq Planètes restaurant with five other people, and the bill for their dinner was over \$4000 and included six bottles of Château Lafite Rothschild 2019. So we know he's a spender, and we have a pretty good idea what he's likely to spend money on. Now we see he's going to stay with us, but for one night only – so there's no time to lose, we have to pounce, now. We upgrade him for free, offer him a complimentary spa treatment and offer to book him in our fine dining restaurant, which happens to have the finest wine list in London. He agrees and asks for a booking for four. Did I just increase revenues from this guest? Absolutely.

Or let's say I'm walking down the corridor on the fifth floor and see a guest walking toward me. In the days before we had our HilfordSpecs™, I was limited to a cheery "Nice morning!" or, if I was lucky and already knew his name, I could possibly stop and engage him in a moment of chit-chat. Now, with my specs on, his face is recognized by FACESTM and I can see an augmented reality overlay next to his face that tells me his name, how long he's already been at the hotel, how much longer he's staying, and what his buying profile is as a Hilford guest. Ah, I see that his name is Ernesto Dos Santos, he's Brazilian, he hasn't taken any meals in the hotel except breakfast, but he has signed up each of the last three days for the morning run in Hyde Park: he's a jogger. Now I've got something to talk about. "Good morning, Mr. Dos Santos!" I can say. "How are you enjoying our British weather? By the way, if you're missing a good caipirinha, our barman won an award for his special recipe last year – you should stop in and

try one this evening!" And then I can ask if he knew that Hilford guests get a 20% discount on running shoes at Selfridges. Did I just maximize revenues from this guest? Probably not on this visit, but hopefully I've made him feel a little warmer and fuzzier about Hilford – and he'll be back.

Anthony Jespersen, *investment banker, New York*

I like Hilford hotels. Excellent locations for the trips I need to take a few times a year. Pretty competitive corporate rate for our company. The service is good. The food is good. The atmosphere is nice. They're great. Really. But God, do I ever detest that fake personal greeting all the time. You walk through the hotel and everyone is wearing those creepy glasses, and they look at you with a weird smile, and it's "Good morning, Mr. Jespersen!" "Welcome back, Mr. Jespersen!" "Have you had a good day, Mr. Jespersen?" "Sunny and 25 degrees

“**You walk through the hotel and everyone is wearing those creepy glasses.**”

today, Mr. Jespersen!" "Your Darjeeling tea, Mr. Jespersen!" "You look like you *could* use a gin and tonic, Mr. Jespersen!" Yes, yes I certainly could use a gin and tonic. You're driving me to drink! Sometimes I want to scream at them all to just effing leave me alone! Can't I enjoy a little privacy? I swear, the next time I go to London I'm half tempted to stay in a hotel where nobody knows me from Adam.

Jonathan Harper, *VP Digital Marketing, High Caribbean Hotels and Resorts, Grand Cayman*

For years, TripAdvisor has been the absolute bane of hoteliers. Yes, some of the complaints people post are legitimate, and I'm grateful that guests call our attention to things that need fixing. But TripAdvisor, Yelp and all the rest have given people a platform that they can use

to blackmail us: “My steak was undercooked, and there was a spider on my balcony. These were big problems for me and my wife, and I’m going to post that you were very unhelpful about resolving these issues unless you comp me five nights at your resort in Barbados.” Given our network of eleven properties throughout the Caribbean, we have to respond to 20 or 30 extortion attempts like this every day!

