



# Tourissimo

## Top Travel Industry Trends

Why it Makes Sense for Independent Travel Agents to  
Sell Active Vacations



by Beppe Salerno



I observe travel trends both as a consumer and as a business person in the industry. I deal with guests, hotels, tour operators, and travel agents all the time. And I am curious, fanatically curious, about trends.

I am going to pinpoint the relevant trends and give you my two cents (backed by a great deal of research) on the next ones.

As I tried to connect the dots, I realized that travel agents and smaller scale, high-touch travel companies could benefit from working together in these new scenarios. And this is what this report is about.

When the internet kicked in around 1996-1999 (ah, those first scratching sound connections), commerce changed. A lot. And it continues to change at an accelerated pace.

The 90's was also the period when organized hiking and biking vacations in Europe went mainstream and became a booming niche within the travel industry. This niche is now the so called soft adventure travel sector. Demand for these types of tour programs continues to increase. These programs fill an inherent need to explore and get out of one's comfort zone (safely).

By 2005-2010 a major source of revenue for travel agents was suddenly nearly gone. Airline tickets became a commodity and airlines started selling directly.

Airlines and Hotels started working with online travel agents such as Expedia and Booking.com. OTAs and travel internet platforms literally took over.

Despite the fact that the above is kind of backfiring, travelers/consumers will not go back offline to search for and purchase some low added value travel services such as hotel rooms and travel tickets.

When online tour operators entered the scene many people predicted that traditional travel agents would become obsolete. That didn't happen. In fact, over the past few years they have increased their revenues and their margins have not suffered (they have even shown an increase).

## Most Retail Leisure Agencies Saw Increased Sales for Insurance, Tour/Group, FIT and Cruise

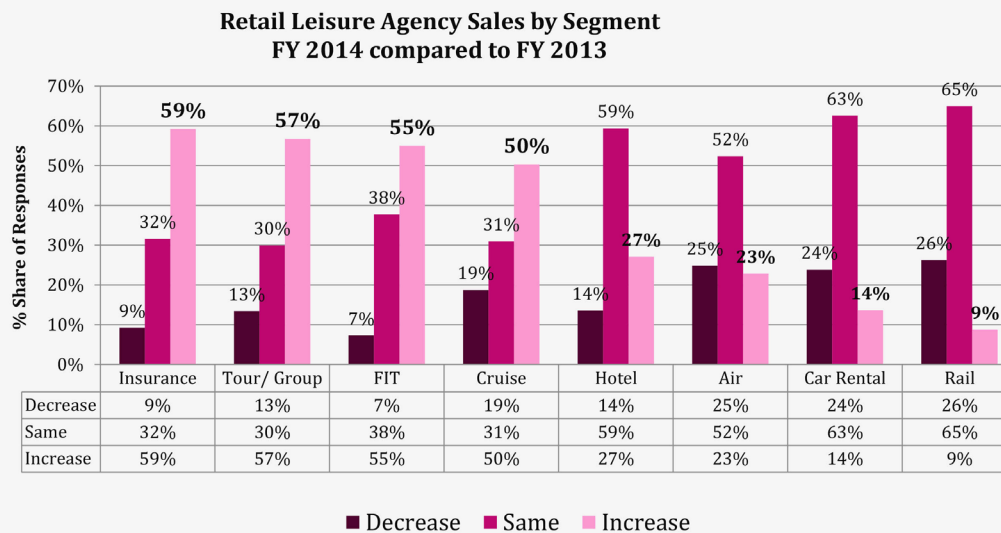


Chart source: ASTA 2014.

The best (the ones that the global economical crisis did not force to close) shifted their attention to more value-added products and services like leisure products and tours.

Independent Travel Agents are looking (and if they are not, they should be) at value-added products that they can sell by leveraging their expertise. Sure, they can still sell airline tickets, but those are products that can be piggybacked onto services that are both remunerative and professionally fulfilling (such as high-end private tour programs).

### Travel agents can be an adventure travel company's strategic partner should they receive inquiries about a bike tour or a family hiking vacation.

