

RESEARCH

Virtuoso stresses importance of catering to top tier customers

September 24, 2013



By JOE MCCARTHY

NEW YORK - An executive for Virtuoso at the Luxury Interactive 2013 conference said that 10 percent of its customers drive 54 percent of its sales, while 20 percent of its customers generate 71 percent of its sales.

[Sign up now](#)

Luxury Daily

Through Big Data, the luxury travel network is able to spend more time catering to the customers who generate the majority of revenue. Rather than evenly distributing its resources among its consumers, the company is able to prioritize and further leverage the spending capacity of its target audience.

“These are people who buy one year, then the immediate next year,” said David Kolner, senior vice president of consumer relations at [Virtuoso](#), Seattle. “There is no decay in loyalty over time.”

Virtuoso represents 7,200 travel advisers globally and encompasses 1,700 preferred global travel suppliers.

Trickle down travel

Mr. Kolner described how Virtuoso embarked on a lengthy Big-Data initiative to gain a better understanding of its consumers. Some of the initial insights revealed failed to

generate significant results.

As the company's database became more organized and its many agents began to use a consolidated coding system, the data began to yield more useful results.



Virtuoso offer

The primary information gathered was a stratified understanding of consumer behavior. Virtuoso discovered that the top 10 percent of its customers constituted 54 percent of sales, while the top 20 percent constituted 71 percent of sales.



Virtuoso offer

Furthermore, the top 10 percent spends at least \$50,000 annually on travel. This group spends 10 times more on air travel, 20 times more on hotel bookings and visit five times more properties during their lifetime.

Also, this group has a 60 percent chance of buying from Virtuoso the next year, which is nearly twice as high as the general consumer base.

Speeding things up

Other brands have predicated their business on streamlining or augmenting luxury travel.

For instance, luxury villa rental company Luxury Retreats is expanding its portfolio with

global properties aimed at addressing the travel preferences of consumers.

The new properties are located in Puglia and Sicily in Italy, Morocco and Mauritius. By adopting new properties with varied amenities, the brand is able to cater to the preferences of discerning clients who do not mind taking their business elsewhere ([see story](#)).

Also, recently developed social-trip planning platform Coo Boutique is aiming to attract luxury travelers tight on time with travel insights from experts, recommendations from friends and exclusive incentives.

The social-trip planning platform synthesizes travel information for more than 610 properties from brands including Mandarin Oriental, St. Regis Hotels and Resorts, and Fairmont Hotels and Resorts. Bundling several aspects of travel into a single Web site will likely appeal to travelers looking to explore new locations without too much confusion ([see story](#)).

As Virtuoso continues to expand, it is refining its digital presence and is looking increasingly toward a communal review process.

“Our consumers are telling the story better and more succinctly than we could have ever done so ourselves,” he said.

Final take

Joe McCarthy, editorial assistant on Luxury Daily, New York

Embedded Video: [//www.youtube.com/embed/9wNZUW8YFjA](https://www.youtube.com/embed/9wNZUW8YFjA)

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.