“ ***She threatened to write about the noisy rooms on TripAdvisor if we didn’t refund her money.*** ”

That is why I was especially happy to sign us up to GuestAdvisor as soon as it was launched eight or nine years ago. It basically turns the tables and allows hotels to post reviews and ratings of their guests. Some people are outraged by this, but I say: fair is fair. We use it to rate guests positively and negatively. When we give someone a negative review, we’re very careful to check our facts, and never post any information that isn’t 100% verified. A negative review warns other hotels that a particular guest may be dishonest, for example, or may just be a nasty human being, and you’d be better off without them around. Here, let me read you a couple postings from today. This first one was made by our GM in Aruba:

“We have welcomed Mr. & Mrs. McArthur several times to our property over the years, and it is always a pleasure to see them. They are friendly and polite to our staff, and tip generously when we provide that little extra something. We’ve never had any problems with them as customers and recommend them highly as just the kind of guests any hotel would be lucky to have. 5 stars!”

But here’s another one, from our property in Saint Lucia:

“On the second day of her stay, Ms. Pyle complained that she had not been able to sleep

because the tree frogs outside her room made too much noise. We offered to change her room but told her that the frogs could be heard just about everywhere at the resort, and they were part of the charm of the island! The next day, she threatened to write about the noisy rooms on TripAdvisor if we didn’t refund her money. We provided her with ear plugs and even proposed buying her some over-the-counter sleeping pills, but she insisted that what she wanted was not, evidently, a quieter room but her money back (although she would continue to stay with us, imagine that). When we explained that this would not be possible, she took a new tack of complaining very loudly about the food at each meal, and haranguing staff members about supposedly poor service, slow waiters, ‘watered-down drinks’, etc. When she checked out, all the towels were missing from her room, as was the alarm clock and an alabaster soap dish. A few days later she wrote a letter complaining about the GM to the CEO of our company. We rate her as a 1 star: DO NOT LODGE.”

So now, when we get a request for a reservation, we check the name against the GuestAdvisor database. We have to pay for this service but, believe me, it’s worth it. If you have a 1 or 2-star rating, you will not be staying with us!

Mandy Pyle, *Holo Producer,*
Los Angeles

Who the hell do these people think they are?? Thanks to these assholes blacklisting me, I can’t get a hotel room anywhere in the Caribbean. I ought to sue!

Mark Hemenway, *CEO,*
Green Arrow Brand Development Agency, New York

I’ve been studying Google since the year 2000 – more than half my life. They are kind of an obsession of mine: a company that keeps finding fantastic ways to extend its extremely powerful brand into new business areas.

Our agency helped Google launch its OTA in 2019 as part of “Google Trip”. It became an

instant force in the market, signing up hotels by saying to them, “If you join Google Trip, we’ll make sure that when somebody does a Google search for a hotel in your city, you are going to come up first”. That’s how they got their first sign-ups. Of course, if you have more than one hotel in a market participating, they can’t all

About 30% of trips were booked this way, completely chosen for you by Google from start to finish. The Uber car picking you up at your apartment and taking you to LaGuardia – booked. Your business class ticket on the afternoon Delta flight to Denver – booked. The aisle seat you always prefer – booked. Your Uber car pickup in

“ ***The more you used Google Trip, the more they knew about you, and the better their proposals got for your next trip.*** ”

come up first. So Google Trip got around that promise by giving users a number of options they had to choose up front – price range, location, user ratings, number of stars, etc. – and then it was fairly easy for Google Trip to zero in on one top choice that met all the criteria.

What Google had that other OTAs didn’t was a vast e-mail network that it owned, Gmail. Thanks to Gmail user profile info that already existed on millions of people, Google Trip had a slew of personal data about its users that they had willingly given to Google previously. So Google already had your credit card data on file, it knew a lot of your travel history and preferences, it had your membership information in various loyalty clubs – which was more important back then – and frequent flyer programs.

So you could basically ask Google Trip to propose all the details for a trip you want to take, for example you’d enter simply: “New York to Denver, leaving April 14th, 2020, returning April 18th, 2020” – and your whole trip, from flight to hotel, even including ground transport options such as Uber, would come up on the screen, everything based on your own usual preferences. For each element of the journey, all you had to do was click “Choose” or “See further options”. Or, for the lazy (or already contented) folks who didn’t want to bother with further options, right up at the top of the page, and at the bottom as well, was the button “Book it”. I.e. no changes, just “Thank you very much, Google Trip, you’re wonderful, you got everything right, go ahead and book the whole damn thing.”

