Becoming a Travel Agent

Resources for becoming a travel agent
Proudly sponsored by Sabre

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ASTA (American Society of Travel Agents)
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VIRTUAL CAMPUS
Participants will use a Learning Management System (LMS) for a blended learning experience combining independent study with instructor led distance learning, professional presenters, group activities and interactive discussion boards.

MENTORSHIP & CAREER COUNSELING
The opportunity to work with a career counselor to find the best fit for your skills and abilities, and working with an industry mentor are available for most participants.

PLACEMENT
Travel Leaders Group wholly owned, franchised and member-based agencies are looking for travel agents and Independent Contractors. Completion of the program does not guarantee job placement, but it is our intent to place as many qualified graduates as possible.

TUITION
There are 4 core modules of $450 each for a total of $1800. Textbooks and Travel Agent Proficiency Testing (TAP) fee are $225.

Enter ASTA discount code of TLOTVC when applying to the program for a $50 savings coupon applied to Module One!
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BECOMING A TRAVEL AGENT

A segment on Oprah’s January 26, 2011 “Happiest Jobs in America” show revealed that travel agents are among the happiest professionals in America. Travel agents, along with clergy, special education teachers and firefighters, were given this special distinction, thanks in part to the amount of social interaction these professions offer. See: http://www.oprah.com/oprahshow/Happiest-Jobs-in-America-Video.

Yet social interaction is just one aspect of this profession that makes this a rewarding industry. How many people can say that while they were working their way through management, they saw the sun set on the Bosphorus or went on a safari in South Africa, all as part of their profession?

Yes, a career as a travel agent can be exciting, fast-paced and rewarding. The opportunity to travel to beautiful and exotic destinations as part of your career is a major reason why the travel industry is so appealing to job seekers. In fact, many individuals enter the industry simply for the travel rewards. While this is a wonderful perk, being a travel agent takes dedication, travel expertise and excellent interpersonal skills.

This document provides you with information about the travel agency industry as well as specific information to help you begin your career as a travel agent.

WHAT IS ASTA?

The American Society of Travel Agents (ASTA), established in 1931, is the world’s largest and most influential travel agency trade association, representing more than 8,000 members in more than 140 countries. ASTA is committed to upholding the professionalism and profitability of its members. In addition, ASTA promotes ethical business practices through effective representation in industry and government affairs, education and training, and by identifying and meeting the needs of the traveling public. Members include travel agencies and agents, suppliers, tour operators, hotels, car rental firms, travel schools and future travel professionals.

WHAT IS NACTA?

The National Association of Career Travel Agents (NACTA), established in 1986, is a wholly owned subsidiary of ASTA. NACTA is dedicated to providing the finest education, training and networking in support of the independent travel professional. NACTA’s members include independent travel professionals, host agencies and industry suppliers.
WHAT IS A TRAVEL AGENT?

Today there are many definitions for a travel agent. Historically a travel agent was defined as a retail “agent” of various travel suppliers, such as airlines and the like. However, the role of the travel agent has changed. In many cases, the travel agent of today is also an agent for the customer, the buyer. As a result, today’s definition of a travel agent is someone who facilitates and manages the sale of travel products and services to consumers.

THE ROLE OF THE TRAVEL AGENT

The main responsibility of a travel agent is to make the process of traveling – whether for work or pleasure – be a stress-free and positive experience. While a travel agent performs some of the same functions as a reservations sales agent at an airline, hotel or car rental company, they bring additional value to the consumer that goes well beyond the transaction process. Travel agents are professionals that add value to the consumer before, during and after the transaction is processed.

Perhaps the most critical aspect of the job is the relationship travel agents develop with their customer. Travel agents must provide personalized service to each of their clients. They should understand their customer and recognize their travel needs. Travelers appreciate the reliability and attention to detail a travel agent brings to the whole travel experience. ASTA’s motto “Without a Travel Agent, You’re On Your Own,” exemplifies the important role professional travel agents play.

Over time, a travel agent’s job has evolved to reflect the changes within the travel industry as well as the way people purchase travel. The advent of the Internet has enabled consumers to be far more educated and savvy about purchasing travel than a decade ago. But too many options can be limiting. Many consumers suffer from information overload from the millions of options available online – and it is the travel professional’s job to help consumers cut through the noise to create the perfect travel experience.

WHAT MAKES A GOOD TRAVEL AGENT?

