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The Renaissance of Travel Agencies

The new possibilities of the virtual world pose challenges to conventional sales. Thomas Bösl, executive director of rtk International, an international cooperation for travel agencies, and spokesperson of the Quality Travel Alliance (QTA), explains the key characteristics of travel agencies.

Digitalisation is transforming the tourism industry. What is the role that travel agencies play in this process?

The role of conventional travel agencies today is not a very new one at all, keeping in mind the development which the sector has been undergoing for decades. Earlier, customers used to stand in a queue to pick up the travel catalogues fresh from the printing press. This is no longer imaginable today, but there were no other sources of information at that time. With the emergence of the internet in the late 1990s, it was no longer common to consult a travel agent, neither for the young generation, nor for many of the regular customers. What did travel agents make out of this? In my perception, they did the only right thing to do: They concentrated on their customers from an early stage, as organisers and trouble-shooters, concierges, or navigators, offering them orientation. Though it took a few years until this service was recognised as a value added, travel agencies are now enjoying a renaissance.

The travel agent as a friend and helper?

That's how it is. The young generation also comes back in order to be navigated through the huge amount of information provided by digital media, which is simply too much for many people to handle. Travel agents are experts; they have very extensive knowledge, covering all parts of the world. Starting with questions on the best time to visit or entry regulations up to cultural conventions, or the political situation in a destination. What we have built up over the past few years perfectly meets our customers' expectations. They appreciate personal consultation, expertise, and reliability. Many customers have already gathered information, have a certain product in mind, and are not sure whether to trust it or not. They would like a travel agent to kind of confirm their choice and in most cases they end up booking with the travel agent.

In many areas it may nevertheless be difficult to compete with online players.

That's right, we see that especially when it comes to booking individual products

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and services on internet platforms, e.g. the classic flight routes. In this area we lost considerable market share. However, when it comes to more complex questions such as booking an annual holiday, our services as travel designers are again right in demand. In the past few years, we saw a visible upward trend, also in terms of turnover. This is also reflected in the number of travel agencies which has not merely remained stable, but has been growing again. There are about 11,000 travel agencies in Germany today, while a few years ago their number was just below 10,000.

So customer orientation and a pro-active approach with regard to quality seem to work?

Yes, they do. The consultancy ”Service Value“ which specialises in service quality has recently published a study in cooperation with the German business paper “Handelsblatt”. In a survey, they interviewed customers of service providers and retailers from more than 30 sectors. The outcome: Travel agents ranked highest. That is indeed something we can be proud of. We have invested a lot in quality management and improvement. Furthermore, trust is our greatest asset, for travel agents are often the ones who are able to solve problems.

How do they do that?

The sector is undergoing a transformation in many respects, also due to increasing competition. Let’s take airlines, for example: Especially this year we saw a lot of flight cancellations and delays. Due to airline insolvencies – which are unfortunately no longer rare – tourists often find themselves stranded in their destinations. In such cases it is more than convenient to have somebody who reliably offers help. Someone I can call and who will pick up the phone even when all other service hotlines are busy. Another problem is that airlines are not insured against insolvency when tickets are booked individually. There will be no refund; this also applies especially to online tickets. Of course, from the customers’ perspective this regulation is not ideal. The Quality Travel Alliance (QTA) has taken a pro-active approach in this regard and has introduced the service package “Quality-Plus”. Booked with travel agents, this now also includes insurance for individual services of all kinds, which – unlike bookings of package tours – had not been covered so far. Furthermore, customers may upon request enjoy various services such as getting someone to take care of their plants during their holiday or fill their fridge upon their return. This package is well-received and in this way we got another step closer to our customers and improved on consumer protection and service.

What do you predict for the future, where will the journey take you?

Digitalisation will further increase the possibilities and the wealth of information.

To position ourselves, this means to move even closer to our customers. I need to mention that travel agencies have very small structures. They are classic small or medium-sized enterprises, run by proprietors or their families, and are well-rooted in their respective region. In my opinion, being so close to the people guarantees success. It builds commitment in times of globalisation, which many people appreciate, especially when everything becomes increasingly complex. I am not part of those who say that whatever is local is good and whatever is digital or global is bad. Travel agents have long been moving in both worlds. They no longer only depend on customers consulting them personally at their offices. They have already been using digital channels such as e-mail, messenger services, or social media for their communication. I'm a great fan of technology, but despite all the progress we are yet to see, "people to people sales" will continue to play a major role. So I am optimistic as far as the future of travel agencies is concerned.

Apart from digitalisation, sustainability is an important topic. What can travel agencies accomplish in this regard?
The tourism sector as such is faced with challenges regarding the environment and sustainability. But to be very honest, we will never be able to become a green sector. Whoever boards a flight or gets into the car to go on a leisure trip leaves an enormous carbon footprint. Nevertheless, we can raise tourists' awareness of these problems and motivate them to actively deal with them. It is an important task for travel agents, as they are able to personally explain the context to their customers, including topics such as resource protection, waste disposal, or water consumption at a destination. For many things start small with people's own behaviour – by refraining from using plastic straws in their cocktails or from having their towels washed daily. There are many points where travel agents can have a positive influence, even without making customers feel guilty.

What does the Quality Travel Alliance do in this area in tangible terms?
QTA is a member of Futouris e.V., an organisation running various projects for sustainable change in the tourism sector. In cooperation with Futouris, for example, last year we worked with a hotel partner in Egypt to train chefs to use local ingredients. We do not offer sustainability-certified tours ourselves yet. The market is very difficult to assess in this regard, due to the large number of labels. However, QTA is planning to continue to work on this, as sustainability is definitely a topic we want to increasingly rely on in the future.

About Thomas Bösl: *A travel agent by training, Thomas Bösl is originally from*

Austria and is now CEO of Raiffeisen-Tours RT-Reisen GmbH with offices in Burghausen, Upper Bavaria, Germany. In this position, he is also in charge of rtk, the largest cooperation of travel agents in Europe with almost 4,000 partners. Furthermore, Mr. Bösl is the spokesperson of the Quality Travel Alliance (QTA), encompassing 8,000 travel agencies in Europe. In 2018, he was awarded the title "Travel Industry Manager 2018" by the Travel Industry Club (TIC).

Interview: Stephanie Arns