



# SKIFT'S 2019 STATE OF THE TRAVEL ADVISOR REPORT

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Presented by

**Skift** + **IHG**®



# EXECUTIVE SUMMARY

The travel advisor business is undergoing a period of dynamic change unlike anything in its history. Among the forces that are changing the role that advisors serve for their clients are the continued growth in travel e-commerce, changes in consumer trip planning habits, and shifts in how travel suppliers like airlines and hotels distribute their inventory to consumers. On top of all this, today's travel advisors are trying to rapidly adapt to the unique needs of younger demographic groups like millennial travelers, who often have different trip planning needs than their older predecessors.

How will the travel advisor sector navigate the challenges and opportunities of their changing role, redefining the significant value they have long provided to consumers for a new era? What consumer habits will have the biggest impact on the products and services they sell? And how are their relationships with suppliers changing?

To investigate these questions, Skift partnered with IHG on the 2019 State of the Travel Advisor Report. The report, which builds on the responses gathered

in a survey of Skift's travel advisor readership, drawn from the corporate travel and luxury sectors, examines the groups' attitudes and thoughts about the changing state of their profession. Key themes studied include advisor predictions about the future business climate of their respective sector, shifts they have observed within their chosen specialty (for example, within luxury or corporate travel), and how they perceive the current dynamic between their own organizations and the suppliers (like hotels) whose products they sell. The data from this survey is then combined with insights gathered in interviews with a wide range of executives familiar with the advisor business.

The results of this research create a snapshot of an industry facing significant challenges, but also a variety of exciting new opportunities for growth. In fact, with the help of a strong network of industry partnerships, a relentless focus on the customer, and, of course, a little creativity, there's reason to believe the sector will continue to grow and thrive in the years ahead.

*Source: InterContinental® Shanghai Wonderland, InterContinental Hotels Group*



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## ABOUT SKIFT

Skift is the largest industry intelligence platform providing media, insights, and marketing to key sectors of travel. Skift deciphers and defines trends for global CEOs and CMOs across travel, dining, and wellness sectors through a combination of news, research, conferences, and marketing services.

## ABOUT SKIFTX

SkiftX is Skift's in-house content studio. SkiftX produced this report in partnership with IHG.

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# EXECUTIVE LETTER

Dear Travel Partner,

With a diverse portfolio spanning more than 5,600 hotels in over 100 countries, IHG Hotels & Resorts has the right hotel brand for our guests, whatever their needs, and we're continuing to grow. In just a few short years, we developed and launched avid hotels, voco hotels and Atwell Suites; acquired and relaunched Regent Hotels & Resorts and just recently acquired Six Senses Hotels Resorts Spas. IHG is investing across our mainstream, upscale and luxury portfolio of brands, delivering even more compelling experiences in some of the world's most sought-after markets.

Today's travel advisors must navigate a constantly evolving landscape, which is why we have partnered with Skift to further explore the opportunities and challenges facing the sector. IHG recognizes the highly specialized skillset of these professionals, whether designing unique luxury experiences or managing the escalating demands of corporate travel. Our global and in-market sales experts partner with travel advisors and provide the necessary tools, insights and resources to ensure an exceptional buying experience to our mutual customers.

With global brands perfectly suited for both business travel and leisure experiences, an award-winning loyalty program, and a dedicated sales team of over 21,000 advocates worldwide, IHG is committed to working alongside travel advisors to embrace new opportunities in 2019 and beyond.

On behalf of the entire IHG Hotels & Resorts family, thank you for your partnership.



**Derek L. DeCross**  
Senior Vice President  
IHG Global Sales

A handwritten signature in dark ink, appearing to read 'Derek L. DeCross'.

**IHG<sup>®</sup> Hotels  
& Resorts**



# What makes a buying experience **exceptional**?

“Knowing you have a partner who puts quality above everything else and takes time to help you develop the best win-win strategy.”

**Illari**

Team Leader & TMC Manager



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# INTRODUCTION: SKIFT'S 2019 STATE OF THE TRAVEL ADVISOR REPORT



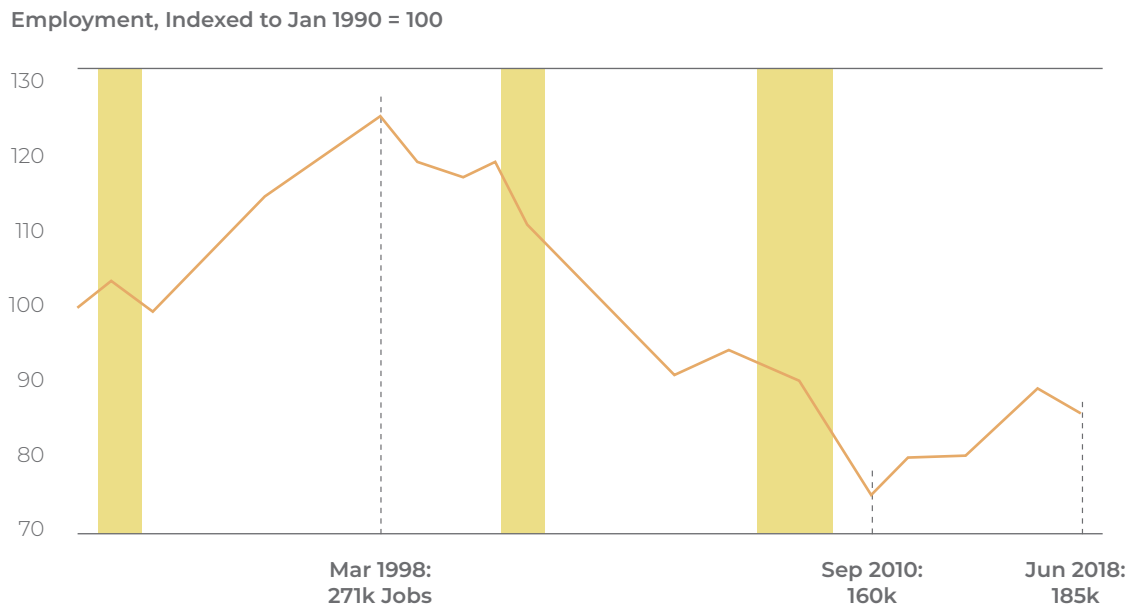
The role advisors play in today's travel landscape is in the midst of a dramatic realignment. No matter their specialization or sector, from corporate travel experts to luxury specialists, these trusted travel partners are rethinking their place in the sector, both for clients and the industry suppliers whose products they sell.

The evidence for this realignment is obvious when examining the sector's long-term employment trends. According to the Bureau of Labor Statistics, the total number of individuals employed as travel advisors fell by more than 100,000 between 1998 and 2010.

Still, despite this trend, the travel advisor sector is undergoing a significant rebound. The chart on the next page also makes clear that as of 2018, there were 185,000 individuals working in the sector — an increase of 25,000 jobs from the industry's post-recession nadir in 2010. This ebb and flow of industry success is due to a number of factors, including broader changes in consumer shopping habits, shifts in the role travel advisors play in the consumer purchase process, and an evolution in how travel industry products are bought and sold.



## U.S. Employment at Travel Agencies and Other Travel Arrangement Services



### U.S. Travel Agent Employment Stable After a Structural Decline

Source: U.S. Bureau of Labor Statistics, Skift Research. Data as of June 2018.  
Shaded yellow bar indicates U.S. recession.

From the perspective of consumer habits, the advisor sector has been impacted by the increase in travel industry e-commerce and digital connectivity. As both leisure and business travelers turn to online travel agencies, metasearch websites, and mobile apps to plan and purchase their trips, demand for some traditional travel advisor services, like making flight and hotel reservations, has diminished.

And yet a growing body of research also suggests there are a multitude of sub-groups that continue to rely on travel advisors to help plan their trips. One such group, surprisingly enough, is millennials. According to MMGY Global's 2017-2018 Portrait of American Travelers study, 33 percent of millennials planned to hire a travel advisor [in the next two years](#). This insight is further supported by research conducted by the American Society of Travel Advisors (ASTA), which found 55 percent of millennial respondents said hiring a travel expert was "worth it."

It's not just younger travelers that are turning to travel advisors either. A growing interest in multicultural trips is helping increase demand for advisors from African-American, Hispanic-American, and Asian-American travelers, for example. According to recent research published on Skift, the market for African-American tourism products [accounted for \\$63 billion in spending in 2018](#), up from \$48 billion in 2010. And in an interview with Skift, Terry Soto, CEO of About Marketing Solutions, reported that Hispanic travelers are [twice as likely](#) as non-Hispanic travelers to book using a travel advisor.

Meanwhile, travel advisor relationships with industry suppliers like hotels are also evolving. One issue, already noted above, is the growing popularity of online travel agencies. These booking platforms create new competition for advisors and can lead to complications as they try to offer the best possible price and experience to their customers. At the same

time, the growth of direct booking ad campaigns, which push travelers to make reservations using travel supplier websites, is changing the role of the travel advisor in the consumer and supplier ecosystem. This challenge has special significance for those in the corporate travel sector, where many corporate advisors have problems with employees booking trips out of policy using non-approved online sites and tools.