- You have a passion for travel
- You experience personal reward when helping others
- You thrive in a fast-paced and ever changing environment
- You are creative and analytical
- You love people
- You are detail oriented

If the above describes you, then this career path may be right for you.
Every profession requires basic core skills and the travel agency profession is no exception. The following are the basic skills every travel agent needs:

- **Sales and Marketing** — You must have an understanding of the principles and methods for showing, promoting, and selling products and services.
- **Reading, Writing and Oral Comprehension** — Being a travel agent requires constant interaction with consumers; it is critical that you have the ability to receive and convey information effectively.
- **Analytical Decision Making** — You must have the capacity to help customers understand the relative costs and the comparative benefits of various products and services.
- **Complex Problem Solving** — It’s important that you can identify problems, evaluate options and implement solutions when things go wrong.
- **Customer Service** — As with any consumer-focused profession, you must have superior customer service skills.
- **Geography** — Extensive knowledge of cities, countries, geographic features and geopolitical boundaries is critical.
- **Technology** — It is essential that you have an understanding of basic computer skills and industry tools, such as a Global Distribution System (GDS), which are used to reserve, record and invoice travel transactions.
- **Product Knowledge** — You must have a solid understanding of travel supplier products, services and policies.
- **Administrative** — The sales process often requires follow-up with vendors and customers, and also requires the collection and processing of payments, therefore it is imperative that you have strong administrative and clerical skills, such as word processing and account management.

“The two things I love the most about being a travel agent are the personal reward from seeing my customers’ dreams come true and the fact that no two days are alike.”

- Jason Coleman, CTC, travel agent entrepreneur
TRAVEL AGENCY INDUSTRY BUSINESS MODELS

Not long ago the majority of travel agencies were brick-and-mortar businesses located on main streets or in shopping centers. Today, various business models exist, from the independent home-based agency to the billion-dollar online agency with hundreds of employees.

THE RETAIL (TRADITIONAL) TRAVEL AGENCY

A retail travel agency typically consists of a storefront location that provides walk-up clients direct access to consult with a travel agent. These travel agencies often use their location as a method of driving business. In addition, they often use a mix of traditional marketing methods such as direct mail and online marketing, including email and social media, to encourage travelers to contact the agency to arrange their travel.

Retail travel agencies are often independently owned, and managed either by the owner or an office manager. Individual agents are employed by the agency to work with clients. Agents are compensated by a salary, a commission on their sales or a combination of the two. Larger agencies also employ dedicated marketing professionals, technology managers and accountants. These agencies may also have agents who specialize in a specific type of travel, which may include a geographical area (e.g., Europe, Caribbean, Africa, etc.), type of client (e.g., business, leisure, luxury) or travel experience (e.g., cruises, tours, independent travel, etc.).

Retail agencies typically employ travel agents with strong sales and travel product skills and work in retail locations, although some travel agencies allow some employees to work from home.

THE TRAVEL MANAGEMENT COMPANY (TMC)

Travel Management Companies (TMC) are travel agencies that focus on providing travel management services to corporations. The TMC’s primary role is to help companies effectively control travel spending by both negotiating savings with travel vendors and managing traveler behavior. To accomplish these tasks, TMCs often provide comprehensive data and analytical reports to their corporate customers. In addition, contracted corporate customers are often given access to the TMC’s call center or, in some cases; a dedicated agency office is maintained on-site. TMCs often maintain, or contract the services for, a 24/7 emergency help desk to assist customers after hours.

TMCs typically hire agents who are skilled in one of the three Global Distribution System (GDS) and who also have strong interpersonal skills.
THE ONLINE TRAVEL AGENCY (OTA)

While several online travel agencies have come to dominate the online travel agency space, there are still many smaller travel agencies that have become active in this space, too. This is especially true of agents that are niche travel experts that offer specialized services and/or products.

Online agencies hire a range of skilled talent, from skilled IT workers to expert travel agents who handle the more complex itineraries that require a more personal touch. While efficiencies can be gained by offering consumers a robust online shopping experience, there often comes a point in the buying process when the online buyer needs personal assistance to complete the transaction.

THE INDEPENDENT AGENT

The independent agent is typically defined as a self-employed travel agent. Simply put, an independent agent is a one-person independent travel agency. And as an independent business, these agencies have their own unique business names and comply with all applicable local and state registration requirements, similar to a traditional travel agency. It is the self-employed designation that sets the independent agent apart from the traditional agency model. Travel agents who work for a traditional, TMC or OTA travel agency are considered “employees” of the business they work for, even if they are home-based, whereas independent agents are considered self-employed.

Of all the business models described, the independent model is perhaps the most difficult model to fully define, as these agents are diverse and their sales are difficult to quantify since nearly half process their sales through a host agency. Most (87 percent) independent agents work from home, although a few rent desks from their host agency. Most work part time. Some have corporate clients, yet most (60 percent) focus on cruises. There are also some who focus solely on groups or niche markets.

There are two primary types of independent agents - those who are affiliated with a host agency (46%), which are referred to as hosted independent agents, and those who are truly independent.

The primary difference between the two is that the hosted independent agent contracts with a host travel agency, sometimes referred to as a “host” or “host agency,” for certain services. The hosted independent agent is also referred to as independent contractor.

What is a Host Agency?

A host agency is a travel agency that is typically airline (ARC) accredited, and may also have a CLIA number. Some independent agents contract with a host agency for services that may include: 1) use of the host’s business (e.g. ARC, CLIA or IATAN) number for commission tracking purposes; 2) access to the host’s Global Distribution System (GDS); 3) supplier commission overrides; 4) quality control; and, 5)
administrative support. In return for providing these services, the independent agent pays a fee, either in the form of a monthly subscription fee or as a percentage of the agent’s commission.

