

The Future of Travel Agencies:

An American Perspective

Best of Both Worlds

How Travel Agents Save Consumers Time and Money



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09 December 2016

42º Congresso Nacional APAVT



Today's Agenda:

ASTA

Consumer Research

- Objectives
- Methodology
- Findings

The Future



ASTA: Industry Advocates

Mission: To represent the agency community at all levels of the U.S. government – federal and state – as well as the industry

Three Legged Stool



- **Direct Lobbying:** ASTA staff, outside counsel
- **Grassroots Lobbying:** 2,600+ member companies in every U.S. state and Congressional district; “Grassroots Army” of nearly 30,000 agents and agency employees
- **Political Engagement:** ASTAPAC

Bottom Line:

ASTA is the only organization with the industry expertise and relationships with policymakers, coalitions and the industry to meet this mission



ASTA Consumer Research

2016

ASTA 2016 Consumer Research Objectives


Objectives:

- What types of travellers use travel agents?
- For what type of travel?
- What value do travel agents bring to consumers?

Results:

- Improving agent image and competitiveness
- Fodder for media outlets to promote travel agents and agent usage
- Tool to promote agent value and how to be a supportive business partner

Consumer Research Methodology

BRAND	ASTA  AMERICAN SOCIETY OF TRAVEL AGENTS
TARGET AUDIENCE/MARKET	Traveled in the Past 12 months; Age:18+, \$50,000 USD Household Income
TIMEFRAME	Data Collection: April 13–21, 2016
DATA COLLECTION	Online survey; 3,000 samples from TNS TravelsAmerica monthly 14,000 U.S. household panel

A group of business professionals in a meeting room, with a woman in the center smiling and gesturing. The scene is brightly lit by large windows in the background.

ASTA Consumer Research

Key Findings

Traveler Characteristics

Affluent travelers-

Earning over \$50,000 USD / Year:

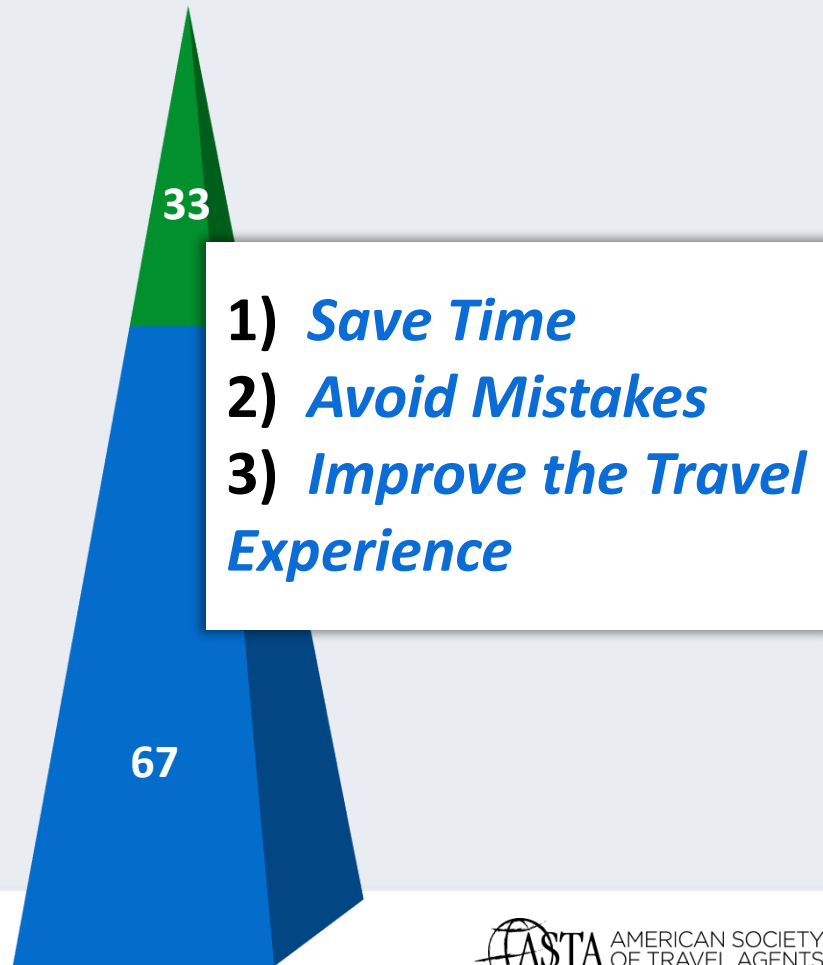
- Travel frequently: roughly five trips per year
- Many use travel agents, especially Millennials and Matures
- More than a quarter have cruised in the past 3 years
 - *More than a third of Matures*
- Travel agent users have larger travel budgets