Each of these shifts, whether from the business or consumer environment, puts both travel advisors and the companies that supply them with inventory at an important decision point. How will the travel advisor sector navigate the challenges and opportunities of their changing role, and redefine the significant value they provide to consumers in this new era? What consumer habits will have the biggest impact on the products and services they sell? And how are their relationships with suppliers changing?

## Skift's State of the Travel Advisor Survey: Methodology

It is with these questions in mind that Skift and InterContinental Hotels Group (IHG) present the "2019 State of the Travel Advisor" Report. To understand travel advisor attitudes towards the issues noted

above, Skift reached out to its travel advisor audience in early 2019, asking them to participate in a survey examining their attitudes and thoughts about the changing state of their profession.

The responses came from a cross-section of the travel advisor sector, representing participants from a range of disciplines. The largest participant group was corporate travel advisors, making up more than one-third of the total respondent base. Another 30 percent of responses came from luxury travel advisors, who are also frequently connected with those participating in "consortia" organizations, groups of independent advisors who come together to collectively share knowledge, marketing resources, and negotiating power. The other two respondent groups, wholesalers and independent advisors, each accounted for less than 20 percent of the survey respondents.

After considering the response data from the initial groups surveyed, Skift and IHG made the decision to focus the report analysis on the responses from two of the four constituencies surveyed: corporate travel advisors and luxury/consortia members.

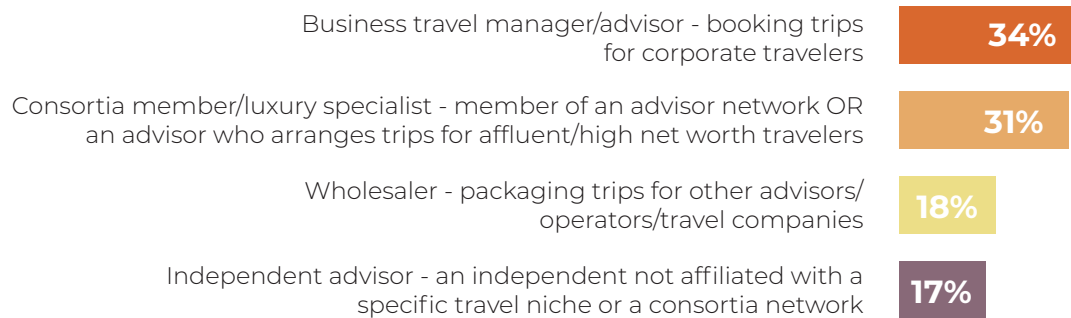
These two groups had the most clearly defined ecosystem of target customer and supplier relationships, allowing the report to provide more in-depth sector-level analysis of their business opportunities and challenges.

*Source: Crowne Plaza® Atlanta Perimeter at Ravinia. InterContinental Hotels Group*





## Describe your specialization in the travel advisor sector:



The responses for these two advisor sectors were then organized into three main themes impacting their businesses:

**1) Business Climate:** The first theme examines the sector's overall business outlook. It attempts to better understand the general financial health of the advisor group, as well as the macro-level economic factors and category trends that are likely to impact them in the year ahead.

**2) Key Sector Changes:** The second theme covers sector-specific changes that may impact the advisor business in the year ahead. For corporate travel advisors, this includes an investigation of the growing trend among business travelers who use self-service tools to help manage and plan their own trips without the help of an advisor. Meanwhile, in the luxury

sector, this section includes questions about demand for new types of trip features (e.g. wellness and adventure), and how advisors perceive their relationships with consortia partners.

**3) Supplier Relationships:** The third theme investigates advisors' relationships with travel suppliers. In order to better focus the subject matter of this report, the topics for this section focus only on advisor relationships with the hotel sector. This section also looks into the most important product attributes, information, and resources advisors prioritize when selecting the hotel brands they typically recommend to clients. ♦

# CORPORATE TRAVEL ADVISORS

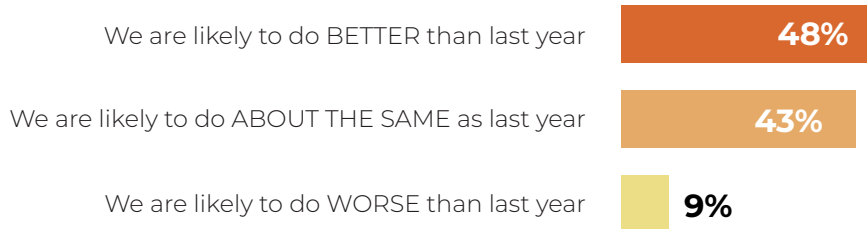


Business is looking good in the corporate travel sector in 2019. According to a 2018 report from the Global Business Travel Association (GBTA), global business travel spending was expected to grow by more than 7 percent in 2018 and is [predicted to reach \\$1.7 trillion by 2022](#). This healthy economic climate is boosting the fortunes of the corporate travel advisors who help organize and purchase business travel on behalf of their corporate clients and employees.

However, the sector is not without its challenges. Corporate travel advisors face ongoing issues trying to convince their clients' employees to book trips in compliance with employer travel policies. Many corporate travel advisors also struggle with questions about how to balance delivering more user-friendly digital tools and providing more high-touch, human services when travelers need assistance with trip cancellations, modifications, or delays. Another industry-wide issue is how best to sell ancillary products like upgrades or checked bags. And as the profits from ancillary fees grow, travel advisors are increasingly in need of more information, distribution, and support from suppliers to help market and sell these products to their clients.



## How would you predict your organization's financial performance over the next 12 months?



## Business Climate

The optimistic business travel outlook predicted by the GBTA aligns with the attitude of corporate travel respondents in Skift's survey. When asked about their organization's predicted financial performance over the next 12 months, close to half (48 percent) of respondents said they were likely to do better, while another 43 percent said they were likely to do about the same.

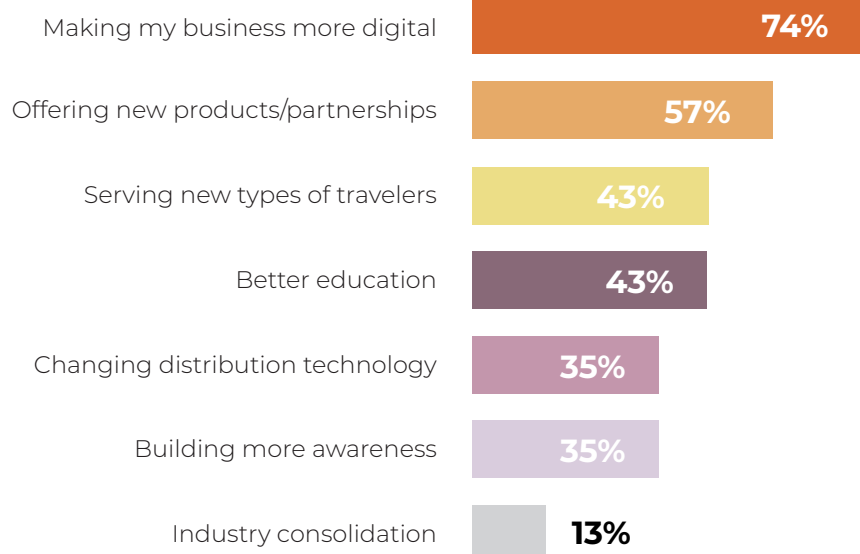
When examining the biggest business opportunities for the next 12 months, the continued digitalization of industry services — offering new digital services like trip booking or providing information like itineraries online — was a key area of focus for most corporate travel advisors. Seventy-four percent said they would like to offer new digital services delivered by means of a device like a smartphone app.

"Technology would be the biggest area of change," said Suzanne Meshkati, director of travel partner strategy for IHG Global Sales. "TMCs [travel management companies, referring to an agency or advisor that

handles a company's business travel] have been forced to adapt — almost evolving into technology companies — while still keeping travel advisors at the core of their business." Meanwhile, another 57 percent cited "offering new products/partnerships" as a significant corporate travel opportunity, the second-most popular answer.

On the flip side, when corporate travel advisors were asked to select their top three business challenges, broader uncertainty with the economy remains an area of potential concern. Fifty-two percent of corporate travel advisors said economic issues are the biggest threat facing them in the year ahead. This was followed closely by concerns about changes in how travel products are bought and sold by business travelers online. Another 43 percent of respondents mentioned "new competitors," such as new types of self-serve corporate booking tools and online travel agencies. Forty-three percent of respondents also mentioned changing distribution technology, which was tied as the second-most popular answer.

