

The death of the travel agent: Will 2021 be the year it happens? [Michael Gebicki](#)

Will travel agents survive 2021?

- The travel industry has been gutted by the pandemic. Bookings have fallen off a cliff, **there's no product to sell**, confidence among travellers is shot and there's no road map for a resumption of international travel.

"Travel was the first industry to be affected by the pandemic and will likely be the last to recover," says Don Beattie, CEO of Mobile Travel Agents. Hundreds of shopfront travel agents have shut, including some big players such as STA Travel.

The pandemic wipeout

According to Australian Small Business and Family Enterprise Ombudsman Kate Carnell, in a survey of hundreds of agents conducted late in 2020, 98 per cent reported their revenue had plunged by more than 75 per cent since COVID restrictions began in March.

Liz Ellis manages Cherrybrook Travel which has been operating in Sydney's north-west since 1987. "I've had no sales since March 2020," says Linda Forster, who operates TravLin Travel out of her home on Victoria's Mornington Peninsula. "I'm lucky in that I don't have a lot of overheads but I'm not even getting domestic sales because the borders keep changing so confidence is gone."

According to James Kavanaugh, Managing Director Australia of Flight Centre, "Here in Australia we're operating at about 40 per cent of our employee base compared to prior year."

What are travel agents doing right now?

Although they might not be handling new bookings, many travel agents are busy negotiating with airlines, cruise operators and hotels to obtain refunds on behalf of their clients.

"We're still chasing refunds that we began applying for in March and April last year but that still haven't come back," says Liz Ellis. "People are going to be reluctant to book again if this is how the suppliers treat their clients."

The refund process is complicated, according to Linda Forster. **"All the refunds happen on a rolling basis but it's not just one blanket rule for a refund. Over time they change depending on the border closures. The border bans get extended every three months so a lot of the travel suppliers don't update their coronavirus cancellation and refund policy until they know what the borders situation is."**

Chasing refunds or travel credits for clients generates no income for the travel agent. Faced with zero income, and the prospect of having to employ staff to pursue those refunds, the industry is littered with casualties. That's a big problem for anyone who has had their travel booking cancelled and not received a refund since there's every chance they'll be left with no compensation. Travel insurance does not usually cover insolvency. Those who paid with a credit card might be able to obtain a refund via a chargeback through their card provider but that's not a given.

Travel agents still standing find themselves with little or no income and at the mercy of state and government orders that have killed their business.

"It is very sad to have seen some very good travel agencies disappear, and many more are likely to follow – especially if JobKeeper finishes for travel agents in March," says Don Beattie.

Will bricks-and-mortar travel agencies survive?

"While we have some great digital solutions and online capability, in the confusion around travel at the moment, we're seeing a lot of customers wanting to speak to a person," says Flight Centre's James Kavanaugh. **"Travel isn't the same as a commoditised product you buy off the shelf. The blend of personal experience and online bookings is what I see as the future of travel.** For instance there's so much confusion around border passes. When you look across Australia our states aren't even aligned. Our states are operating as independent countries. You might get one way into another state

but does it mean you can also get back home? This is only here within Australia domestically so can you imagine when we start to open up the world and there will be even more confusion so in my mind the need for the expertise that a travel agent provides is going to be even more important."

The future for travel agents

One of the few positives to come out of the damage to the travel industry has been to highlight the value that a travel agent can bring to travel plans. Many who booked their own trips that were subsequently cancelled as a result of the pandemic have found themselves spending hours on the phone waiting to contact airlines, hotels, tour operators and others who are sitting on the money paid for a holiday they're not allowed to take. If you made your booking through a travel agent, you've got an expert on your side who can wield more influence than any individual traveller can.

"The best travel agents have established global connections with suppliers," says Mobile Travel Agents' Don Beattie. "In good times that means they can make special things happen, but equally in tough times they can come to the rescue in many effective ways. For example, at the outset of this pandemic and through to today, call wait times to access suppliers have been extreme. Travel agents relieve clients of this burden by managing the process while both monitoring fare rules and policies as well as utilising their global distribution system (GDS) to progress refunds and credits electronically where possible."

"Because of the relationships we have with a number of suppliers we've been able to use those relationships to get our customers back some refunds where they haven't been able to," says James Kavanagh. "Using an agent has really helped.. When you shine on those days is when you really prove your worth. They're customers that we will have for life. The amount of gratitude that we've seen from a lot of our customers as we've managed to return their funds has been quite heartwarming for frontline consultants who have been working tirelessly for their customers.

If I was a consumer I'd want to make sure that I have good support behind me when I'm travelling and that's probably going to be one of the most important things going forward." **Travel is likely to become even more complicated in future. It might involve protocols regarding vaccinations, quarantine regulations, social distancing and mask wearing that could vary from one country to another. Those regulations could even change at short notice, and for all those reasons it makes sense to use a travel agent who is going to have your back.**

I think for that reason we need a travel agent to help us because there are so many questions that are going to be asked. Travel agents are going to be invaluable because we have to have so much more knowledge and