



Learning To Compete In A Very Competitive Industry: Travel

Over the years, many of us have heard about the opportunities available in wholesale travel. As a consumer, we can recognize that if these wholesale travel packages are legitimate, then we will have access to vacation packages that would make the average traveler drool over their possibilities in travel destinations. When we slide the shoe to the other foot and consider wholesale travel as a business opportunity, we question whether we have the knowledge or fortitude to succeed in this type of business.

Read on as we examine wholesale travel from the perspective of the consumer and the online businessperson seeking new opportunities in profit.

Beware of The Discount Travel Scams

While the wholesale travel industry is a legitimate industry offering legitimate travel packages, there are a few people out there offering deals that are less than favorable to consumers.

The most common travel scam is the kind used to sell timeshare packages in real estate. The real estate agent will give you a free three-day package to an attractive destination, IF your yearly salary meets certain minimums AND you agree to sit down and listen to a sales pitch for timeshare properties.

Now, there is nothing wrong with timeshares per se, but the methods that some unscrupulous agents employ to sell timeshares are shameful to say the least. Timeshare supported vacations are well known for their hard-sell approach to the sales process.

As a result, when most people speak of discount travel or wholesale travel, the first thought that comes to the mind of most consumers is the timeshare sales pitch. As a

Join the Travel by Vasrue.com e-Magazine! <http://travel.vasrue.com>, Visit today!
(C) 2007 Vasrue.com, INC - All Rights Reserved!

result, consumers generally have a poor opinion of discount travel or wholesale travel, based only on their fears of timeshare selling scams.

Be Aware Of Travel Restrictions With Some Packages

There are three types of restrictions that may accompany some discount travel packages:

* **Expiration Dates:** Many packages come with defined expiration dates that make them difficult-to-use by the stated due-date. Not all of us can gear up to take our vacation within the next 90 days. So, be certain to read the fine print of any offer that is made available to you.

* **Blackout Dates:** Blackout dates were made famous by David Spade's representation of Capital One Credit Cards. Some travel rewards carry blackout dates to limit the expense of those rewards. They don't want you using your travel rewards over the Thanksgiving weekend, since that is the busiest travel weekend of the year, and prices are generally higher for that peak period.

Travel rewards aside, some travel packages employ blackout dates as well. Check the fine print to make sure that any blackout dates offered with a package do not interfere with how you want to use the travel package.

* **Non-Transferable Vouchers:** In theory, if you buy a hotel room and an airline ticket to Jamaica for the weekend and if something were to happen in your life that prevented you from using your purchased services, you could give the tickets and reservations to your best friend, so your money would not be wasted. Some travel vouchers may prevent you from transferring your vacation to another party. As always, read the fine print to know what restrictions might limit your vacation plans.

In a lot of cases, even if these restrictions exist, they will not interfere with your vacation plans. But, it is far better to be aware of a limitation before you buy your vacation, than it is to find out about those restrictions when you are ready to plan your trip.

How Do Service Providers Profit From Vacation Packages?

Where the value of discount travel or wholesale travel packages distracts many people, is this underlying question of how companies can offer these types of packages. The consumer is confused by the whole concept of free vacations, so we will look into the profit motive here.

When people are looking at an offer of a free vacation that consists of three days in a hotel room, many people are dumbfounded that such a thing could exist. If we use Las Vegas hotels and Orlando Florida hotels as examples, it is a much easier concept to understand.

When a Las Vegas hotel offers a free three-day stay, they do so with the expectation that you may spend several hundred or thousand dollars in their casino. If you did not take the

free stay in their hotel room, you may have taken your vacation in Las Vegas anyhow, but stayed in one of their competitor's hotel rooms. If that were to happen, then their competitor would have won your money in their casino instead.

Hotels in vacation spots such as Orlando Florida may be receiving rewards from Walt Disney World to ensure that you spend your vacation at Walt Disney World, instead of Six Flags Over Texas. The hotel will receive money from Walt Disney World for your stay, and you will eat several meals and use several services at the hotel that gave you the hotel room for free.

Free services frequently provide the lubrication that helps a local economy soar, so many businesses will offer rewards to the hotel chains to offer free hotel rooms to visitors.

Do keep in mind that if you do get a free hotel room, there will still be a small cost to you in terms of the taxes excised on that hotel room stay. State laws mandate that all visitors pay taxes on their hotel rooms, and even though your stay might be free, you will still be required to pay the taxes on the room.

How The Airline Industry Profits From Discount Air Travel

When an airplane flies from New York City to Los Angeles, they always have a specific number of seats on that flight. Even if only twenty people paid for that flight, they airline would be required to make the journey, with all of its empty seats in tow.

So, airlines have constructed a very unique business model to make sure their empty seats are filled. When you buy a seat directly from the airline company, you will most always pay full price for the seat. If you buy your airline seat from a travel company, you can often find discounts on those seats.

Very literally, airline companies calculate how many seats they will sell on their own for each flight, and then they wholesale the remaining seats to travel agencies and other travel companies, to ensure that they will fill most or all of their seats.

The travel industry will buy seats on the airplane for as much as 90% off the retail cost of a flight. Then they will turn around and sell those flights to their customers at a markup. The actual discount rate will vary by the company making the offer, since only the biggest wholesale travel companies will get the deepest discounts, and the travel agencies usually buy seats from these airline seat wholesalers.

Can The Little Guy Compete In A Market Saturated by Big Players?

Simply put, yes. A friend of mine at Dreams By Vasrue has built his own little travel empire selling wholesale travel packages. In a recent month, he was able to generate \$18,000 in profits – these were profits, not total sales.

With a saturated market filled by big names such as Travelocity, Expedia, Orbitz and many others, you would think it impossible to compete in such a crowded marketplace. But, you must remember that these big travel websites are operating as the travel agency, buying travel services at wholesale and marking up their prices to make a significant profit.

This leaves the little guys lots of opportunity to reach the buying public in ways that the big websites cannot do themselves. The big websites are not in the business of offering true wholesale travel, because they are like travel agencies selling retail travel to consumers.

The Lesson In This Story

The lesson in this story is that the Internet is offering lots of entrepreneurs a way to stand up and compete with the largest corporations on the planet in a multitude of industries.

As an online businessperson, you should always be looking for that new opportunity that could make you very wealthy. When you take the time to learn the internal workings of any industry, you will uncover opportunities to compete successfully and prosperously with the biggest names in your own industries.

=====
Bill Platt writes and ghost writes articles for dissemination on the World Wide Web through <http://www.thePhantomWriters.com> His company also offers article distribution services to people who write their own articles. Reach Bill at 405-780-7745 between 9am-6pm, M-F. One thing that success brings online entrepreneurs is the opportunity to travel more frequently. If you are interested in learning about wholesale travel as a way to save money or as a business opportunity, please visit <http://www.DreamsByVasrue.com/> to learn more about the programs offered by Clinton Douglas IV.
=====