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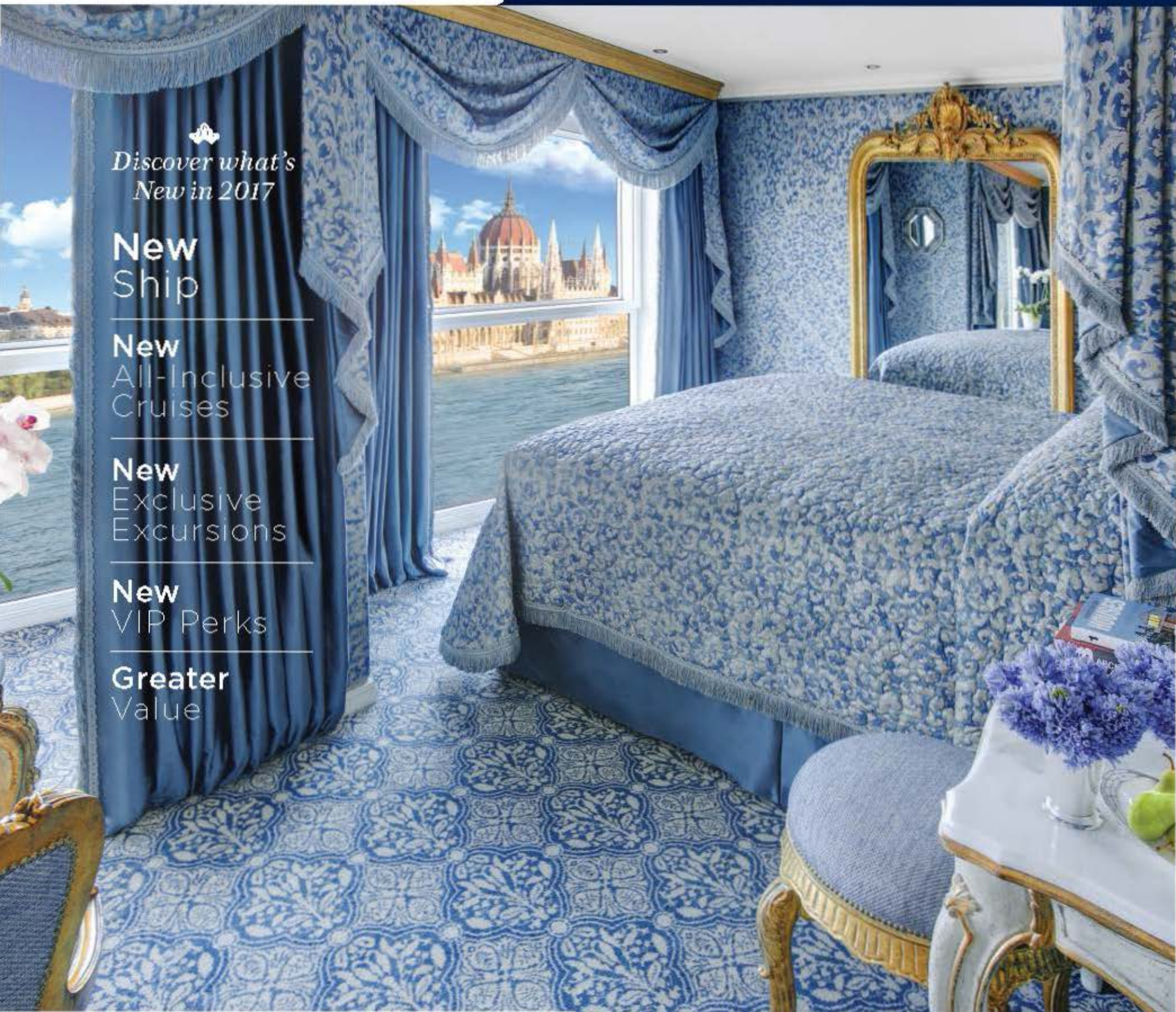
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# SELLING THE *Luxury*

As trends like experiential travel, multigenerational vacations and hot new destinations continue to broaden the concept of luxury travel, those who sell to upscale globetrotters find they can offer a wider range of products and services than ever before—and their tactics for targeting this highly desirable clientele have evolved as well.

