

Travel business hits all-time high

By EMORY DANIELS

The travel business in this region has jumped, jerked and inched forward, but has steadily increased in recent years.

Travel has not only become less expensive for the average family but is becoming easier to arrange.

Travel agents in this area give various reasons for the increased travel, but the causes basically relate to higher family income, reduced travel fares, and greater use of credit cards.

These trends help explain the rapid rise of travel in Michigan over the past decade. In 1970 travel agencies sold almost \$105 million worth of airline tickets or about \$12 per capita. In 1976, the total rose to \$196 million or \$21 per capita.

In the year 1976 the number of travel agencies in the U.S. turned over a \$1 million business volume for one year reached an all-time high of more than 4,000, according to the American Society of Travel Agents (ASTA).

Among the firms in this area at the \$1 million plateau were Elliott Travel Service with branches in Farmington, Westland Center, and Westland Center, McGraw Travel Association, Inc. of Farmington; Travel Center of Plymouth; the World Wide Travel division of the Michigan Motor Club which has travel departments in its branches on Five Mile in Livonia, S. Wayne Road in Westland, Ann Arbor Road at Sheldon in Plymouth, and on Twelve Mile in Farmington Hills, and Thomas Cook Travel in Redford.

And while these firms hit the magic mark in the industry, increases from year to year also have been recorded by some of the smaller offices such as Fantastic Travel Service of Livonia,

Plymouth Travel Consultants, Farmington Travel Service, Port to Port Travel of Plymouth.

PHYLLIS BLUM, manager of Fantastic Travel Service, reports an increased use of credit cards by travelers and notes that more families are traveling now than in years past.

"Travel is something more people want to do now, and can afford to do—probably because more spouses are working and that second income makes travel easier. Right now a lot of people are going to Europe, in spite of the dollar devaluation there. One of the major reasons for that is the reduced air fare makes an European trip very economical."

Clarence Stanbury, manager of the World Travel division for AAA, reports one of the biggest trends now in travel is packaged tours.

"It's now possible to package combination air-sea tours, where you can fly to Miami or San Juan and get aboard a sea cruise," he said.

"During the past six to seven years there have been so many new different ways to package tours that group travel has become quite popular. About 95 per cent of our travel is paid for with either check or cash as we are primarily servicing our Motor Club members, but we do some credit card business. "Use of credit cards, however, is curtailed when customers realize they will be faced with an 18 per cent interest charge at the end of the month."

SUSAN DODGE of Port to Port Travel, however, reports a lot of her business is paid for by credit cards—about 60 per cent.

"About a third of our volume is with business persons traveling for business purposes, and I'd say 99 per cent of

our business clients use credit cards.

"The major change, though, affecting people's desire to travel is the reduced air fares—most of which went into effect the first of the year.

"You can now fly almost anywhere in the U.S. 40 per cent cheaper during the week and 30 per cent cheaper on weekends if you book 30 days in advance and stay at least six days at your destination. With reduced air fares, you can now fly to London for less than \$300."

She added that group travel also is an important part of her agency's business. "I'd say about a fifth of our clients will use charter arrangements, most for the Caribbean or for international travel."

Mary Connor of Plymouth Travel Consultants also has observed an increased trend among customers to use credit cards. "Some weeks we record more credit card sales than we do cash sales. Last year we probably averaged 30 per cent credit transactions, but this year it seems more are using credit."

"Oh yes, group travel is a very integral part of our business. About 60 per cent of our volume is vacation travel, and I'd say about a fifth of that is for group tours and charters. We don't set up groups very often. What happens is that individuals will come to us and we place them with a group on tour."

"Popular charter trips are to Europe, the Pacific, South America and to the Caribbean. The Caribbean is popular here because of Elkins Travel being nearby—they handle tours for other agencies and are the target agency in the U.S. to charter tours in the Caribbean."

"There's a lot of interest in Europe now, despite the dollar devaluation. With the reduced fares, you can fly to London for the same price as it would cost to fly to California."

TRAVEL AGENCIES perform services for travellers without charge. The income is made by a "commission" charge to airlines, hotels-motels, or car rental firms the agencies book with.

The commissions vary from seven to 10 per cent, but usually the agency will receive seven per cent of the price of an airline ticket and probably 10 per cent of the hotel room rate or of a car rental.

