

ILTM
Cannes

bright
young
things

Simon Mayle, Founder of Bright Young Things Workshop, launched the first annual gathering of the minds during ILTM in Cannes this December 2011. Bringing together three topics with many burning questions, seven “bright young things” and a group of hand selected travel experts, the interactive panels explored innovation, diving deep into- what worked, what didn’t and why.

Moderator & Author:
Michaela S. Guzy

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Bright Young Things Panelists

- Mario Jobbe, Co-Founder & COO, Brand Karma
- April Hutchinson, Editor, TTG Luxury
- Carolyn Turnbull, General Manager Global Sales, Aman Resorts
- Aaron Kaupp, General Manager, Armani Hotel Milano
- Jennifer Atkinson, CEO, International Travel Connections
- Shelby Donley, Owner, Camelback Odyssey Travel
- Gabriel Donida, Executive Director and Director of Sales&Marketing, Atelier Voyage

Full BIOs of the BYT's are included at the end

Addressing a Need

As with many movers and shakers in travel, Mayle saw major challenges influencing the way organizations conduct business. As the world gets smaller and goes global, several undeniable dynamic shifts have emerged. Tech savvy consumers are communicating at record speeds and instantly influencing their global social networks from their multiple handheld devices. However, these consumers are slow to part with their hard earned dollars without a sense of personalization. In this spending set, in order to justify purchase of larger ticket items, including luxury travel—there is an expectation of proven “value” associated with the high cost. So how does the luxury travel industry address the issues of instant gratification and mass customization?

Defining a Generation

Earlier this year, GFK Roper Consulting issued a report of “selling luxury to Gen Y”. They advised that marketers who wish to appeal to Gen Y’s aspirations should note that these young adults have a broader sense of luxury. They ranked “excellent quality”, “excellent craftsmanship” and “technologically advanced” as top ranking attributes. But Gen Y and Gen X are both more than likely than average to seek “expensive”, “exclusive”, “high-class” and “trendy”—so how do companies address both?

Some suggest taking advantage of Gen Y’s broad definition of luxury to find a unique niche for a premium brand by combining the attributes relevant to both the product and the Gen Y lifestyle. While we can’t predict if this generation will become more conservative in their spending habits as they age (as in the case with their parents), we can adjust offerings accordingly to speak to their desires and fit within their (growing) means. Take for instance Burberry, who continues to launch new product lines against a younger audience. The infamous trench holds true across each line, but edgier. The brand currently has over 10 million+ fans on Facebook, the single largest following of a luxury brand on social networks.

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Tackling the Burning Questions:

We posed three relevant and HOT topics to the panelists to gather their thoughts and feedback. Below you will find both the topics and key findings from the discussion.

TOPIC 1: Marketing to a New Generation of Luxury Travelers and Staying Relevant in the Internet Age

When the consumer drives the conversation from one of their mobile devices, how do you stay in front of them, engage them, win their loyalty with so many options and ultimately drive them to book—with you? How to attract and retain these fickle, overly communicative and very opinionated consumers.

Key Takeaways:

- From a show of hands, 95% of attendees for BYT companies are actively using social media in some form to market their services/products
- Social media has become a great way to communicate with trade partners, though it is imperative to understand that it doesn't change marketing fundamentals, but rather augments them
- The majority were active on Facebook and not Twitter, though they were not tracking effectiveness of their interactions
- The elite consumers are more digitally savvy than the middle class
- Dream calendars and video could be an interesting way to use Social Media
- One size doesn't fit all- China doesn't have access to Facebook and Twitter due to the Great Firewall, which has led to the success of local sites like Sina Weibo
- Facebook/social advertising= specifically targets qualified fans, and increases the likelihood of message saturation
- To better utilize this medium, "build the right fan base" to advertise to--driving results to a targeted group vs. paying cost per click. For example, through Facebook, a marketer can directly target desired consumers such as those who have been to Maldives, eat Thai and live in Singapore based on their profiles
- Honeymoons can brand a client for life. Reviews and testimonials of service or product lend third party credibility, especially within a social network
- Social media can help a brand or a travel advisor develop character to a targeted audience-- speaking the audiences' language is key
- If active in social media, you must engage your audience and respond. A lack of response can be more damaging than not being active in the space at all
- What's HOT: Mobile video

Supporting research:

- Consumers, especially the 25-44 market are visiting an average of 20 sites during the research phase of the trip planning process
- Research from the recent L2 study shows that of the top 89 travel brands' consumer websites (cruise/hotel/air), 78% of the traffic came from Facebook (there were over 800 million worldwide users by December 2011)
- A great example is the Design Hotels, "Made by Originals" campaign, where owners of 90 different properties within the portfolio tell the background of their hotel in two to three min video clips. Results: rolled out in 50 different markets. Have had over 300,000 hits on YouTube as of early December 2011

