

1999 U.S. CONSUMER SURVEY

Agent's Role

AN EYE FOR DETAIL

By Marilee Crocker, Freelance Contributor

Mary Louise Seifert calls them her platinum travelers. They are the high-end clients who will pay for — who in fact demand — the kind of detailed itinerary planning that requires Seifert to orchestrate nearly every aspect of their vacations.

Seifert, who is owner of Welcome Aboard Travel in Scottsdale, Ariz., says catering to such upscale travelers often involves making dinner reservations, purchasing theater tickets, planning guided excursions by private car, arranging chauffeur-driven limousine transfers or all of the above and then some.

"I think most agents will do that for the high-end clientele, and that's what they demand," says Seifert, whose \$3 million all-leisure agency serves a mix of middle- and upper-income travelers.

The results of the 1999 American Traveler Survey suggest that agents who cater to high-end travelers are apt to spend more time arranging vacation activities for their clients than agents who deal primarily with middle-income clients.

According to the survey, adults from households with annual incomes of more than \$100,000 participate in more activities while on vacation than those from households with more modest incomes.

On average, the survey shows, adults from those higher-income households participate in 4.8 activities while on vacation, compared to 3.2 activities for vacationers from households with yearly incomes of less than \$40,000.

Martha Gaughen, co-owner of Sterling Travel in Atlanta, is one agent who specializes in itinerary planning for upscale FIT clients. She estimates that her agency provides six out of every 10 clients with a detailed itinerary. Even her agency's cruise clients often take pre- and post-cruise trips that require detailed planning, she says.

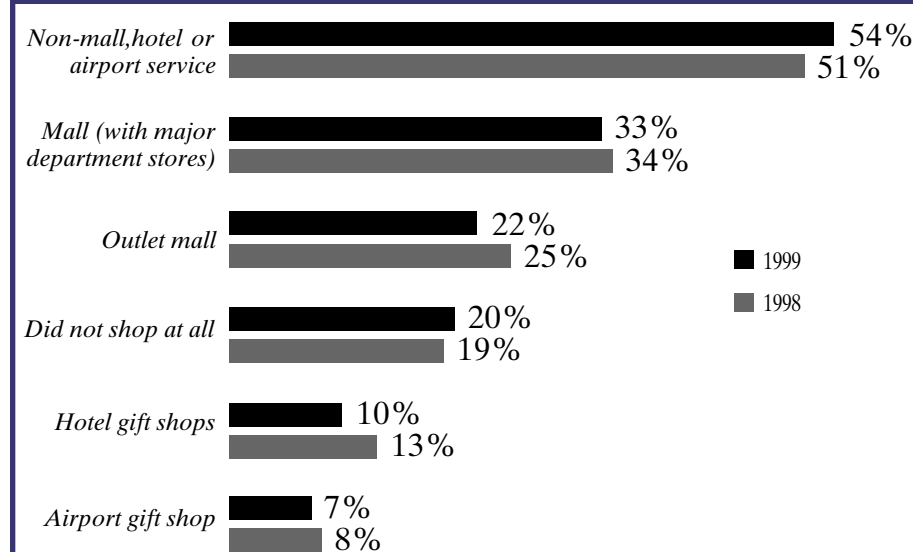
"We give them a choice of how involved they want a trip to be and how much they want us to put into a trip. We charge according to how detailed it is," says Gaughen, whose agency is a member of API.

"Right up front we bring up how involved or not involved we can be. We sort of salt and pepper it by painting a picture of the trip and the things you can do, so that the more involved sounds better to the client," Gaughen says.

"Let's say they're doing the south of France. You say, 'I have a wonderful guide here. This is a great excursion here. You have to have so and so do a walk with you here.' If that appeals to them, then you do it.

"The ultimate is a detailed 15- to 20-page itinerary where we tell them where to cross their Ts, and we book everything from dinner reservations to walking trips and guides and tell them where to go eat and when to go eat."

SHOPPING LOCATIONS ON LAST VACATION



Respondents could give multiple responses so that percentages add to more than 100%. Source: American Traveler Survey.