**Which of the following will be the biggest opportunity for your business in the next 12 months? (select your top three)**



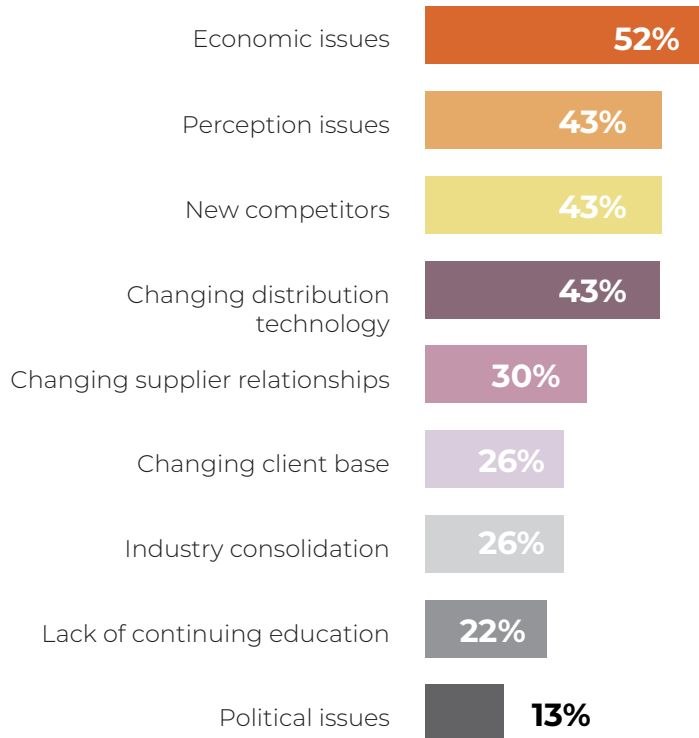
The fact that business travelers increasingly have access to the same online booking tools used by leisure travelers to research and purchase their trips is impacting the role corporate advisors play in providing support and assisting with travel bookings.

“A lot of transactions have moved online, and that has lessened the role of the travel advisor for a growing subset of the corporate travel space,” said Michael Steiner, partner and executive vice president for Ovation Travel Group’s corporate travel practice. “Having said that, for the non-online transactions, what has remained the same has been the desire for quality service for those offline transactions.”





### Which of the following is the biggest threat to your business in the next 12 months? (select your top three)



## Key Sector Changes

As we've just learned, the growing popularity of self-serve booking technologies is having big consequences for the corporate sector. But just how much does this new dynamic impact the business success of corporate travel advisors? Has it made their jobs harder? Easier? And what other changes, whether they are related to changing demographics or new business traveler habits, may impact their work in the year ahead?

From the perspective of corporate travel advisors, the growth of the "unmanaged" online travel model (business travelers who book trips using tools designed for leisure travelers) is already impacting their work. Close to 40 percent of survey respondents strongly agreed that the internet and online travel agencies were making it harder for them to do their jobs.

However, the question of whether advisors should embrace or resist the trend towards more unmanaged activity is complicated. While allowing business travelers to book outside of policy may be more convenient for organizations, it also makes it harder for advisors to take advantage of suppliers' preferential rates.

"The [corporate travel] buyers have to decide. Does it make sense for the traveler to book outside of the system for that 20 dollar savings on that one night in a hotel?" said Ovation Travel Group's Steiner. "When they have committed to that hotel or to that hotel group X number of room nights to be able to get their discount, it becomes an interesting review of the programs to see what makes sense."

The other good news about self-service booking is that most business travelers can't do it all themselves. Very often, they still need help from advisors with trip support. "Corporations utilizing an online booking tool like Concur are, in almost all cases, still utilizing a travel management company for fulfillment and offline support," said IHG's Meshkati. "This does not replace the travel management company, but really adds to the service it provides to a corporation. Mobile solutions also usually come from a travel management company so that it links in with the rest of the managed corporate travel policy."

Senior corporate travel advisors also have plenty of questions about what corporate travel services business travelers should be allowed to handle using "self-serve" means rather than having an employee work directly with an advisor.

Thanks to the growth of mobile apps and automation tools like chatbots, it's theoretically possible for business travelers to manage and receive help for an entire trip without the aid of an advisor. But whether advisors are fully comfortable with that dynamic is debatable. When asked to rank which travel services they believed would be OK letting travelers handle

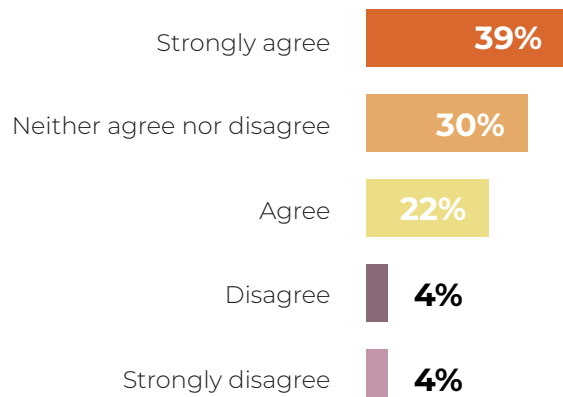
by self-serve means, 36 percent said it was "never OK" when the situation was a delayed or cancelled trip. A higher percentage were "sometimes OK" with less complicated trip tasks like planning a trip or purchasing a trip.

Other advisors believe that self-service tools are not likely to disrupt the need for corporate travel advisors any time soon.

"There's a lot of talk about automating what the travel advisor does," said Craig Fichtelberg, co-founder, president and chief operating officer of AmTrav. "But there are too many nuances right now where travel advisors still have to be pulled into the equation. Artificial intelligence or a bot can take things only to a certain point. It then needs to get passed to a person thereafter, and that process isn't clean."

Meanwhile, changing business traveler behaviors will continue to influence the products and services corporate travel advisors look to offer their clients. This has special resonance among a growing percentage of employees who take trips combining business and leisure. Sixty-five percent of advisors agreed or strongly agreed that business travelers who blend

### Agree or disagree: "The internet and online travel agencies have made my job as a travel advisor more difficult."

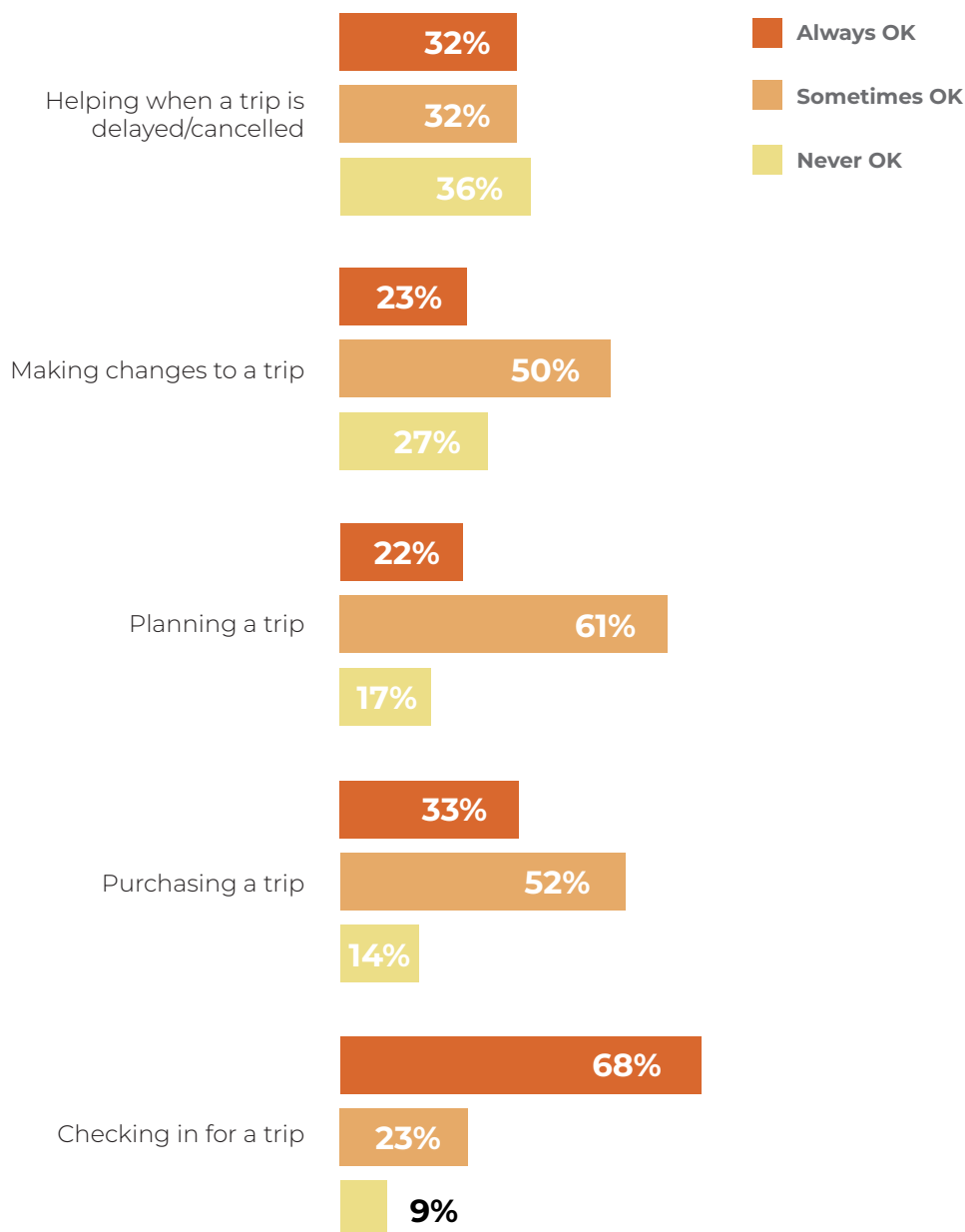


work and fun trips would impact the products and services they sold.