The bottom line:

- With social media strategy and execution, one size doesn't fit all. Defining development and delivery, requires the "right": message, price, person and channel for effective use
- Companies should understand that there are numerous case studies of travel brands driving conversions using Facebook ads and promotions-- different brands have different degrees of success generating bookings on Facebook

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And there was a whole sideline conversation dedicated to tripadvisor and its street credibility:

- Unfortunately, some hotels do write their own reviews
- The watch out words on tripadvisor that could negatively affect a consumer's decision: bed bugs and food poisoning
- Positives: free Internet and niche features like the brand of toiletries can positively influence a decision
- Consumers are critical of the overly positive reviews
- When responding to a negative review, you aren't speaking just to the person who wrote the review, but rather to the 10,000 people reading the review. Have a meaningful response—"looking into the issue means nothing". However, "spoke to the director of sales and we are addressing the in-room Wi-Fi access issue" is a good example
- A singular example of the concierge or staff member going the extra mile could result in the difficult to achieve-- someone who takes the time to post something positive. While the comment may not drive bookings, it will elevate a hotel's status to discerning consumers who are cross shopping

Kristi Jones, President of Virtuoso:

"What was interesting to me was that while all our Bright Young Things were connected to their mobile devices 24/7, their interaction with their clients was pretty old-fashioned. They met them at events, they chatted on the phone, they sent publications, they had coffee...the updates were mobile, but the connection was personal. If you think about the personal connection people are seeking in social media, it's no surprise that advisors who are connected to their clients...and to the wider global network of Virtuoso are doing quite well in finding and servicing new clients. They are the ultimate 'connectors' between clients and the world."

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TOPIC 2: Trends in the Supplier/Buyer Relationship and Engaging Consumers in a Meaningful Way

How to provide luxury travel products that meet the new generation of travelers needs. Suppliers share the importance of strong partnerships, trends in supplier and buyer relationships and engaging consumers in a meaningful way. How are they finding you? And how to differentiate your custom experience to buyers?

Key Takeaways:

- There is information overload, making it difficult to navigate and the trusted travel advisor relationship becomes more important. The internet can't substitute for the advisor's experience and knowledge
- Hotel to advisor: 1) rate parity, 2) have a personal contact at the hotel, 3) special plus up
- The recession branded consumers to seek something "special", "good value" and "upgrades"
- Speak to those seeking "value" not the deal hunters. Value: tangible vs. intangible
- Importance of Luxury Agent/Advisor Websites that are not the same as consumer sites
- Virtuoso and American Express Fine Hotels & Resorts do a good job of communicating value, be it upgrades, amenity packages or service
- Four Seasons Hotels and Resorts have preferred supplier panels for celebrations: all details right on the site (footage, photos, etc.)—making it easy for agents to access
- Tour Operators: information is crucial. Reservation staff needs proposals with a quick turnaround. Trade websites with all the details, pictures and stats
- Agents use trade only sites to find local events: food, wine, cultural—to help curate the consumer's experience
- Email communication: Announcement emails get lost while targeted promotional emails to the trade, from a recognized/personal email address have high conversions

Real-Life Case Studies:

- Aman Resorts
This company offers a great example of a brand that speaks direct to consumer. Aman Resorts junkies' average age is decreasing and currently stands at 45 years. Core branding messages include authentic, simple and understated. The portfolio's properties don't look like they belong to a hotel chain (on average 30-40 rooms) and offer highly customized experiences. Poised with the challenge of overall stays decreasing in length (three-four night's max). Aman Resorts has responded by offering a "journeys" product to combine a few nights at multiple properties within the portfolio. Additionally, the company focus is on the "Advisor to Advisor" relationship to differentiate the "Aman experience" to buyers
- Armani Hotel Milano
Whereas a predominately corporate hotel, Armani Hotel Milano opened in mid-November and is the second in the Armani Hotels & Resorts portfolio. Armani Hotel Milano expects leisure business to grow due to the strong connection in the fashion community. Armani Hotel Milano differentiates itself from the competition by focusing on the "lifestyle manager" concept—assigned to each guest post booking. This unique concept has been well received by advisors and consumers in the hotel's first few months being open

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Key Takeaways for Suppliers:

