

Steve McGillivray, the chief marketing officer of the Travel Leaders Group, delivered the keynote address this morning at the State of the Industry Conference in the Bahamas.

Here's a transcript of his speech. And if you missed the presentation, view it at

<https://www.facebook.com/CaribbeanTourismOrganization/videos/2198622960427214/?t=2>

Good morning, I'd like to thank the Caribbean Tourism Organization, Hugh Riley and The Islands of the Bahamas for having me here today. What a beautiful destination and a spectacular resort! Last night when I arrived I was walking around and reflecting on how fortunate I was to work in the greatest industry in the world with such amazing friends and colleagues. I was thinking to myself, "I must be one of the luckiest guys on earth" ... so naturally I headed over to the casino and well... you can imagine the rest of the story. Fair to say my luck was not transferrable.

For those of you who don't know Travel Leaders Group, we're a global travel company with a collection of wholly owned and network member travel agencies and travel related companies that work together to create unique experiences for today's travelers. And even if you don't know the name Travel Leaders Group, I hope you know some of our brands.

Like Protravel, a New York-based company that's been the top agency producer for Virtuoso for the 14 years running. We have Altour, the largest American Express Travel Representative Network Agency, and Tzell Travel, a world-renowned New York agency that's been specializing in VIP and corporate travel for over 50 years. You may have heard of Andrew Harper Travel and its collection of unique and boutique luxury hotels, curated itineraries and unique experiences.

There's Travel Leaders Network, the largest travel agency network in North America with over 6,000 franchise and consortia member agencies in the US and Canada. And Nexion, the largest Host Agency in the U.S., Canada and Mexico.

We also have a considerable and growing presence in the UK with Tzell, Protravel, Colletts and Barrhead Travel.

Overall, Travel Leaders Group comprises 52,000 travel agents, 10,000 in our owned agencies and about 42,000 in our network.

Combined, we're one of the largest cruise, land vacation and luxury travel sellers in North America and UK. With our massive size and scope, you can imagine that we have keen interest in the health and stability of Caribbean tourism.

In the aftermath of the 2018 hurricanes, we immediately connected with Hugh to see how we could help. He shared concerns about the misperceptions in the marketplace about travel to the Caribbean. Travelers and the media were uninformed about the size, scale and geography of the

Caribbean and the fact that many islands were untouched. Some media stories even confused Aruba and Antigua... Barbados and Barbuda.

We partnered with the One Caribbean Family effort, first... to get the facts out to our agent community and our travelers and then to actively promote travel to the Caribbean. We asked our **thousands** of our travel advisors to identify themselves as One Caribbean Family Ambassadors... through their websites, social media channels and client communications and they share the news that the Caribbean was open for business.

We created consumer marketing materials focused on unaffected destinations and spread the word as others reopened their doors. We raised funds through our various channels to help those communities affected most. And we launched a robust consumer awareness campaign that included numerous social media tools, including this very popular video that our agency members posted many, many times. <https://www.youtube.com/watch?v=qMrIGGoFNSI>

The One Caribbean Family initiative was a great idea from your community. I admire the way you bonded together to help out the entire region, focusing on the power of tourism.

By working together as an industry—destinations, suppliers, tour operators, travel advisors—we can weather storms and lay the groundwork for greater prosperity. We believe strongly in the power of partnership. Whether the sailing is rocky or smooth, we are here for you.

As we look to the future, I urge you to work closely with your travel agency partners. Our advisors were influencers **long** before social media existed.

Just as there are misperceptions about the Caribbean, there are similar false impressions about travel agencies. A new Phocuswright survey found that travel agents are the largest travel distribution segment representing 30 percent of total travel sales.

- Phocuswright says travel agents sell two-thirds of all cruises and 68 percent of all package tours.
- MMGY data suggests that travel agents sell 75% of all international long haul travel from the US.
- And CLIA reports 82% of luxury cruises are sold through advisors.

I was reading an article about Amazon recently and thinking about the impact they have had on retail sales in various industries. At one time, there were neighborhood book stores across the country on street corners and in malls. Along came big box booksellers, Borders and Barnes and Nobles with 10,000 books and coffee shop located in the store. Then this start-up online bookseller called Amazon came along – if you recall long before they sold clothes and electronics they started out selling books & music. The big box book sellers had to adjust, and they contracted. But the most recent news about Amazon is they are opening local neighborhood stores – physical brick & mortar locations selling books.

It's funny how the more things change, the more they stay the same. At the heart of this is... that people like doing business with people. And for certain purchases they appreciate having that personal relationship. Relationships still matter in our business it is the **essence** of an expert travel advisor.