Denver – booked. Your Deluxe Executive room at the Four Seasons – booked. Your dinner reservation - booked. Google Trip has charged your credit card, sent you a confirmation email, and all the details of your trip are in the Cloud, on your smartphone’s calendar and in your iPod. And the more you used Google Trip, the more they knew about you, and the better their proposals got for your next trip. It was amazing.

Donna McCray, *orthodontist and member of a consortium of hotel owners, Winnetka, Illinois*

I told my partners: I’d much rather come up Number 1 in a Google search than own a Hilford franchise. They all agreed.

Jim W. Cross, *European Sales Director, GMX Pharmaceuticals PLC, Belfast, Northern Ireland*

I’m on the road about one week out of four, visiting our subsidiaries and hospitals all over Europe. Last year I stayed in 81 different hotels. All but ten of them I’d never stayed in before.

What I really like about the way Facebook – of course I mean FaceTrip – handles the arrangements for me is that I don’t have to do anything myself; FaceTrip looks at my e-mails, figures out where I’m likely to be going and when, puts together a travel package and asks if I want to book it. It will be based on the airlines I fly with, the kind of hotels I like to stay at (and are close to where I’m going) – everything I like. It does my thinking for me.

I was talking to my dad at Christmas and he was telling me about how, back in the eighties, he had a secretary at his company who would spend hours doing what FaceTrip does without even being asked. Mrs. Higginbotham was her name. She was apparently a super fast typist, he said. I wonder how someone like that would survive today...

Matthias Bieler, *CEO and co-founder, Green Ocean Hotels, Munich*

Green Ocean is one of the most successful new hotel companies of the last fifteen years. We've opened 85 hotels worldwide and are the preferred brand of travelers under age 35, hands down.

Back in 2021, when my two co-founders and I decided to start up a hotel company, we wanted to build up a lifestyle brand, something truly exciting – the kind of hotel where we would want to stay ourselves. We were in our late twenties, had graduated from a good hotel school in Switzerland, and we each had a few

“ We didn't just want our guests to stay with us; we wanted our guests to worship us. ”

years of experience in the big chains, enough to know that we found them pretty boring. We wanted to start a hotel that would be more than just a hotel – it needed to be part-hotel, part-club, or secret society, or fraternity. Or cult. Or even church. Something that had a unique culture and an enthusiastic following. You see, we didn't just want our guests to stay with us; we wanted our guests to worship us. [Laughs.] Well, not worship us, the founders: I mean we wanted them to worship the hotel, the concept, the club they would be joining. There didn't seem to be anything like that in the hotel world.

So we brainstormed about how to make this kind of hotel-cum-cult work, and we looked around at a lot of companies that, in our opinion, managed to get some of this vision right. Not

necessarily hotel companies, but companies active in all kinds of fields. Finally, the company that we felt came closest to what we wanted our brand to convey was... Red Bull.

So we spent six months studying Red Bull in depth, and you know what we found out? Red Bull is not really a sweet fizzy drink company. It's actually an enormous media company and cultural revolutionary that just happens to make an energy drink, practically on the side. In terms of nuts and bolts, what Red Bull does better than anybody else is develop content – video, holo, photos, events, music, exciting stories, stars, personalities – and then they publish it, through all kinds of channels, some owned by them, some owned by others. So Red Bull's a publisher, a media pool, a record label, an enormous photo archive, a TV network, an events company, a video and holo production company, and of course it's also a sponsor and organizer of some of the most exciting sports and lifestyle events around the world. They are an amazing media empire, and I wouldn't be surprised if they made more money off their publishing and events than they do from selling Red Bull.