Indeed, several advisors that spoke with Skift said they are taking steps to offer business travel products that are flexible enough to be used for leisure travel purposes when necessary.

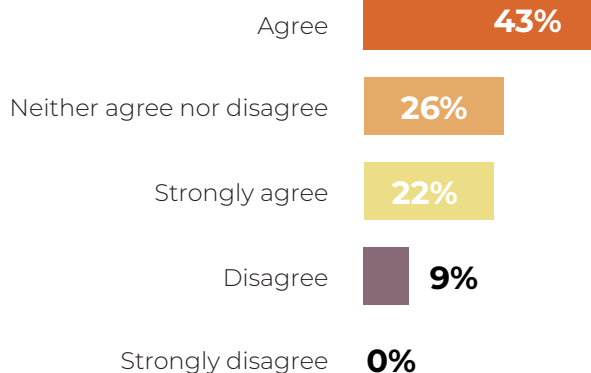
"The way our booking tool is set up is, if you're going to switch it to personal, you still have access to the corporate discounts," said AmTrav's Fichtelberg. "[So] if you're extending your hotel [stay], you can still leverage the corporate discount for those extra room nights."

### Which of the following services are OK for travelers to handle via self-service (without the help of an advisor)?





**Agree or disagree: “Business travelers who are combining work and leisure on the same trip will have a significant impact on the products and services I provide to my clients.”**



Another big sector challenge will be figuring out what adjustments, if any, to make as millennial business travelers increase in number. In Skift's survey, more than 50 percent of respondents said they agreed or strongly agreed that millennials would have a significant impact on the products and services they provided in the near future.

But how or what services will need to be adapted for millennials depends on the advisor in question. One action taken by advisors to better serve millennials is shifting more of the information flow related to travel — for instance, booking confirmations, itinerary details, and customer service interactions — onto digital devices.

“One of the big changes when it comes to ... millennials, is how and when they want to receive information: everything from researching and shopping for business trips, to how they engage with customer service,” said IHG's Meshkati. “To me, the change isn't so much in how IHG sells to the travel management companies but the service and experiences provided by our hotels.”

For other corporate advisors, the solution to better serve millennials is very similar to the core value they offer travelers from older age groups: service.

“Although millennials do love to have a digital experience, and they love to be in control of the booking process digitally, we have found that they also love high-touch service,” said Mike Cameron, CEO of Christopherson Business Travel. “When they get stuck in the airport because the flight has been cancelled, or there are weather delays, or their business trip needed to be changed, they love to call a travel advisor and have a real person help them unwind things.”

## Supplier Relationships

Shifts in travel habits and the disruptions caused by technology are also impacting corporate travel advisors' relationships with suppliers. New online travel booking options are disrupting long-standing relationships between hotels and the advisors that sell their inventory to business travelers. One example is a shift towards increasing transparency on room prices. There are also new opportunities, as

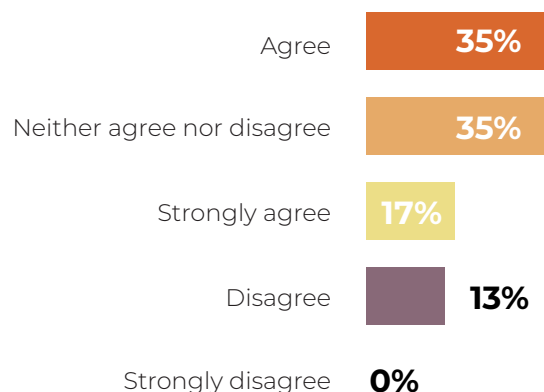
well as challenges, in how hotels digitally distribute information about their properties (and their available ancillary services) to advisors. As more of this information is published online, it is upending the historic process related to disciplines such as supplier sales, marketing, and merchandising.

The growing importance of online distribution in the supplier-advisor relationship is having some positive benefits. Seventy-seven percent of Skift's survey respondents said digital distribution had encouraged more transparency in their supplier relationship, while another 50 percent noted it had also made it easier to access information about suppliers' business-focused products and services to help them sell to clients.

Executives from IHG agree, noting they have been upgrading their digital information resources to help provide corporate advisors with more online information about their hotel properties.

“We've also adjusted the way advisors can engage with us online and ensure we're providing the resources and education they need all in one

**Agree or disagree: “Younger travelers like millennials will have a significant impact on the products and services I provide to my clients.”**





place,” said IHG’s Meshkati. “Later this year we’ll be refreshing and reimagining our digital portal for advisors, which is found at [ihgagent.com](https://ihgagent.com), and allows registered advisors to book client travel, view resources and promotions, and access training and brand education to improve their overall experience and help them make the best choices.”

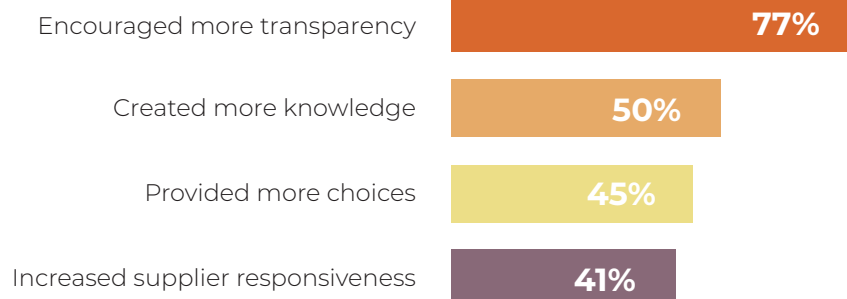
But corporate advisors and suppliers believe the growth of online travel distribution is not always a net positive for their business. As the number of outlets selling travel products online continues to proliferate, there is increased confusion about the role corporate advisors should play in the process. This is especially true with pricing. Seventy-one percent of survey respondents said the increasing importance of online travel has contributed to more pricing confusion.

The advisors who spoke with Skift emphasized this same point, noting that pricing transparency is critical to their future success.

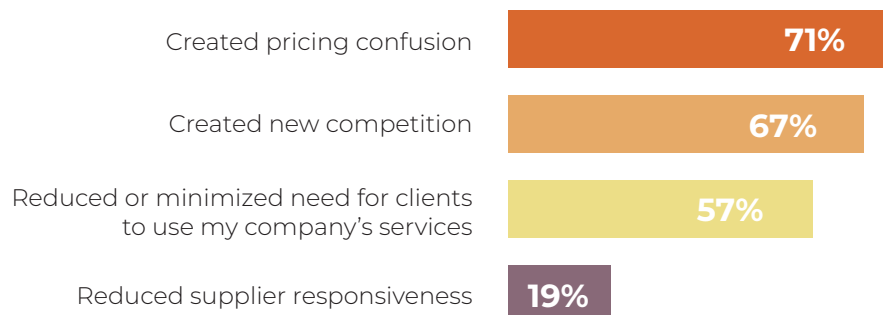


Source: Holiday Inn® Belfast City Centre,  
InterContinental Hotels Group

### How has the increase in online travel shopping/buying made your relationship with travel suppliers better? (select all that apply)



### In what ways has the growth of online travel made your relationship with travel suppliers worse? (select all that apply)



"If travel agencies are going to stay relevant, we need to have the same access that you have going direct," said AmTrav's Fichtelberg. "Otherwise, what's the advantage of coming to us?"

However, from the perspective of suppliers, this transparency can sometimes come at a cost, making it more difficult to offer dedicated rates to key advisor groups and their clients.

"The biggest impact [of digital] is that rates and content provided by IHG are 'out there and in the open,'" said IHG's Meshkati. "We believe the key focus going forward is to personalize the experience so that travelers who always require certain attributes in their stay are shown these offerings without having to search through five pages of results."

When considering the top three hotel supplier amenities they consider most important in their decision to recommend specific properties, factors like price, location, and personal knowledge were most important. Nightly room rate was the top factor (mentioned by 78 percent of respondents). Location was the second-most important factor (74 percent), while personal knowledge of the property (35 percent) was third.

"Price and location still remain the biggest factors for business travelers when choosing hotels," said IHG's Meshkati.



