

LIZ'S TRAVEL INDUSTRY UPDATE

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This jetty in the Maldives is where my husband proposed to me

My personal thoughts:

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Written by Liz Hutson

What a tough 6 months the Travel Industry and its valued customers have experienced! I thought I'd seen the worst with September 11, Ansett's demise, SARS & Iceland's volcanic ash cloud closing the airways of Europe.

Very recently, in the press, it was announced that STA Travel had entered into administration. As a result of the impact of this for their customers, we have received some questions from anxious clients so I thought I'd touch base to ensure your ongoing confidence in our company.

Please note that any comments expressed in this email are my own personal thoughts and not a company statement.

All photos were taken by me on my many travels.



Mykonos, Greek Islands

FINANCIALS

Prior to COVID-19 our Parent Company, FCTG, had a comfortable and positive working capital position of approx \$700 million. In March, a share release offer raised \$700 million, our Melbourne office building was sold & now, with the available draw-down, we have total liquidity of \$1.6 billion (ASX Announcement). Our business costs have been examined closely with the impact of COVID and, as a result, approx. 35% of our stores have closed with 30% of our staff stood down. Our store alone has decreased from a team of 6 to 2 staff.

We have been advised that we will most definitely operate as a travel business for many years to come as a result of these tough decisions. We do, however, sincerely hope that the travel industry as a whole is 'back on it's feet' as soon as possible once the state and country borders re-open & we are all able to travel again.

CUSTOMER SERVICE

In store, Mel & I have been focused on looking after everyone's clients and been busy facilitating hundreds of cancellations, changes, credits and refunds. I am very happy to advise that all hotel bookings (all Cruise bookings & approx. half the airfares) I have dealt with have offered full refunds to our clients (even if non-refundable originally). There were only 3 properties who advised us they were unable to refund - 2 offered credits as an alternative & 1 (one night's airport hotel stay) disappointingly, offered nothing. We have had a much higher success rate it would seem than stories about some of the online Hotel booking engines where people had booked themselves.

I personally used to be a Tour Guide both here and overseas, have travelled to 76 countries, and been in the travel industry for 28 years, so can assist in booking Instate, Interstate & Overseas travel (when restrictions open for the last two!).

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Sun Peaks, British Columbia, Canada

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Over the last two weeks we have received approx 50 airline refunds all of which have now been returned to clients.

MISCONCEPTIONS & REFUNDS

I'd like to address some misconceptions that Travel Agents are 'sitting on their client's money'.

In our case this isn't the situation. At the same time we initially receive a client's payment, we then forward funds to the various airlines, wholesalers, car hire companies etc as these suppliers have set timeframes for us to follow. When COVID struck, the refund systems of all these operators were immediately overloaded as they received hundreds of thousands of refund requests - all at the same time.

As I'm sure you can imagine, the usual length of time for refunds to be processed has been extended from weeks to months. In order to process these refunds back to our clients as quickly as possible we check bank statements daily & our Ticket Centre Refund statement weekly then contact our clients to arrange a quick return of the funds.

Things seem to be improving in terms of speediness, e.g. over the last two weeks we have received approx 50 airline refunds all of which have now been returned to clients. If you still have an outstanding refund, we are monitoring and chasing the airlines on your behalf.

Monument Valley, Arizona, USA





Antarctica

ONLINE TRAVEL COMPANIES

In the past I have previously recommended against using OLTC's (online travel companies) as these agencies only have an online presence.

Generally you will come across these companies when searching for airlines online eg. Skyscanner is a search engine which then takes you to many OLTC pages to book. In 2019, 4 of these companies went belly up & many people sadly lost their hard earned funds due to their demise. Now, more than ever as a result of COVID, many more online travel companies are suffering and struggling so if an offer looks too good to be true, it probably is.

I am aware of 6 people that lost money with one of the OLTC's that went under last year (fly360), these 6 people rang to get advice of what to do (I was glad to help). When they booked, they were offering fares well under cost price and advised they were 'saving' the client approx \$200 at the time - sadly though, they went into liquidation soon after and those 'savings' and all the funds paid disappeared very quickly! I can't say anything other than the timing of the offers and their sudden demise certainly did look dodgy!

Lately I've been seeing many advertisements offering deals to "buy this Hotel deal now & travel during the next 3 years". They sound great, offer a good price and include some extras, but I'd recommend asking yourself whether that OLTC, or even the Hotel, will still be there in 3 years time? We have seen a number of hotels close down in various cities around the world as they've struggled with no travellers recently. Please be wary and feel free to ask me for a comparable pricing for you.

Lavender in Provence, France



“
... many online
travel
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struggling so
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looks too good
to be true, it
probably is.”