“People are shedding those tuxes and ball gowns and going for things that are still very luxurious but more focused on interesting experiences,” says Celeste Burger, president of Celestial Travel, a member of Ensemble Travel Group in Ponte Vedra Beach, Florida. “They’re spending more and they’re traveling more often.”

“I would say that on average they’re spending more,” agrees Cristina Buas, president of CSB Travel, a Virtuoso member

in Houston. “I started my business in 2008, which was one of the worst years in travel, and there’s been incredible growth in the business every year since then.”

Their experiences are echoed by other high-end travel advisors. In a luxury travel survey released in early 2016 by Travel Leaders Group, 86 percent of luxury travel agents surveyed stated that their luxury travel bookings for 2016 were already higher than or on par with 2015.

# Travel

## LIFESTYLE

BY MARK CHESNUT

Virtuoso is seeing similarly positive trends. “Virtuoso has just released new results of a survey of our member agencies, and they’re reporting that sales are strong,” says David Kolner, senior vice president of global member partnerships at Virtuoso. “Eighty-two percent are predicting sales growth in the coming year.”

### TRENDING ON THE MAP

Luxury travelers continue to return to perennially favorite destinations, even as they seek out new, lesser-known corners of the globe. Among the best-selling emerging destinations in the Travel Leaders Group survey was Cuba, while the United Arab Emirates, Iceland and Antarctica also ranked. Overall best-selling luxury travel destinations outside of North America

included Italy, Australia and England, while North American top sellers included Caribbean cruises, Mexico and the Dominican Republic. In terms of types of travel, African safaris and cruises on both European rivers and the Mediterranean all scored big.

Cuba also topped the list of emerging destinations on the 2016 Virtuoso Luxe Report, which features a list of five “must-have travel experiences” along with results from its annual survey of advisors. Following Cuba on the up-and-coming list were Iceland, Croatia, Myanmar and Antarctica. Upscale families, meanwhile, are heading to Italy, Mexico, Hawaii, Orlando and England, according to the report, which also highlighted the increasing popularity of experiential, active travel for the luxury market—with South Africa, Costa Rica, the Galapagos Islands, New Zealand and Peru

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— Celeste Burger  
Celestial Travel

“I ask people for a yearly budget now, because a good advisor should be talking to clients about **travel as a lifestyle.**”

— Anne Morgan Scully  
McCabe World Travel

topping the list for active luxury travelers. “Cuba is on fire,” says Burger, confirming the newfound popularity of the destination with travelers from the United States. “I have people going every other week now.”

Burger also says that luxury travelers are increasingly revisiting past destinations, but upping the luxurious aspects of the trip by booking different brands or classes of hotels, cruise lines and airline service. “Maybe someone went to Croatia on a cruise—they’re now looking to go back on a more upscale level,” she says as an example. “They’re going back to places that they fell in love with, but in a more upscale way.”

The allure of focusing on the priciest,

furthest-flung destinations may be tempting for agents, but Buas says that experienced counselors know better than to solely focus on those types of trips, even when targeting luxury travelers with deep pockets.

“People who spend six figures on a trip aren’t going to take those bucket list trips every year,” she says. “Sometimes they might call you up and want to know about a great four- or five-night getaway. There’s a balance—they might want to go to Africa one year and then they might want to also go to Mexico. It’s like being in real estate. You might sell a multimillion-dollar house once every few months, but you’ll sell a \$100,000 house more frequently.”

