

TRAVEL AND HOSPITALITY

Travel advisors are hottest new thing that never went away

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Raffles Istanbul; image courtesy of Virtuoso

By SARAH JONES

NEW YORK Instead of eliminating the role of the travel agent, technology has actually increased consumers' desire for a human interaction, according to a marketing strategist from high-end hospitality network Virtuoso.

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During the digital revolution about 20 years ago, many cried that the death of the travel agent was looming, as online travel agencies appeared, giving consumers the ability to book trips themselves. In a presentation during Luxury Interactive 2016 on Oct. 18, the speaker explained how contrary to this prediction, most travel agencies are looking to hire as affluent travelers in particular call upon their service.

"In a sense the human order takers 20 to 30 years ago, you went to an office, sat down with someone, maybe had a conversation, looked at some brochures and that transactional business those folks have gone away," said James Ricks, global marketing strategist at Virtuoso. "The thought that maybe the advisor would go away because of the advent of technology has proved incorrect. Technology has actually created a stronger desire for human interaction and bespoke, customized content curation."

High touch via high tech

In the last year, Virtuoso has added 95 new properties to its portfolio of more than 1,110 hotels in 100 countries. Demonstrating its understanding of the affluent traveler, 43 percent of properties have partnered exclusively with Virtuoso to better serve wealthy guests, thus giving the network a clear view of luxury travel trends ([see story](#)).

Mr. Ricks shared some third party research that shows that travel agencies are planning to hire, and are actually struggling to find the right qualified personnel.

The number of full-time travel advisors is projected to grow 10 percent through 2020, while the population of independent advisors has grown 434 percent in the last 10 years, with further anticipated growth.

With further optimism, they also expect client spending to rise.



Monograms; image courtesy of Virtuoso

The luxury traveler is especially interested in tapping the expertise of a travel advisor. For those with a household income of \$125,000 or higher, it is projected that 21 percent will use an agent in 2016.

With life expectancy higher, there are four generations of potential travelers looking to go on journeys. Of these age groups, millennials are actually the most apt to seek out the assistance of a travel advisor.

According to Mr. Ricks, a travel advisor can do more than a consumer can themselves. The advisor can help to personalize a trip through a collaborative process, and they also bring global expertise to the table.

While consumers might be hesitant to pay for their services, a travel agent can actually give them more value for their money. Instead of discounts, this may mean perks such as complimentary breakfast.

Working with an agency such as Virtuoso can also give travelers VIP status, something they cannot necessarily validate on their own.



Fairmont Olympic in Seattle; image courtesy of Virtuoso

If the traveler should find themselves in need of help, advisors can also provide support.

Virtuoso's travel advisors serve their clients ahead of the trip, are on-call 24/7 during a trip and check in after the traveler returns for a post-trip debrief.

Rather than hindering the human connection, technology actually facilitates it. Everything happens in real time, and data helps the advisor better serve their client.

Virtuoso uses data and analytics to ensure it is reaching the right individuals in display advertising.

Digital disruptors

While travel agents still have a place, digital platforms are taking a big piece of the travel pie.

Online travel agency Priceline and home-sharing service Airbnb have higher valuations than any hotel chain, according to a new report by L2.

Over the last five years, the market share of the top 10 luxury hoteliers has remained stagnant at 27 percent but home-sharing platforms could offer a future threat to the business. As such services attract tomorrow's luxury consumer and OTAs eat away at margins, hotels must focus on superb digital platforms and unique experiences ([see story](#)).

However, opportunities abound in the luxury travel sector, with those in the upper end of the market seeking experiences over things.

Increasingly, affluent consumers are foregoing luxury goods for travel, with 80 percent choosing an experience over an item, according to a new report from Martini Media.

"The Martini Report, Volume 4: The Affluent Traveler" found that even from the year-ago, affluent consumers are 50 percent more willing to spend on leisure activities, and surprisingly, more women are interested in exploring than men. As one of the primary drivers of the luxury market, travel and hospitality brands can leverage this information to continue programming curated experiences for affluent guests in response to their behavior and preferences ([see story](#)).

"Virtuoso has this saying about travel advisors, It's really the hottest new thing that never went away," Mr. Ricks said.

"And so at Virtuoso we've experienced quite a bit of growth and the technology and the digital space is something that we're constantly working to try and improve and stay on the leading edge from a travel perspective," he said.

"But at the same time you have to bring in that human element because the technology is so vast and can be so overwhelming at times."

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