The Marina Bay Sands Hotel Rooftop Pool, Singapore

THE FUTURE OF TRAVEL AGENTS

A number of clients have asked me if I'll still have a job, or if Travel Agents will still be around in the future? My answer is most definitely yes!

I think this COVID situation particularly has shown how important it is to have a good agent for:

- Getting you home quickly in emergencies - In March, as the borders were closing, my clients were able to call or text me on my mobile to make quick arrangements for them. I heard of many horror stories for people with online bookings - like being on hold for 4 hours, then being disconnected & having to call again (on overseas rates!!).
- Being able to decipher Wholesaler and Airline policies regarding refunds, credits and cancellations and then advising my clients accordingly.

Me in India



Paris, Las Vegas



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*... will I still
have a job in
the future? ...
most definitely
yes!*



Disneyland's California Adventure Park, Los Angeles, USA

I have copied the below from an article I read recently:

5 Reasons You Need a Travel Agent in Your Life

Psssst! Let me tell you a secret: We know you CAN book your travel, by yourself online. Phew! What a relief right. I mean imagine a whole industry of travel agents unaware that the internet exists.

Here's the thing though: Why would you? There are millions of websites, booking pages, airlines, third party sites, review sites, blogs... the list goes on. How do you know which one is right? Which one is giving you the "best" price or which one is truly right for you?

A good travel agent is like a best friend, when you find them, hang on tight and don't let go, they will change your life! They consider your needs, your unique personality, travel style before creating travel memories that will last a lifetime!

Here are 5 reasons you NEED a travel agent in your life, now more than ever.

Cappadocia, Turkey

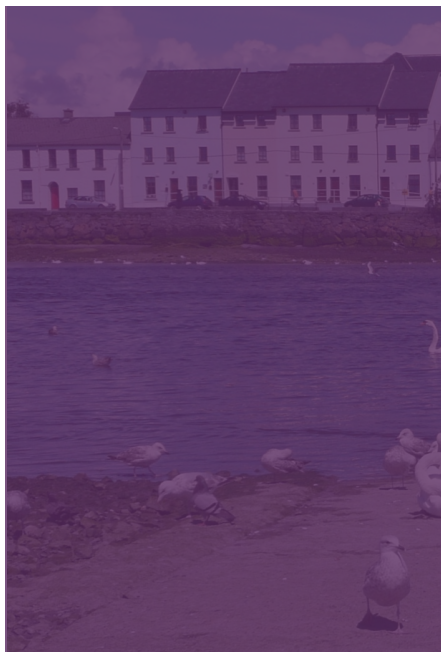


Phuket, Thailand



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A good travel agent is like a friend, when you find them, hang on tight and don't let go!



Galway, Ireland

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*The world is
not perfect.
Things do very
often go wrong
on holidays.*

1) Because sh*t goes wrong

Here's the thing: The world is not perfect. Things do very often go wrong on holidays.

Do you guys remember that time in 2020 when the whole world shut down due to a global pandemic and countries went into lockdown, flights stopped, and you had to race home before it was too late?

Yeah, see, we would never have seen this happening either. But it did. As if the global pandemic wasn't scary enough, do you know how to navigate your way through border restrictions, stopover visas, compassionate appeals, airline waivers, cancellations, and credits?

Likely not, but why should you? When you have the right travel agent, all you need to do is pick up the phone. They literally do everything for you! You won't get that online, which has been proven lately when thousands of people have been left stranded by closed call centres and offices. You spend thousands of dollars on travel, it's an investment. Protect it—book with a trusted agent!

2) Flights are not that simple

You can book a flight online with a few simple clicks. Easy enough? Why would you need an agent? Because flights are not that simple.

Yes, a basic Melbourne to Sydney or Melbourne to Bali flight is pretty basic, and yes, you could click your mouse a few times and you're away!

But what about the more difficult flights?

The ones where you don't really want to land in Rome when your final destination is Barcelona...

But, the flights are cheap, so you will just work it out, right?



Burg Al Arab, Dubai, U.A.E.

2) Flights are not that simple (cont)

Or when Sydney to Los Angeles is on sale, but you're actually going to New York. That's okay too right? Just add on another flight yourself. You got this!

But, United States domestic flights don't include baggage, so STING! There's another cost. Plus 2 hours should be enough to transit at LAX yeah? Think again!

If you have a good travel agent in your life they will be able to include a multitude of additional flights to create your perfect itinerary, sometimes at a fraction of the cost. Why? Because they know flights. They deal with flights all day, every day. They sleep and dream about flights (trust me on this one, they are called flightmares and they are real).

