

Travel 2000: Agencies May Have to Wing It

By Judy Thomas

At a time when the travel agency is being threatened with becoming obsolete, 82-year-old Josephine Gettig remembers its humble beginnings.

When Gettig took on the job initially, she was merely filling the shoes of an acquaintance, Louetta Neusbaum, who had to leave town unexpectedly. The job was to last for two weeks. It was 1951.

She acquiesced to answer phones and do filing for a short time. Jo, as she is called, says she was a "complete greenhorn" and new nothing about the business. She worked at the Chamber of Commerce building, where travel arrangements were made at the time.

When doctors discerned that Neusbaum had multiple sclerosis, her husband, Frank, decided she could only work part-time. He asked Gettig to stay on. She agreed to continue working until they found a replacement.

But business was booming and Gettig didn't find herself going anywhere—except on her first flight to Europe in 1953, on a British Airways Stratacruiser.

She watched the business evolve from what was the back room of the Chamber of Commerce, when it was first called a "travel agency," into occupying its own office space in downtown State College on Allen Street where Bostonian Ltd. is located today.

It was the first travel agency in State College.

Gettig attempted to retire several times. But word got out that she knew the business, and she was eventually persuaded to work out of her home. "They needed a travel agent, and there weren't any around." She proudly calls herself the first outside sales agent in Centre County.

Today Gettig continues to work in outside sales at Carlson Wagonlit Nittany Travel, in State College. Gettig has a wealth of knowledge from her 46 years in the business and recalls dates and names almost instantaneously.

In the beginning, All American Airways was the sole plane in and out of State College, she recalls. Local resident Sherm Lutz owned a field, an "air depot," at the upper end of town, where he taught people to fly.

All American Airways later evolved into Allegheny Airlines, which subsequently became U.S. Airways.

Gettig describes her first flight as "very exciting." She and her husband, Carl, traveled free from New York to London in 1953 on a flight that took 11 hours and 40 minutes. Gettig remembers it was a propeller plane, which usually meant having to stop to refuel.

The planes were double decker, with berths in first class. One could pay \$50 extra for a bed, which was furnished by folding down the seats, she said.

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—Jo Gettig, Centre County travel agent

Gettig contrasted the current airplane restrooms with those found on the Stratacruiser. Six women could be in the bathroom at the same time, and one could even change clothes there, she said.

The propelled flights were much more luxurious than those today. Gettig recalls having six-course meals and a cocktail lounge onboard.

Throughout the course of her two week vacation she glimpsed Amsterdam, Brussels, Paris, Geneva and Zurich.

Over the years, many changes have irrevocably shaped the industry, the first and most dramatic of these being the introduction of the jet airliner. Gettig recalls its advent in the late 1950s and emphasized its impact on travel.

"You just could not imagine," she said. "It cut the flight time from New York to London from 12 hours to 6½." "It was a giant step from propeller to jet," Gettig said. Pan American Airlines came out with the 707 and put it on the round-the-world flight, she said.

She recalled with awe her first impression onboard a 747. Pan Am had invited travel agents to fly out of Pittsburgh to experience the new technology. As she glimpsed the coach section, she said, "This isn't an airplane, it is an auditorium." There were 10 seats across, she recalled.

The next big shift in the industry would come in the 1980s with the introduction of computers. Agents previously used big books with schedules. They do not look in a book anymore, it is all done by computer, she said.

It makes her nervous, she said, that the whole business is run on computer. Agencies do not even issue flight coupons anymore; they are obtained at the airport upon check-in, she explained.

Gettig refuses to surrender to the new technologies. She does her bookings the way it was done 40 years ago, over the telephone.

But even the telephone service has become impersonal.

Today, she says, she gets a recording when she calls the airline. A recorded voice advises the customer to "have their credit card handy" along with their dates of travel. Another travel agent, who did not wish to be identified, agrees with Gettig. She said the airlines are making it very easy for the travel agent to point and click. They are pushing for the Internet, she said.