## BRINGING OUT THE PASSION

Regardless of the exact destination chosen, travelers are increasingly looking for new experiences. According to the December 2015 Trip Barometer study conducted on behalf of TripAdvisor, 74 percent of global travelers said the top influence when making travel plans is “going somewhere I’ve never been before.” Other top 10 answers included “being able to learn something new on a trip” and “trying something new.”

And luxury travelers have the means to make such things happen—with the right travel advisor. “Studies show people, including high-net-worth individuals and millennials, prize experiences far more than possessions,” says Kolner. “Travel is one of the best ways to have those experiences that create lifelong memories. That’s fueling a desire to not only book trips, but also enjoy unique experiences they can only have in a particular destination. It’s not just about seeing, but rather about doing.”

To that end, Kolner notes, “Another trend that continues to build steam this year is the desire for very personalized trips. That’s one of many areas where a travel advisor really shines. An online

## DEALING WITH BUDGETS

Luxury travelers may be spending more, but travel advisors still need to be aware of their limitations. Anne Morgan Scully of McCabe World Travel takes the big-picture approach. “I ask people for a yearly budget now, because a good advisor should be talking to clients about travel as a lifestyle,” she says. “Clients are getting smarter. But there are times when a travel advisor can also be a financial advisor.”

The approach to discussing budget, of course, can be tricky. “If they’re new clients, the last thing you want to ask is, ‘What’s your budget?’” says Gary R. Johnson of Woodside Travel. Instead, he focuses on establishing their previous travel habits and spending at the beginning of a conversation. “If they’re a really new client I ask, ‘So where have you traveled before? When you were in Hawaii, where did you stay? Did you travel business class or did you travel economy?’ You try to find out information before you start suggesting.”

Such an approach allows him to assess the client’s typical budget before discussing ideas. “The last thing you want to do is suggest a Four Seasons property in New York that starts at \$1,000 if they’re really looking at staying at a Marriott for a few hundred dollars,” he says.

On the other hand, Cristina Buas of CSB Travel takes a more straightforward approach. “I will not let clients off the phone without giving me a budget,” she says. “I don’t want to go through all the trouble, even though I’m collecting a consulting fee, of planning something that is wrong.”

travel agency (OTA) can't get to know you as a client and customize a trip to your exact preferences—whether that's a family-friendly beach resort in Mexico or tasting wine in New Zealand or a private museum tour with an art historian in Paris. We sell experiences and service you can't Google."

The key for such trips is to draw out the core motivators and passions of the travelers in order to create a one-of-a-kind experience. "Luxury travelers are looking for destinations that have something that connects to a passion point, such as Ireland for golf, Tokyo for food or Belize for culture," says Lia Batkin, co-founder of In The Know Experiences, a Virtuoso member in New York City. "People want trips that really enable them to have experiences that are truly designed for them, so that they have fantastic stories to tell their friends and family. They are also looking for more once-in-a-lifetime experiences, such as cooking with their favorite chef, sitting front row at a concert for their favorite artist or even creating a pair of shoes with a top designer. It's all about the exclusivity and special touches."

## FIRST-HAND EXPERIENCE

While it's not possible for any travel advisor to go everywhere, of course, all of the agents interviewed for this article agree about the importance of experiencing as much as they can of what they're selling.

"It's so easy to sell upscale once you've experienced it yourself," says Burger, adding that she doesn't usually wait for familiarization trips. "That's one of the reasons I'm so successful at selling SeaDream Yacht Club and some of those other products. My husband and I just pay for it, and we kind of go under the radar. We're just regular upscale travelers. We spend a third of our income on travel. Our vendors know that, and they applaud it."

## GENERATIONAL OUTLOOKS

The old stereotype of luxury travelers as older couples near or past retirement age is long gone. To be sure, those travelers are still going strong. But today's travel advisors are tailoring upscale experiences for nearly every age group, including families and grandparents traveling with kids.

Even millennials, often perceived as backpackers and low-budget travelers, are discovering luxury travel. "Millennials are often arriving at luxury travel first through honeymoons," says Anne Morgan Scully of McCabe World Travel.

