Agenda

- Introduce Future iQ
- Outcomes of today
- Emergent trends
- Develop Plausible scenarios
- Implications of scenarios
- Regional assessments

High potential rural destination areas
Expertise in applying specialized planning methodology
Current and recent visioning and planning projects
Maine Woods Destination Rally

Current and recent visioning and planning projects

futureIQ
Create Future Intelligence®
Future iQ work for Maine Woods Consortium

**Future of Tourism – Maine Woods**
- Global Trends
- Case Studies
- Existing Maine Woods Tourism Market

**Tourism Economic and Social Impact Assessment**
- Brief Historical and Current Context
- Current Economic Impact
- Industry Growth Scenarios and Driver
- Potential Social Impact
- Industry Readiness - Gaps and Constraints
- Role of Traditional Forest Industry
The challenge for the workshop

- Explore the future
- Ask the hard questions
- Think creatively

The outcome is an new view of the future, and consideration of the implications for the future of the Maine Woods
Understanding Expectations

• Lets be ambitious and realistic. Breadth and depth of topic; transformational in thinking.

• What would you like to see come out of this workshop as part of the Destination Rally?

• What do you personally want from your participation in this workshop?
What is Scenario Planning?

A tool best used to embrace an uncertain future

Explores a range of plausible futures

Allows for the consideration of complex and interrelated forces
Explore Trends and Implications for the Maine Woods
Identify ‘Drivers’ Shaping the future of the Region and industry
Develop four plausible scenarios
Examine implications for the future
Preferred futures and next steps
Plausible Scenario Matrix

- **Effective planning, collaboration and actions** that are anchored in local values, aspirations and skills.
- **Regional Tourism and Economic infrastructure**
  - **The Cave**
  - **Fool's Gold**
  - **Simply Perfect**
  - **Cross Estuary**
- **Human capacity**
- **Large scale effort**
- **Fragmented and disjointed efforts** with conflicting priorities.
- **Well-resourced local tourism and economic infrastructure**
- **Lack of critical infrastructure to support viable tourism industry**

A: INCREASE
B: INCREASE
C: DECREASE
D: DECREASE
Forces impacting the world (and regions)

Tourism trends

Initial economic analysis framework
Global Population Growth Is Driven By Developing Countries.

World population in billions, 1950-2050 (projected)

Population in Less Developed Countries

Population in More Developed Countries

Developed countries have fewer young people, but a higher share of elderly. Developing countries have more young people, and a smaller share of elderly.

MIDDLE CLASS CONSUMER SPENDING

OUTER RING: 2030 IN TRILLIONS, USD
INNER RING: 2009 IN TRILLIONS, USD

ASIA PACIFIC
$32.9

+571% GROWTH
While increasing Chinese spending tops the news, the East Asia Bureau of Economic Research forecasts that spending in India and Indonesia will grow at similar rates.

Source: Kou, L. 2013. The world’s middle class will number 5 billion by 2030. Quartz.
Figures based on OECD, 2012. An emerging middle class.
ESTIMATED MEDIAN AGE IN SELECTED COUNTRIES,

<table>
<thead>
<tr>
<th>Country</th>
<th>2010</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td></td>
<td>53</td>
</tr>
<tr>
<td>South Korea</td>
<td>38</td>
<td>53</td>
</tr>
<tr>
<td>Germany</td>
<td>35</td>
<td>51</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>46</td>
</tr>
<tr>
<td>Brazil</td>
<td>29</td>
<td>44</td>
</tr>
<tr>
<td>Mexico</td>
<td>26</td>
<td>42</td>
</tr>
<tr>
<td>United States</td>
<td>37</td>
<td>41</td>
</tr>
</tbody>
</table>
“The urban population in 2014 accounted for 54% of the total global population, up from 34% in 1960, and continues to grow.”

World Health Organization (2015)

AN URBAN WORLD

This graphic depicts countries and territories with 2050 urban populations exceeding 100,000. Circles are scaled in proportion to urban population size. Hover over a country to see how urban it is (percentage of people living in cities and towns) and the size of its urban population (in millions).