- Need to interact with the younger generation of clientele differently: more transactional, active in the process and are a part of the decision making process
- The Internet is a channel for information and advisors can help curate and navigate the information. The difference is trusted travel advisors should be experts on the services they provide and regions they cover—informed on their specialty and be the credible go to source
- Price and transparency are important. An advisor's job to do your homework
- Generating desire, brand is important, but service is key to the experience think of each hotel stay as bespoke tailoring
- VIP attention to the buyers' clientele, the majority of complaints come within the first five minutes
- Suppliers provide accessible information on a trade only site for use in proposals to consumers (not necessarily price driven)
- Something special to make the buyer look good with their customer (plus up, offers, etc)
- Access to upper management, bypassing the reservation line for special guests or requests
- Consumers increasingly seek to have a "philanthropic" element to their trip
- Consumers will share their feedback with their friends, advisor and social networks
- Jetsetter's launch of a paid for consultancy to provide expertise to consumers is a further validation of the role of the advisor
- What value is the advisor giving beyond price? VALUE

The Bottom Line:

- "Customization" is the new luxury. Buyer and supplier relationships allow for "tailor made experiences." By communicating the value your buyer is bringing based on his/her relationship with the property, the new generation will pay more. It doesn't need to cost money to demonstrate value to this consumer

Jennifer Wilson-Buttigieg, Co-President of Valerie Wilson Travel, Inc.

"Our supplier relations are global, of paramount importance and very strong on all levels (from CEO to account executives). There are numerous ways to differentiate the experience...from a VIP email to the General Manager and Director of Sales requesting a special amenity (from a dry white wine [not champagne] to a cheese platter [not a fruit basket], to a personal meet & greet, to a joint note from the travel advisor and supplier to our mutual client. The Virtuoso amenities are terrific, but VWT clients expect more. The goal is to personalize the travel experience throughout and this effectively occurs with open and consistent communication."

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TOPIC 3: Incentivizing the Next Generation of Luxury Consumers to Book

Travel advisors from the UK, Germany and US share how they are communicating value, loyalty and incentivizing the next generation of luxury consumers to book. What is driving them to this point of sale and how can you capitalize on this?

Travel Advisors and the next generation of luxury consumers (25-44):

- This new generation of travelers in general have greater levels of empowerment and higher education than their parents. Therefore, advisors need to set boundaries as the new generation of luxury travelers take more of their time
- Higher levels of transparency required, because there is a thin threshold between trust and added value
- It's ok to turn down an unprofitable trip; they will appreciate your honesty and likely return to you in the future. Stay in touch with trip ideas to places they asked about or similar experiences
- Always go the extra mile and if a client is seeking honeymoon ideas, take it a step further and follow up with a customized bucket list plan: anniversary ideas, pre-baby trip, possible art/culture events, ski trips for the family, etc.
- Don't panic as booking windows are shorter than pre-recession, but plan ahead and build a viable pipeline of business
- Agents are not competing with the Internet
- There is a vast difference between online bookings vs. booking through an agent. As Gen X and Y travelers age, they are turning more and more to agents/advisors due to busy schedules and lives. Embrace this generation and develop marketing plans to support as they are more strapped for time and fatigued with the information overload from OTAs/hotel advice sites
- The flash sales sites—Groupon and Jetsetter are doing it well, but from opposite ends of the spectrum. Watch this space as it will be interesting to see if Jetsetter's launch of the paid for travel consultancy services will introduce a new type of traveler to pay for expertise...
- From a recent proprietary study from American Express, we found that the "new generation of luxury travelers" will spend over 100 USD more per night than their counterparts age 45-64, at a 4 to 5 star hotel, but are less likely to be a repeat visitor. These emerging consumers are less loyal and yet love brand names
- Communication is king. Keep both current and potential customers in the know with events, newsletters and social media. Use your current customer base to reach out to new potential clientele via loyalty or incentive programs

Priscilla Alexander, President & Founder of Protravel International:

"This is a great time for young agents to jump into travel sales. They understand how their age group communicates and what motivates them to buy. It is an opportunity for Bright Young Things to connect with this largely unaffiliated group to earn loyalty through teaching them the meaning of value."