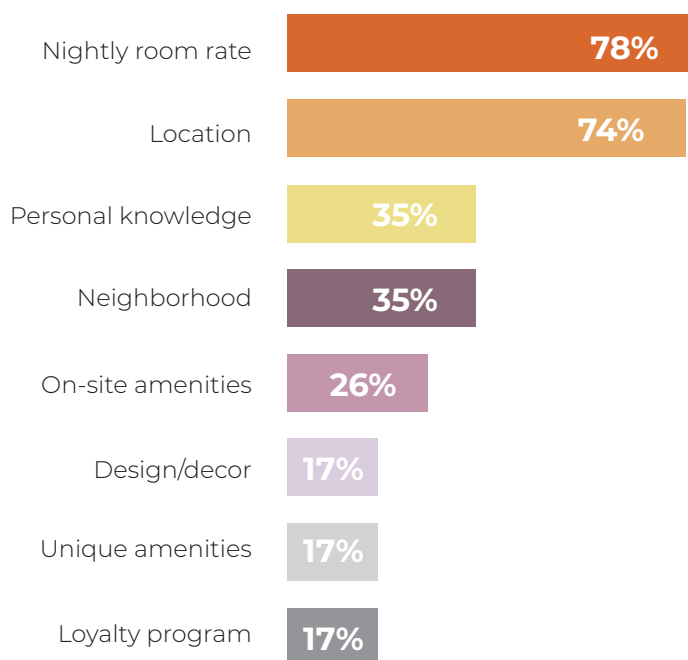
Corporate travel advisors agreed with this assessment. “While the rate is important, it’s also about the location, it’s about the amenities, sometimes it’s about the loyalty program,” said Ovation Travel Group’s Steiner.

For other corporate travel advisors, the quality of the supplier relationship was another key factor. “Salesmanship does come into play — to have a tight relationship with my team that does supply and negotiations,” said Steiner. “If I was a hotel, I would want to make sure I had really good people on the front line, reaching out and doing all of the proper sales and marketing work.”

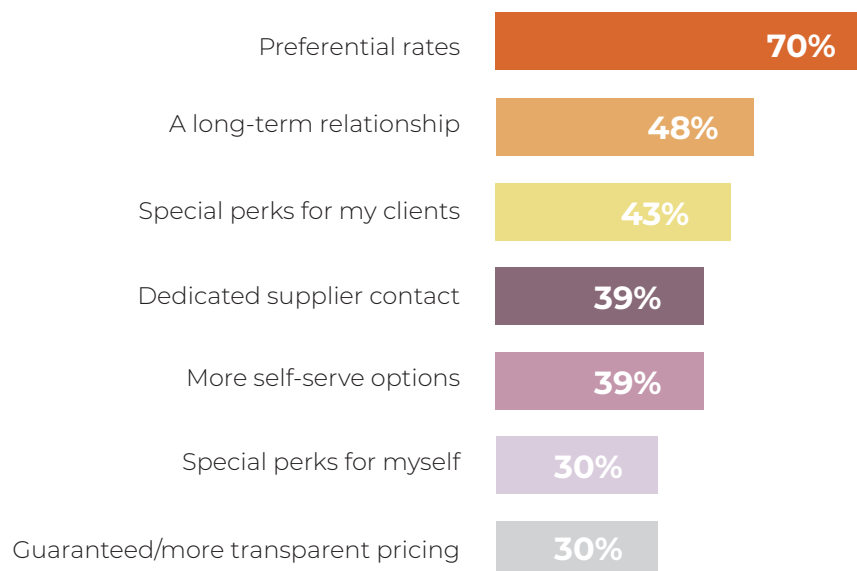
“Strong relationships are important to our business,” confirmed IHG’s Meshkati. “We have dedicated global and in-market sales teams working closely with our travel partners to provide an outstanding buying experience to their customers, whether they’re looking for corporate travel solutions or uniquely designed luxury experiences.”

When examining the top three benefits that would make them more likely to recommend a specific hotel property to clients, advisors listed preferential rates as most important (70 percent), followed by long-term working relationships with suppliers (48 percent), and special perks for clients (43 percent).

**Which of the following hotel features/amenities are the most important to you when deciding to recommend a property to a client? (select your top three)**



### Which of the following benefits would make you most likely to recommend a specific travel supplier to customers? (select your top three)



Many corporate travel advisors also expressed a desire for stronger knowledge-sharing relationships with the hotel sector, though it has been harder to achieve. That's because unlike the airline industry, where it's easy for advisors to identify and form relationships with most of the top carriers, the hotel sector is much more fragmented.

"It's harder to establish that kind of relationship across a huge percentage of the hotel brands. Because even within one chain they've got different private owners, and it's really been complicated," said AmTrav's Fichtelberg.

As the collaborative opportunities between hotels and corporate advisors continue to strengthen, however, it is also likely to open new revenue and data-sharing opportunities. This is particularly true of opportunities to better sell add-on hotel products like room upgrades and access to meeting space. According to corporate travel advisors, some of these add-on products are still not easy to find and sell using existing digital distribution tools.

"There are so many merchandising opportunities that hotels have. You could argue they almost have more than what the airlines have been doing," said Fichtelberg. ♦



# LUXURY AND CONSORTIA ADVISORS



Source: *InterContinental® Hayman Island Resort*, InterContinental Hotels Group

The luxury travel advisor market has not been impacted by the rise of digital distribution to the same extent as corporate travel. The high value and high touch nature of many luxury travel purchases means that a significant portion of affluent travelers continue to work with advisors to plan their trips. According to 2018 data released by ITB Berlin and IPK International, 40 percent of luxury trips are booked via advisors, compared to just [27 percent of all international outbound trips](#).

The luxury travel advisors who spoke with Skift confirmed that customer service and personalization continue to be core differentiators of the luxury travel advisor experience. “It’s still a pretty high touch service on the luxury travel side,” said Mike Cameron, whose firm handles both corporate travel clients and luxury clients under the brand name Andavo Travel. “It is old-school and hands-on. The travel advisors in many, if not most, cases are making the bookings over the telephone rather than through the global distribution system.”

However, despite this relative stability, the luxury travel advisor business is also going through its own period of rapid change. Consumers' growing demand for more digital commerce, information, and trip management tools is influencing how luxury travel advisors develop and promote their services. Luxury travel advisors are also expressing a growing desire for more transparency and support from travel suppliers in how they receive room pricing information.

## Business Climate

When asked about the financial prospects of the luxury travel advisor sector, many sector participants confirmed that business is indeed "booming." Nearly three quarters of survey respondents said they expect their organization to do better this year compared to last year.

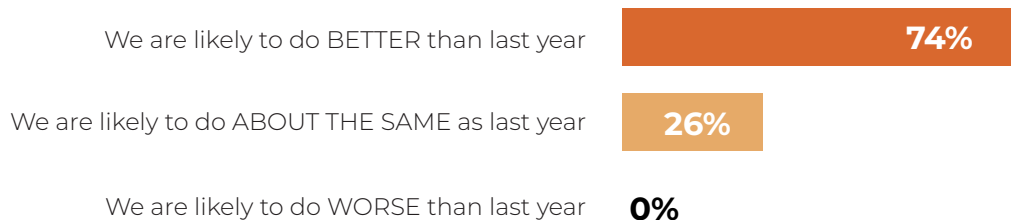
In terms of the top three business opportunities that will have the biggest impact on success in the next

12 months, most luxury travel advisors mentioned an interest in building awareness of their services via advertising and word of mouth (74 percent). In second place was offering new products to better cater to traveler desires (71 percent), followed by serving new groups of travelers (68 percent).

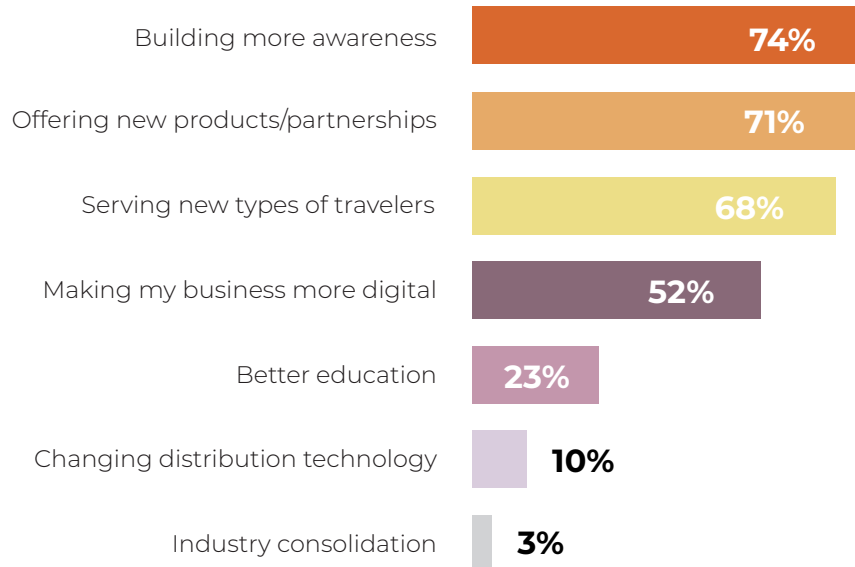
In terms of the top three biggest threats to their business, 58 percent of luxury travel advisors cited consumer "perception issues," referring to customers who have trouble understanding the value of working with an advisor, as their number one problem. Another 52 percent mentioned "new competitors," which likely refers to the growing array of online travel agency booking options and self-service tools travelers can use to plan and purchase their trips. The third most-mentioned threat, interestingly enough, was economic issues linked to financial uncertainty.