"We are seeing most millennials take more than double the amount of trips that clients their parents' age are taking," says Lia Batkin of In The Know Experiences. "They want to experience as much as they can, as fast as they can, and travel at a high caliber."

Multigenerational travel also remains strong, and was named the top luxury travel trend in Virtuoso's 2016 Luxe Report. The report's top five family destinations include Italy, Mexico, Hawaii, Orlando and England, but advisors say multigenerational travelers are heading anywhere and everywhere. "Culinary and wine are big, even if it's a small family or multigenerational," says Cristina Buas of CSB Travel. "For luxury adventure, we've got a family doing Bora Bora and Moorea, and they're doing everything—skydiving, ATVs, swimming with dolphins and ziplining."

Gary R. Johnson, president of Woodside Travel, a Virtuoso member in Seattle, agrees about the value of first-hand experience. "We believe in having our agents go on as many different experiences and to as many properties as they can, because it really makes a difference when we're selling a client on a property in Indonesia or a villa in Tuscany. We need experience that clients will trust."

Actively investigating destinations and experiences can also improve relations with suppliers, according to Buas. "I've heard from several suppliers, particularly from some of the reps of tourism boards," she says. "They say, 'We really appreciate how interested you are in the destination and how you love learning and understanding about culture, experiences, the food—all of the different complexities of our destination, just to present a better experience to the client.'"

**"Luxury travelers are looking for destinations that have something that connects to a passion point..."**

— Lia Batkin  
In The Know Experiences

## GETTING THE WORD OUT

Travel agencies have more options than ever for promoting their business, and strategies vary widely among those who sell luxury travel—some find success in using a multi-pronged approach for advertising

and publicity while others don't use any form of promotional strategy to reach their well-heeled clients.

"We don't do marketing," says Burger. "We only sell by referral. That's been our plan since day one. We're not even open to the public."

Anne Morgan Scully, president of McCabe World Travel, a branch of Tzell Travel Group, in McLean, Virginia, says her affiliation with Virtuoso is the top source of new business, but she also benefits from maintaining a strong media presence. "I'm listed as one of the top travel advisors with *Travel + Leisure*," she says, adding that interviews with journalists can be good for business, too. "A good advisor makes sure that he or she is prepared for the press."

For Johnson, an enviable office location in an upscale neighborhood has helped boost his client base of luxury travelers. "Most of our business is word of mouth from clients traveling and having wonderful experiences," he says. "But we've had the office here in Seattle for over 22 years, brick and mortar, and we actually have a lot of people find us by just walking by."

In addition, Johnson says he uses strategically placed copies of *Virtuoso Life*—a magazine published six times a year to highlight destinations, hotels, cruises and other vacations—to build interest in his business. "I get an overrun of about 300 copies and I take it out to Starbucks, dentist offices and other local spots—people pick them up and walk into our office with them and say, 'We want to go on this trip.'"

Johnson says his agency isn't overly focused on using high-tech channels to promote luxury travel sales. "Some people are going more into social media, but I'm more into the magazine and reaching out to people and referrals," he says, adding that he also gains customers through his membership in the Seattle Yacht Club.

## MAKING CONNECTIONS

Having the right connections is important for any business. And in the world of luxury travel, being a member of a consortium or network can be a big plus, giving travel advisors access to services, technologies and training that might not otherwise be available.

Virtuoso, for example, holds the annual Virtuoso Travel Week in August, an opportunity for networking at what the company bills as the world's largest luxury travel event. "The connections our advisors and suppliers forge at this event enable them to give VIP attention to Virtuoso clients," says David Kolner of Virtuoso. "We host specialized in-person training, such as our event for adventure travel specialists, VAST Globe Trotting. We also offer training all year long through the Virtuoso Travel Academy."