In Summary:

- The new word of mouth is the Internet--be it tripadvisor or a consumers' Facebook post. Own your brand communication by targeting your message to your best customers and their social networks
- Customization is expected. Strong supplier and buyer relationships allow for better "value" (tangible or intangible) to be delivered to the end consumer—who will pay more for this "authentic experience" and "superior service"
- Loyalty among the 25-44 year old market is low. Advisors must communicate on a regular basis to keep these fickle consumers engaged...and social media may be just the channel to keep in regular contact
- Show the younger generation why your expertise is worth the investment

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Additional Reading of Possible Interest:

Website News, Four Seasons

<http://adage.com/article/cmo-interviews/seasons-embraces-digital-marketing-virtual-experiences/232055/>

Digital Luxury Consumer Report, Four Seasons

http://www.preview.fourseasons.com/content/dam/fourseasons/web/pdfs/landing_page_pdfs/2012_TRD_Report_FINAL.pdf

World's Richest

http://money.cnn.com/2012/01/04/news/economy/world_richest/index.htm?iid=HP_LN

Digital will fuel ad sector growth in 2012

Digital advertising will make up more than 20% of all ad spending in 2012 and will account for half of all growth.

<http://paidcontent.org/article/419-whats-coming-in-2012-digital-advertising-up-close-and-personal/>

Smartphones are nearing half of U.S. mobile market

Third-quarter figures show that smartphone ownership is on track to account for half of all U.S. mobile users by the end of the year.

<http://www.mediapost.com/publications/article/164255/mobile-reach-smartphone-penetration-hits-44.html>

Marketers Look to Integrate Email, Social, Mobile

About 44% of executives worldwide say they plan to integrate mobile with their e-mail campaigns in the coming year.

<http://www.emarketer.com/Article.aspx?R=1008740>

Facebook's engagement is winning display-ad war

Facebook's display-advertising revenue is expected to rise from \$3.5 billion this year to \$5.3 billion in 2012.

<http://www.forbes.com/sites/afontevicchia/2011/12/19/facebook-beating-google-in-the-battle-for-eyeballs-and-display-ads/>

Why 2011 really was the long-awaited Year of Mobile

This year has clearly been a key period in the development of mobile computing.

<http://paidcontent.org/article/419-highlights-of-2011-a-crazy-year-in-mobile-by-the-numbers/>

What brands stand out on Facebook?

YouTube, MTV and Coca-Cola led Fathom Analytics' Relationship Quality Index for Facebook, with brands such as Starbucks, Disney and Wal-Mart Stores following closely behind.

<http://adage.com/article/digital/brands-top-relationship-quality-facebook/231853/>

Reaching brand advocates has long-term effect

Social media campaigns involving the use of brand advocates not only work, but also have a lasting effect.

<http://www.emarketer.com/Article.aspx?R=1008764>

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Mobile App or Mobile Web Site? A look at Pros and Cons

When creating marketing initiatives for our clients we are often asked what is the difference between a mobile app and a mobile website.

<http://www.digitalsurgeons.com/blog/mobile-app-or-mobile-web-site-the-pros-and-cons/>

Hotel companies launch reservations site, again

<http://www.travelweekly.com/Cruise-Travel/Hotel-companies-launch-reservations-site-again/>

Follow AMEX's Example of a Successful Facebook Campaign

Learn how American Express's Israel division used Facebook to gain valuable customer insight and deepen brand engagement.

<http://www.marketingprofs.com/articles/2011/6926/follow-amexs-example-of-a-successful-facebook-campaign>

Attached are samples from American Express Global Business Travel Advisory Services' research practice EXPERT INSIGHTS and if anyone would like to access the information on an on-going basis to email AdvisoryServices@aexp.com



AEBT eXpert insights AEBT Global Industry
Business Travel MonitUpdate December 2011

My favorite term of the conversation: "Twitkup" in reference to @QantasLuxury...when social media goes awry: <http://www.abc.net.au/news/2011-11-22/qantas-twitter-hashtag-backfires/3686940>

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Bright Young Things BIOS:

Founder: Simon Mayle

Reed Expeditions
United Kingdom

Simon joined ILTM back in May 2010 and is responsible for overseeing ILTM in Cannes, Asia and the soon to launch Americas (October 2012). Simon attributes his passion and dedication for the travel industry to his childhood family vacations and his first flight on the Concorde in 2002. Follow him @simonmayle

Panelist: Mario Jobbe

Co-Founder & COO of Brand Karma
Singapore

Mario is an established leader in web product management and social media. He drives Brand Karma's product team and operations, helping travel and hospitality companies harness the power of new media. Prior to starting Brand Karma, Mario worked in product management at Microsoft. Focused on reaching the international audience of student technologists, Mario created massively scalable programs to connect Microsoft with it's next-generation of customers. While at Microsoft, he created, launched and marketed one of it's first social networking sites in 15 languages. Mario is a sought-after consultant, guiding the product and social media strategies of leading e-commerce and hospitality companies around the world. Follow him @brand_karma