United States
255M Urban Population
82% Urban

United States
255M Urban Population
82% Urban

China
630M

India
368M

Russian Federation
105M

Japan
85M

Pakistan
62M

Nigeria
79M

Indonesia
106M

Brazil
169M

Mexico
88M
AN URBAN WORLD

This graphic depicts countries and territories with 2050 urban populations exceeding 100,000. Circles are scaled in proportion to urban population size. Hover over a country to see how urban it is (percentage of people living in cities and towns) and the size of its urban population (in millions).

United States 365M Urban Population 90% Urban

Brazil 204M

United Kingdom 64M

France 54M

Turkey 82M

United Arab Emirates 83M

Nigeria 218M

Democratic Republic of the Congo 93M

Egypt 82M

Ethiopia 65M

Pakistan 199M

Bangladesh 126M

Viet Nam 66M

Philippines 101M

Indonesia 190M

China 1038M

India 875M

Russian Federation 96M

Japan 81M

2050

Urban Population
- Greater than 75%
- 50% - 75%
- 25% - 50%
- Less than 25%
Change in rural America

Change in population since 2007

- Center of large metro: 9.5%
- Suburb of large metro: 9.0%
- Medium or small metro: 7.1%
- Rural areas and small towns: 0.4%

Source: Census Bureau

Total U.S. population

- Center of large metro: 99.5 million
- Medium or small metro: 97.0 million
- Suburb of large metro: 80.4 million
- Rural areas and small towns: 46.1 million

Source: Census Bureau
Built Environment is a Direct Reflection of the Underlying Economy

Agriculture Economy
- 1st version of the American Dream
- "40 Acres and a Mule"

Industrial Economy
- 2nd version of the American Dream
- Drivable Sub-urban..."See the USA in Your Chevrolet"

Knowledge/Experience Economy
- Current/Future version of the American Dream
- Option of Walkable Urban and Drivable Sub-urban
Chart 1: Population Pyramid of the U.S. Total Resident Population in 2015

A key culprit in climate change – carbon emissions – can also help agriculture by enhancing photosynthesis in many important crops such as wheat, rice, and soybeans. The science, however, is far from certain on the benefits of carbon fertilisation.

This map represents the case of beneficial carbon fertilisation processes.

Source: Cline W., 2007, Global Warming and Agriculture.
Macro Trends

What do these trends mean for the future of Maine Woods?
Tourism Trends

THE FUTURE OF TOURISM - THE MAINE WOODS

A foresight research report examining emerging tourism trends and how they might influence destination development in the Maine Woods Region.
Tourism Trends

Experiences
Seeking new and place-based experiences such as outdoor adventure, cultural activities, and culinary opportunities.

Packages
Experiential travelers desire full day(s) with a variety of activities, often preferring to book at one time with professional services.

Sharing Economy
The sharing economy is growing throughout the industry in accommodation, transportation, meals, and booking activities.
Technology
Travelers are increasingly booking through online and mobile apps, leaving reviews and staying connected.

Peer to Peer Influence
Trip Advisor, Facebook, Snapchat and other platforms allow for immediate documentation of a trip including recommendations.

Destinations
Travelers are choosing destinations based upon culture, people and diving into the unique local feel and an authentic experience.

Sustainability
Travelers are increasing making decisions based on the impact on the local culture, environment and economy.
2017 Maine Visitor's Interests

Source: Maine Office of Tourism 2017 Topline Reports - Winter o- Summer
Millennials (Ages 18-34) Participation in Outdoor Recreation Activities, 2014 vs. 2010 (No. of Participants)

- Hiking
- Camping
- Swimming
- Bicycle riding
- Fresh water fishing
- Target shooting with firearms
- Hunting with firearms
- Backpacking

These graphs reflect the change in hunting license holders over time (left) and those same trends compared to the change in national population trends. The upswing in license holders in the 2000s is attributed to a change in data collection methods.

Source: Illustration by Nicolas Rapp / Sources: USFWS, U.S. Census
Culinary

55% Are motivated by the search for authenticity

63% Of travelers take and share pictures of food

Not just about Michelin Star restaurants

Rise of Slow Food Movement

22% Food tourism promotion done online

35-50% Travel budget spent on food

Want to participate and learn something new

Prefer to combine culinary & cultural or natural activities

52% of Facebook users said their friends’ photos inspired their holiday choice and travel plans.