It is the host agency’s business number that identifies the agency with an industry supplier so that commission payments can be processed and paid. Since commissions are paid directly to the host, the host is obligated through the independent contractor agreement to forward payment to the independent agent as stipulated in the agreement. Most often, compensation paid by the host to the independent contractor is expressed as a percentage of commissions on base fares. Common splits between an independent contractor and the host agency are 70/30, 80/20 or 50/50. So, for example, if the split is 70/30, the host may retain 30 percent of compensation earned by the independent contractor and forward the remaining 70 percent to the agent. The percentage split an independent contractor is able to negotiate depends on the experience, education and knowledge the independent agent brings to the table.

There are also independent agents that have their own business numbers and do not work through a host agency. These are often agents who have moved their traditional travel agency businesses to their homes. Many of these agents have given up their airline accreditation in lieu of one of the three non-air travel agency business numbers, which are discussed later in this paper.

**U.S. TRAVEL AGENCY INDUSTRY**

**MARKET SIZE AND SCOPE**

- 83,290 workers employed by travel agency firms - Bureau of Labor Statistics (BLS) 2010
- 65,720 workers identified as “travel agents” - BLS 2010
- 40,280 self-employed independent travel agents - PhoCusWright (PCW) 2012
- 13,818 travel agency retail locations - ARC June 2012
- **$136 billion** sales, including online travel agents - PCW 2012
- **$5.6 billion** total payroll output - Census Bureau 2011

**HOW TRAVEL AGENCIES MAKE MONEY**

Today, there are many different travel agency business models. Yet there are two primary revenue sources customer-paid fees (i.e. transaction, service fees) and supplier-paid compensation (i.e. commissions and overrides). Commissions are earned at the time of the transaction, while overrides are paid periodically, either quarterly, semi-annually or annually, and are based on the agency’s ability to increase sales based on a pre-set goal.
While almost all agencies earn revenue from both sources, it is the agency’s business model that often dictates the agency’s primary sources of revenues. For example, travel agencies that focus on selling leisure travel typically receive most of their revenues from suppliers through commissions/overrides. Travel agencies that focus solely on corporate travel and airline ticketing are very dependent on customer-paid fees, often called transaction or service fees.

There is a third model, called the consultancy fee model, which is gaining traction. With this model, the agent acts as a consultant, like an attorney or accountant, and charges a professional fee for his/her services, and at the same time may also collect commission from suppliers. Leisure agents focused on selling luxury travel are often attracted to this model.

The following charts break out travel agency revenues by type and source. The first chart reveals that leisure travel agencies are dependent on supplier-paid revenue. The second chart shows that corporate agencies, which primarily process air transactions, receive the bulk of their revenue from customer-paid transaction/service fees, although commissions and overrides are important with hotel and car rental bookings.

**LEISURE TRAVEL AGENCY REVENUE SOURCES**

<table>
<thead>
<tr>
<th>% Share of Average Revenue By Type of Revenue</th>
<th>Cruise</th>
<th>Tour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissions/Overrides</td>
<td>81%</td>
<td>79%</td>
</tr>
<tr>
<td>Transactions/Service Fees</td>
<td>12%</td>
<td>18%</td>
</tr>
<tr>
<td>Consulting Fees</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>GDS Incentives/Fees</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>5%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: ASTA 2011 Financial Benchmarking Report

**CORPORATE TRAVEL AGENCY REVENUE SOURCES**

<table>
<thead>
<tr>
<th>% Share of Average Revenue By Type of Revenue</th>
<th>Air</th>
<th>Hotel</th>
<th>Car</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissions/Overrides</td>
<td>27%</td>
<td>74%</td>
<td>84%</td>
</tr>
<tr>
<td>Transactions/Service Fees</td>
<td>63%</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>GDS Incentives/Fees</td>
<td>8%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: ASTA 2011 Financial Benchmarking Report
WHAT TRAVEL AGENTS EARN

According to ASTA’s 2011 Labor and Compensation Study:

- The average travel agent salary is
  - $43,163 corporate
  - $29,531 leisure
  - $31,457 combined corporate/leisure
  - $39,556 managerial
  - $21,080 starting with limited experience
  - Note: these are only averages; the high-end includes some earning over $100,000

- How agents are paid
  - 60% salary alone
  - 28% salary and commission
  - 12% commission only

GETTING STARTED

There is no right or wrong way to start out in this industry, and there is certainly no limit to when you can start your career. There are many travel agents that start right out of college, yet there are also many that start later in life after one or more careers.

FINDING A TRAINING PROGRAM

Becoming a travel agent requires extensive knowledge of the travel industry, as well as knowledge of one or more computer reservation systems, commonly referred to as Global Distribution Systems (GDS). ASTA and NACTA encourage you to enroll in a travel school as it is a great way to get a head start on your career.

