

TRAVEL AGENT CENTRAL

Analysis: Buyer Beware?

Should travel agents develop their own sales leads or rely on a third party lead generating service? The recent demise of Tripology has raised questions about the most effective way for professional agents to generate leads, including costs and quality.

Jackie Friedman, general manager and president of Nexion, a major host agency, is cautious about third party lead generating services. "Many lead generation programs can be mixed blessings, especially if agents do not know how to work with them."

"Those that were very selective in the types of leads they purchased tended to have better luck. Those that took a more general approach ended up investing more money and found that many of the leads were just price shopping for the lowest rates. Those agents were more frustrated," Friedman says.

"Our focus is more on working with agents to generate their own leads and build their own business by working referrals and building a strong database based on the FRANK concept (friends, relatives, acquaintances, neighbors and kids/kлубs J.) We also advocate them getting involved in local networking groups to expand their horizons," Friedman says. Nexion is part of Sabre-Holdings.

Brad Anderson, co-president of America's Vacation Center, a major host agency, takes another approach: "Most travel agents today will tell you they are much better at selling travel than marketing for new customers. Today, you can be a professional seller of travel, but if you don't have a lot of prospects and clients to sell to, the chances of making a great living selling travel is very low. Tripology provided a valuable service by selling leads to travel professionals; however in this economy it is increasingly more difficult and more expensive to generate prospects and new customers."

Anderson says that AVC's trade marked Live Leads program remains a powerful tool for AVC agents. "As a part of America's Vacation Center's unique Shared Success model, we offer our network of Independent Affiliates access to our exclusive Live Lead program. Using the patent-pending technology of Agent Power, AVC's Independent Affiliates can quickly build successful businesses by selling to our Live Leads in addition to their own prospects and customers."

"There are two differences between Tripology's lead program and the Live Leads program of AVC. Tripology charged up-front for the leads and offered each lead to more than one travel professional at a time. At AVC we share in the commissions earned from the sale to Live Leads (Shared Success) and each Live Lead is offered to only one travel professional. Both of these key differences create a true win-win for everyone," Anderson said. AVC is a member of the American Express Travel Representative Network.

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David Locke of Cindave Inc., an Independent Affiliate of AVC since 2005 said the AVC system works. "Virtually all of my clients are from AVC's Live Leads. It allows me to focus on what I do best – selling travel and providing outstanding customer service. As a result, I've watched my agency's commissions rise and in 2009 my business had one of its best years ever."

Toronto based TripAtlas.com, an independent company, offers a comparable lead generation service to that of Tripology and says its business model – launched last year – is proving itself to agents and suppliers.

Steven Kaufman, president of TripAtlas.com, says travel professionals can sign up for a free trial on TripAtlas.com/PRO which allows them to respond to up to five leads. Once they see the proven value, agents can continue to use TripAtlas PRO without further commitment on a pay-per-lead basis or they can purchase a TripAtlas PRO membership for \$395 per year or \$35 per month. The membership fee includes access to 150 consumer travel leads per year.

"Becoming a TripAtlas PRO was one of the greatest and easiest decisions our agency has made in a long time because it has connected us with several new clients without spending a lot of money," said Ellen Karpman, president of Rockville, Maryland-based Research Travel.

"The lead referrals have been tremendous, while the site has transformed the way we are able to engage customers with products and offers that are of great interest. The annual fee is minimal, whereas the value TripAtlas PRO brings to the table is priceless," added Karpman.

Closely related to the cost effectiveness of a lead generating system is the effectiveness of direct mail and email marketing support of consortia as a source of new and repeat business. Nexion member agents can, for example, participate in Vacation.com's highly effective direct marketing program.