

1999 U.S. CONSUMER SURVEY

Hotel Bookings

ROOM FOR REWARDS

By Grant Flowers, Associate Editor

Whether leisure travelers seek hotel recommendations from travel agents depends strongly on how familiar they are with the destination through previous visits, according to the 1999 American Traveler Survey.

More than a third (37%) of the travelers said they consult an agent when going to a new place; exactly a quarter of them said they consult agents about hotels when visiting a place they've been to before, but not recently, and only 16% of travelers get recommendations from agents when going to a place they visit frequently.

"I would agree with that 100%," says John Mangini, president of ABC Travel, in Greensburg, Pa. He estimates that his company recommends a hotel about 80% to 90% of the time.

Two exceptions came to mind. "There are times when people have been somewhere and want to go back, and they know where they want to go," says Mangini. "Other times they might have a recommendation from a friend and we can't talk them out of that, even if it's a bad place."

Eric Ardolino, owner of A&S Travel in Wallingford, Conn., was skeptical about the 37%. "That sounds awfully low to me," he says. "If they've never been there before, why not ask all the time? When people book hotels from us, they certainly want us to give them direction."

Ardolino, who is the treasurer of ASTA, estimates that, for his agency, 80% of customers seek a recommendation when traveling to a new destination.

But he is hardly surprised to hear that leisure customers are less likely to want a hotel recommendation when going to a place they visit frequently.

"If they're going to Las Vegas or Podunk, Maine, they'll know more than I will," says Ardolino, whose agency has a 60% corporate, 40% leisure business mix.

Erma Bridges, owner of Affordable Travel in Benton, Ark., agrees that customers going to new places ask for recommendations more frequently, but she says that she recommends a hotel "whenever they need one."

USE OF TRAVEL AGENTS TO SCHEDULE HOTEL ACCOMMODATIONS

LEISURE TRIPS BY FREQUENCY AND MODE OF TRAVEL

PERCENT TIME AGENTS USED FOR:	1999 TOTAL	1998 TOTAL	1999			
			U.S. LEISURE AIR		U.S. LEISURE CAR	
			TOTAL LEISURE AIR	HEAVY (6+TRIPS)	TOTAL LEISURE CAR	HEAVY (5+TRIPS)
Travel to new places:						
Never	63%	59%	53%	56%	66%	64%
1-29%	9	11	11	13	9	11
30-69%	10	13	12	14	10	9
70-100%	18	17	25	17	15	15
Travel to frequently visited places:						
Never	84	85	79	86	86	88
1-29%	6	6	9	6	6	6
30-69%	4	5	6	3	4	3
70-100%	6	4	6	4	5	4
Return to places not visited recently:						
Never	75	74	68	71	77	76
1-29%	7	9	9	8	7	9
30-69%	9	10	11	14	8	10
70-100%	9	7	12	7	8	6
Percent of all trips to new places:						
Never	51	38	41	47	53	46
1-29%	15	23	18	20	15	23
30-69%	21	24	24	16	21	23
70-100%	13	15	17	17	11	8

Base = Took a trip and used a travel agent in past year. Source: American Traveler Survey.

NUMBER OF DIFFERENT HOTEL CHAINS STAYED IN PAST YEAR: BUSINESS & LEISURE

TRAVEL AGENT USERS VS. NON-USERS

	TOTAL	USERS	NON-USERS
Any	100%	100%	100%
1	35	27	40
2	23	22	24
3-4	24	26	23
5-6	9	12	7
7 or more	9	13	7
Mean (incl. 0)	3.02	3.52	3.62

Base = Total respondents. Source: American Traveler Survey, Special Analysis for Cahners Travel Group.

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In another finding, the survey showed that 66% of people driving to their destination never sought a hotel recommendation from a travel agent, while 53% of air travelers did not seek an agent's help.

This didn't surprise anyone.

Still, customers planning trips to places they've been before will often consult with agents, if only to know what's new in the destination.

While regulars will go back to where they always go, Weingart says that customers want to know about the newest hotel and, as always, are interested in value.

Weingart mentions Las Vegas as a destination that even regular visitors want to know more about, especially with the recent openings of several more mega-casinos on the Strip.

"They can't always remember the names, but they ask," says Weingart. Keeping up to date on the changes in the hotel industry, and learning about the new hotels in the market, is a job in itself.

Weingart says that the constant name-changing in the industry is an additional chore for agents to worry about. Customers may have stayed in a hotel a few years ago, but there's a good chance the property now goes by a different name. "Somebody needs to put out a directory of what it was and what it now is," says Weingart.

Agents say they need a variety of sources to keep track of the industry. Trade publications and fam trips are two key vehicles of information, and Weingart adds that keeping an eye on local advertising is another way to learn what's going on.

Mangini says client feedback is also important. "I think it's our job to make recommendations," says Mangini, whose biggest leisure markets are Orlando, Las Vegas and the Caribbean. "That's what our value is."

Not surprisingly, Ardolino says he wants to see customers use agents to book hotels and cars, and he says the possibility that customers will bypass agents by booking on the Internet is not a threat.