The Adventure Travel Trade Association (ATTA) understands the importance of partnering with travel agents. In an article, they prompt their members to [extend their sales team through collaboration with travel agents](#). The US Tour Operator Association confirms that their members rely heavily on travel agents: in 2015, 87% of tour operators worked with a travel agent to sell tour programs.

#### TRAVEL AGENTS CONTINUE TO GAIN FAVOR

Following last year's uptick, there has been continued growth in influence of traditional travel agents, who also made gains with two key demographics. The percentage of Millennials who say traditional agents are the most convenient way to book travel services has increased from 9 percent in 2014 to 13 percent in 2015, while among the Affluent the number jumped from 6 to 12 percent. This is according to the MMGY Global 2015 Portrait of American Travelers.

Traditional Travel Agent Influence	2014%	2015%
Hotel/Resort	71	72
Vacation Package/Tour	70	71
Destination	64	71
Travel Insurance	63	65
Airline	64	64
Cruise Line	61	63
Car Rental	50	60
Attraction/Event Ticket	60	58
Train	42	55

SOURCE: MMGY GLOBAL

And partnering with agents overseas is also one of the best distribution strategies companies like Tourissimo (DMC operating active tours in Italy) can deploy.

Besides the obvious goal of making commission, often travel agents' clients get more value out of a tour program from a smaller inbound tour operator.

Before diving into the main advantages of outfitting your Travel Agency offer with active travel programs, I would like to share some industry data by the [Adventure Travel Trade Association](#).

- ATTA reports (2015) that the most sought out destination for soft adventure travelers after the US is Italy. Italy surpassed France and is the number one European destination.
- An active vacation in Europe is on average 8.9 days long.
- The average cost of the trip per day is US\$ 477 (ATTA - 2015 bookings data).
- The active travel niche of the tourism industry is growing at a pace of 20% a year; no other area shows the same positive trend.
- Custom itineraries are driving the demand for luxury active travel.
- Active Travel is a US\$ 283 billion market (ATTA – 2013 data).
- Active Travel is addicting and guests are loyal if they've had a good experience.

### **And what are the advantages of offering private active tours?**

1. Experiential travel is very much in demand and some say it is the future of luxury travel.
2. Custom itineraries for small groups such as families are driving demand.
3. Active travel tour programs are value added products; a knowledgeable travel company can package unique experiences within a tour program.
4. Active travel is a potential stream of revenue and repeated business; specialization does pay off.
5. Boutique tour operators are willing to pay lucrative commission.
6. Hotels and Airlines are battling with OTOs and it all drives margins down.
7. Travelers want inspiration and personalization.

While some travel agents are able to put together a custom itinerary, that is time consuming and an active travel vacation is an animal of its own. It requires true local expertise, multi-tasking guides, and reliable equipment.

In this report, you'll learn the 4 growing trends travel agents should pay attention this year and beyond.

Incorporating these trends into your services will increase your value not just within your own customer base, but among new sets of clients; especially among the Millennials who currently make up one-fifth of global tourists according to the [United Nations' report](#).



## The Top 4 trends to watch out for in 2016

### **The Rise of the Digital Hospitality Industry**

The hospitality industry is now driving innovation in travel – whether it's in mobile, content, or social media.

There's the influx of blog sites dedicated to reviewing hotels in and around Italy written by travel authorities who act as virtual travel guides; showing places and cultures you have yet to see for yourself.

There's [My Melange](#) from European travel consultant Robin Locker Lacey who offers tips on planning dream vacations on a budget. [Italy Chronicles](#) covers every aspect of the Italian culture – from its food to politics. And then there's [Margie in Italy](#) by author Margie Miklas.

These authority figures command an influence over a number of potential customers – most of which have great purchasing power and need for travel and leisure.

Even hotels themselves take advantage of this new platform, enticing visitors to come and check their place through social media engagement and interactive content.

[Una Hotels](#) offers extensive content featuring Italian art, culture, and food with highlights on different regions such as Lombardy, Sicily, Campania, and

Biella – places with thriving active travel packages such as trekking, biking, bouldering, and water sports.

On the same line, Roccoforte hotels added a section to its websites called [the notebook](#).