Libbie Rice, co-president of Ensemble Travel Group, notes that the group offers valuable information about clients for its member agencies to help in marketing to luxury travelers. "We do detailed segmentation of their client data base, partially based on behavior and also based on financial data," she says. "So they know who they should be targeting on the luxury product and aren't wasting their dollars on direct mail or on email that's not relevant to their client. We can tell if you're an empty nester, if you've got kids in the household and your overall net worth—not just annual income, because obviously your retirees' annual income might not be that high but their overall net worth might be."

Such groups also provide a network of preferred suppliers to their travel agent partners. "As a luxury advisor, we are focused on creating and enhancing the experiences our clients have while on vacation. That makes our relationships with our preferred supplier partners a much more important piece of the puzzle when customizing an experience," says Cristina Buas of CSB Travel. "We will reach out directly to a hotel's management teams to try and pinpoint the perfect room category or suite for a client's needs and to request VIP treatment or note a special celebration."

Buas also notes the importance of on-site destination partners, especially in international destinations. "We rely heavily on our on-site destination partners for the best guides, local knowledge and know-how," she says. "Our longstanding industry relationships really make a difference."

"I've been a member there and we tap into that membership. They have a wonderful newsletter that comes out every month, and as a member and a business owner, I can advertise directly to other members."

One way that Johnson does use social media is when he or his colleagues travel. "Whenever I'm traveling, people know and they're looking at my posts." Showing what he and his staff are doing on the road can help give his clients new ideas for their next vacation, he says.

Buaas, however, uses social media more extensively, noting that upscale travelers of all ages are increasingly using social media, making it an effective channel for selling. "There's a great amount of sales taking place through social media, even with people who are my age, in their fifties and beyond," she says. "It surprisingly isn't just for the millennials, but also for some baby boomer clients." She says that she's heard "more than I would have imagined" from clients who've seen a post on Instagram or Facebook and inquired about booking a trip similar to what they've seen in the posts.

Buaas also promotes new bookings by hosting travel events at her agency—and the events have been so positive that she's planning to schedule them more frequently, with more diverse themes. "We've done one big private event, which is annual. And we'll probably be doing a few of them in 2017," she says, noting that she's considering a private event focused specifically on river cruises. "That would be invitation-only, but if clients want to bring friends they think would be open to travel, I'd certainly be open to that."

Taking a subtle approach works best for Batkin in New York City. "Luxury clients do not want to feel like they are being marketed to, so we have found that the best way to get in front of them is by creating opportunities that do not feel like sales or like we are directly advertising," she says.

In addition to newsletters and a strong social media presence, she says the company creates partnerships with like-minded companies, which allows them to market to their clients and vice versa, and actively looks for situations conducive to meeting potential new clients. And most importantly, she says, "We incentivize our clients to refer us to their friends so that it is a third-party endorsement and connection point for the new client."

#### ASSURING CLIENT SATISFACTION

A satisfied customer is more likely to be a repeat customer. So savvy advisors know they need to assure the satisfaction of even the most demanding luxury travelers by staying on top of things—before, during and after the trip.

Johnson, for example, says he "follows" big-spending clients throughout their itinerary. "I have a couple of really high-end clients getting ready to leave in a couple of days," he says as an example. "They're going with Seabourn from Venice to Istanbul and they're using a private helicopter to take them here and there. I've been with them before, and I will be following up with them the whole trip—meaning that I'll be a step ahead of them, emailing the hotel 24 hours ahead, just to make sure everything is fine. I do that with my clients when they're spending \$50,000 to \$100,000 on a trip."

After the trip is over, Johnson makes his follow-up as personalized as possible. "Emails are great, but I've learned that people like a personal phone call—they like that you're taking a little bit of personal time to do it versus sending them an email," he says. "We do use email all the time, and text messaging, but it still comes down to the personal contact. We're always following up with our clients and asking for feedback." ■

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— Cristina Buaas  
CSB Travel