"The Internet is key, and don't be afraid of it," says Ardolino. "If you don't absorb it now, it will absorb you later."

Because of arrangements with preferred suppliers, "most of our rates are better than Internet rates," says Ardolino. He says he suggests that customers use the Internet for informational purposes.

Ardolino uses supplier Web pages as a key selling tool. He often prints (in color) details about a place so that customers can take something with them.

"We want those clients to have something in their hand when they leave, so they feel like they owe us the sale," says Ardolino.

In making recommendations to clients, agents have to take a lot into account. "You've really got to know your customer to recommend hotels," says Bridges. "Ask them what their needs are. If you can get as much information as possible about their last trip, that certainly helps when you're trying to book them a property with the right price and location."

"It's listening," says Ardolino. "Listen to what the client wants and don't undersell them or oversell them. Don't sell them a Sheraton when they're looking for a Swiss chalet."

Weingart downplays recommendations so as not to unrealistically elevate consumer expectations. For example, he enjoyed a recent visit to Beau Rivage, the new casino resort in Mississippi. While he recommends the hotel to his clients, he doesn't push it.

Furthermore, if the client has a hotel firmly in mind, his advice is to book it for them. "If they're adamant about one place, let them have it," says Weingart. "I feel strongly about that. You might know a place with better location or price, but this is where they want to stay and wish them well."

But others feel that agents shouldn't hesitate to advise clients against staying at hotels that wouldn't be a good experience.

USE OF TRAVEL AGENTS FOR LEISURE TRAVEL PERCENT USED TRAVEL AGENT RECOMMENDATIONS

	TOTAL
Hotel Accommodations	
Travel to new places	37%
Travel to frequently visited places	16
Return to places not visited recently	25
Percent of all trips to new places	49
<i>Base = Have used travel agent. Source: American Traveler Survey.</i>	

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Part of knowing what hotels to recommend is firsthand knowledge, but agents need to temper their experiences with consideration for the client's needs.

"Where you get in trouble is making a recommendation based on your likes and dislikes," says Mangini.

"It's human nature to want to recommend what you really like, but you have to step back and ask questions. You shouldn't make a recommendation without finding out what the client's case is."

At the end, the service an agent provides is what matters to the customer. "Customers still want the experienced travel agent," says Bridges.

Timeshares

TIME FOR TIMESHARES?

By Betsy Sheldon, Freelance Contributor

The traditional recipe for a perfect vacation just doesn't seem to contain enough elements to satisfy the appetites of some travelers who, in addition to vacation ingredients, want all the conveniences of home.

That's how it is, according to industry experts and current travel trend surveys, including Plog Research Inc.'s American Traveler Survey and the YP&B Yankelovich Partners 1999 National Leisure Travel Monitor.

While the majority of American vacationers are still ordering up the traditional waterside getaways and warm-weather destinations, they're also demanding a lot of extra sides with that order: Appealing accommodations with the conveniences of home — kitchen, washer/dryer, private sleeping accommodations — and the amenities of a luxury experience — whirlpool tubs and fitness centers on site. And these customers are insisting upon adding more ingredients to the recipe — convenience, flexibility, security, variety, and full service.

An industry whose novelty once made it suspect, timesharing has been identified by the World Tourism Organization as the fastest-growing sector in the travel and leisure industry today. Impressive growth statistics, and the involvement of industry leaders such as Marriott and Disney, support this claim and reflect timesharing's rising credibility among travel consumers.

Yet until recently, there's been little interaction between timesharing and other segments of the travel industry — including travel agents. Some travel professionals have viewed timesharing as competition, something strange, or "not really travel."

As timeshare marketers and management companies with growing inventory attempt to fill their rooms short-term, and promote use of their facilities long-term, the opportunities for agents to book clients into timeshare resorts, for a weekend to a week or more, are likely to grow.

Timesharing began in Europe in the mid-1960s and spread in the United States during the 1970s when real estate developers sought creative ways to use the glut of unused resort and hotel properties. Timesharing allowed vacationers to buy just the portion of a vacation home that they needed, usually in week increments, whether a one-bedroom ski villa during Christmas week, or a two-bedroom beach condo in summer. Families bought into the "vacation-home-by-the-slice" concept in order to lock in their vacation expenses for years to come.

Today, timesharing is a \$6 billion industry with more than 3.5 million owners in nearly 200 countries. Almost all major hospitality enterprises and branded hotels have jumped on the timeshare bandwagon. So timeshare purchasers find comfort in familiar names, as well as flexibility and variety. Vacation clubs, exchange services, and other industry alliances allow owners to use their timeshare privileges at up to thousands of other properties worldwide, and they can experience their ownership in increments as short as one night.

The trend toward shorter, more frequent trips continues to dominate among all leisure travelers. According to the National Leisure Travel Monitor survey, nearly half of all trips are weekend trips, and nearly three trips in 10 are short weekday trips (a trip of one to four nights not including a Saturday night stay).