Travelers who shop on vacation are most likely (54%) to shop at stores or shops that are not part of a mall, hotel or airport. A third of vacationers/shoppers shop at malls anchored by a major department store. Outlet malls attract 22% of travelers, while hotel and airport gift shops are least favored, with hotel shops attracting 10%, and airport shops, 7%. Those shops not in malls, hotels or airports gained slightly over the previous survey, at the expense of most other categories.

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What kind of activities and services do Gaughen's clients want her to arrange for them? "The No. 1 thing is guides, contacts in whatever place they're going. [Next] would probably be theater tickets and dinner reservations, that sort of thing. After that it would be transfers from place to place and probably after that suggestions of what to see and do."

Like Gaughen, Debby Denson of Brownell Travel in Birmingham, Ala., another API agency, also specializes in customized vacations for upscale travelers, and she often finds herself making dinner and theater reservations for her clients. But, she says, "special events are the main things — reservations for special exhibitions, admission to certain museums, a special Cezanne exhibit at [Le Muse] d'Orsay [in Paris] last fall."

According to the 1999 American Traveler Survey, 29% of leisure travelers with annual household incomes in excess of \$100,000 toured museums and art galleries on their last vacation. But that was hardly the most popular activity. Fifty-four percent of this group enjoyed fine dining on their last vacation; 36% toured historic sites and churches; 33% visited beach resorts; 22% visited old homes and mansions, and 18% visited casinos or gambled.

The survey confirmed that shopping is the vacation activity participated in by more travelers, regardless of their income level, than any other. Sixty-four percent of all leisure travelers surveyed said they shopped on their last vacation, and the figure was even higher, 70%, among those earning more than \$85,000 annually.

"It is amazing," says Denson of the amount of money and time her clients spend shopping. "But they also want to sightsee; they want to take in the major sights."

Indeed, while the survey shows that more leisure travelers participate in shopping than in any other single activity, a closer look reveals that a much smaller percentage (33%) consider shopping the focus of their vacations.

When asked about their primary activities on their last vacation, a significant number of travelers, at all income levels, indicated that their principal pastimes included: Visiting a beach resort (21%), visiting theme parks (16%) and hiking/backpacking/camping (9%).

While agents in all market niches are booking their clients' visits to beach resorts and theme parks, and high-end agents have long customized itineraries for upscale FIT clients, agents who serve middle income clients are not as universally enthusiastic as high-end agents about orchestrating vacation activities for their clients. "It's tedious,"

VACATION ACTIVITIES ON LAST LEISURE TRIP: BY PSYCHOGRAPHICS

	TOTAL	VERY DEPENDENT	SOMEWHAT DEPENDENT	SOMEWHAT VENTURE-SOME	VERY VENTURE-SOME
Shopping	64%	65%	62%	65%	70%
Fine dining	38	31	34	41	51
Visit historic sites/churches	33	26	33	35	41
Air travel	29	27	24	31	36
Visit beach resort	25	21	25	24	34
Visit museum/art gallery	24	16	22	27	35
Visit theme parks	20	22	22	19	22
Visit old homes/mansions	20	13	18	22	26
Visit casinos/gamble	18	16	16	18	20
Nature travel/ecotouring	14	9	12	16	19
Night club/stage show	14	12	11	14	24
Hiking/backpacking/camping	12	8	11	14	17
Fresh or saltwater fishing	10	11	10	10	11
Theater/drama	9	9	7	8	9
Golf	8	6	7	9	13
Musicals	7	6	6	8	9
International travel	7	4	7	7	11
Use health club/exercise room	6	3	6	6	14
Attend a major sports event	6	4	6	7	7
Wine tasting	6	3	4	8	12
Visit desert resort	5	3	5	5	8
Cruise	4	4	4	4	4
Riverboat gambling	4	3	2	4	5
Escorted tour in a foreign country	4	3	3	3	6
Visit spa/health resort	4	1	4	3	8
Snorkeling	3	1	3	5	7
Escorted bus tour (U.S.)	3	3	2	2	4
Jazz concert	3	1	1	3	6
Bicycle touring	3	1	2	3	6
Symphony/opera	2	1	2	2	3
Sailing	2	2	2	2	4
Scuba diving	2	1	2	2	5
Rock climbing	2	1	2	3	2
Water skiing	2	2	1	2	2
Downhill skiing	2	1	2	1	2
Tennis	1	1	1	2	3
White-water rafting	1	1	1	1	2
Cross-country skiing	1	*	1	1	2
Number of activities on last vacation	3.6	2.8	3.4	4.1	5.1
Number of activities on last vacation 1998	2.4	2.0	2.4	2.7	3.2