48% of those who used social media to research travel plans, only 48% stuck with their original plans.

- 33% changed their hotel
- 33% changed destination
- 33% changed resorts
- 33% changed airlines
70% of consumers say they trust earned media, such as word-of-mouth and recommendations from friends and family, above all other forms of advertising.

70% of global consumers say online consumer reviews are the second most trusted form of advertising.

Source: The Impact of Social Media Within The Hospitality Industry. www.four-pillars.co.uk
The growth paradox: can tourism ever be sustainable?

‘Travellers tend to arrive in increasing numbers and flock to the same locations’
**WHAT IS SUSTAINABLE TOURISM?**

- Respecting and enhancing the heritage, culture, traditions, and distinctiveness of communities: 82%
- Increasing the number and quality of local jobs supported by tourism: 70%
- Engaging residents in deciding the role of tourism in their communities: 64%

**% Selecting Attribute as Meaning of Sustainability**

**The Sustainable Traveler**

- A commitment to preserve a destination’s authenticity and not become too “touristy”: 71%

**All Other Travelers**

- Significantly more sustainable travelers purchase something from a travel company because that company engages in sustainable practices, like:
  - Offer authentic experiences: 57%
  - Buy local: 54%
  - Educate customers: 54%

Sustainable travelers are significantly more likely to stay 7 or more days, whereas the most recent trip of all others was less than 3 days.

- 7+ days
- <3 days

Sustainable travelers are far more likely to travel with friends than all others.

- 4 Adults & 1 Child
- 3 Adults & 1 Child
What do these tourism trends mean for the future of Maine Woods?
Economic impact and trends
Current Economic Impact of Tourism

The tourism industry is currently a substantial contributor to the Maine Woods economy, and destination development could encourage additional economic development for the region – in the form of increased visitation and related attraction of new residents and businesses.

14.7M Visitors

$2.3B Spending

$156 Average per Visitor ($168 Maine Average)

7.8M Overnight (53%)

6.9M Day Trip (47%)

38,994 jobs (36.7% of Maine Tourism Jobs)
# Maine Woods Visitor Economy

35.7% of visitors and 38.4% of visitor spending

<table>
<thead>
<tr>
<th>MOT Designated Tourism Regions</th>
<th># of Visitors</th>
<th>Total Spending</th>
<th>Average Visitor Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine Lakes &amp; Mountains</td>
<td>4,300,000</td>
<td>$621,000,000</td>
<td>$144</td>
</tr>
<tr>
<td>Kennebec &amp; Moose River Valley</td>
<td>2,600,000</td>
<td>$304,000,000</td>
<td>$117</td>
</tr>
<tr>
<td>Maine Highlands</td>
<td>4,390,000</td>
<td>$856,000,000</td>
<td>$194</td>
</tr>
<tr>
<td>Aroostook County</td>
<td>1,400,000</td>
<td>$157,000,000</td>
<td>$112</td>
</tr>
<tr>
<td>Downeast &amp; Acadia</td>
<td>5,300,000</td>
<td>$930,000,000</td>
<td>$175</td>
</tr>
<tr>
<td><strong>Maine Woods Region</strong></td>
<td><strong>14,700,000</strong></td>
<td><strong>$2,300,000,000</strong></td>
<td><strong>$156</strong></td>
</tr>
</tbody>
</table>

* This entry is from a MOT Maine Woods 2016 report which removes the Bar Harbor/Acadia visitor and spending value.

<table>
<thead>
<tr>
<th>MOT Designated Tourism Regions</th>
<th>Jobs</th>
<th>Total Earnings</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine Lakes &amp; Mountains</td>
<td>12,138</td>
<td>$234,317,320</td>
<td>$19,304</td>
</tr>
<tr>
<td>Kennebec &amp; Moose River Valley</td>
<td>5,004</td>
<td>$97,404,406</td>
<td>$19,465</td>
</tr>
<tr>
<td>Maine Highlands</td>
<td>14,714</td>
<td>$280,128,838</td>
<td>$19,038</td>
</tr>
<tr>
<td>Aroostook County</td>
<td>2,784</td>
<td>$53,242,069</td>
<td>$19,124</td>
</tr>
<tr>
<td>Downeast &amp; Acadia</td>
<td>16,019</td>
<td>$302,195,936</td>
<td>$18,864</td>
</tr>
<tr>
<td><strong>Maine Woods Region</strong></td>
<td><strong>38,994</strong></td>
<td><strong>$733,372,866</strong></td>
<td><strong>$18,807</strong></td>
</tr>
</tbody>
</table>