We came to the conclusion that what Red Bull mainly does is create and disseminate an image of an ultra-exciting, high-energy, extreme-sport culture that you can't help noticing and being intrigued by and pulled into. You're amazed, you want to be a part of it... or at least follow Red Bull events, because they're so edgy, so captivating, so unbelievably exciting. And ultimately, that affinity to the brand and what it stands for entices you to buy their energy drink, not just because it's good but also as a badge, an identifier. It says, "I'm part of the Red Bull crowd."

So in 2021 we set out to be the "Red Bull of the hotel world". What would that mean? First of all, it meant that we had to run a hotel, but we had to do much, much more than "just" run a hotel. On top of the hotel, we needed to be the very best at content development and marketing. This content would not be about the hotel per se, but it would feature the hotel – as

a backdrop, but especially as the place that radiates all the energy that you would feel in our content. Nobody in the hotel business was thinking like this, as far as we were aware.

What should be the focus of all this content, though? It had to be as exciting in its own way as Red Bull's extreme sports content. After a lot of thought and a lot of arguments back and forth, we came up with an idea we thought would work: fashion. Fashion was, in its own way, a world that offered as much as Red Bull's world of sports: the hotel could be the setting for fashion shows, events and photo shoots year-round; it was a world that had its own stars (models, designers, and photographers) – also wannabe stars; it was a world of beauty and style that would lend our hotels an air of glamour; it was international; there were plenty of co-branding and sponsorship opportunities – and of course, best of all, it was all very visual, very conducive to creating high-quality content that the world would clamor for. Oh yes: one more thing. Every year it all changed! It was a very good choice.

With fashion in mind, the location of our first couple of hotels was critical. They needed to be visually interesting, not too hard to get to for the fashion industry players, full of life, full of energy. And as we were not trying to cater to the fashion industry exclusively, but merely be part of its vibe, they needed to be in locations that other people liked traveling to for reasons completely unrelated to fashion. We decided on Milan and Mallorca for our first two projects.

I won't retell the whole story here, as it's been written up dozens of times in the media. But basically we were successful in getting our initial funding because we were able to sell our investors on the concept of marrying two "businesses" that were mutually synergistic but had to be managed by separate teams of experts, and which would generate different streams of income. First, of course, were the hotels. They were to be beautiful and sleek in design, set in a hot location, and they had to give off a cool but friendly aura. And they were

not meant to be super expensive. That part of the concept needed a great hotel management team that understood our concept and made it "live". Second, but equally important, was the company's technology/media concept: it would be active creating content non-stop – in social

“ ***We decided on Milan and Mallorca for our first two projects.*** ”

media, blogs, vlogs, holoblogs, music, film... all the visual media, and all the fashion media would come to us for content. We hoped we might spawn an actual Internet star or two (and we did: Indira Singh and Giovanna Lentini were huge within a year). Our library would become the world's top reference archive for material that media worldwide could use, for a fee.

It's worked out beautifully, as I said. Green Ocean has small, architecturally fascinating hotels in 85 beautiful (or edgy) spots on the planet, and they attract guests who are either part of the fashion scene or who love its vibe and know that they're going to feel this energy when they stay with us. Our hotels have been used for something like 7,000 fashion shoots over the last fifteen years, and the positioning of Green Ocean has been so successful in this business that if you say "I'm staying at the Green Ocean", people automatically think you're involved in some way with a high-profile fashion event, or you're a photographer or designer or buyer... or a model! And yet 75% of our guests are not in the fashion business – they just want to bask in its glow.

None of this would have been possible without our relentless focus on exploiting online communication channels through our media business, The Big Green Ocean, Inc., now based in New York. As I described Red Bull earlier, we are kind of like a media empire that runs a hotel chain on the side. In terms of human resources, though, Green Ocean Hotels employs about 12,000 people, and The Big Green Ocean has a staff of 200. But those 200 work around the clock to burnish the hotels' image and make

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sure they stay indelibly linked to the fashion world by managing events and relationships in the physical world, by posting thousands and thousands of items online, and making great content available to anyone who wants it. It's basically the marketing department for the hotels.