If you decide to start your career with travel school, be it online or traditional, it is important that you carefully research all the professional travel-training possibilities. The school you choose should be approved, registered or licensed by the State Postsecondary Education Bureau or a recognized accreditation association.

Case Study

After college Ryan McGredy, a graduate from the University of California at Davis in 2000 with a degree in Sociology and Organizational Studies, became involved in Moraga Travel (Moraga, Calif.) as a minority owner. He later bought a majority stake in the company and is now the president and managing owner. In addition, seeing an industry need, McGredy went on to create Contact Beacon, a successful email marketing system for travel agents.
You should also keep these points in mind when evaluating a potential travel school:

- Does the school offer travel courses in: geography, fares/ticketing/tariffs, industry forms and procedures, automation, sales, marketing and travel industry operations?
- Does the school provide for internships?
- Examine the available airline computer training. It should teach both domestic and international reservations as well as accessing the airline availability, pricing, selling, creating a passenger name record (PNR) and booking hotel, car rental and rail reservations.
- How long has the school been in operation?
- Ask if the school is a member of ASTA or NACTA.
- Ask agencies in your area for their opinion of the travel schools you are considering.
- Does the school offer placement assistance for graduates? If so, what is their success ratio?
- Ask if there are any graduates of the school who are working in the area that you can contact.
- Ask working graduates for their evaluation of the program.

To find a travel school in your area, visit asta.org and select the Education/Careers section and the heading ASTA Member Travel School or click on: http://www.asta.org/education/travelschools.

**FUTURE TRAVEL PROFESSIONALS CLUB**

If you go to travel school, you should consider enrolling in ASTA’s Future Travel Professional (FTP) Program. This club allows you to network with ASTA members who are not only leaders in the industry, but also potential employers. Club membership in FTP is an investment in strengthening your future in the travel industry. Created exclusively for travel school students, the program also provides members access to all of our online educational materials to help prepare you for a successful career. For complete details, go to ASTA.org and search on the keywords “Future Travel Professional Club.”

**SCHOLARSHIPS**

ASTA and ASTA Chapters fund many undergraduate and graduate scholarships and internships to select travel agency students. Tourism Cares manages ASTA’ scholarship program, as well as their own grants, scholarships and internship programs. For more information about the Tourism Cares Grants and Scholarship Programs, visit www.tourismcares.org and click on the Student Resources tab.
**SEEKING EMPLOYMENT AS A TRAVEL AGENT**

In today’s job market, the most common way to look for employment as a travel agent is to use industry website job boards. ASTA’s job board is a great place to start and is located in the Education/Careers section of asta.org or can be found here: [http://www.hottraveljobs.com/ASTA/](http://www.hottraveljobs.com/ASTA/). Also, check out the classified sections of these travel publications:

- Travel Staffing Group - [www.travelstaffingusa.com/ASTA/](http://www.travelstaffingusa.com/ASTA/)
- Business Travel News - [www.btnonline.com](http://www.btnonline.com)
- Travel Weekly – [www.travelweekly.com](http://www.travelweekly.com)
- HCareers – [www.hcareers.com](http://www.hcareers.com)

If you are considering a career in the travel industry, we suggest you set up informational interviews with travel agencies in your area. When doing this, speak to the manager of the travel agency office and explain to them your interest in beginning a career in travel. You will have to accommodate their schedule and ask them to carve out 30 to 60 minutes of their time. You might want to consider meeting them for coffee so you can be assured of keeping their attention outside of the office while you discuss career options with them.

During an informational interview, you also want to make sure that becoming a travel agent is the career for you. Ask the agent about their typical day, what kind of hours they work, what perks they receive and what the potential is for a career in your area. If you feel this may be the right path for you, discuss the options for interning at the agency. This is a great way to find out if this career is right for you.

**TRAVEL AGENT TESTING & CERTIFICATIONS**

There are no federal or state certification programs required of individual travel agents. Certification is optional. The industry’s primary certification programs are managed by The Travel Institute, which offers several programs that range from a basic proficiency test to individual travel agent certification.

**THE TAP (TRAVEL AGENT PROFICIENCY) TEST**

Although it is anticipated that most candidates who take The Travel Institute’s Travel Agent Proficiency Test have completed a travel school program or are already working in the travel industry, the test is not restrictive and has no eligibility requirements. Consequently, anyone may register to take it.
CERTIFIED TRAVEL ASSOCIATE (CTA) DESIGNATION

The Travel Institute’s first level of professional certification focuses on the core knowledge and practical skills required for success. The CTA designation represents 40 percent of the study required to earn the Certified Travel Counselor (CTC) designation. Topics include communications & technology, geography, sales & service and the travel industry.

Once enrolled in the CTA certification process, you will have one year to complete your studies and register for the CTA exam. The exam is comprised of a set of objective multiple choice questions for each core skill area and a series of short essays covering electives and application of course concepts in the work environment. All CTA exams are administered by a CTC, agency owner, manager, trainer or supervisor. The Travel Institute sponsored test sites are located across the country and exams are scheduled in conjunction with industry events throughout the year.