* This entry is from a MOT Maine Woods 2016 report which removes the Bar Harbor/Acadia jobs and earnings.
"Expected" Economic Projections 2016-2026

Without strategic intervention, economic and demographic projections for the Maine Woods region are not encouraging. The following analysis is based on state data for the seven counties that make up the Maine Woods region – Oxford, Franklin, Somerset, Piscataquis, Penobscot, Aroostook, and Washington.

### Regional Economic Projections

<table>
<thead>
<tr>
<th>Regional Economic Indicators (County Data)</th>
<th>Methodology and Underlying Assumptions</th>
<th>2016</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>Tracking same decline projected by the State of Maine</td>
<td>410,284</td>
<td>400,284</td>
</tr>
<tr>
<td>Laborforce 20-55</td>
<td>Projections based upon State of Maine</td>
<td>237,154</td>
<td>206,712</td>
</tr>
<tr>
<td>Employment</td>
<td>59% laborforce participation rate for 2026</td>
<td>154,900</td>
<td>136,940</td>
</tr>
<tr>
<td># Establishments</td>
<td>Decline estimated by ratio of employment per firm</td>
<td>10,670</td>
<td>9,420</td>
</tr>
</tbody>
</table>
Despite encouraging trends in recent years, long-term trend lines suggest the possibility of declines in population, workforce, and establishments. This could result in diminished capacity to serve visitors, which over time will result in a reduction in the attractiveness of the Maine Woods. Regional visitation estimates for the next decade are subject to state, national and global variables that cannot be predicted, but will influence consumer spending and travel patterns.

### Regional Visitor Economy Projections

<table>
<thead>
<tr>
<th>Regional Visitor Economy Indicators</th>
<th>Methodology and Underlying Assumptions</th>
<th>2016</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Visitors</td>
<td>Overall decline, stable in large cities adjacent areas</td>
<td>14.7M</td>
<td>↓</td>
</tr>
<tr>
<td>% Overnight Visitors</td>
<td>Reduced overnight capacity and greater seasonality will result in lower overnight stays</td>
<td>53%</td>
<td>↓</td>
</tr>
<tr>
<td>% Day Trips</td>
<td>Stable based upon proximity to large populations and first-time visitors</td>
<td>47%</td>
<td>→</td>
</tr>
<tr>
<td>Total Visitor Spending</td>
<td>Lower visitation and overnight stays results in lower overall spending</td>
<td>$2.3B</td>
<td>↓</td>
</tr>
<tr>
<td>Average Spending per visitor</td>
<td>Slower growth and lower overall rates due to lower overnight stays</td>
<td>$156</td>
<td>↓</td>
</tr>
</tbody>
</table>
What do these projections mean for the future of Maine Woods?
Scenario Development

Describing plausible future scenarios for the Maine Woods Region
The Maine Woods

Traditional Markets
Focus on maintaining current visitation patterns.

Emerging Markets
Aggressive focus on new US markets within and beyond New England and the mid-Atlantic; and explore opportunities to connect to international visitors.

High Touch / High Service
Visitors seek added amenities, a variety of curated experiences, and a concierge approach to professionally guided activities including fully serviced outdoor, culinary, events, and education experiences. Includes, destination resort development nodes (3-4 Star full service), including extended stay opportunities and infrastructure enhancements in venues, sites, transportation, etc.

DIY / Rustic / Outdoors
Most visitors self-organize and are self-reliant for food and accommodation – activities focus on self-guided outdoor activities such as: hiking, fishing, hunting, snowmobiling, etc. Current infrastructure is maintained with some enhancements, and accommodation development focuses on campsites, RV parks, and rustic cabins. Marketing activities focus on social media, and individual and niche interest group communications.
High potential rural destination areas