The results suggest that while client demand for luxury travel advisor services remains strong for now, respondents realize that an unforeseen event could impact demand in the near future.

### Based on current market conditions, what would you predict for your organization's financial performance over the next 12 months?



**Which of the following do you believe will be the biggest opportunity for your business in the next 12 months? (select your top three)**



## Key Sector Changes

The survey responses in the section above suggest a generally positive outlook for luxury travel advisors. But the sector is not without its challenges. According to survey data and interviews completed by Skift, the role of the luxury travel advisors in the consumer buying process continues to evolve.

The point is underlined by responses to a question about whether the internet and online travel agencies have made the job of a luxury travel advisor more difficult. Forty-five percent of respondents either agreed or strongly agreed with the statement.

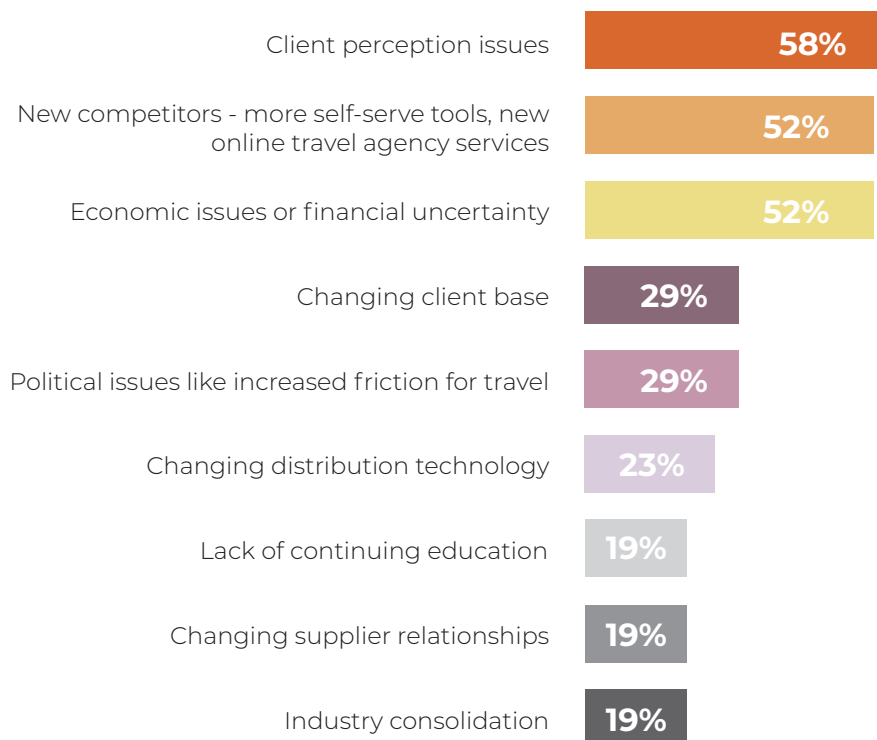
But what specifically is getting more difficult? According to advisors, the demands of luxury travelers are shifting.

“We’re seeing clients get a lot more sophisticated. They want us to do many more things that transcend the transaction,” said Jack Ezon, founder and managing partner at Embark Beyond Travel. “And that’s where I think the value of a live, well-compensated travel advisor is going.”

One example of this sophistication is a shift in the trip planning process, which is increasingly moving away from the offline world of glossy brochures. Instead, many luxury travelers today find inspiration, not surprisingly, from digital channels like social media. But while this change is already widespread in other sectors of travel, it is a significant change for luxury travel products, a travel segment where clients have long relied on luxury travel advisors to be the gatekeepers and experts on high-end travel products.



## Which of the following do you believe is the biggest threat to your business in the next 12 months? (select your top three)



"It's causing the advisor to have to do even more research," said Gina Gabbard, senior vice president of Leisure and the Independent Advisor Division for Ovation Travel Group. "That's been a big change in our business: how social media has started to play an interesting role in the buying decision. Because everybody wants to 'keep up with the Joneses.'"

Yet even as travelers shift their preferences in how they find inspiration, it doesn't mean they have devalued the importance of using luxury travel advisors. According to Skift's survey results, 68 percent of sector advisors agreed or strongly agreed that it was "easy to convince clients" of the value of working with them.

Instead, where the real change is happening is in the range and extent of the activities luxury travel advisors are now able to help manage for their clients.

"Our role becomes less of a travel specialist and more of a client specialist," said Embark Beyond Travel's Ezon. "It's knowing our client, becoming a specialist in our [client's interests], and knowing the world."

This also means luxury travel advisors are becoming more knowledgeable about new high-end interest categories that may have once been considered outside the realm of travel.

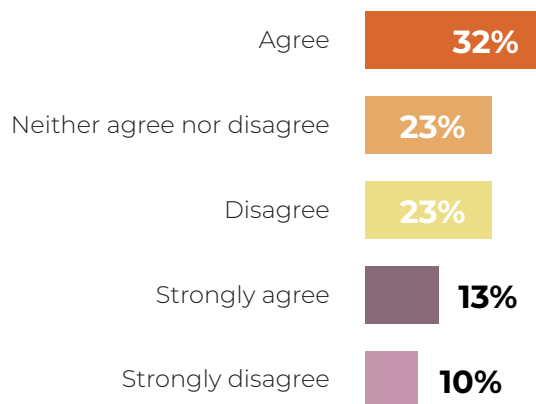
"Where I see the human element going is much more of this holistic luxury travel advisor," said Embark's Ezon. "Being a specialist in my client, knowing the world, and knowing more about their luxury lifestyle [interests] outside of travel. It's fashion, it's auto, [and] it's entertainment."

Another area of emerging opportunity for luxury travel advisors is millennial travelers. The luxury travel segment traditionally focused its energies on serving older (and more affluent) travel age groups like baby boomers and Generation X. But today, more

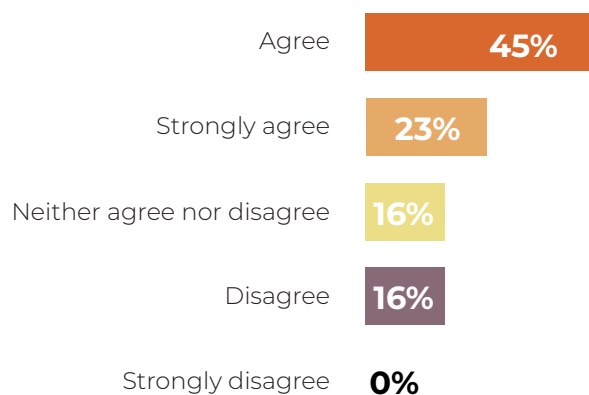
millennials have the income and interest to purchase luxury trips. More than half of luxury travel advisors said they agreed or strongly agreed that millennials would have a significant impact on the products and services they provide in the near future.

But what type of impact will this group of younger travelers have on the products and services offered by luxury travel advisors? As mentioned previously, social media is likely to play an increasingly important role in the trip planning, marketing, and purchase process.

### Agree or disagree: "The internet and online travel agencies have made my job more difficult as a travel advisor."



## Agree or disagree: “It is easy to convince most clients in 2019 of the value of working with a luxury travel advisor.”



“The buying process has, in that sense, become more of a social exchange rather than a formal process,” said Yvonne Ruppert-Gordon, head of global luxury & lifestyle sales, IHG Global Sales.

According to other luxury travel advisors, millennials are also going to increase demand for travel services that offer them increased convenience.

“They’re the first to pay for someone to do things for you ... We see that not just in travel,” said Embark’s Ezon. “They’re the ones that want the private trainer. They’re the ones spending more on their nutritionist. They’re paying people to do stuff for them.”

Aside from appealing more to millennial travelers, luxury travel advisors note a number of other emerging trip features and themes that will be important in the year ahead. Some of the most

popular features were providing more “insider access” on trips (mentioned by 90 percent of respondents), adventure travel (77 percent), and more interactions with destination locals on trips (77 percent).

By way of example, luxury travel advisors mention providing “authentic” experiences as one method they will use to deliver this type of insider access.

“The luxury traveler especially wants their kids to have immersive experiences. Not a made-up experience, but a true authentic experience,” said Ovation Travel Group’s Gabbard. “Maybe it’s going to do an African safari, but then also taking some time to go visit a local school. Maybe even have a part of it where there is a give back or participating in some type of philanthropic activity while they’re there.”



Last but not least is the continued importance of the relationships between luxury travel advisors and their consortia groups. These advisor groups act almost like a franchise brand or sector trade group for luxury travel advisors, helping support their work by educating them on new destinations, sharing special bulk pricing discounts, and giving assistance to help promote advisors' business development. Some of the most popular luxury-focused consortia brands include Virtuoso and Signature Travel Network (STN).