CERTIFIED TRAVEL COUNSELOR (CTC) DESIGNATION

The Certified Travel Counselor (CTC) program is the pinnacle of travel industry professionalism for more than 40 years and is designed for seasoned travel professionals who are interested in advancing their career. The CTC curriculum covers 10 topics of study, which is designed to teach owners and managers how to analyze new business opportunities, develop marketing strategies, and negotiate. Increase your knowledge, grow your business, and earn widely-recognized industry credentials.

To learn more about these tests and designations, visit The Travel Institute at www.thetravelinstitute.com.

TRAVEL AGENCY BUSINESS NUMBERS

If you plan to open your own travel agency or become a non-hosted independent travel agent, you will need your own travel industry business number. There are three primary sources of business identification numbers within the travel agency industry that travel suppliers use to verify a travel agency, track the agency’s reservations and send the agency earned commission payments.

Travel agencies can obtain a unique 8-digit business identification number from either: 1) the Airlines Reporting Corp. (ARC); 2) the Cruise Lines International Association (CLIA); or, 3) the International Air Transport Association Network (IATAN). Once an agency applies for and receives a business number, the agency’s information (address, phone, fax, e-mail, etc.) is listed in a central database maintained by the issuer (ARC, IATAN or CLIA) for suppliers to use.
AIRLINE ACCREDITATION - THE AIRLINES REPORTING CORPORATION

The Airlines Reporting Corp. (ARC) is an airline-owned company providing the travel industry with financial services, data products and services, ticket distribution and financial settlement in the United States, Puerto Rico, the U.S. Virgin Islands, and American Samoa.

ARC coordinates three primary functions that add efficiency to the manner in which airlines and travel agencies deal with each other. These include:

1. **Accreditation.** ARC provides a mechanism that airlines may use to accredit and appoint Ticket Reporting Agencies (TRA).
2. **Ticket Issuance.** TRA agencies are entitled to issue electronic traffic documents on airlines that participate in ARC’s Area Settlement Plan (ASP).
3. **Ticket Reconciliation and Settlement.** The ARC ASP is a clearinghouse for weekly reconciliation of sales, refunds, exchanges and payment of compensation, including travel agency service fees (if the agent elects to process their fees through ARC). The ASP enables agencies to report and remit all transactions to all airlines with one weekly report and check draft.

OBTAINING AN ARC AIRLINE APPOINTMENT

Requirements for establishing an ARC-accredited TRA agency can be found online at: [https://www.arccorp.com/join/apply-accreditation.jsp](https://www.arccorp.com/join/apply-accreditation.jsp). You will be required to obtain and maintain a bond or irrevocable letter of credit as a condition for being appointed or retained as an ARC-listed travel agency. The minimum amount required is $20,000 for the first two years. Travel agency bonds or letters of credit do not protect consumers’ monies. Instead, these security instruments are payable only to ARC when an agency defaults and has outstanding debts.

If you decide to become a new ARC-accredited agency, you will first need to order a new application kit from ARC. The non-refundable fee for the kit is $1,600. Once a travel agency obtains an ARC TRA number, it is generally recognized by all other industry suppliers. No other business number is needed.

NON-AIR BUSINESS NUMBERS

If you plan to start your own travel agency business and do not want to go through the cost and financial obligation of becoming airline accredited, you will need to obtain a business number from another source. Once you have this number, hotels, cruise lines, tour companies and other industry suppliers may allow you to book their product for your clients. **Please note: If you plan to work as an employee of an agency, you will use the business number(s) established by your employer. Likewise, if you plan to work as an independent agent with a host agency, you will use the business number provided to you by your host agency.**

14  Becoming a Travel Agent
There are three types of business numbers for travel sellers of non-air products. These are ARC Verified Travel Consultant (VTC), IATAN non-air number (formerly referred to as a Travel Service Intermediary (TSI) number) and CLIA. Obtaining an ARC VTC, IATAN or CLIA number is the first step in building relationships with suppliers so that your business is recognized for you to act as an “agent” or “authorized representative.”

To prevent duplication, ARC and IATAN source their numbers directly from a single pool of numbers controlled by IATA. Likewise, CLIA uses a block of numbers that IATA no longer uses. Most suppliers will accept one of these numbers. You do not need to obtain all three.

Each non-air business numbering program has its own financial and business requirements. Complete details for each program can be found online at:

- ARC VTC – www.arccorp.com/joinvtc/
- CLIA – www.cruising.org
- IATAN – www.iatan.org

**CREDENTIALS / ID CARDS**

IATAN provides the agency community with the primary personnel registration service in the industry for the purpose of issuing travel agent ID cards that many suppliers recognize for the purpose of providing reduced rate privileges. CLIA also administer a travel agent ID card program. To review the eligibility requirements, visit www.IATAN.org and www.cruising.org.