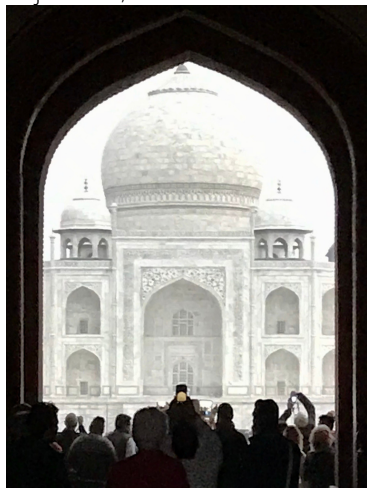
No amount of surfing Sky Scanner and being a mouse jockey will replace years and years of experience. By ticketing flights all on one ticket, you are protected if one flight is delayed. By including partner airlines in an itinerary, your luggage is included across the whole itinerary. In fact, by booking with an agent you can create experiences you may not have been able to yourself.

When it comes to flights, online is for looking... your agent is for booking!

Ovation of the Seas



Taj Mahal, India



“
*When it comes
to flights,
online is for
looking ... your
agent is for
booking!*



Maligne Lake, Alberta, Canada

3) You deserve it!

A holiday is by definition “a period of time during which you relax and enjoy yourself away from home”. Relax. Enjoy yourself. You deserve it!

The holiday relaxation doesn't have to just kick in the moment you board your flight. Why can't it start the second you start to plan your dream escape? Truth is: it can!

By working with an agent you still have all the exciting stages of choosing a destination, dreaming of the activities, picking the right flights, and that dream hotel. Except, you remove yourself from the worry of payments, deadlines, rules, and restrictions, fake companies, false websites, currency conversion, visa applications, the list goes on. Imagine simply dreaming up your holiday and having someone else do the hard work for you?

If your flight is delayed while on the journey, no worries you sit back and enjoy an airport pina colada: ...because you deserve it! Your agent is working hard in the background to make sure your transfer will still be waiting for you at the revised time to take you to the hotel who has been informed of your delayed arrival.

You deserve a holiday. You deserve to relax. You deserve a good agent to make sure you get the most from your holiday, from the second you start dreaming.

Antarctica



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You deserve a holiday.

You deserve to relax.

You deserve a good agent...



The Big Sur Coastline, California, USA

4) Expert advice

I want to confess: I thought I was an expert back in the day! I had traveled extensively. Knew my way around the Internet and was thrifty. I would often brag about being a so-called “expert”.

That was before I became a Travel Agent. The intense training travel agents have to take before they are even allowed to sit at a computer in a store, was enough to put me back in my box. See you can be incredibly knowledgeable about travel and have successfully booked your own trips previously, but trust me when I say: that does NOT make you an expert.

A travel agent will have to sit many assessments before they can be accredited with the title. They usually partake in formal on the job training, internal training, flight-specific assessments, insurance courses, the list is endless.

This is completely separate from the intense supplier training they undertake weekly. Add to this the collective experience of the travel agent community which is readily shared between one another and honestly, they deserve the title of expert.

They often know things about a destination, that you could never dream of. They can recommend specific tried and tested activities that may not have been on your radar. They often know the off the beaten track properties and can ensure your trip is tailored to you!

If they don't know the answer to something they have a direct line with suppliers, destination experts, and airlines to get you the expertise you need.

You have a passion for travel and a drive to see the world, pair that with an expert travel agent and the possibilities are endless.

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Sunset at Uluru

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*Your support
now (to
Australian
Travel
Agents), more
than ever truly
does make a
difference to
the lives of
Australians.*

5) You support Aussie jobs!

Now this one is super close to my heart, so don't mind me grabbing the tissues.

COVID-19 has been hard. In fact, 2020 has been hard for everyone, I know. But for those of us in the travel industry, this has been absolutely soul-destroying.

As an industry, we were the first hit when the borders started to close. The first group of people to almost immediately lose their jobs and let's be honest, we will be the last to return to normal.

Over 70% of our industry has either been stood down, or let go entirely. That's thousands and thousands of Aussie Mums, Dads, and families now without an income, overnight.

Now I know, you as a consumer, cannot control what has happened, and if you're reading this, your obviously passionate about travel and may have personally been affected by a lost or cancelled trip, for that I am sorry.

There is one thing you can control coming out of this though, **you can support Australian travel agents.**

You can choose to pick up the phone and call, text, or email your agent instead of scrolling through the countless webpages.

Expedia, Booking.com, Trivago, Hotels.com: they are all owned by the USA. Sky Scanner is owned by China.

Please if you can do one thing for me: **Promise me you will consider booking with an Australian travel agent.**

Because trust me when I say, we are hurting and we will continue to hurt for many years to come.

Your support now, more than ever truly does make a difference to the lives of Australians.