Nearly every advisor who spoke with Skift had nothing but praise for the resources and services offered by their respective consortia organization.

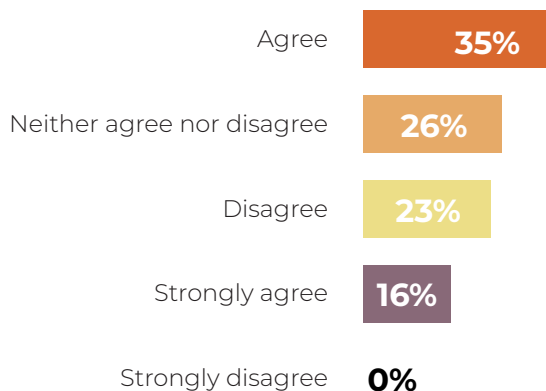
"They've got some great resources available, whether it's online training or different academies that they do," said Ovation Travel Group's Gabbard speaking about the company's relationship with Virtuoso.

"There's a lot of emphasis on the training that they provide for our advisors at different levels. They've also been a leader in technology."

When luxury travel advisors in Skift's survey were asked about the most important resource a consortia should offer them, 42 percent said special pricing, the most popular answer. Another 23 percent said they wanted ongoing education and training, and another 16 percent said support with marketing and customer acquisition was a key consortia resource.

In fact, larger advisor networks like Virtuoso and STN have in recent years been working to help their luxury travel advisors adapt and evolve for the new digital self-service age of travel planning. STN, for instance, has a special [online education program](#) for newer advisors, while Virtuoso is experimenting with new [digital trip-planning tools](#) and more [strategic business support](#).

**Agree or disagree: "Younger travelers like millennials will have a significant impact on the products and services I provide to my clients."**



Source: Regent® Porto Montenegro, InterContinental Hotels Group

## Supplier Relationships

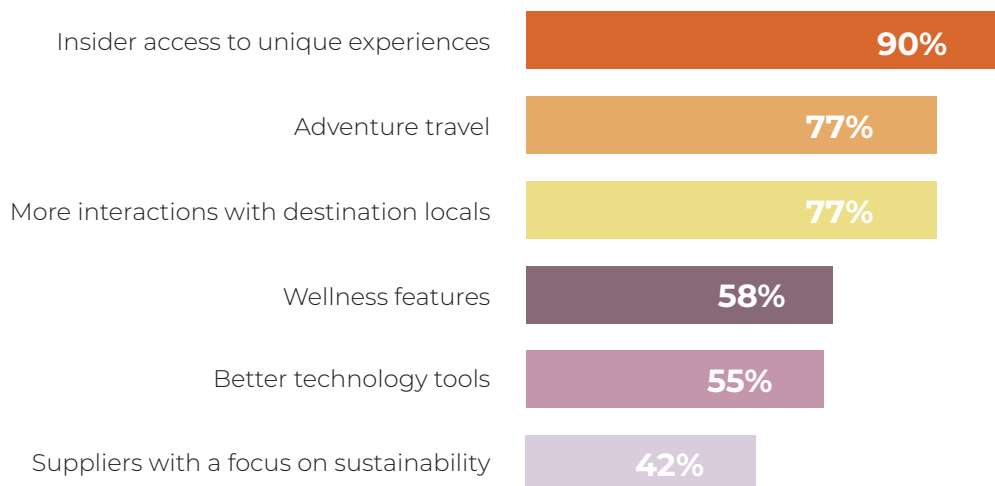
As the luxury travel advisor business evolves to serve the changing needs of customers, it is also changing how these advisors collaborate with hotel suppliers. This has impacted the collaboration process in a number of ways, including the methods that hotels use to provide information about their properties and amenities, as well as how the two groups negotiate room prices.

“Suppliers like IHG need to be on the leading edge,” said IHG’s Ruppert-Gordon. “It’s especially crucial that we provide all of the tools and resources for

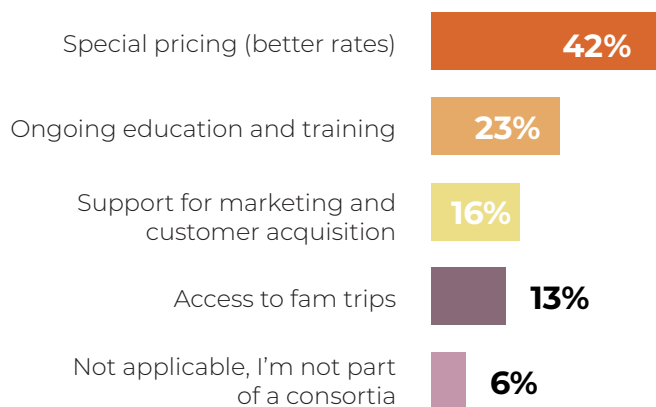
third parties to accurately sell our luxury brands to the right customer, which is why we’re launching a digital portal designed to inform, educate, and connect luxury travel advisors with our luxury and lifestyle properties.”

Perhaps the biggest issue impacting the relationship between luxury travel advisors and hotel suppliers is the continued growth of bookings made using online travel agencies. When asked how the growth of online travel has made their relationship with travel suppliers better, 53 percent of luxury travel advisors

**Which of the following types of luxury trip features/themes will be most important to offer to travelers in the year ahead? (select all that apply)**



## What do you believe is the most important resource that a consortia group should offer to its members?



Source: *The Kimpton® Gray Hotel*,  
InterContinental Hotels Group

said it was the increased availability of knowledge about products and services, while another 47 percent said it was increasing supplier responsiveness. Another 43 percent said online travel was contributing to more transparency about product pricing and availability.

Another advisor benefit not mentioned in the survey — though still worth noting in the context of online travel — is the opportunity to integrate loyalty programs into customer booking decisions. Many travel suppliers do not offer loyalty points for customers completing bookings via online intermediaries like an OTA. This discrepancy between online travel platforms and advisors could serve to further increase the attractiveness of booking with advisors.

Many hotel suppliers also note that even though the amount of information they are able to provide luxury travel advisors is increasing, they now need to do more to ensure that knowledge is meaningful for luxury travel advisors and also differentiated from competitors. “The market is extremely saturated with beautiful resorts on white-sand beaches or impeccable suites and service in buzzing city centers,” said IHG’s Ruppert-Gordon. “We aim to differentiate ourselves by providing advisors with the necessary information on our properties, opportunities to meet the hotel teams, rewards for partnering with IHG, and unique experiences or amenities for their customers.”



The growing importance of online travel distribution and sales has also had some negative impacts on the current advisor-supplier relationship. When asked by Skift how online travel has made their relationship with suppliers worse, 81 percent said it created pricing confusion, while another 61 percent mentioned it had created new competition, whether from more traditional online travel agencies or from wholesalers. The growing trend of “booking direct,” mentioned by 58 percent of advisors, was the third-most popular challenge.

Luxury travel advisors agreed that the pricing discrepancies created by the popularity of online travel and direct booking ad campaigns are forcing them to get more vocal in promoting the value of their role in the buying process.

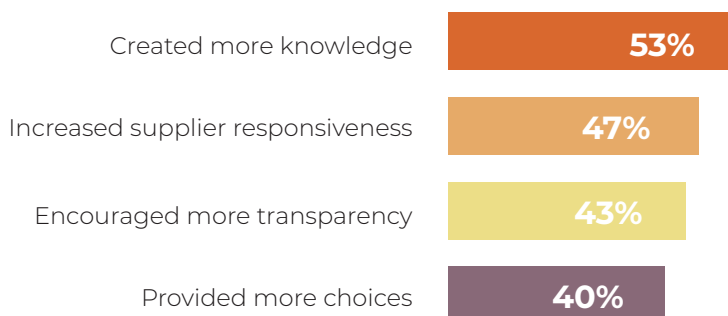
“We continue to advocate to our supplier partners that they make sure travel advisors don’t get caught up ... in certain battles that a hotel company may

have with the online travel agencies,” said Ovation Travel Group’s Gabbard. “The message out in the marketplace to consumers from many of those brands has become, ‘Well, the best price I’m going to get is by booking directly on any given hotel’s website.’ That creates a perception that a travel advisor is more expensive, when that’s not always the case.”

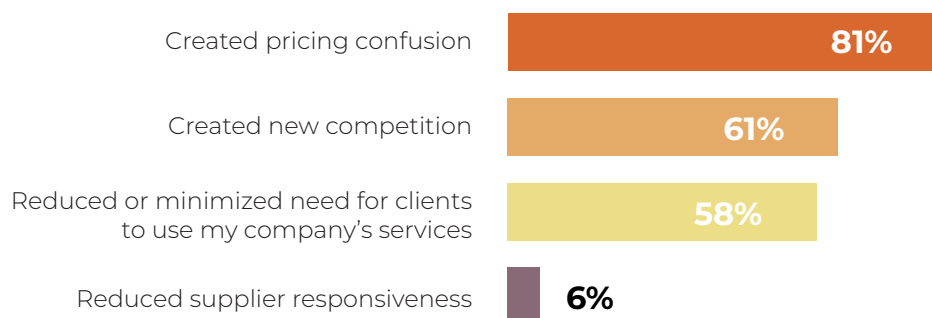
Others suggest that suppliers can avoid this pricing and distribution dilemma altogether by helping luxury travel advisors do what they do best: deliver high-quality customer service to their clients.