**FRAUDULENT CREDENTIALS – CARD MILLS**

Not all travel agent credentials are created equal, so it’s important that you know the difference. There are some businesses that sell deceptive identification cards, sometimes accompanied by a package of worthless “training” materials that falsely identify the purchaser as a “travel agent.” These businesses called “card mills” often make claims to consumers such as “travel like a travel agent” and are designed to permit buyers of travel services to pass themselves off as sellers of travel services.

These cards are represented as enabling the holder to obtain discounts, upgrades and other courtesies reserved by travel suppliers for professional travel agents who actively promote the suppliers’ services.

Card mills exist to sell, at a substantial price (often $495 or some amount intentionally set below the $500 threshold triggering application of FTC/state franchise and business opportunity disclosure laws), false identification that places into the hands of purchasers a device they are led to believe will deceive travel suppliers. The card mills promote themselves (in print and Internet advertising and, often,
through written scripts and audio-tapes used in word-of-mouth solicitation) by making exaggerated claims about the discounts or price advantages that so-called “independent agents” or “consultants” may obtain through use of the card.

In addition, some card mills emphasize the purchaser’s opportunity — reminiscent of classic pyramid and other illegal multi-level marketing schemes — to recruit other “agents” and earn fees for each recruit as well as each time the recruit books travel. In all cases, the primary theme and message of their promotions is that the purchaser can enjoy all the benefits and financial rewards of professional travel agents with no worry, no hassle and, above all, no work.

STATES THAT REGULATE TRAVEL SELLERS
Some states require registration of travel agencies and/or regulate how travel is sold. A list of states with “Seller of Travel (SOT)” laws follows below. If you decide to open an agency in one of these states, or even if you plan to sell travel to customers in one of these states, you will likely need to register.

- California - http://caag.state.ca.us/travel/index.htm
- Nevada - http://leg.state.nv.us/nrs/NRS-598.html

Once you become a member of ASTA, you can obtain access to detailed resources that will guide you through the regulatory process.

TRAVEL DISTRIBUTION SYSTEMS
If you plan to own and operate a full-service travel agency with an airline appointment, you will likely need to install a Global Distribution System (GDS). These systems facilitate the booking and selling of airline tickets, as well as many other products, including cars, hotels, cruises, trains and tours.

There are three major GDS vendors in the United States – Amadeus, Sabre and Travelport – that operate four different systems. You will need to contact them directly for price quotes and lease requirements. Vax VacationAccess is a reservation system primarily designed for the distribution of leisure-focused products.

- Sabre - http://www.sabretravelnetwork.com/home
RESOURCES

The following Web sites contain additional information about the travel agency industry. We encourage you to review these sites for news and information about the current state of the industry.

- **Travelport** - (Worldspan and Galileo): [http://travelport.com](http://travelport.com)

IS THIS THE CAREER FOR YOU?

The travel business is one of the largest industries in the world and offers many benefits to hard-working individuals. It can be demanding and requires a wide-range of abilities for success. However, a love of travel attracts many people to the field. To succeed, you must have a genuine desire to be of service. In addition, you are expected to be articulate, sales-focused and customer service oriented. To handle the technical aspects of their work, you must be organized, thorough and tenacious.

We hope this exciting industry is a match for you.

Regardless of where you start your career, remember ASTA and NACTA offer resources to help support you every step of your career. Learn more at ASTA.org and NACTA.org.
GLOSSARY OF COMMON TRAVEL AGENCY TERMS

A

Add-On - A tour option not included in the basic price.

Adventure Tour - A tour built around an activity, such as rafting or bicycling.

Air/Sea Package - A package offered by a cruise line that includes the cruise, airfare and transfers between the airport and the ship.

Airlines Reporting Corp. (ARC) - The U.S. airline industry organization which appoints travel agents in the United States and processes air travel sales. ARC issues the ID numbers termed “ARC numbers” to accredited U.S. agents, which are used by travel industry suppliers to track commission payment.

All-Inclusive - A tour product that includes all trip components, including meals, for a set price.

Amadeus - Amadeus is a Global Distribution System (GDS), which has its global marketing headquarters in Madrid, Spain, operations facilities in Erding, Germany, and customer support offices in Nice, France. Amadeus’ National Marketing Company (NMC) for the United States is located Miami and the bulk of their subscriber base was converted from the System One platform in 1997 and 1998.

American Plan (A-P) - Hotel stay including breakfast, lunch and dinner.

ARC Number - The 8-digit identification number assigned to accredited travel agencies in the United States by the Airline Reporting Corp. Travel agencies situated outside the United States are accredited by the International Air Transport Association (IATA), which issues a similar tracking number.

B

Back-Office Automation - Systems that computerize non-air booking functions including accounting and reporting. In many cases these systems interface with the front office systems and are used by many travel agents to process the weekly ARC sales report.