Sarah McPherson, *advertising executive, McCann Burnett, Chicago*

My first stay in a Green Ocean was about ten years ago. I was on a business trip to Europe and decided to book a room in their hotel in Paris, kind of on a whim. In the advertising business, it's hard to escape Green Ocean, as those hotels are used for a lot of photo shoots. I have to admit, they're pretty cool looking. Also, I had a colleague, one of our Art Directors, who raved about them. So I thought I'd give it a try.

I'm not sure what I was expecting, but the place was the most energizing hotel I've ever been in. It felt more like a club than a hotel. It was easy to strike up conversations with anyone. I actually made two friends there that I'm still in touch with all these years later. I loved it. So that fall, I convinced my boyfriend that we should try the Green Ocean on a weekend trip to Montreal we

“ ***It felt more like a club than a hotel.*** ”

were planning, and we thought it was so great we immediately booked a week at the Green Ocean in Miami. I think we've probably stayed in 13 or 14 different Green Oceans by now, and even though I've never stayed here overnight, I spend a lot of time at the one here in Chicago – it's a good spot for drinks after work.

Whenever I see a Green Ocean in a holo or a movie, I want to shout out, “I've been there there! I know where that is!” I'm like a little kid.

Harriet Sutter, *Chief Marketing Officer, Regent Caribbean Resorts, Nassau, Bahamas*
Of course the hotel industry has grown over the last twenty years – but not as fast as the

cruise industry. These cruise ships just kept getting bigger and bigger – I think the last one to be launched, the Carnival Gargantua, was about 100 yards longer than an aircraft carrier, a floating hotel big enough for 9 or 10 thousand passengers.

Who, by the way, could theoretically have all been hotel guests somewhere, only they decided to take their vacation on a boat instead. Last year, the cruise industry schlepped about 40 million passengers around. Each one stayed on board for seven nights. Do the math. That's a *lot* of hotel nights we didn't get!

Gabriela von Hohenlohen, *human rights activist, Stuttgart*

Do you know how many sensors have been installed around the world in the last twenty years? People don't believe me when I tell them: 2.2 trillion. That's “trillion” with a “t-r”, as in 2.2 million million. Over 300 sensors for every man, woman and child on this planet.

These tiny devices are embedded in the products we buy, the cars we drive, the credit cards we use, the phones we carry around in our pocket, the clothes we wear... Together with over 100 million surveillance cameras mounted worldwide, they track us everywhere we go and, at least in theory, allow the people who own all this data to reconstruct everything we do and create amazingly detailed profiles of us all, thanks to the trail of electronic breadcrumbs we are always leaving behind us. The addresses we visit, where we “go” online, who we text, who we call, where we shop and what we buy, the geographic routines we establish – everything is recorded and traceable, and in real time.

I will be the first to admit that having one's every movement tracked does have a “good” side, if you can call it that. For example, criminality is sharply down compared to a decade or two ago. Anyone stupid enough to rob a bank in 2036, or steal someone's wallet, or break into someone's house, or even shoplift a pair of cheap earrings

from a department store, can be sure that the data record their action creates will betray them to the police within hours, if not minutes. If you commit this kind of a crime, good luck! You may run, but you can't hide. Not for long.

So I would agree that it has improved our security, somewhat. But for the average law-abiding citizen, this non-stop intrusion into our personal affairs – at so many levels – represents an enormous infringement of our privacy. For two decades, I have been one of the most outspoken advocates for privacy in Europe. I helped prepare a very high-profile

“ ***There are simply too many opportunities for this information to be abused.*** ”

lawsuit a few years ago in which a German man sued the government, claiming that he was the rightful owner of his own data. He lost.