As the cost and complexity of travel increases, so does the value and need for expert guidance from a travel advisor. If you are looking for a \$100 a night hotel in Miami, go online and book it. But for travelers who are booking luxury cruises, destination weddings, multi-gen family travel – they're flocking to our travel advisors.

Travel agents are resilient, just like your islands. A lot of people wrote them off when online travel booking became so popular, but travel agents bounced back and now they're stronger than ever.

The Internet was one of the best things that happened to travel agents. Travel consumers are overwhelmed with information and need an expert to cut through the clutter. When planning a trip, travelers are looking for cost, convenience and customization. And to add a fourth element, they are seeking third-party validation of their choices.

Phocuswright recently released research that shows the offline demand for trip planning is growing. The reasons? Personal Service, Questions not answered on the websites, validation of preferences, a desire for more experiential travel. Especially for Americans, vacation time is precious, and no one wants to waste it, so they are turning to experts.

Travel advisors have always been popular with Baby Boomers, but you'll be surprised to find out that Millennials love travel agents, too... In fact, 39% of Millennial travelers and 51% of Millennial families said they plan to use a travel agent. That shocked me too, but there's are two reasons: trust and time.

Millennials grew up with the internet and they know not to trust everything they see. So, they go straight to the experts they can trust, travel agents who can help them find the perfect Caribbean beach to take those Instagram photos on.

Another factor is time. It's has become the commodity of this generation. It used to be fun to sit up past midnight searching 20 websites for cheap deals, but now, Millennials have demanding careers, families and children. They are too busy and would much rather have an expert guide them.

Travel agents also bring a lot of value to the transaction. On average, travelers who use an agent spend more overnights at the destination than those who do not. Their average daily spend is 60% higher than people who don't use travel agents. That's because travel agents up sell up better than anyone. Ask any cruise executive who sells the top of the ship and the answer will be: travel advisors!

In fact, this past week at the Skift Global Conference in New York, the president of Carnival Cruise corporation said "A great travel agent is more valuable than they've ever been"

referencing the complexity of sorting through the matrix of various cruise lines, cruise ships, itineraries and cabin choices.

What does this mean for you and your Islands? Travel agents are more valuable than ever in helping to guide their clients through the information overload and #fakenews that dominates our society today. They have earned the trust of their clients and can expose them to undiscovered wonders of the Caribbean.

Travel advisors are also your largest group of influencers and advocates. Long before 12-year-old YouTube stars and million-follower Instagram accounts, Travel agents were and are your underground network of trusted experts in big cities and small towns all across the country. Travel Leaders Group have more locations across the U.S. Than FC or Walmart.

The next time a weather event blows through, and the press is showing nothing but devastation on the TV 24/7, it will be your travel agent partners who are calming the fears of already-booked travelers and assuring future customers that the Caribbean is open for business. Make sure your communication strategy includes us.

Overtourism has been an increasing concern in the industry recently. We work closely with destinations all over the globe and share the concern that our customer's expectation compared with the actual experience in many iconic historic sites is diverging. A romantic stroll along the canals of Venice is what you see in the movies – it's a bit different when you are fighting the crowds of thousands during peak season.

The Caribbean faces similar challenges. It's not that you need more customers in peak season. You need the right customers - higher yield customers who stay longer, spend more money and are more likely to return— and you need better seasonal dispersal in your shoulder and off season.

Travel Leaders Group owns three of the top luxury travel agencies in the United States – Protravel, Tzell Travel and Altour. Between them, we service some of the highest net worth individuals in North America—celebrities, CEOs, royalty and rock stars. How many of you think these individuals are online searching for the lowest fares and room rates? Of course not. They want exclusivity, privacy and access. Our travel advisors get that.

These luxury travelers don't want to call an 800 number and hear a robotic voice say, "Your call is important to us but please continue to hold for the next 40 minutes." They want the personal cellphone number of an experienced professional travel advisor who will treat them with white glove service. They have special requests and are willing to pay for them: special meals prepared by a celebrity chef, someone to pack and unpack their clothing, VIP access to areas generally closed to the public.

Our luxury travel advisors take the approach that nothing is impossible and excel at fulfilling their clients' dreams every day.

We hear about the growth in authentic travel or experiential travel. Travelers want to immerse themselves in the culture of a place... go off the beaten path... or share one-of-a-kind experiences with their loved ones. Our agents can work with local operators to get special access no one else can get on their own, adding special guides such as a conservationist, historian or marine biologist, an opportunity to visit a local school or have an up-close encounter with wildlife.

Targeting luxury travelers also helps diversify your base of travelers. They are less affected by economic downturns, spend more on shopping and dining. You need fewer visitors to have the same positive economic impact.

You have something very special here. Even to the most well-traveled clientele, there is a mystique about the Caribbean. When I say, I'm going to the Curacao or I'm going to Bonaire, you can see the reaction from people.

