

The phoenix rises

Virtuoso's CEO Matthew Upchurch kicks off his new column in *Luxury Travel* by arguing the case for the premium 'advisers' of the future who can forge good client relationships

Several years ago, the prognosis seemed clear: Like a flightless bird near extinction, travel agencies were not long for this world. The airlines first cut, and then eliminated, their key revenue source: airline commissions. The September 11 tragedy compounded the hit, with an estimated US\$30bn (£15.3bn) decline in tourism revenue in the fourth quarter of 2001 alone. The seeming knockout blow was the onslaught of opportunistic online travel 'agencies', consolidating the opportunity to fill empty inventory at greatly reduced prices. The prediction of online players, that half of all travel would be booked on the web by 2010, would prove prophetic. How unlikely, then, that often small, solo-proprietorship travel agencies would become the phoenix of one of the world's largest industries. Let's take a look at how and why.

Consider the size of the market. Travel and tourism generates more than US\$7trillion (£3.6trillion) annually, or about 11 per cent of global economic output, and employs about 231 million people, according to WTTC Tourism Satellite Account Research. With 2,000 new hotels and 30 per cent more cruise capacity entering the market in the next five years, there is plenty of room to manoeuvre, especially in the affluent space.

Demographics are driving that new growth. In the US alone, 11 million households control 70 per cent of all wealth – and travel is their number-one discretionary purchase. Even better, these super-affluents are 40 per cent more likely to use a travel adviser.

Notice that I use the term 'adviser' rather than 'agent'. That's because those who emerged from the ashes found themselves changed, and for the better. The savviest agents recognised their true value proposition, not as travel processors – the internet does that faster and better – but as life-experience coaches: experts who offer bespoke travel experiences to discriminating clientele, many of whom returned to or sought advisers after an online horror story.

Far from being rendered obsolete by the web, travel advisers have gained from it. While online sites offer the convenience of low-price shopping, product is differentiated mostly by cost. Travel is commoditised. And the goal of travel – authenticity, connection, expansion and participation in world cultures – is lost in '100 euros off' pitches.

Yet with their trusted travel adviser, clients have an expert who validates their choices and then finds creative ways to fulfil their expectations. Personal service, plus the first-hand knowledge their adviser brings, is worth the premium of fees. Like financial advisers, today's travel adviser has become a 'life-events' planner, managing something even more precious than money – a client's free time.

These affluent clients are not innocents abroad. Like Mark Twain was, they're sophisticated travellers who want to get off the well-beaten path. When he climbed the Swiss Alps, few tourists had done the same. Now, whether exploring Patagonia or dining their way across Tuscany, clients need help finding authentic, participatory travel experiences. The travel adviser who delivers these can forge relationships that pay off, trip after trip. Clients come to value the planning process as much as the trip itself.

And while product and brand have been diluted by their very easy accessibility online, you, the adviser, can use your personal relationships to position travel products and brands appropriately. That is why expert advisers are in no danger of imminent extinction. You cut through clutter and help travel providers attract the right clients to the right services at the right time.

The new rumour for Twain? The outlook for luxury travel and the future of the travel agency profession has never looked brighter. Pass it on. □

Virtuoso is the industry's leading leisure travel network, based in the US. A by-invitation-only organisation, it comprises more than 6,000 elite travel specialists associated with over 300 agencies in 22 countries in North and South America, the Caribbean, Australia and New Zealand, as well as over 1,000 of the world's best travel providers and premier destinations.

"Rumours of my death have been greatly exaggerated"

Mark Twain



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