

PERILLO TOURS: 70 YEARS SELLING ITALY

by Maria Lenhart / April 08, 2015



Perillo Tours, which is celebrating its 70th anniversary this year, has found success by keeping up with the times while not straying far from its core focus: escorted travel to Italy.

Founded as a travel agency by Joseph Perillo just after World War II, the then Perillo and Sons began as a general purpose agency, primarily serving Italian immigrants who wanted to take a trip back to their native country.



Steve Perillo

The small family business located in a Bronx storefront evolved into a successful international tour company under Joseph's son Mario.

Travel Market Report recently sat down with Steve Perillo, Mario's son and the current president of Perillo Tours, to get his take on the company's past, present and future.

What led your grandfather, Joseph Perillo, to get into the travel business?

Perillo: My grandfather had gone to law school back in Naples, but he couldn't practice law in New York. What he did instead was help his fellow immigrants in the Bronx with things like real estate deals and travel arrangements, mostly writing steamship tickets.

How and why did the travel agency make the transition to tour operator?

Perillo: My father Mario, who joined the agency in 1950, said 'Why are we doing customized trips? Why don't we do group tours instead?'

He could see that as a travel agency there was no way to sell a lot of units of the same product and make serious money. He saw group tours as way to do this.

The advent of jet aircraft made this possible. All of a sudden you could get from New York to Rome in eight hours, about the same time it takes today.

How does the business look now compared with when your grandfather launched his business in 1945?

Perillo: When my grandfather started, it took weeks just to set up a few nights in Rome. He used a telex machine to set up land arrangements. Everything, including the way currency exchange was handled, was extremely slow.

Another big difference is that people were less sophisticated. The World War II generation didn't expect gourmet meals and high-quality hotels. Tours were for 55 people riding a big bus with the luggage tied on the top. Everyone ate in a big mess hall.

What travelers want today has not changed all that much. They still want to enjoy the food and wine and see the sights, but they want a better version. They don't want a mass-market experience. They want authenticity.

What do you consider the most significant changes affecting the travel industry since you've been in business?

Perillo: The two biggest things are jet aircraft and the Internet – they both changed everything.

The internet has democratized the whole product side of travel. It's leveled the playing field between big and little companies. You can Google the words 'Italy' and 'travel' and find everything out. Back in 1985, your option was to read a travel magazine and learn about a couple of products.

Agents were really hit in the beginning by the Internet, but this has reversed. Now the Internet is so vast that people have discovered they need someone to help them interpret it.

So agents are back and needed more than ever.

In particular, how has travel to Italy changed over the years?

Perillo: The places where people want to go in Italy have not changed as much as you might think. They still want Rome, Florence and Venice. The vast majority of Americans have never been to Italy, so they still want the basics.

What has made travel to Italy more challenging are the crowds from cruise ships pouring into the destinations. So we put a lot of effort into working around the crowds and avoiding the lines.

We also strive to provide more authentic experiences – things like private Vatican tours, cooking and language classes.

Italy has stayed your primary focus over the years. Why?

Perillo: I swear by having a niche, which is also good advice for travel agents. It's hard to compete with the big mass-market companies, so you need to become an expert on a specific thing.

We do have a few other destinations – in particular, we've had success with Hawaii, Greece and Puerto Rico – which has been good for our repeat customers.

But Italy remains at the center. It's the perfect travel product. It's incredibly rich with experiences all in a compact area.

How do you work with travel agents? Do you also sell directly to consumers?

Perillo: Agents have always been the majority of our sales. We do a little more direct business with consumers than other tour operators, but our ads always say "see your travel agent."

My grandfather was into radio early on, even back when the whole idea of direct marketing to consumers was a rare idea. He could see the value of it, despite the expense.

You have control over your brand. Most of the time consumers go to the travel agent anyway, but marketing plants the seed in their minds.

What new products are you developing?

Perillo: Learning Journeys is our most important new venture. The idea is to help people come home with something more than when they left.

A few years ago we noticed we were doing a lot of business with schools and businesses that want to learn specific things, especially language classes. So we started thinking about packaging this for the general public.

Health and wellness is one focus, especially yoga, which is really on fire now. Cooking is another big one. Language, photography, and birding are others.

Learning Journeys is still in its infant stage. We're seeing which topics are taking off, so we can determine which can be operating as group tours with specific dates.

Who is the Perillo customer today?

Perillo: We do a lot of multi-generational family travel in the summer, but our big audience is really upper middle-class empty nesters in their 50s and 60s.

Our customer base has shifted to the baby boomer generation. We always wondered if they would want to get on a bus and tour around. It turns out they do.

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