They have electronic ticketing now, Gettig said. They are "gradually working travel agencies out of the business," she said. The demise of the travel agency would be very significant, since agencies have been responsible for 82% of airline bookings in the past.

The airlines and the agency have always been a "big partnership," according to Gettig. Now, she says, they are splitting it down the middle by reducing agency commission rates. "They have cut our commission twice in the past two years," she said.

The most recent commission break took place on September 19, when United Airlines cut agencies' commissions from 10 to 8%. They sent the message via fax machine and it was effective immediately.

President and CEO of American Society of Travel Agents (ASTA) Mike Spinelli described the United Airlines action in a news release as "deplorable and shortsighted." He continued that this policy "ignores the continuing support of their largest marketing and customer relations arm: the travel agent."

United Airlines led the way for other major airlines. Delta, American Airlines, U.S. Airways and Northwest were quick to follow suit just days later, reducing their commission to 8%.

This blow will make it difficult for many agencies to survive, according to Gettig. They cannot survive on cruise and rental car reservations, she said. Travel agents will have to turn to leisure travel, she said, or packages.

A local travel agent, who asked not to be identified, agrees. She says they will turn to booking with tour companies, who are not limiting commission. In contrast, tour companies often offer commission overrides for agencies. They can make up to 14% in commission.

Her agency has not yet felt the effects, but she notes that 60-70% of her agency's business comes strictly from airline sales. This is the case with many agencies.

She is fearful of layoffs and salary reductions that may result from this new policy. She explains that agencies will have to work harder and charge for services now. She expressed regret that they will have to pass a fee on to their customers.

Dave Hege, office manager of Omega Travel World, believes the airlines will eventually eliminate agency competition altogether. He thinks the "smarter agencies will survive by implementing service fees."

Hege likens the travel business to the banking industry. He recalled that banks once offered many free services, but now charge for all of their efforts. He feels the fee is "fair

and adequate compensation" for the "knowledge, service and experience" his consultants offer the public.

Some agencies fear charging consultation or service fees. They speculate customers might forego using travel agents and go directly to the airlines for bookings, causing the agency to fold.

ASTA is currently developing strategies to help keep agencies afloat. They are focusing on maintaining customer loyalty to help ensure repeat business, initiating time-saving measures to help manage costs, and packaging and pricing services provided by agencies. Through advertisements and news releases, they are taking measures to alert the public.

The manager of the Industry Affairs Department at ASTA, Joe Bedessem, predicts the commission reduction will have a strong impact on agencies' bottom lines. He said they will have to find some way to adapt.

Another local agent says her agency will be looking for other ways of increasing profit. They do not wish to do this at the expense of their clients, she said. She says they struggle to save their clients money and try to get them the best deal for their money, she said.

When a sale comes along, the agent passes the savings along to the client. The agent secures the client's refunds and reissues tickets at no additional charge, she said.

In the past, commissions on expensive tickets subsidized the inexpensive, she said. It costs \$15-20 to generate a ticket, she explained. Now often times the commission fails to cover the cost of writing the ticket, and the agency loses money, she said.

ASTA has claimed that the new commission rates are insufficient to cover overhead costs. Some agencies will lose an estimated 20% of their profit as a result of this new policy.

Ken Wisor, of Campbell Travel in State College, fears that commission reductions may trigger a dangerous trend. He worries that car rental companies may take action to reduce agency profit, following the lead of the airlines.

Wisor says his agency hasn't yet decided what its strategy of survival will be. One thing is for sure, it will definitely hurt the business, Wisor said. Ninety percent of Campbell's business is flight bookings.

Gettig says the public would suffer without agencies because customers won't be getting the expertise. "They are reservation clerks, not travel agents," Gettig said of the airline clerks. "They will merely book the client on their airlines' flights."

She said she offers unbiased information and finds the best possible flights for her clients in terms of convenience and price.

Bedessem said he believes customers will continue using travel agencies. Once they realize their options of waiting on hold and getting biased information, they will return to the travel agency, he said.

Gettig said she doesn't know what the future of the agency will be. "It is going to be rough," she said.

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