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HOME-BASED TRAVEL AGENT

Empowering HOME-BASED AGENTS

AGGRESSIVE MARKETING, SOLID TECHNOLOGIES and the backing of well-managed host agencies, consortia and associations will make a decisive difference for home-based independent agents in 2010.

While leisure travel sales are expected to recover early in 2010, followed by business travel later in the year, few doubt that travel agents will face intense competition for consumers' discretionary travel dollars.

On the plus side, major host agencies—most members of the **Professional Association of Travel Hosts** (www.Path4Hosts.com)—are offering valuable resources to home-based agents. This includes affordable desktop technologies, direct and e-mail marketing tools, education, training and networking.

Backstopping established host agencies are agency consortia that offer tested marketing programs that will benefit agents whose host agents are members. Examples are two large host agencies, **Nexion** (www.nexion.com) and **Travel Planners International** (www.myhosttravelagency.com), who, as **Vacation.com** members, provide their agents access to innovative **Vacation.com** marketing tools.

Another plus for home-based independents are the resources of the **National Association of Career Travel Agents** (www.nacta.com), which has aggressive training and unique networking capabilities, and the **Outside Sales Support Network** (www.ossn.com) with a variety of business-building programs.

More empowerment comes in the



form of top travel associations such as the **Cruise Lines International Association** (www.cruising.org) and the **United States Tour Operators Association** (www.ustoa.com). Both associations, backed by top suppliers and marketing acumen, will be actively supporting home-based independents in the year ahead.

Bob Whitley, president of the **USTOA**, told **Travel Agent** that tour operator members of the association view home-based agents as critical to the expansion of tour sales in 2010 and beyond. Tours are increasingly important to home-based agents as a source of revenue, he notes.

CLIA's Executive Vice President Bob Sharak also sees growth and opportunity for the home-based agents. CLIA's

2010 program will stress the sizable benefits of joining the association as well as its extensive education and training programs.

Research from **PhoCusWright** estimates that home-based agents' share of packaged tours and FITs is about 30 percent, cruises is 43 percent and air, car rentals and hotels is 19 percent.

Critical to their success is the turnaround in industry perception. Research by **ASTA**, **PhoCusWright**, **NACTA** and **OSSN** has shown the power of the home-based distribution channel, which accounts for about \$9.7 billion in annual sales.

These figures have encouraged leading industry suppliers to pay attention to the sales potential of home-based agents and to develop marketing pro-



TravelAgent

grams focused on them. And there is more coming as these agents diversify and move beyond cruise sales to tours.

Brad Anderson, co-president of America's Vacation Center (www.americavacationcenter.com), told **Travel Agent** that AVC's move into tour sales earlier this year has sparked exceptional growth as its affiliates pick up on the opportunities in the sector. Anderson also notes the brand power of AVC's membership in the American Express Travel Representative Network. He expects to add several hundred agents in 2010.

Anderson is not alone. Dwain Wall, senior vice president and general manager of CruiseOne (www.cruiseone.com) and Cruises Inc. (www.cruisesinc.com), notes their investment in new CRM technology and anticipates adding 175 new Cruises Inc. independent agents and 150 CruiseOne franchises. Wall reports steady gains in cruise bookings (19 percent expected in 2010) and an increase in the average selling price of cruises.

More Choices—and More Challenges, Too

Home-based agents have, in fact, a wide range of choices in their affiliations. Andi Mysza, president of PATH and **Mtravel.com**, a host agency unit of Montrose Travel, believes that increasingly the degree of support provided by quality hosts and suppliers to productive agents has now assumed more importance than debates over commission splits. PATH member-hosts represent about 10,000 home-based agents.

Challenges abound. Competition from online travel sellers will be intense in 2010 as cost-conscious consumers look for the best deals. Still, discounts—product priced for sale to the bargain hunters—can work to the home-based agent's advantage. So, too, will the flood of special deals and sales incentives offered by resorts, hotels, destinations, tour operators and cruise lines.

Peter Yesawaich, chairman and CEO of Ypartnership, believes many Americans see travel as a virtual birthright. "So it comes as no surprise that the majority of adults in the U.S. [now 53

percent] are planning to take at least one overnight trip primarily for leisure purposes between now and April 2010," he says.

But it won't be easy, Yesawich warns. "Here's the challenging news: Many of those leisure travelers expect to plan and/or take those vacations differently. Specifically, they are now more inclined than they were a year ago to stay in less expensive hotels, spend less overall, drive rather than fly and look for deals on the Internet. The one encouraging shift in travelers' sentiment is with respect to the anticipated length of their leisure trips with only half planning to 'stay fewer nights' [down from two-thirds a year ago]."

Many executives warn that agents should beware of selling commodity-priced services and the trap of discounting on yields. Virtually every executive believes that the home-based agent must focus on profitability and productivity while delivering superior customer service.

Yet, despite the pitfalls faced by the home-based independents, there is space for tremendous optimism. The dramatic launch of *Oasis of the Seas* by Royal Caribbean is a solid example of the attractiveness of cruising, while the equally impressive opening of the Las

Vegas CityCenter complex underscores the powerful lure of a world-class destination.

New technologies are another plus. Witness the growth of Tripology.com, the lead referral system widely used by agents and suppliers. Michael Drever, CEO and founder, **Expedia CruiseShip Centers** (www.cruiseshipcenters.com), observes, "The companies [which] continue to invest in their marketing, technology and people during these times will come out on top when the economy recovers."

In 2009, Drever reports investing \$1.5 million in CruiseDesk, Expedia CruiseShipCenters' CRM technology and increased marketing spending by 30 percent, while decreasing costs to agents and owners. The company added 900-plus cruise consultants, taking the total to more than 2,500, and opened nine new retail locations, bringing it to 116 centers across North America.

There are also opportunities in car rental and travel insurance sales and a host of marketing opportunities in social media and networking. In brief, the travel industry is making a multibillion-dollar investment. It will be up to the professional home-based agent to take advantage of the opportunities.

—GEORGE DOOLEY