Base = All respondents. Source: American Traveler Survey.
*Less than 0.5%

Most people may not shop 'til they drop while on vacation — but they certainly do shop, according to the American Traveler Survey. Shopping, in fact, is almost twice as popular (64%) as the runner-up activity, fine dining (38%). The third-most-popular vacation pursuit is visiting historic sites or churches (33%). But this is not the full story, because while travelers may engage in these activities, they may not consider them to be the focus of their leisure trip. For more about that, see the chart below.

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says the president of a small agency in Massachusetts when asked about arranging activities such as attending sports events, playing golf, or visiting historic sites and museums.

At Lake City Travel & Cruises, a Seattle agency that focuses on mass market cruises and vacation packages, president Suzy Smith says she does take the time to assist clients with add-ons such as tickets for sporting events or the theater, especially if they are booking a basic package that will be lucrative for the agency. Also, she says, her agency counts among its clients a number of sports-minded travelers who enjoy attending sporting events or spring training camp or playing golf while on vacation.

"To be an effective agent, you have to go the extra yard on this sort of thing," Smith says. But, she adds, the earnings potential of catering to such needs is mixed. "There are some wholesalers that package these types of amenities [such as] Golf Holidays, in the case of golf. Then it's a very clean, easy booking for us. But when it gets down to spending a lot of time on the phone arranging tee times we like to steer clear of that, unless we feel comfortable enough to charge a fee."

For her part, Seifert says her involvement in planning vacation activities for her clients depends in large measure on where they're going. "I would say we're not that active at doing it. [If clients are headed to] Hawaii, we may do some. For Mexico, we do very little. For Europe, we might arrange for theater tickets. Otherwise, we don't do too much, unless of course they're on an escorted package."

Clients who are headed to Hawaii for the first time do look to the agency for suggestions on how to spend their time once there, Seifert says. As a result it's not unusual for the agency to pre-book activities such as snorkeling, scuba diving, whale watching and mountain biking with a local operator.

The ease of booking vacation activities and add-ons is one factor that determines whether or not Seifert does so, she says. "In England, everybody wants to go to the theater, and it's not labor intensive [to book]."

"You don't know what is available a lot of the times unless it's put out there before you," she adds.

In general Seifert finds that clients today demand less pre-vacation activity planning from her agency than in previous years. "Twenty-five years ago you would sell a tour to Europe and it would be all-inclusive. Today you're selling the FITs. You're selling the air, maybe making hotel reservations for the first two or three nights, getting them a car, then they're doing their own thing."

The trend is particularly marked among younger clients, Seifert says. "If you look at the yuppies of today, they don't want anything structured. If you get to senior citizens, they're more inclined to want something programmed."

The American Traveler Survey shows that there are significant differences in the types of activities preferred by younger and older travelers. For example, while 26% of vacationers age 35 and under and 29% of vacationers ages 35 to 44 visited a theme park on their last vacation, the figure dropped to 15% for travelers ages 45 to 54, 13% for travelers ages 55 to 64, and 14% for travelers ages 65 and older.

VACATION ACTIVITIES ON LAST LEISURE TRIP: ALL VS. PRIMARY ACTIVITIES, 1999

	ALL ACTIVITIES	PRIMARY ACTIVITIES	*ACTIVITIES INDEX SCORE
Shopping	64%	33%	52
Fine dining	38	19	50
Visit historic sites/churches	33	19	59
Air travel	29	16	53
Visit beach resort	25	21	85
Visit museum/art gallery	24	13	54
Visit theme parks	20	16	79
Visit old homes/mansions	20	10	50
Visit casinos/gamble	18	10	59
Nature travel/ecotouring	14	8	61
Night club/stage show	14	7	48
Hiking/backpacking/camping	12	9	75
Fresh or saltwater fishing	10	7	68
Theater/drama	9	5	54
Golf	8	5	65
Musicals	7	4	59
International travel	7	5	69
Use health club/exercise room	6	2	37
Attend a major sports event	6	5	74
Wine tasting	6	3	46
Visit desert resort	5	3	57
Cruise	4	4	95
Riverboat gambling	4	2	51
Escorted tour in a foreign country	4	3	76
Visit spa/health resort	4	2	63
Snorkeling	3	2	65
Escorted bus tour (U.S.)	3	2	70
Jazz concert	3	2	58
Bicycle touring	3	2	68
Symphony/opera	2	1	64
Sailing	2	1	67
Scuba diving	2	2	95
Rock climbing	2	1	48
Water skiing	2	1	81
Downhill skiing	2	1	88
Tennis	1	1	54
White-water rafting	1	1	70