“A travel advisor wants to look like a hero,” said Embark’s Ezon. “How do you look like a hero? Number one, you have to deliver clients that are always thrilled, which means your hotel has to be in good shape. Number two, you have to have people there that are going to support you and work with you and make you look great.”

### How has the increase in online travel shopping/buying made your relationship with travel suppliers better? (select all that apply)



## How has the growth of online travel made your relationship with travel suppliers worse? (select all that apply)



Those in the hotel sector agree that ongoing collaboration between suppliers and advisors is critical. “Our mission is to ensure the property staff at our luxury and lifestyle brands are well-versed in the needs of these luxury leisure travelers,” said IHG’s Ruppert-Gordon. “By sharing insight on the traveler’s preferences, the advisor and the hotel can turn a great stay into an exceptional one. We must all work together.”

When considering the top three hotel attributes luxury travel advisors consider when deciding to recommend a hotel property, location was the number one feature (mentioned by 90 percent of respondents), followed by nightly room rate (55 percent), and unique amenities (45 percent).

In terms of the top three benefits a hotel supplier can provide to make luxury travel advisors more likely to recommend a specific property to their clients, giving special perks was the most popular answer (mentioned by 74 percent of luxury travel advisors).

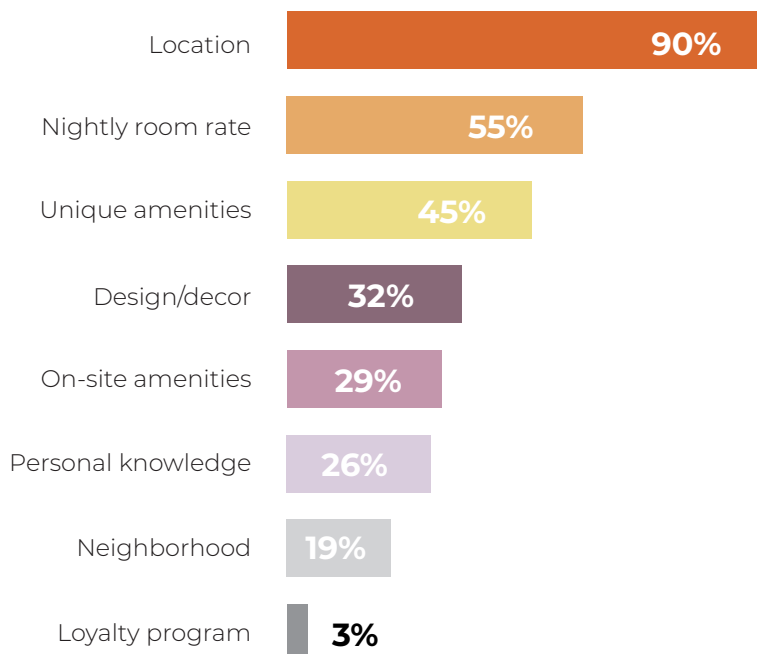
Preferential rates was the second-most popular (61 percent), followed by dedicated supplier contacts (48 percent).

One advisor explained why having a dedicated supplier relationship is so important for the luxury sector.

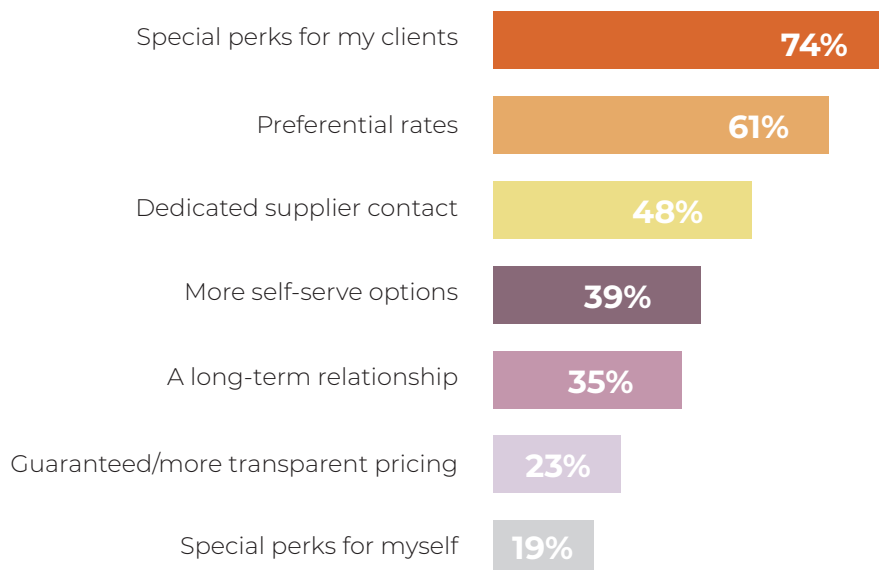
“A lot of the top suites at hotels aren’t always in the GDS [global distribution system], because there might be [only] one, the specialty suite,” said Ovation Travel Group’s Gabbard. “A lot of our advisors, when they’re booking those top suites or villas, must make either a phone call or send an email to a specific contact at the hotel, which is very important to us.”

In an era when nearly every type of hotel inventory, from budget to high-end, is available online, this example once again reinforces the importance of personal connections, particularly in a high-touch market segment like luxury travel.

**Which of the following hotel features/amenities are the most important to you when deciding to recommend a property to a client? (select your top three)**



**Which of the following benefits would make you most likely to recommend a specific travel supplier to customers? (select your top three)**





# CONCLUSION



Source: Crowne Plaza® Manchester - Oxford Road, InterContinental Hotels Group

The travel sector is undergoing a period of massive change, driven by larger shifts in consumer habits. Some of these shifts, like the growing popularity of online travel agencies and self-service trip planning and management tools, have required difficult adjustments for many advisors. But the challenges created by digital travel habits also have a silver lining, as they are creating a wealth of new opportunities for advisors to redefine and reinforce the unique value and service they can offer for their clients.

First and foremost, today's travel advisors in both the corporate and luxury sectors continue to offer clients personal relationships and insider access to travel experiences and products, something that's hard to replicate online. Second, travel advisors offer unsurpassed knowledge, helping their clients

navigate the overwhelming and sometimes confusing choices of the digital travel ecosystem. Finally, today's travel advisors offer a helping hand and real-time support when trips don't go according to plan. Each of these advisor attributes is made possible with the support of great supplier partners, who can provide the education, insights, and assistance to create the best possible experience for travelers.

There's no question that the advisor business is evolving. But with the help of a strong network of industry partnerships, a relentless focus on the customer, and, of course, a little creativity, there's reason to believe the sector will continue to grow and thrive in the years ahead.

## ABOUT SKIFT

Skift is the largest intelligence platform in travel, providing media, insights, marketing to key sectors of the industry. Through daily news, research, podcasts, and Skift Global Forum conferences, Skift deciphers and defines the trends that matter to the marketers, strategists, and technologists shaping the industry.

SkiftX is Skift's in-house content marketing studio, working collaboratively with partners like Adobe, Airbnb, Hyatt, Lyft, Mastercard, and many more on custom projects to engage the world's largest audience of travel influencers and decision makers.

Visit [skiftx.com](https://skiftx.com) to learn more or email [skiftx@skift.com](mailto:skiftx@skift.com).

## METHODOLOGY

Skift and IHG surveyed 180 travel advisors, drawn from the readership of Skift's website and newsletters, in April 2019.



## ABOUT IHG

IHG® (InterContinental Hotels Group) [LON:IHG, NYSE:IHG (ADRs)] is a global organization with a broad portfolio of hotel brands, including Six Senses Hotels Resorts Spas, Regent® Hotels & Resorts, InterContinental® Hotels & Resorts, Kimpton® Hotels & Restaurants, Hotel Indigo®, Even Hotels®, Hualuxe® Hotels and Resorts, Crowne Plaza® Hotels & Resorts, Voco™ Hotels, Holiday Inn®, Holiday Inn Express®, Holiday Inn Club Vacations®, Holiday Inn Resorts®, Avid™ hotels, Staybridge Suites®, and Candlewood Suites®.

IHG franchises, leases, manages, or owns more than 5,600 hotels and nearly 843,000 guest rooms in more than 100 countries, with over 1,900 hotels in its development pipeline. IHG also manages IHG® Rewards Club, our global loyalty program, which has more than 100 million enrolled members.

InterContinental Hotels Group PLC is the Group's holding company and is incorporated in Great Britain and registered in England and Wales. More than 400,000 people work across IHG's hotels and corporate offices globally.

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