

Specializing in Luxury Travel

An Interview with Ninan Chacko,
Chief Executive Officer, Travel Leaders Group

EDITORS' NOTE Prior to joining Travel Leaders Group, Ninan Chacko was CEO of PR Newswire after having served as Chief Commercial Officer of Worldspan. He also spent more than 13 years with Sabre Holdings. Chacko earned both his M.S. and B.S. in aerospace engineering from the University of Kansas and he also completed Harvard Business School's Advanced Management Program and the London Business School's Spencer Stuart Directors' Forum. Chacko earned his Certified Travel Counselor (CTC) from The Travel Institute.



Ninan Chacko

COMPANY BRIEF Travel Leaders Group (travelleadersgroup.com) was formed in 2008 with a simple travel promise: to transform the travel experience one trip at a time. The company supports 52,000 travel advisors serving corporate and leisure clients in partnership with its trusted travel suppliers. The company began with a management-led buyout of Carlson Leisure Group and merged with Tzell Travel Group that same year. In August 2010, Travel Leaders Group acquired Nexion, the travel industry's premier host travel agency network, from Sabre Holdings. In December 2010, Travel Leaders Group acquired the travel industry's largest travel agency consortium, *Vacation.com*, from Amadeus. Then, in November 2012, Protravel International merged with Travel Leaders Group. In the past two years, the company completed nearly 20 acquisitions, including U.K.-based Barrhead Travel and its merger with ALTOUR. Today, Travel Leaders Group continues to transform travel with an unparalleled commitment to vacation and business travel clients.

Will you discuss the history and heritage of Travel Leaders Group and how the business has evolved?

The original seed entity came from Carlson's spin off of the Carlson Leisure Network, a consortium that is similar to a franchising structure in that it provides a variety of services to agents that join it. It organizes everything from branding and access to supply and benefits, to training, etc.

That seed entity then embarked on an acquisition strategy with a variety of different shareholders at different points. Interestingly, the physical agency side of the travel industry has been in decline since 9/11 and there hasn't been a robust

market for acquisition, particularly on the leisure side of the business.

TLG was successful in creating size and scale through growth of the consortia side of the business, and also by physically buying advisors and owning a book of business too. This has been going on for almost 10 years now.

I joined the business in 2015 after having originally worked in travel and then in media. That year, we embarked on a strategy of integrating the business and accelerating the growth path on the acquisition side. Over the past two years, we have done more than 20 acquisitions, so we're starting to expand our size and scale.

The business still has two parts to it: a franchise organization called Travel Leaders Network, where we have approximately 40,000 agents spread across North America; and then we have a host of brands we have acquired over the years that are our owned businesses, that span corporate travel, luxury leisure travel and mainstream leisure travel.

When the business grows at such a rapid pace through acquisitions, is it challenging to maintain culture?

Culture is certainly a key part of it. Many of the businesses we acquire are owner/founder managed, so our approach to preserving our core values has been to try to ensure that the owners/managers participate post the acquisition period. In some cases, they have even stayed on to run these businesses for a longer period of time.

This has helped maintain the existing integrity of the business and resulted in a broader integration within Travel Leaders Group at a steady pace. We accelerated integration a bit more on the financial and IT sides, but we have attempted to keep these businesses largely intact.

Two of our most storied brand names in New York used to be housed in two separate locations and we recently moved them into a brand new office space together that will serve as an integrated headquarters location.

Do the brands complement each other or do they compete with each other?

They do both. They complement each other in that we now have the largest stable of luxury travel brands in the travel agency business worldwide and the greatest concentration of independent travel advisors that specialize in luxury travel.

The complementing part comes from creating size and scale where firms like Four Seasons,

for instance, pay very close attention because we sit on a spigot of demand that is highly attractive to them.

If we think about most suppliers, they're quite good at figuring out how to go after the big corporations, but they don't have visibility into individuals to any great degree. Our ability to capture that high-end demand puts us on their radar.

What are the keys to staying relevant as a travel agent?

Complexity and price play a role in the kind of business our travel agents do. Their relevance comes from having deep expertise. Information is a commodity, so what matters is deep insight and experience, education on the product, and deep insight into client's personal preferences.

Unique access to product is also important. We can service clients with product that is different from what they can find on the web or through an online travel agency. This might involve upgrades or better room rates or discounts on airline tickets.

Agents can bundle that knowledge and access to product and put together something that connects all the elements.

If a client has a number of elements to their trip, a travel agent is invaluable in knitting all of those pieces together. If something goes wrong, they can call their travel advisor and get it taken care of.

How do you define the TLG client?

There is clearly a community of individuals who are diehard do-it-yourselfers who feel they're web savvy and educated enough to plan things on their own and don't feel they need travel agents.

I don't think of our market as a niche when I think about the customer set we rely on. They are those high-end travelers who may use online agents or direct supply sites sometimes, while they rely on our agents at other times when they value the expertise of an agent to help them come up with the right answer to their travel equation.

That segment of the population values the expertise and advice, and the relationships, many of which are long-standing.

We have also seen a parallel shift in society where there is more of a desire for the experience element of travel that is becoming important. This bodes well for agents because this type of travel is about reconnecting with humanity through experiences.

Even with millennials, we're seeing that there is an increasing use of travel agents. Millennials want unique experiences – they don't want to take the vacation their parents took. ●