Percent of leisure travelers who participated in any activity.
Source: American Traveler Survey.

**The Activities Index Score is a ratio obtained by dividing the percentage of travelers who said a particular activity was the focus of their vacation by the percentage who actually participated in that activity during their most recent leisure trip. By this measure, visiting beach resorts was the primary focus of the most travelers, followed by visiting theme parks and hiking/backpacking/camping.*

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Shopping is also more popular among younger travelers. Seventy-one percent of travelers under age 35 shopped on their last vacation compared to only 56% of travelers age 65 or older. Not surprisingly, physical activities such as hiking, fishing, snorkeling, bicycle touring and skiing were less popular among the oldest group of travelers.

By contrast, sightseeing activities such as visiting historic sights, churches, museums, art galleries and old homes and mansions tended to be more popular among older travelers who also patronized theaters more than their younger counterparts.

Visiting beach resorts is most popular among travelers ages 35 to 44 (29%). Casinos draw a larger share of travelers between the ages of 55 and 64 (26%) than from any other age group. Nature travel enjoys almost equal popularity (13% to 16%) among all age groups.

Sharon Kay Howell, owner of Travel Masters, a \$7 million agency in Tyler, Texas, says she is seeing growing interest in outdoor activities among her clients, especially family vacationers. "They are now much more into adventure-some activities [such as] hiking, biking, hunting, fly fishing and real unique adventure activities like riding mules down to the base of the Grand Canyon."

Howell encourages her employees to book such activities in advance for clients, whether through a wholesaler or a local outfitter. "If we find it on a net basis, we mark it up accordingly. The easiest way to present that to the client is that it's no hassle [for them]. There are plenty of opportunities to pre-book and pre-pay. Then we're controlling our profit margin."

When it comes to researching activities available at a destination and finding suppliers, the Internet has proven a tremendous boon, Howell says. "That's one of the biggest reasons we're using the Internet as heavily as we are — [to find out] what there is for clients to see and do once they get to a destination. I remember the old days when you had books stacked high on your desk. It's wonderful to just click on [the Internet] and find all that. It's a very efficient way of finding specific information."

Agents like Gaughen who do extensive itinerary planning for their leisure clients — and charge a substantial fee for the service — say that destination knowledge and industry contacts are crucial to their success. "What's behind all this is knowing what you're selling, knowing your product, knowing the destination," Gaughen says. "That's made [ICTA's] CTC and Destination Specialist programs and fam opportunities essential for this industry."

The best way to gain destination knowledge, Gaughen says, is to travel yourself. "The second best way is to have

