

SELLING

tours

BY DAVID COGSWELL

## Turn Up the Volume!

### How to use wholesaler clout to get great hotel deals for your clients

**T**he basic principle is simple: Wholesalers buy a lot of hotel rooms. They have buying power and can get better deals than you as a single travel agent or your client can. So one of the main reasons to use a wholesaler is to get better prices on hotels.

"The buying power of the larger wholesalers can help travelers get lower prices on airfare and hotel bundled together or on negotiated rates at the hotels and resorts they send a high volume of guests to," says Rose Wylie, manager of Kenilworth, Ill.-based Travel 100 Group, a member of the Toell Travel Group. "Not only can the agency find a lower price, but often added-value amenities such as a complimentary breakfast, spa credit or room upgrade."

Wylie says travelers also benefit from the relationship the agency and its partners have with the hotel and are not treated as a one-time visitor. "When there is a problem or glitch, the supplier is much more likely to find a quick solution to please their high-volume customer instead of the booking individual," she says.

Tour operators and wholesalers also often specialize in certain destinations. It's usually a narrower focus than that of a travel agent, who deals with a wider list of destinations depending on clientele. At the destinations they



The more exotic a destination, like Tanzania, the more important the buying power and expertise of a competent wholesaler.

focus on, wholesalers also are big buyers. They bring in groups of clients week after week throughout the year, which provides a measure of assurance to hotels that they can keep a certain block of rooms booked week after week. In order to guarantee themselves enough rooms to make their break-even point, hoteliers will sell a certain number of rooms to wholesalers at substantially lower prices than they sell to individual

clients or their travel agents.

Hoteliers value the ability of wholesalers to bring blocks of business and encourage it by giving them better prices. Beyond that, the pressures of today's hypercompetitive and constantly changing marketplace inspire creativity among the hoteliers and the wholesalers to find other ways to attract more business than through price alone. So they often will join forces to create

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packages that will compete favorably with the other options available to agents and their clients.

### An Edge in the Exotic

Being experts in a particular destination gives wholesalers and tour operators the advantage of knowing the prices throughout that market. Jim Holden, president of African Travel, says his company's greatest edge is in knowing the different price points in Africa. "African Travel offers safaris starting from as low as \$1,995 all the way up to over \$7,500," says Holden. "We're able to do this by bringing to bear all of our buying power in Africa on all hoteliers and camp operators. By contrast, individual camp operators in Africa that try to promote their own camps in America can't necessarily offer great rates other than for their own camps because they don't have the buying power with the other camps."

The more exotic the destination, the more advantages a wholesaler destination specialist can bring to the agent back home. "Wholesalers who specialize in a particular region often cultivate the best relationships with hotels," says Larry Kwan, president of Pacific Delight Tours. "In China, where we do the majority of our business and have relationships dating back more than 40 years, we have blocked space at luxury hotels with great prices and special Five Star Plus amenities that agents wouldn't otherwise receive."



Wholesalers can help travel agents get special amenities and rates for their clients at hotels like the Crane Hotel in Barbados, pictured above.

Holden points out that some home-based and retail agents mistakenly think they can get the best rates by trying to deal directly with the lodges themselves in Africa. "This will almost always result in paying a higher rate than dealing with an outbound tour operator to Africa who is negotiating rates based on the total number of Americans they send to Africa each year," he says.

### A Range of Perks

The value proposition of working with a wholesaler goes beyond price. As bulk purchasers, wholesalers are preferred customers. They not only can get better prices but have other advantages as well. Dan Austin, director of Austin-Lehman Adventures, says his company secures hard-to-get rooms in hard-to-get areas like national parks. "The agent then has access to these rooms by selling into our packages," he says.

To maximize the advantages of its buying power for agents, GOGO Vacations instituted a program called My Time, which refers

to amenities at a given hotel that are available only through GOGO. "The My Time amenities are given only to those guests who booked with a travel agent who booked with GOGO," says Jim Tedesco, director of marketing for GOGO Vacations. "It's exclusive. No other wholesaler or online retailer has it."

According to Frank Corzo, GOGO's vice president of sales, beyond the relationships his company has through its main product resources, agents are looking for suppliers that can give them an edge against the online travel agencies (OTAs). "Because of the history of GOGO, we've been able to negotiate deals to get unique amenities for consumers when they arrive on property that are not available from any other source or from our competitors," he says. "When customers arrive at the resort, everything around them has to do with the My Time amenities. They get special privileges. Sometimes they get an upgrade, an exclusive area on the beach that is not available to anyone else unless they pay for it. This provides a very key edge to the frontline agents over the OTAs."

When it comes to selecting a hotel for their clients, successful travel agents also understand that there are different "hot points" for each client. "Some care primarily about the price," says Harry Dalgaard, president of Avanti Destinations. "Others are more concerned with the location and convenience, including access to local transportation such as the underground or shops and restaurants. Still others care more about the ambience and service levels of the hotel, or parking for their car or rooms with a view or levels of noise from the street."

Dalgaard says what is a "good deal" for one client can be a disaster for another. "That's why we have Avanti staff personally visit and evaluate the hotels, both large and boutique, on a continuing basis," he says. "As always, the best hotel deals depend on the best information and on understanding your customer."

John Hanratty, chief marketing officer for Travel Impressions, says wholesalers can bring value to the purchase by providing access to inventory that is available only to the wholesaler through its preferred relationship with the supplier. Indeed, wholesalers can provide a range of special values, such as special promotional offers, last-minute deals and exclusive offers.

#### Let the Buyer Beware

In some instances, a hotelier will undercut a wholesaler's net prices with online sales. According to Michelle Murre, a principal with San Francisco-based Azarine Travel, some hotels offer discounted rates online or special promos (such as pre-paid rates or other packages) that they won't offer to wholesalers. That means the wholesalers' contracted rates might not always be the best.

"In nearly all cases, now I'm checking online rates against what I'm quoted because I need to see if there is any wiggle room for higher margins, especially if the commission amounts aren't very high, and my clients are savvy," Murre says. "Everything is public. They can go online and see what rate they can get. I even have a very wealthy client who has spent nearly \$150,000 with me for three trips in three months, yet checks Expedia to ensure I've quoted him the lowest rate on his business-class airfare."

In the end, however, the perks are ultimately more important than price when it comes to making clients happy. "When agents book with a wholesaler, their customers are receiving concierge-style service built upon years or decades of established relationships," says Carol Dimopoulos, executive vice president of Perillo Tours. "At Perillo, we hand-pick our hoteliers, restaurateurs, tour managers and other service providers to ensure that customers will have the ultimate Italian experience."

If you have a good relationship with a reliable wholesaler, you can rest assured that the value for your clients will be competitive. "After laboring for years doing European FITs, I finally relaxed and booked exclusively with wholesalers," says Frankie Turt, owner of Turt Travel in Colorado Springs, Colo. "The pre-negotiated rates my wholesalers have at outstanding properties and their well-thought-out itineraries allow me to maximize my time and income." @