Back-to-Back Ticketing - The practice of booking two round-trip excursion tickets with overlapping Saturday night stays for the purpose of circumventing higher unrestricted fares.
**CDW/LDW** - Collision Damage Waiver/Loss Damage Waiver insurance for damage to a rented vehicle.

**Churning** - Repetitive or excessive booking and canceling of a reservation in a GDS to achieve productivity credit or to circumvent ticketing restrictions.

**City guide** - The tour guide of a city tour, usually a local resident.

**City pair** - The origin and destination airports.

**City tour** - A guided sightseeing trip through a city.

**Coach class** - Often used to describe the cabin or “economy” section of an airplane.

**Code-Sharing** - An agreement whereby one airline markets and sells the services of another airline. The “marketing carrier’s” name may appear on the ticket, however the service is actually provided by a separate “operating carrier.”

**Computer Reservation System (CRS)** – see Global Distribution

**Computer Reservation Terminal (CRT)** - A computer display terminal used to make travel reservations.

**Consumer Protection Plan (CPP)** - A tour operator-provided policy that provides compensation in case of a tour operator bankruptcy.

**Continental Breakfast** - Hotel stay including breakfast, typically consisting of bread, rolls, butter, jam and tea or coffee.

**Continental USA** - All areas in the 48 contiguous states and the District of Columbia.

**CRS** - Prior to the mid-1990s, commonly used to refer to airline-owned computer reservation systems used by travel agencies. Today, travel agency computer reservation systems are referred to as Global Distribution Systems (GDS) and the acronym “CRS” often refers to a vendor’s “host” or Central Reservation System.

**Cruise Line International Association (CLIA)** – The trade association of the cruise lines. CLIA also is a marketing association that promotes cruise vacations distributed through travel agencies.
**Cultural Tour** - A tour focused on interacting with and exploring a specific culture.

**CVB** - Convention and Visitors Bureau.

**D**

**Deregulation** - An Act of Congress which took effect in 1978 through which the former Civil Aeronautics Board lost direct responsibility for overseeing and assigning routes, frequencies and fares for the nation’s airlines.

**Direct Access** - A term used by global distribution systems to describe the mode of reservation processing in which the supplier’s reservation system provides a confirmation number within seven seconds of completion of the booking requests, and prior to the travel agent ending the booking transaction.

**Double Occupancy Rate** - The price based on two persons sharing a room.

**DRS (Direct Reference System)** - The section of each global distribution system containing specific supplier policies and a descriptive list of supplier services.

**Dynamic Packaging** - An online booking tool that can combine multiple travel components (typically air, car and hotel) in real time into a single, fully priced package (hiding the pricing of the individual components).

**E**

**Ecotour** - A tour designed to highlight the conservation of the environment.

**Escorted Tour** - A tour package that is lead by a tour director.

**F**

**Familiarization Tour** - A complimentary or reduced-rate trip for travel agents and/or airline employees that is designed to educate them on hotels or destinations with the purpose of increasing sales for that product. This is frequently referred to as a FAM or “fam trip.”

**F-I-T** – Flexible Independent Travel (FIT) refers to customized independent travel, domestic or international. Historically, FIT referred to Foreign Independent Travel.
Fly/Drive - A package that includes an air ticket and a rental car.

Frequent Traveler Program - A plan offered by some travel vendors to award bonuses, such as free or upgraded accommodation, to customers in order to encourage repeat use and build brand loyalty.

Front-Office Systems - Travel agency reservation systems commonly referred to as GDS or CRS.

Full board - Hotel stay including three meals (breakfast, lunch and dinner).

Galileo – A GDS under the Travelport portfolio.

Global Business Travel Association (GBTA) - The trade group representing corporate travel managers.

Global Distribution System (GDS) – An automated reservations system that travel professionals use to perform a variety of travel functions including air, hotel and car rental reservations. GDS is sometimes referred to as a Computer Reservations System (CRS). Several GDS' provide their services to users worldwide (e.g., Amadeus, Travelport, SABRE), while others provide regional or national coverage.

Government Travel Request (GTR) – A form of payment used by some government agencies to pay for official government air travel.

Half Board - Hotel stay including breakfast, and either lunch or dinner.

High-Season Supplement - Additional charge that applies during high season.

Hosted tour - A group tour met at the destination by a representative of the tour operator.

IAR (Interactive Agent Reporting) - Interactive Agent Reporting (IAR) is the electronic sales reporting system from the Airlines Reporting Corp. (ARC).

IATA Number - The membership identification number assigned to accredited travel agencies located outside of the United States. IATA numbers identify a travel agency to hotels and car rental companies.
so that applicable booking commissions are paid. Travel agencies in the United States are accredited by the Airlines Reporting Corp., which issues a similar number.

**Inbound Operator** - An operator that handles travel arrangements at a destination. Also known as a receptive operator.

**International Air Transport Association (IATA)** - The trade association of domestic and international airlines. IATA operates as a supra-national organization proposing rates, condition of service, safety standards, and provides the mechanism which makes the unified system of air transportation possible. IATA appoints retail travel agents and operates the ticket settlement system for travel agencies located outside the United States.