Traveler Characteristics

Characteristics	Total	Millennials	Gen Xers	Boomers	Matures
Base:	3,000	457	648	1,590	305
PERSONAL					
Average Age	54.0	30.0	43.5	61.1	75.1
Average Income (all \$50K USD+)	\$119,440	\$113,963	\$129,433	\$118,655	\$110,505
% Earning Over \$100,000 USD	48	40	54	48	46
% Female	62	75	69	60	43
TRAVEL EXPERIENCE					
% Used TA Past 12 Months	22	30	21	20	26
Have Cruised in Past Three Years	29	29	29	27	37

Agents Make the Experience Better

Two-thirds of consumers
using a travel agent feel doing so
made the experience better



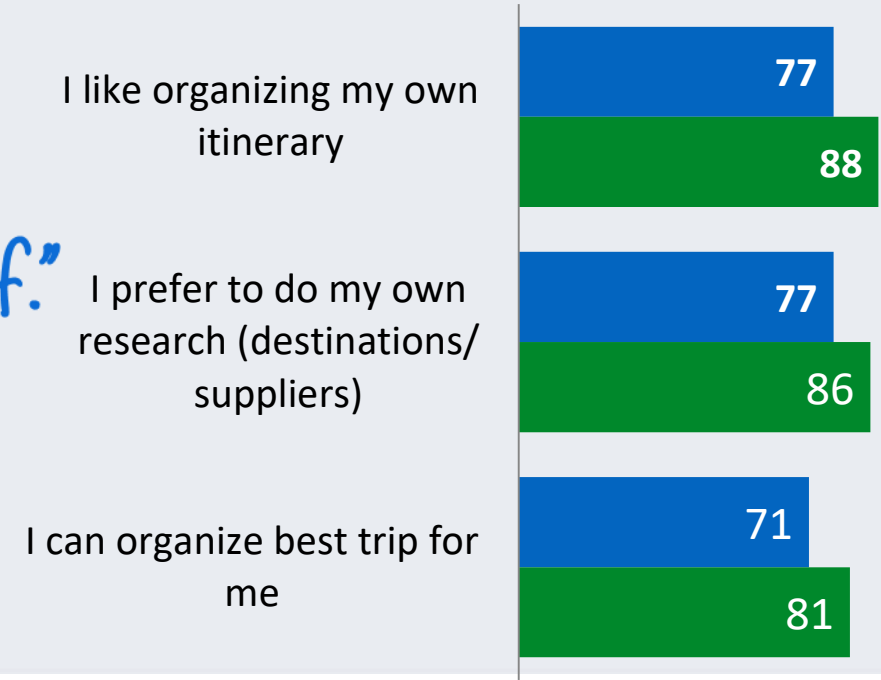
Barriers to Using Travel Agents

The top three roadblocks to using a travel agent hover around

"I want to do it myself."

The "best deals are online" ranks fourth.

■ Used TA Past 12 mths. ■ Not Used TA Past 12 mths.



Why Use a Travel Agent?

#1 Travel Agents can save me money!

- This and better deals leads all other reasons

Travel Agents can help me avoid mistakes!

