

GLOBAL'S NEW WORLD

Global Travel International has evolved into a viable option for sales-focused agents

BY JAMES SHILLINGLAW

The story has been told many times in the past in both the consumer and trade press. Once upon a time, way back in 1994, two former college roommates at American University, Michael Gross and Randy Warren, decided to start their own travel agency. One was a lawyer, the other an accountant, but they envisioned an agency that would sell travel through hundreds, even thousands of “outside” agents. That agency is Maitland, Fla.-based Global Travel International (GTI).

Back in those days, of course, “outside” or “home-based” agents were widely regarded as pariahs by more traditional travel retailers. Indeed, they were seen as nonprofessionals interested only in the perks of being an agent. So when Gross and Warren began running ads in the *Wall Street Journal* telling people they could “travel like a travel agent,” they ran afoul of full-time agents and at least one major travel agent association.

Through it all they persevered, sticking to their guns and growing their agency, which became effectively a travel club with thousands of members booking travel. Today, GTI has roughly 35,000 member agents and annual sales of around \$120 million.

Of course, the world—and the travel industry—has changed dramatically since 1994, and now Gross, the agency’s president and CEO, and Warren, its chairman and CEO, are almost mainstream. The host agency model they started back then is being emulated, to some degree, by several other major players in the home-based market. Indeed, GTI is now the “veteran” among those host agencies that work through hundreds or thousands of outside agents.

Along the way, the character of

GTI’s member agents has also changed. Gross says that while only about 20 percent of his sales force spends the majority of its time selling travel, GTI now focuses on bringing in either more experienced agents or people who want to make travel their full-time profession. Gross says about 90 percent of GTI’s new agents these days join to focus seriously on selling travel.

“We’re bringing new blood into the business,” Gross says. “Because of the call to action, the people that we attract are those who are looking to build a home-based business. There are a lot of stay-at-home moms and a lot of retired individuals.”

Last month, for example, the agency revamped its website (www.globaltravel.com) to focus on attracting people who want to start their own home-based business. Instead of touting the “freebies” and discounts available to agents, the site now focuses on the business opportunity that GTI offers to prospective members, including individual agent websites (through a tool called ResMax); marketing, training, and call center support; advanced training opportunities; pre-negotiated travel deals; and IATAN status upon meeting eligibility requirements. GTI charges its outside agents \$299 a year, or \$29.95 a month. There are no other fees. It offers 90 percent commission to those agents who earn more than \$5,000 per year; below that level commissions are 50 percent.

Rather than deals and discounting, GTI’s newsletters now tout training, education, support, and sales. “Our newsletters are packed full of education and training, as are our weekly emails and our conference calls,” says Gross.

Instead of offering large referral fees to existing GTI members to



Michael Gross (left) and Randy Warren have grown GTI into a \$120 million business.

recruit more agents, GTI pays just \$25 per referral, as well as a small override on the recruited member’s travel bookings. Gross is adamant that GTI is not a multi-level marketer, like some other “agencies” that have cropped up recently—those that generate more income from referrals than actual travel sales.

Indeed, rather than growing its sales force further, GTI says it is focused on improving the quality of its agents. “We’ve really concentrated more on productivity than growing the number of agents,” says Gross. “Almost four years ago, we took a step back and rebuilt our infrastructure from the ground up. That included training, technology, and support. We’ve seen a great payoff from that.”

GTI serves its 35,000 members from a 15,000-sq.-ft. facility in Maitland with a staff of 120. There is an accounting department with 15 people focused on getting commissions out to agents quickly and tracking down missing commissions from hotels and other suppliers. A dedicated marketing

unit with three writers and three designers produces GTI's newsletters, emails, and other marketing collateral almost completely in-house.

GTI's headquarters also features a training unit—staffed by experienced travel people, such as Rick Flesch, a former AAA travel executive—which is focused on developing supplier conference calls, live seminars, and GTI's own dedicated Cruise College. Perhaps most important, GTI also has a call center with 70 people dealing not only with GTI's member agents but also their clients, if the outside agents don't want to take the calls themselves.

"We view our agents as a sales force," says Gross. "We would rather they were not stuck behind a computer worrying about an aisle seat versus a window seat. We want them to get out there and do what they do best—and that's network in the community, get involved in their PTA, or their local church or synagogue, and really create more business for themselves."

GTI also is a now considered a mainstream agency by most travel agent organizations. It is ARC-accredited and a member of CLIA, ARTA, and OSSN. It's also a member of agent marketing group Vacation.com. One of the only groups GTI does not belong to, however, is ASTA, with which it had a dispute back in the late 1990s, largely due to its promotional strategy aimed at non-agents. These days, ASTA has launched a new consumer and supplier awareness campaign aimed at quelling the growth of multi-level travel companies. GTI, however, says that it doesn't believe itself to be the target of that effort.

For his part, Gross urges ASTA to look at his business first before making any judgments. "I think there's actually an opportunity for ASTA to work with us and learn from us," he says. "They are new to the host side of the business. I would welcome them to come and see our facility and spend time here."

"We've been doing this for 12 years," Gross says. "We are the oldest agency that I know of with thousands of people. We don't have consumer

problems. We have an 85 percent member retention rate. A lot of people are enjoying our program, getting paid every month, and feeling like they got what they thought they would get."

Mary Cirronella—a GTI agent and ex-United Airlines employee—with her own home-based agency, Travel Creations, in Rockville Centre, N.Y., works about 30 hours a week on her travel business, which is focused on honeymooners and travelers in their 20s. "In 1999, I started with GTI, with only a few accounts, and now I have 400," she says. "I found out about GTI from an article in the *Wall Street Journal*. I used to plan travel for free for friends and relatives when I was at United. My husband used to tell me that I should make a business out of this."

Cirronella says GTI has been extremely supportive and dedicated to advancing the knowledge and abilities of its independent agents. "They go out of their way to provide web-based and other training," she says. "They really make it possible to go out there, if you have the hutzpah, and build your own business. For those of us who really want to create this telecommuting business, I think it's a fabulous opportunity. GTI is sort of setting the model in the workplace."

Another home-based agent, Allison Umbricht of Walnut Creek, Calif.-based Trips of a Lifetime, also was able to jumpstart her business when she joined GTI. Umbricht, a former CPA with Ernst & Young, was looking to work from home so she could be a stay-at-home mom. She had traveled extensively while in the accounting profession and with her family, especially in Europe. So she decided to specialize in selling romantic vacations—she even wrote a book about it called "Romantic Weekends in Europe."

While Umbricht works only about 15 hours a week these days—she just gave birth to another child—she says GTI gave her the opportunity to do exactly what she wanted. In particular, she takes advantage of GTI's inside agents to do research and check

pricing. "I'll give them all the details, they'll do the research and check with all the vendors to find the cheapest price," she says. Umbricht has also taken advantage of GTI's training—she attended the agency's Certified Vacation Specialist training seminar last year in Seattle, and she participates in the weekly conference calls with different vendors.

So is GTI a good solution for more experienced home-based agents? "Based on our experience, our fee structure allows an experienced agent to make more money with us than anyone else," Gross says. "The support structure we have allows them to really go out and work on their business, and not get stuck working in their business." @

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GTI revamped its website to attract people who want to start a home-based business.