Panelist: April Hutchinson

Editor of TTG Luxury
United Kingdom

TTG Luxury is the UK's quarterly travel trade magazine. April has been with TTG since 2007, where she joined from ABTA magazine- the UK travel agents association magazine. When she's not at her desk, she'll mostly be watching "Mad Men" and wittering about "The Wire". Follow her @aprilhitchinson

Panelist: Carolyn Turnbull

General Manager Global Sales, Aman Resorts
Singapore

Carolyn hails from Australia and has been based in Singapore for the past 10 years with Aman and overseeing global sales for the past 8 of them. During her tenure with Aman, she helped build their sales team and most notably successfully positioned Aman as the leading experiential hotel company in the luxury travel market: authentic, simple and understated

Panelist: Aaron Kaupp

General Manager, Armani Hotel
Milan, Italy

Aaron opened the Armani Hotel Milan opened on 11.11.11. Prior to Armani, Aaron was General Manager at the Palazzo Sasso in Ravello, Italy for five years. His obsession with hotels and particularly their marble bathrooms began during his childhood travels with his parents

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Panelist: Jennifer Atkinson

CEO of International Travel Connections
United Kingdom

ITC is the UK's longest established luxury travel specialist, incorporating the brands ITC Classics, ITC Sports and Complete Caribbean. Joining the business in 2004 as Head of Marketing, Jennifer latterly took on the CEO role in 2009 and has guided the business through a period of immense change, building on the heritage of the past and establishing a series of values that live and breathe within ITC that include: innovation, passion, independence and integrity. With a team of 90 and annual turnover in excess of 40 million pounds, ITC remains one of the largest and most successful independent travel companies in the UK. Follow her @jenniferCEO_ITC

Panelist: Shelby Donley

Owner of Camelback Odyssey Travel
Phoenix, AZ USA

Shelby was named Virtuoso's Rising Star in 2010. She left the world of advertising in 2008 when she purchased Camelback Odyssey Travel, a 55-year old bespoke travel agency, based in the financial heart of the metro-Phoenix area. Today, the business produces over \$16 million in revenue annually, with luxury travel being the main driver for growth. Follow her @shelbydonnelly

Panelist: Gabriel Donida

Executive Director and Director of Sales&Marketing at Atelier Voyage
Munich, Germany

A young entrepreneur with 12 years of administrative experience and cultural managerial know how has been demonstrating his business savvy and creative skills with Atelier since 2007. His background work in architectural firms and art galleries have enabled him to shape the design edge of the company, influencing the teams' perspective on luxury destinations and lifestyle. Gabriel is fluent in 5 languages and a trained architect with two masters in multidisciplinary fine arts.

Moderator & Author: Michaela S. Guzy

VP/Global Travel and Strategic Development, American Express Publishing
New York, NY USA

Michaela S. Guzy is the Vice President responsible for overseeing the travel category and development of new initiatives for all American Express Publishing brands, Travel+Leisure, Food&Wine, Executive Travel, Departures and Black Ink. With 21 global editions in 50 countries and nine languages, the fastest growing travel and epicurean websites, four Travel+Leisure branded retail outlets, two of the most successful iPad launches to date and over 850,000+ Facebook fans and Twitter followers, the American Express Publishing brands are some of the most recognized in the world. In her role, Guzy is tasked with enhancing Amex Publishing's travel authority and positioning globally and domestically.

Guzy was awarded the "2010 American Express Pubby Award for Business Innovation" for the successful launch of Vacationist; a member only flash sales site jointly created by Travel+Leisure and Luxury Link.

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Guzy previously carried various travel advertising, sales management and development roles in support of Travel+Leisure, Town & Country, Town & Country Travel and Town & Country Weddings, and in Condé Nast Corporate Sales. Guzy began her career in media planning at Deutsch Inc.

Guzy has been invited to speak as a trusted travel authority at the VisitBritain International Business Exchange; TravelWeek Sao Paulo, Brazil; ABETA Summit in Sao Paulo, Brazil; Adventure Travel Trade Association's Summit in Scotland and Chiapas, Mexico; as well as LatinVisions' Marketing to Latinos Travel, Tourism & Hospitality Conference on March 1, 2012. Guzy serves on the Advisory Board of ADTI and moderated International Luxury Travel Market's (ILTM) launch of "Bright Young Things" workshop in Cannes. She also has guest segments as the "Female Road Warrior" on Peter Greenberg's radio show. Peter Greenberg is the Travel Editor of CBS and copies of the show can be found on: petergreenberg.com. Recently, GreenTeam interviewed Guzy for their video: "Meet the Awakening Consumer" (<http://vimeo.com/25143117>). Follow her: @Michaelaguzy

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