We need to preserve what is special about the Caribbean and one solution is to work together to address overcrowding and overtourism. One way to do that is by attracting a higher-spending traveler rather than focusing only on volume.

Another way is to expose the seasonal and road less traveled destinations. I'm sure Atlantis runs at a very high occupancy from Christmas through Spring Break. But what about the other 9 months of the year and other destinations looking to grow their tourism footprint?

I bet you are surprised to hear that travel agents can help with that, too. They can direct travelers to shoulder seasons, new destinations and less discovered islands.

Through our sophisticated loyalty and digital marketing programs, Travel Leaders Group works together with destinations to direct demand and target travelers interested in specialty travel.

Many of our Travel Leaders Network agents specialize in the Caribbean. That means they have taken special training and participated in numerous visits to become firsthand experts. When you visit our Demand Generator site travel.leaders.com, travelers can find 3,712 Caribbean specialists and 3,912 cruise specialists. When you dig deeper on our site, you find 2,126 Jamaica specialists, 1,676 Bahamas specialists, 888 St Lucia specialists and the list goes on and on.

These are advisors who can tell your story. We develop certification programs and encourage our advisors to participate. These specialty programs help travel advisors be viewed as authorities on your destinations, and our data shows that those with certifications get more leads from our digital marketing programs.

In all my years in marketing—it's amazing how time flies when you're enjoying the work—I've seen marketing trends come and go. But right now, there are a few trends that are just getting stronger, and I wanted to share those with you.

First off, you don't have to have a multi-million-dollar budget to run a highly effective marketing campaign. Smaller campaigns can be just as effective. We have relationships with suppliers of all

sizes, from Royal Caribbean and Disney to small tour operators and boutique hotels. Everyone's marketing budget is different, but when used in the right way, it gets results.

Too often in travel marketing we see a focus on pricepoint and promotional offers. Our job as marketers is to get the right message to the right customer at the right time. Our customers go through a buying journey that involves both emotional and inspirational triggers as they are higher in the sales funnel – in the dreaming and planning phase of their buying journey.

It's all about making strategic marketing partnerships. Find the partner who can connect you with your target audience in the most direct and genuine way. For example, we recently partnered with Mexico's tourism community to create a strategic campaign aimed at Millennial travelers through our new B2C website [Vacation.com](#). This website had a pre-built audience of Millennials, making it the perfect vehicle for Mexico.

One of the reasons that the Mexico campaign was so successful was that it was backed by a strong social media strategy. Every successful campaign nowadays needs social media support. We've discovered that when social media is done right, the travelers do all the work for you. It is truly the secret sauce of an effective social strategy. Makes our jobs a heck of a lot easier.

Like in the website we created for Royal Caribbean – [MyRoyalAdventure.com](#). We encouraged Instagram, Twitter and Facebook users to use the hashtag [#MyRoyalAdventure](#) in their cruise posts. Each post was displayed on our website, which created a brilliant promotional tool supplied primarily by user-generated content. This campaign was so successful that Facebook

selected it for a Success Story. Great pics, aren't they? You may recognize a lot of your islands in these pics.

Social is the wave of the present and it's critical to have a vibrant social platform. What better imagery for social media than your incredible islands!

Here are some key facts and stats:

- Travel is the number one category on Facebook.
- 85% of travelers say that social media influenced their travel plans
- 80% of all people say they more likely to book travel due to a friend's post vs a traditional ad
- 50% of people say their friends' Vacation pics inspired them to consider the same destination
- 40% of millennials choose their destinations based on how Instagram worthy it is and one-third of Gen Z select their destination based on social channels.

What social media does best is what all good marketing should be doing, and that's selling the dream through visual storytelling. Always tailor your marketing to visually capture the experience, because today's travelers are looking for authentic travel experiences that will look great on their social media pages.

By showcasing the experiences they can have at your destination, you're giving the traveler a glimpse at the amazing pictures they could be posting with hashtag-blessed.

Selling the experience, using social media, maximizing your strategic partnerships...those will all definitely help your marketing campaigns.

But by far, the most powerful thing you can do to market your destinations effectively is this—rely on the retail travel distribution system. The tour operators who package your destination are most definitely dependent travel agents to deliver customers.

I like the tagline for this conference: “New Directions for Caribbean Tourism.” I would like to suggest that, for those of you who don't have strong relationships with the travel agent community, that should be your new direction.

Travel agents should always be part of your marketing toolbox, if not the primary tool.

For many around the world, the Caribbean is a dream destination. Travel Leaders Group can help you forge valuable relationships with travel agents to make those vacation dreams come true for more travelers.

Success in the future of our industry is not about luck; it's about partnerships and smart marketing alliances and working together to delight our travelers so they return to our doors and your islands again and again.

Thank you.