The rates travel agencies can charge airlines or hotels are strictly regulated by the Air Traffic Conference of America (ATCA), the governing agent for domestic travel. And so although the travel business is very competitive, the competition is in service offered customers and not in prices.

ONE OF THE MAJOR ways to compete is in personal service offered customers, stress Mary Connors and Sue Dodge.

That view is echoed by Phyllis Blum who adds another ingredient—caring for people. "We enjoy people and are concerned about them, whether or not they do business with us. I think our customers sense that."

For Clarence Stanbury a competitive edge the Motor Club has is that it offers members traveler's checks without a service charge. "Last year we did \$60 million worth of travel business in Michigan, and we distributed \$50 to \$60 million worth of traveler's checks to our members."

Norman Miller, manager of the northwest Detroit branch of Thomas Cook, Inc., has an unusual service for travelers—a consumer protection travel program, popularly known as the 24-hour money-back guarantee. The plan guarantees the consumer can receive a complete refund, within 24 hours, of all money paid toward pro-

grams "certified" by Thomas Cook in the event the trip's departure is cancelled for any reason—including bankruptcy—by participating tour operators.

The guarantee was prompted by the increase in tour cancellations experienced over the past few years, explains Robert E. Simmons, regional manager of the Detroit Thomas Cook branch offices.

Simmons observed that many people taking vacations don't have additional resources to purchase another trip while waiting for a refund. The 24-hour refund allows the consumer the chance to instantly book another vacation, often to the same destination.

Kurt Thrun of Travel Centre in Plymouth, who also operates a branch on Infield Road in Garden City, competes by offering expert, specialized advice and by relying on repeat customers who have dealt with him since he began business in 1957.

"We handle very few commercial accounts, but handle group travel for persons all over the country. We specialize in unusual tours, such as to Panama or to little known islands in the Atlantic or Pacific, or to new vacation spots such as Mozambique or to Honduras."

"We travel to the places we recommend, check out the hotels and look into the attitudes of businessmen there towards tourists."

"Members of our firm are traveling all the time, including trips to Hawaii twice a year, to keep our information up to date. This kind of research is important to our clients. We aren't closet sellers like a lot of agencies, but do a lot of research and plan complete tours to meet the special needs of our customers."

Thrun adds that his 27 years in the travel business, and the 20 years of his assistant—Emily Guettler—results in economic efficiency, which also is a competitive edge. "The standard in the business is to do \$250,000 worth of business per employee. With three employees, we do \$1 million worth of business per year." He also mails his own newsletter to some 7,000 persons and handles his own promotion.

THOMAS COOK's office in Redford specializes in corporate travel.

"We are the largest single corporate travel office in the western hemisphere, if not the world," says Miller.

"The Thomas Cook firm itself specializes in vacation travel, but this office deals primarily with corporate travel. We deal with hundreds of business firms in Michigan, including handling all the business travel for Chrysler division, Ford Motor Company, and such firms as Bendix and Federal-Mogul.

"Last year, for instance, we made arrangements to bring in some 20,000 automobile dealers to Detroit for the Ford dealer show. We also are involved in incentive travel programs for business."

"Thomas Cook purchased this office two years ago, and at that time we made a heavy commitment to expand into the corporate travel field. And it has paid off."

Important to the peddlers of travel is the fact that the greater Detroit area ranks fourth in the nation in effective buying income, behind New York City, Chicago and Los Angeles. Another important factor is the heavy volume of air traffic at Detroit Metropolitan Airport which in 1975 issued 52,800 passports and enplaned and deplaned more than eight million passengers.



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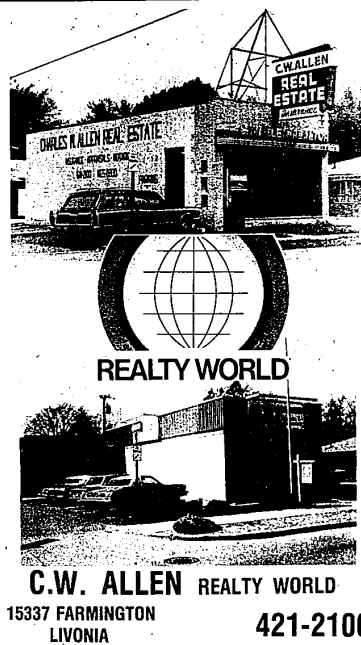
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