Today's timeshare product offers unprecedented flexibility. Vacation clubs and point systems that allow for stays

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shorter than the traditional week.

How else can timesharing satisfy the needs of today's clients?

- Prices of timeshare stays often include the price of leisure activities such as golf, area tours, services at an on-site spa, or discounts at area theme parks.

Another plus is the ease of advanced scheduling of recreational activities.

- Timeshare properties are located in just about every popular vacation destination. With thousands of timeshare properties in nearly 200 countries.

Timeshare resorts are particularly concentrated in beach and ski areas, destinations where theme parks and family amusement centers dominate, and gaming areas.

- Timeshare owners have more money to spend, and more people in their households who are spending that money, according to the American Traveler Survey.

In addition, they tend to seek out new and different vacation experiences more so than the average vacationer.

Car Rental Booking THE DRIVING FORCE

By Henry Magenheim, Senior Editor

Two travel agents — one on each coast — were asked what their experiences are like when clients sit down to discuss the car rental component of their trips. And what beefs, if any, they have with the car rental companies.

The agents queried were from Here & There Travel of Farmingdale, N.Y., which is a Long Island suburb of New York City, and Arrow Travel of Lafayette, Calif., a suburb of San Francisco.

Both agencies handle a similar business mix: Here & There says some 75% of its clients are leisure travelers, while Arrow indicated that leisure sales represent 80% of its volume.

About 50% of its car renters ask Here & There to use a specific company, according to co-owner Ken Blau. The main factors in their choice of a car rental firm, he says, are the availability of the desired size of car, followed by an airport location, a good rate and frequent flyer miles. Sometimes, he says, clients specify a particular model car.

At Arrow Travel, 70% of clients planning to rent a car specify a company, according to Kelly O'Boyle, a CTC in her 20th year as an agent.

She says her clients, whether they are pleasure or business travelers, are looking first for the best rate, and second for frequent flyer miles. In other words, she says, clients will choose from the best rate of those car firms offering frequent flyer miles. Thus, for example, clients flying on United will compare Alamo, Dollar, Hertz and National's rates at airport locations.

But both agents see important differences in leisure and business clients. Business travelers, they say, are not flexible. They demand on-airport rental companies and a comfortable car. Cost is secondary, but they probably would not rent a car from a firm unless they earned some frequent flyer miles.

For leisure travelers, they say, price is first and everything else, including comfort, is secondary.

Both agents generally follow a client's wishes in booking a specified car rental company. Blau adds he will recommend a different choice "if reliability of the company is in question or if problems with that company persist.

"With clients traveling on corporate rates, it's usually not possible to make changes [in the company], but with others, where it can be done, they [the clients] do get a good deal from us," Blau says.

LEISURE TRAVEL BY U.S. CAR TRAVEL FREQUENCY			
NUMBER OF DOMESTIC TRIPS			
	TOTAL	LIGHT CAR TRAVEL (1-4 TRIPS YEARLY)	HEAVY CAR TRAVEL (5+ TRIPS YEARLY)
% of domestic leisure car trips	100%	52%	48%
Average # domestic car trips*	3.3	2.1	8.9

*Excluding 0. Source: American Traveler Survey.

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O'Boyle of Arrow Travel will only suggest a different company if the client's car type is not available, or if she can find a cheaper rate.

At Here & There, almost anyone who walks through the door is likely to rent a car, regardless of age or income, or whether traveling with a family or on business, according to Blau.

At Arrow Travel, however, "medium-to-high-income business travelers" are likely to be the most frequent renters, O'Boyle says.

Fewer than 10% of clients who intend to rent a car bother to do any research, she says, and only information found on the Web influences choices made by this select group.

The Internet has less pull among Here & There's clients, where only 5% of clients requesting cars do any research, Blau says. Consumer ads are recalled by 50% of those renters, auto club discounts by 35%, direct-mail offers by 5% and Web site information by only 10%, according to the firm.

Clients who book a fly-drive tour are likely, of course, to end up with a car rental provider selected by the tour operator, but O'Boyle says he has heard no complaints on that score, while Blau says a complaint is a rarity. And if there is one, he simply deletes the rental car from the operator's package and books a different company in a separate transaction.

Both agents say that from time to time they ask clients how a car rental has gone. O'Boyle says this follow-up is usually done when clients return from an overseas trip and helps the agent determine whether the vehicle booked was large enough for the passengers and whether its luggage space was adequate.

While both agents say that where they have discretion in recommending a company, a preferred vendor might be selected, especially when service at the counter is concerned.

The agents praised those car rental firms who pay 10% commissions on corporate and discounted rates.

"Hotels, after all, pay full commissions on AARP, AAA and corporate discounts," O'Boyle says.

Blau also is critical of some car rental companies that fail to protect commissions on a client-altered booking.

With some companies, when clients check in at the counter and are offered an upgrade or if they change something in their original reservation, "the counter agent uses a new res number and we get a no-show on our commission statement," he says.

Blau also would like to see the car rental firms ensure that they input correct rates on their CRS displays, and keep them updated.