

Travel agencies weather the Internet storm

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THREATENED by the Internet and the proliferation of online bookings, Jamaican travel agencies believe they are winning the fight to remain relevant.

As Internet penetration began its rapid rise throughout Jamaica during the 2000s, travel agents were being earmarked as a potential casualty of the growing technology. Indeed, veteran travel agent Juliet Moss Solomon in 2005 noted that the Internet phenomenon had caused “a noticeable shift from the traditional distribution channel which was almost centred on the travel agent” and had forced agencies to explore new business models.

“The ability to distribute and market virtually any travel-related product or service by the click of a key has become a powerful marketing tool,” Moss-Solomon said back then at a University of the West Indies Mona Academic Conference, adding “No longer do we dominate that all-important link between the travel suppliers and the consumer, but are now forced to compete effectively with the other distribution channels.”

Six years later, travel agencies say they are weathering the storm despite suffering some fallout due to the online movement. This against the background of daunting statistics released in September by online travel company Expedia showing that 84 per cent of personal travellers use the Internet to plan their travel.

“It has affected us,” admits Pauline Stewart, proprietor of Discovery Travel, which has been providing a variety of travel services — airline reservations, car rentals, cruises, hotel tours etc — since the mid-1990s.

Stewart adds that “The bottom line is that a lot more persons are going online now and sometimes if they don’t get what they want online, it is then that they want our help.”

At Travelmania Limited, a travel agency operating in Portmore for 20 years, competition from booking websites is believed to have had a marginal impact on revenues.

“I’m sure we have lost some customers but we are still holding our own,” reveals Travelmania manager Patricia Fullerton.

Fullerton argues that the personalised services provided by travel agencies give them a competitive advantage over online travel companies. She says that this has mitigated against the crippling impact that the industry could have faced.

“There was a time, when it all just started, we were a bit worried,” Fullerton acknowledges.

“I’m sure we have lost some customers but a lot of persons are still coming to travel agents because they love the personalised services, and Jamaicans love to hold someone accountable,” she continues. “If anything was to happen to their flight, the airline would get in touch with us and then we would get in touch with them; and a lot of them get stuck (in travel) because they don’t understand the process etc, and they call us.”

What’s more is that using a travel agent to book long journeys gives customers the opportunity to realise significant savings, says Conrad Graham, one of the principals of New Kingston-based Trafalgar Travel.

“There are not many options on point-to-point travel but once you get into complicated trips, <http://activepaper.olivesoftware.com/Default/Scripting/ArticleWin.asp?From=Archive&Source=Page&kin=JObserver&BaseHref=JMO%2F2011%2F12%2F18&ViewMode=HTML&PageLabel=4F&EntityId=Ar1000&AppName=1>

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there is not a (computer) programmer that can beat a good travel agent,” Graham declares. “For complicated trips — with more than one leg — the travel agent is still the best bet.”

Graham states that this value proposition has played an integral role in allowing Trafalgar and other travel agencies to survive the threat of online travel companies. Graham’s argument is supported by the situation at Discovery, where the fallout due to Internet travel service companies is said to be for the most part limited to the individual client market, which does more point-to-point travelling. The company has largely been able to retain its corporate clientele — which attributes for a good chunk of revenues — which tends to do more Graham describes as “complicated” trips.

“Some have gone online, but for the most part we have retained our corporate business,” Stewart tells Sunday Finance.

Additionally, some travel agencies such as Trafalgar are making strategic moves to incorporate more Internet-related services in their business models.

“We are always looking to innovate,” says Graham. “We don’t view the Internet as a competition to us, we see it as a distributing point — as a way for us to contact consumers.”

As a result, Graham notes that Trafalgar also offers clients the opportunity to book their travelling arrangements online.

“We not only use the Internet from the standpoint of creating a website, but we also use it to develop products... we embraced it from day one,” Graham declares.



Turbulence ahead: Expedia statistics reveal that 84 per cent of personal travellers use the Internet to plan their travel.

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