**International Airlines Travel Agent Network (IATAN)** - A wholly owned subsidiary of the International Air Transport Association. IATAN offers a travel agency ID card to accredited travel agency members in the United States.

**Local Host** - A representative of the tour operator who provides assistance at a destination.

**M-C-O (Miscellaneous Charges Order)** - An electronic ARC form that can be used to process tour payments with some tour operators. MCOs are generally used to process cash sales through the agent’s ARC report.

**Meet-and-Greet Service** - A service that assists travelers upon arrival with entrance formalities, baggage handling, transportation and orientation.

**Modified American Plan (MAP)** - Hotel stay including breakfast and dinner.

**Negotiated Rate** - A term used to describe rates negotiated by a hotel company with a specific client.

**Net Rate** - A wholesale rate exclusive of commissions.
Official Airline Guide (OAG) - A listing of airline flights and schedules produced and published by the Reed Travel Group.

Open Jaw - A triangular itinerary where only two legs are ticketed.

Other Supplemental Information (OSI) - A PNR field used to provide additional passenger information to the airline.

Overbooking - A condition that exists when a vendor sells more inventory (e.g. air, hotel, car, etc.) than is available.

Override - Additional commission paid to agents as a bonus for productivity and/or volume.

Package - Any combination of more than one component, such as a hotel room and an air ticket, which is sold as one product.

Passenger Name Record (PNR) - The GDS file that contains information about a passenger’s travel plans, including name, contact information, flight itinerary, hotel booking segments, car rental booking segments, and related details.

Passenger Space Ratio - The number of gross registered tons of a ship divided by the total passenger capacity.

Passenger To Crew Ratio - The number of passengers divided by the total number of crewmembers on a cruise.

Passive Segment - A segment booking entered in the GDS for the purpose of ticketing or record keeping for which an identical booking has already been made in the carrier’s reservation system.

PAX - A term used by airline employees to refer to a passenger or passengers.

Period Ending Date (PED) – An acronym for the closing date of the ARC reporting period (always every Sunday).
**Porterage** - Baggage handling service.

**Pseudo City Code (PCC)** – A GDS identifier that distinguishes one travel agency location from another, generally a three- to five-character code (alpha, numeric, or combination), depending upon the GDS.

**Queue System** - Computerized file or address in GDS. GDS users (travel agents, hotel companies, etc.) are provided with queues, identified by a queue address, to which messages are delivered.

**R**

**Receptive operator** - Companies engaged in the management of receptive tour services, such as local transportation, transfers and tours.

**Regional Carrier** - As defined by the DOT, an airline with annual revenues of less than $100 million.

**Rule 240** - Airline defined rules regarding passenger rights in the event of a schedule irregularity or force major event.

**S**


**SI Field** - The “special information” field in a GDS hotel reservation in which a travel agent communicates special requests such as non-smoking rooms, corporate rate number and arrival time to a hotel.

**Single Room Supplement** - The additional amount due for not sharing a hotel room.

**Special Service Request (SSR)** - A PNR field designed to request special passenger services from the airline using commonly accepted four character keywords.

**Special-Event Package** - A package designed around a specific event, such as a sporting event. These packages typically include a ticket to the event.

**Spring Break Package** - A package specifically marketed to budget-conscious students for travel in the spring.
Terms & Conditions (T&C) - The tour contract that specifies the terms and conditions of a purchase. It typically contains a tour operator’s voluntary cancellation and change policies.

Tour Operator Program (TOP) - Developed by ASTA as a marketing program for ASTA member tour operators. TOP tour operators must meet requirements set by the TOP program.

Tour Operator - A company that develops, markets and operates vacation packages that contain two or more components (e.g. air, hotel, car, transfers, etc.) and are sold as one price.

Transfers - Arrival and departure transportation service that provides transportation between the airport, rail station, cruise terminal and hotel.

Travel Agent Service Fee (TASF) - An ARC program that travel agents use to process service fees through ARC.

Travel Agent - Sells retail travel services, including tour packages, to consumers.

Travelport – Headquartered in Atlanta, Travelport is the parent company of Galileo and Worldspan.

Trip Cancellation Insurance/Travel Insurance - Optional insurance that provides travelers a refund in the event he/she cancels the trip for reasons covered within the policy. Insurance policies typically include coverage for emergencies such as illness, baggage loss, and accidental death/dismemberment.

Voucher - A document issued by the tour operator to be exchanged for a specific service (e.g. hotel, transfer, etc.).

World Tourism Organization (WTO) - Formerly the International Union of Official Travel Organizations, now a United Nations affiliated organization of government tourist offices.

Worldspan – Now part of Travelport, Worldspan is the Atlanta-based GDS formed by the merger of the PARS and DATAS II GDSs in February 1991.
Yield Management - The practice of controlling the supply and price of airline, hotel or car rental inventory to achieve maximum revenue.
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