- Also ranks as a top 3 reason; can potentially save time, money or both

■ Would probably use ■ Would definitely use

TAs can save me money



TAs can find better deals than online websites



TAs can help me avoid mistakes



Agents Save Money *and* Time

Average amount of time saved:

“They save [me] time and money.”

Average amount money saved (\$):

“They can help find hidden package deals not easily found by you.”

Total Used TA Past 12 Mths.	Plan to Use TA Next 2 Yrs.
3.2 Hours	3.4 Hours
\$319 USD	\$355 USD



6 Key Consumer Insights

1. Travel agents are key and most important for: ***tour packages, cruises, all-inclusive resorts and travel insurance***
2. Travelers utilizing TAs are committed to the experience, believing agents truly **improve their trip experience**, help them **avoid mistakes**, and **save them time** in planning/booking trips

6 Key Consumer Insights (cont.)

3. In contrast, expanding TA usage faces barriers: travelers prefer to **plan their own itineraries, do their own research,** and **think they can plan the best trip for themselves**

Many believe the best deals are online, not through a travel agent

6 Key Consumer Insights (cont.)

4. Travel agent users have **larger travel budgets**, probably because they are getting help with longer, more complex trips
5. TAs remain a **top booking channel** for cruise bookings, a sizeable market - more than a quarter of affluent travelers cruised in the past 3 years
6. **Good experiences will build future business**

<http://www.ASTA.org/Research>

<http://www.ASTA.org/Publications>

The Future

It's a Disruptive World



It's a Volatile World

From Ebola to Zika to...?

- The Threat from Disease

The Threat of Terrorism

- Real and Ever-present

Geopolitical Change

- Brexit
- The U.S. 2016 Election

Natural Disasters

- Earthquake in Central Italy
- Fires in Western U.S. and Canada

The Agent's Role Around the Globe

- Duty of Care
- Liability



There's Disruption in the Travel Space

The Digital Traveler

- It's not just about your Mobile

The Ever-Connected Traveler

- “Experience Management”

Disruption in the Corporate Travel Space

- Big data analytics, cloud computing & mobile apps



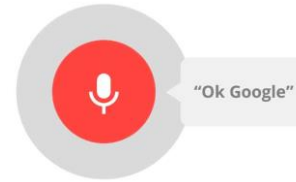
The Digital Traveler – More Than Your Mobile!

Conversational Commerce

Voice-Powered Search

AI (Artificial Intelligence)

amazon echo



Siri

aloft
HOTELS



The Digital Traveler – An Agent in Your Pocket

**Invitation-only U.S.* App with
Messaging Interface**

AI Technology

**Combined with Experienced
Travel Consultants**

*Plan to expand to Australia, Canada and U.K. in 2016

ASTA Member!



lola™

**“Instant access to a personal
travel service for hotels, flights
and anything you need for your
trip”**

The Ever-Connected Traveler

Is What's New Becoming Old?

ONE ORDER
Shopping/Booking
NDC
NewGen ISS
The PNR
Managed Travel



The Ever-Connected Traveler

Experience Management

“The practice of designing and reacting to customer interactions to meet or exceed customer expectations and thus increase satisfaction, loyalty and advocacy.” – Gartner, Inc.



The Ever-Connected Traveler

Experience Management

PNR expands dramatically
“LIVE” & Interactive
Manage traveler’s experience
throughout the journey

Implications:

- *Corporate travel management; privacy; duty of care; & more...*



**“Global
Experience
Record”**



Disruption in the Corporate Travel Space

Managed vs. Unmanaged

Serve the corporate customer regardless of how the booking is made



New Business Models

Gift Cards as Incentives



Incentivized Corporate Travelers

Re-Invent vs. Improve Technology

**Big data analytics, cloud computing
& mobile apps**



Reward Corporate Travelers for their Flexibility

Flight and Hotel Package

Help Your Company Save Money – Receive E-Gift Cards in Return

It's an Evolving Sometimes Disruptive Agency World...

**But Change Leads to
Innovation**



**And Innovation
Builds Success**

Today and for our Future Globally!