ACTIVITIES ON LAST VACATION

	HOUSEHOLD INCOME						AGE					CHILDREN			GENDER		MARRIED	
	TOTAL	UNDER\$0K	\$0-00K	\$0-25K	\$25-50K	\$50K+	UNDER 35	35-44	45-54	55-64	65+	NONE	YOUNG	OLDER	MALE	FEMALE	YES	NO
Shopping	64%	61%	64%	69%	70%	70%	71%	64%	63%	64%	56%	61%	68%	68%	57%	71%	68%	58%
Fine dining	38	35	34	43	47	54	31	31	42	44	48	44	27	41	38	39	37	40
Visit historic sites/churches	33	32	33	36	34	36	26	29	35	42	37	36	26	40	34	32	31	36
Air travel	29	23	27	37	43	51	23	23	35	35	36	36	20	24	30	29	27	33
Visit beach resort	25	22	24	28	33	33	21	29	26	26	22	25	24	27	26	23	26	24
Visit museum/art gallery	24	23	24	25	26	29	20	22	26	30	26	26	20	26	25	23	23	26
Visit theme parks	20	21	22	20	18	15	26	29	15	13	14	14	30	22	18	22	23	17
Visit old homes/mansions	20	20	18	19	21	22	14	15	22	30	23	22	14	22	20	19	18	22
Visit casinos/gamble	18	17	17	18	19	18	14	12	19	26	21	22	12	11	20	15	16	20
Nature travel	14	14	15	13	13	14	13	14	14	16	14	14	13	14	14	14	13	15
Night club/stage show	14	13	13	14	16	16	16	12	13	16	12	16	11	9	15	13	11	17
Hiking/backpacking/camping	12	10	16	12	9	9	17	16	11	8	4	8	16	18	12	12	14	9
Fresh or saltwater fishing	10	11	11	8	8	7	9	11	11	10	7	8	12	9	13	7	11	9
Theater/drama	9	9	9	8	10	11	6	8	8	11	15	12	5	8	9	10	8	11
Golf	8	6	8	10	12	13	8	9	7	6	7	8	7	8	10	5	9	6
Musicals	7	9	6	5	6	7	4	5	6	10	13	9	3	9	7	8	6	9
International travel	7	6	6	8	11	14	5	4	8	12	8	9	3	6	8	6	6	8
Use health club/exercise room	6	6	5	7	9	10	7	9	6	4	4	6	7	9	7	6	7	9
Attend a major sports event	6	6	7	6	7	6	6	7	5	6	7	7	5	8	7	5	6	7
Wine tasting	6	5	6	7	6	7	4	5	6	8	7	7	4	4	7	5	5	6

Respondents could give multiple responses so that percentages add to more than 100%.
Source: American Traveler Survey.

Some agents may find some surprises in this chart, which breaks down vacation activities demographically. Take the "Nature travel" category for instance. The common perception of nature travelers is spry old ladies in tennis shoes. But the chart shows that this category appeals fairly evenly to all age brackets, as do golf and other sports. Other readers may find the chart merely confirms what they already knew. No one would be surprised to see that shopping is an activity that draws more women than men, or that fishing attracts more men than women. So perhaps the greatest value of this chart is that it offers a snapshot — or perhaps a wide-angle panoramic shot — of the leisure travel industry, showing clearly the most important niche markets as well as the mass markets, and the types of people to whom those markets appeal.

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someone you know who's been there give you information, whether through a seminar or when an agent comes back and talks to the office about it. The third best way is to read about it."

Denson says her itinerary planning services are facilitated by the network of local suppliers around the world that she has cultivated. "Every trip I go on I try to meet with suppliers in that area and get to know them. You establish a real network and a friendship. If I have more than one supplier in a particular city I try to match the guide with the personality and desires of the clients."

Kathy Bissinger, owner of Bissinger & Associates in San Francisco, another retailer that specializes in luxury leisure travel, says such relationships are among her key strengths as an agent. "One of the greatest assets I've acquired over the years is wonderful contacts throughout the world. Almost everywhere I can provide [clients] with a wonderful guide who will take them off the beaten path and who knows the restaurants."

When she receives an inquiry for a destination she doesn't know, Bissinger says she "hit[s] every resource book, tourist office, travel publication. I do a lot of research, and I don't hesitate to call tour operators who handle that area to pick their brains."

Whether they are catering to high-end, middle market or even budget travelers, advising clients about and arranging vacation activities is the kind of value-added service that is essential to success in the current industry climate, agents agree.

"There are so many other ways [consumers] can get the basic product," Bissinger says. "It's up to us to bring added value to their experience."

Howell suggests that agency owners provide sales incentives for travel counselors to encourage them to sell value-added vacation components. "We've got to look at how we can add to this client's vacation and earn the extra income that's being taken away in other areas. Agents have to look at how to enhance the experience for the vacationer, to bring value to it. That is definitely our future."

Even agents who deal primarily with the middle market can accomplish this, Denson suggests. "Oftentimes on a middle range tour [travelers] have to purchase extra tours as you go along. A person might need advice on what they can do on their own or what shore excursions would be appropriate for them on an Alaska cruise or if it's worth it to go to the turtle farm on Grand Cayman."

Whatever end of the leisure market agents handle, successful agents must take the time to advise clients about activities in their vacation destination, Denson says. "Otherwise, they're just an order taker."