Meanwhile, [Baglioni Hotels' Facebook page](#) currently has 72,993 likes and 1,036 reviews – with an average rating of 4.4 stars out of 5. The hotel features 3 branches around Italy's most active tourist spots: Venice, Milan, Florence, Tuscany, and Rome.

The bottom line, social media brings hospitality closer to travelers and tourists. Which, along the way, open doors for travelers to discover new ways to enjoy their vacation (i.e. active travel).

On the other hand, the improvement of online hotel booking services bodes well to mobile-centric travelers.

The following figures indicate that travelers welcome these innovations:

- [Phocuswright](#) expects a surge in mobile travel bookings in years to come.
- [O'Rourke Hospitality](#) reports that the 2016 mobile bookings in Europe will be around 22%. While China is expected to see as much as 31% travel bookings made via smartphone or tablet.

- [TripAdvisor](#) listed the most “connected travelers” in the world. Italy is at the 8th spot (49%), higher than the U.S.A., India and Australia. The report defines “most connected” as those who used a mobile device to book or plan a trip while in that region.
- Hotel booking portals are doubling their activity to upgrade their system and launch advanced hotel booking services. Case in point is Priceline Group’s acquisition of tech providers like Buuteeq and Hotel Ninjas – an evidence of a deeper investment into the hotel marketing world.

Then there’s the alternative sharing economy from players such as AirBnB, HomeAway and Luxury Retreats.

Usually it costs \$250 - \$350 a night to book an accommodation somewhere in the Dolomites. On the contrary, apartments listed on AirBnB cost around \$71 per night.

This trend brings an upswing in the number of active travelers looking for operators to arrange their flight for personalized tour packages.

What makes active travel a perfect add-on in light of the surging innovation within the hospitality industry?

It’s the fact that there’s a growing number of people – around the world – who find it convenient to book travel in a matter of seconds instead of hours with rates that don’t cost the earth and facilities that speak well of modern times.

## The Growing Demand for Under-the-Radar Destinations

The next generation of travelers is finding it hard to appreciate homogenous, all-the-usual splendor of big cities.

What they're looking for are the nooks and crannies of suburban landscape – places once forgotten by the travel industry; where words “authentic”, “local”, and “native” remain true.

These are second- and third-tier cities that attract visitors without mimicking what big cities already have.

There's a growing fondness among travelers worldwide to turn their eyes to places like:

- Castelmola instead of Taormina in Sicily
- Cinque Terre instead of The Amalfi Coast
- Lucca instead of Pisa
- Lecce instead of Florence

These destinations offer an affordable, yet authentic getaway, vacations that cost a backpacker less than what he or she might spend in big cities.



But more than the money is the opportunity to get away from crowds.

To experience what the country feels like way before the bright lights, the busy streets, and the digital highways crept into the cities.

This trend will continue to surge in the next few years – with social media leading the way for this growth:

Visitors post a [travel vlog](#) and invite their friends (or total strangers!) to watch it, like it, and share it. Small, unheard of tourist spots, mostly outside of big cities, find allies from these visitors who broadcast their experiences in social media.

Call it bragging rights, call it being more adventurous, call it whatever you want. The core message is to find something new. It feeds our basic human need to embark on once-in-a-lifetime experiences and discover breakthroughs.

You've probably seen these free advertisements from people who are adventurous enough to try destinations off the beaten track. And from there you'll see a once sleepy town become a trending topic on someone's social media account.

Fans start to notice.

Curiosity grows.

And before you know it, droves of visitors fly themselves into this “breakthrough” hotspot.

We’re starting to take notice of places like [Colletta di Castelbianco](#) – a 13th century village that was on the verge of extinction. Its restoration effort became a hot topic and was featured in Fast Company’s [“La Dolce Vita, Internet Style”](#).

Today, Colletta di Castelbianco enjoys [rave reviews from TripAdvisor](#) and travel blogs – while attracting new and returning visitors every year.

So why should you include active travel in your tour package?

Because there’s always a demand for discovering new places; or old places but in different ways. Because active travel is not (only) about backpackers. It is becoming the way retiring baby boomers with free time and disposable income travel.

And because people are always hungry for authentic destinations that provide a lasting experience – away from the craziness of urban jungle.