This is shocking. Data used to be protected in the early 2000s. But when data became so plentiful that it was possible to build highly accurate profiles of consumers, the data became so valuable that no one wanted to *protect* it any more; they wanted to *make money* with it.

So here we are, in the mid 2030s, where we have reached a point where companies, on the one hand, and the state, on the other, collect information on us from literally thousands of sources, and – since they own the data – they can, if they so choose, destroy it, save it, use it, share it, or even sell it. I say that there are simply too many opportunities for this information to be abused, and the network of activists that I work with is trying to establish legal limits to how far this can go. So far, I'm sorry to report, we are not very successful.

Spiros Galliakos, *Maintenance Supervisor, Hotel D'Angleterre, Buenos Aires*

Five years ago I started working in maintenance at the Rothschild Palace Hotel, here in Buenos

Aires. On my first day on the job, I had to fill out the usual forms in the HR Department, and among other information, I gave them my mobile phone number. I didn't really think anything about it. Later I was talking to a colleague and found out that I had apparently authorized the hotel to tap into some kind of signal that my phone is always sending out, so they can geo-locate me.

At first I thought that was OK. In my work, I spend time all over the property, and I'm always needed somewhere else. It seemed like a good idea that the hotel would know where I am; it could probably increase efficiency. But then one day I saw an ad online for this job I now have, here at the Angleterre. I sent in my application, and a few days later they contacted me for an interview. So on my lunch break I went to the Angleterre to meet their HR people and interview for the job. Then I went back to the Rothschild and carried on with my usual work. Around four in the afternoon I got a call to go see my boss. When I walked in his office, he was sitting there with the head of HR. They both looked grim. My boss said that the hotel had traced me to the Angleterre at 12:30 that day, and since he was aware that they were looking for a Maintenance Supervisor over there, he wanted to know if that was why I had gone there. Would I confirm or deny that I was pursuing a job at the Angleterre?

A hundred things came rushing into my mind at once: How did they know? Of course! It was my goddam phone! They could see where I went, right on the map on their computer screen. But why would they want to watch where I go over lunch? Did they always do that? If yes, how long had they been following me? And did they follow me in the evenings, too? And weekends? In a flash I just knew that the hotel must have already known *everywhere* I went, 24 hours a day, for as long as I'd been employed there. For example, they must know that I went to the prison every Thursday after work... If so, they'll wonder why, and start digging around, and then they'll find out that my son was

convicted last year of drug dealing. Could they use that information to hurt me somehow? They must also know that that one day I called in sick, I actually went to the horse races at the Hipódromo. And worse, they probably also knew that a few evenings a month, I went to... well, I went to this one address to see a... a friend.

I started to panic, and I quit on the spot.

Robert Spencer, *CEO,*
Sylvan Hotels and Resorts, Vienna

The last twenty years? Sure, a lot has changed – but nothing compared to what we can expect in the *next twenty!*



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Since its inception in 2007, the editorial concept of *The Hotel Yearbook* has been to bring together senior hotel industry executives and recognized experts and thought leaders from every part of the industry to write about challenges and opportunities facing the global hotel business in the year ahead. This year's edition is a departure from this concept, leaping 20 years into the future and looking around at the landscape in which the hotel industry must compete and succeed.

ABOUT THE AUTHOR



Woody Wade, founder and publisher of *The Hotel Yearbook*, is a futurist and specialist in scenario planning, a technique that helps organizations visualize how their future business landscape could change, so they can spot opportunities and prepare a strategic response today.

In 2012, his book *Scenario Planning: A Field Guide to the Future* was published by Wiley, the largest business book publisher in the USA. Two years later, its Japanese-language edition achieved best-seller status there and was voted the 14th best book of 2014 by readers of *Harvard Business Review* (Japan).

Woody is the former Marketing Director of the Ecole hôtelière de Lausanne and was an Executive Board member of the World Economic Forum in Geneva. Based in Switzerland, he has an MBA from Harvard Business School.