Outrigger and OHANA Hotels & Resorts have a long tradition of partnership with travel agents. We consider travel agents a vital link with our customers. This was true when our company was born in 1947 and, in spite of all of the changes in travel and technology since then, it remains true today, well over half a century later. However, just as our company is changing rapidly, travel agencies have also undergone big changes, some of them wrenching ones, particularly over the past decade.

When Roy and Estelle Kelley opened the little Islander Hotel in Waikiki shortly after the end of World War II, they had no idea where their customers would come from. So they printed up a bunch of fliers and took them to the West Coast. They drove from California to Washington, stopping at as many travel agencies along the way as they could find. It was a smart thing to do, and business picked-up quickly. This was the start of an ever-increasing wave of travel to Hawaii that continues today, 59 years later.

In those days, it was a great time to be a travel agent. Agencies generally earned a 10 percent commission on everything they booked – hotel rooms, cruises, rental cars, and airline tickets, even sightseeing. The money rolled in and, on top of that, travel agents received many additional benefits, including free or discounted travel to exotic destinations around the world.

Everything changed drastically about ten years ago. Beginning in 1995, the airlines began to cap and then reduce commissions paid to travel agencies. In March 2002, U.S. airlines eliminated commissions to travel agents altogether.

Will hotels and cruise lines follow and do away with travel agent commissions? I hope not. I believe the airlines made a major mistake when they cut travel agents out of their distribution systems. Agents worked hard to serve their customers and had a great influence over which airline was used. Agents had an economic incentive to book better seats and higher-priced tickets. They made it clear to their customers that the cheapest seats might not be the best value for money.

Without the guidance of travel agents, airline customers now are focused on price. An airline seat has become a cramped, crowded, low-priced commodity. Travelers are unhappy, revenue per seat mile is low, and most U.S. airlines are in severe financial difficulty.

The guys on Wall Street, with calculators and spreadsheets recently told the major cruise lines that they should also significantly reduce their travel agent commissions to save money. Executives of Carnival and Royal Caribbean quickly rejected the idea, saying that travel agents have been a vital factor in the growth of the cruise industry and, in fact, currently sell more than 88 percent of their berths.

Booking just the right cabin on a cruise ship or just the right room at a resort takes a great deal of knowledge and skill. A travel agent who really knows his or her customer and travel products can do that job far better than any Web site.

According to the American Society of Travel Agents (ASTA), travel agents sell:

87% of cruise berths
81% of all tours and packages
51% of all airline tickets
47% of all hotels
45% of all car rentals

Source: 2004 Travel Industry Survey/Travel Weekly
In today’s Internet world, travel agents and travel agencies are changing drastically. The old fashioned bricks-and-mortar travel shop on Main Street with rows of desks for employee agents is being replaced by a network of independent agents “homeshoring” — working from home with a telephone, computer, and high-speed Internet connection. Thousands of traditional mom-and-pop agencies, unable to adapt to the new world, have gone out of business. At the same time, those travel agencies that focus on sales, marketing, service, and product knowledge are growing, even doubling and tripling in size.

Accordingly, Outrigger/OHANA works to educate agents, giving them important information about our distinctive properties across the Pacific. Once they have become knowledgeable about our hotels, agents can take a test and, if they pass, become certified Outrigger Specialists who receive additional benefits for themselves and their clients.

Outrigger and OHANA Hotels & Resorts pay full travel agent commissions and pay them promptly!

Near the end of their career, Roy and Estelle were inducted into the ASTA Hall of Fame in recognition of their many years of working with travel agents to bring our guests the best in hospitality. Today, Outrigger and OHANA Hotels & Resorts are extending that tradition. We hope it will continue for many, many years to come.