It’s the need to discover unspoiled landscapes, virgin forests and unknown territories. Where local culture, towering cliffs and calm, blue waters grab everybody’s attention away from the city’s busy shopping centers and hectic nightlife.

## The Birth of the Bleisure Lifestyle

[The Bridgestreet Global Hospitality reports](#) that “bleisure” trips are rising fast as a common type of travel in the world. 640 respondents participated on the survey and 60% said they were more likely to take bleisure trips now than 5 years ago.

On a separate survey, Hotwire.com found that 56% of travelers 18 to 34 years old were more likely to mix business with pleasure.

*“You might have to travel for business, but it doesn’t mean you have to let much-deserved leisure trips fall by the wayside”,* said Henrik Kjellberg, Hotwire’s president.

Bleisure – a marriage between business and leisure – allows everybody to combine opportunity, productivity, and new experience.

It’s a growing trend among current business warriors who understand the delicate balance between business and pleasure. They realize the importance of travel as an opportunity to rejuvenate oneself, to foster a healthy relationship, and to expand their business across the globe.

The increasing development in airport facilities, online booking services, and hospitality industry further encourage this trend.

Modern airport amenities make frequent traveling a time-efficient experience. Free Wi-Fi accessibility means more work can be done and

airport lounges offer quiet workspaces to transact business. In fact, the airline industry is paving the way for the bleisure lifestyle.

[A 2014 Hall & Partners survey of Virgin Atlantic travelers](#) revealed interesting figures:

- 1 in 4 (respondents) said they get their best ideas when traveling – over 300,000 brilliant ideas born inflight each day
- 1 in 5 has done business with someone they met on a flight
- 9 in 10 mix pleasure into every business trip they take
- Over half extend a business trip for leisure with only one plan: wing it

As travel becomes more convenient and comfortable, we'll see more businesses happening within airport lounges and even inflight.

No longer does boarding an airplane become a “wasted business hour”. More and more people will find themselves in the middle of advancement where conveniences once found in offices become available in airports as well.

But it's only the beginning.

According to Bleisure report, 65% of business travelers extend trips to check out a new country, and more than a half of respondents bring a family member or significant others with them.



The report also revealed that nearly half of business travelers add personal days to “every trip” or “most trips”. The report added that 80% of travelers are in favor of mixing more leisure into trips – compared to just 25% who claim they don’t have enough time to.

The possibilities are endless once you incorporate active travel to your services.

Especially when you realize that the Millennials (those between 18 to 35 years old) have yet to reach the peak of their purchasing power. And once you take note that this group makes up [20% of the world’s 940 million tourists](#) while posting the highest number of positivity towards bleisure trips.

Certainly, these figures indicate a strong call to be different:

To offer something more exciting, enjoyable and immersive. Activities that provide an adrenaline rush to spark creativity. Activities that make them break a sweat, soil their hands, and face unfamiliar territories. An alternative to the monotonous, humdrum “vacation” (e.g. shopping, eating out, walking, or sightseeing).

Because it will happen.

In time you’ll see business executives extend their trip to include a 2-day stay at the nearest island resort. Or a 3-day hike to the nearby hill south of the city. Perhaps a 5-day stay in a small village where they commune

with local folks and get a firsthand experience of their culture. Even a 7-day cross-country bike tour around Europe is possible where first-class bike organizers provide guided tours and trips.

### The Bourdain Effect: The Rise of Food Tourism and Exploration

Priceline's search data revealed an 88.8% increase on US searches for Sicily. This happened after the airing of [Anthony Bourdain's "Parts Unkown"](#) episode on that Italian region.

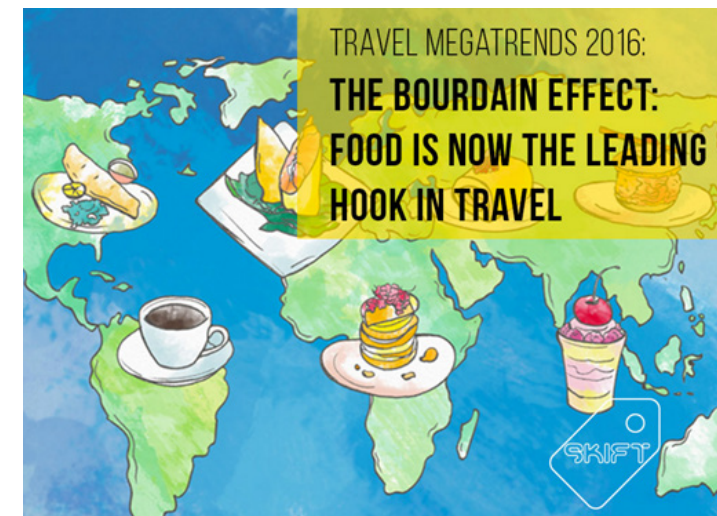
So, is the so-called "Bourdain Effect" true?

And how can you benefit from the growing food tourism sector while incorporating active travel along the way?

Food adventure is becoming the craze among tourists worldwide.

The demand has never been higher than in the last 5 years – when ratings of shows like "Parts Unkown", "Man v. Food" and "Bizarre Foods with Andrew Zimmern" increase every year.

In effect, there's a growing clamor to visit cities where food is becoming the "gatekeeper" to a whole new world of experience



and culture. In fact, with the globalization and digitalization of the travel industry, it's becoming more apparent that partaking in a local food culture is the most "authentic" part of journey.

And with food tourism comes the chance to move around the city and scour for adventures visitors can take part in.

It's no wonder that food tourism and active travel complement each other.

It's a marriage of sorts: satisfying your hunger for gastronomic adventure and fueling your adrenaline before the feast that lies ahead.

Let's also consider the fact that the epicenter of tourism revolves around food and activity:

- Cheese making at a farm house
- Food fairs and festivals
- The whole concept of agriturismo

Food tourism and active travel is the complete package. Those who realize this trend will surely gain a foothold on a growing market and attract customers from around the world.

## In Summary

This report focused on 4 growing trends and their effect on the global travel industry.

As a summary, here's what we discovered:

- The active travel niche is outpacing other forms of vacation at 20% a year.
- Smart travel agents focused their attention to more value-added products and services like leisure products and tours. By doing so, they increased their revenues despite the global economic crisis.
- Active travel is a \$283 billion market.
- Active travel is very much in demand thanks to improved online booking services and breakthroughs in the hospitality industry.
- Food tourism and the bleisure lifestyle will continuously promote the growth of travel industry.
- Travelers are always on the hunt for unexplored travel spots, most of which are potential active travel hotspots.



I hope this report has given you an opportunity to consider active travel tour packages. If you would like to know more about active travel vacations around Italy, send us a message [here](#).

See you!

Beppe

*Beppe provided unique insights into Italian life and culture as well as useful commentary on cycling routes and styles. His knowledge of Italian wines and cuisine transformed the trip from simply a “ride on a bicycle” to a gastronomic adventure. He introduced me to new wines, new dishes and to the people who grew, bottled and prepared them. We discussed history, dialects, regionalisms, music and architecture..*

*-David Nasatir*



## What happens to your commission rate when booking an active travel tour?



### International DMC



More Value for  
your client's  
money here =  
They'll thank you

**20%**

Straight to the  
retail travel agent

### Traditional Process

**20 -  
25%**

To inbound tour  
operator



**20 -  
25%**

To wholesale  
tour operator



**10 -  
15%**

Finally, to the  
retail travel  
agent

This info brought to you by:



Tourissimo is a private and bespoke DMC in the ideal position to help supply meet demand for high-end active travel tours.  
We're a one-stop shop with offices in Italy and the US.

# Thanks!

Thank you for reading “Top Travel Industry Trends.”  
[Click here](#) to learn more about how we work with travel agents.

## About Tourissimo

Tourissimo creates active vacations that are full of intense meaningful experiences. Our tours are designed (or modified) to suit the ability level of the group. Sometimes we offer two partially different rides or hikes in a day (for participants of different levels), and rest days mid way through the tour.

It takes passion, drive and attention to detail to deliver a superior experience for guests. We are experts in many Italian destinations and we have several decades of combined experience in all facets of the adventure travel industry.

You can learn more at our website:

**[www.tourissimo.travel](http://www.tourissimo.travel)**