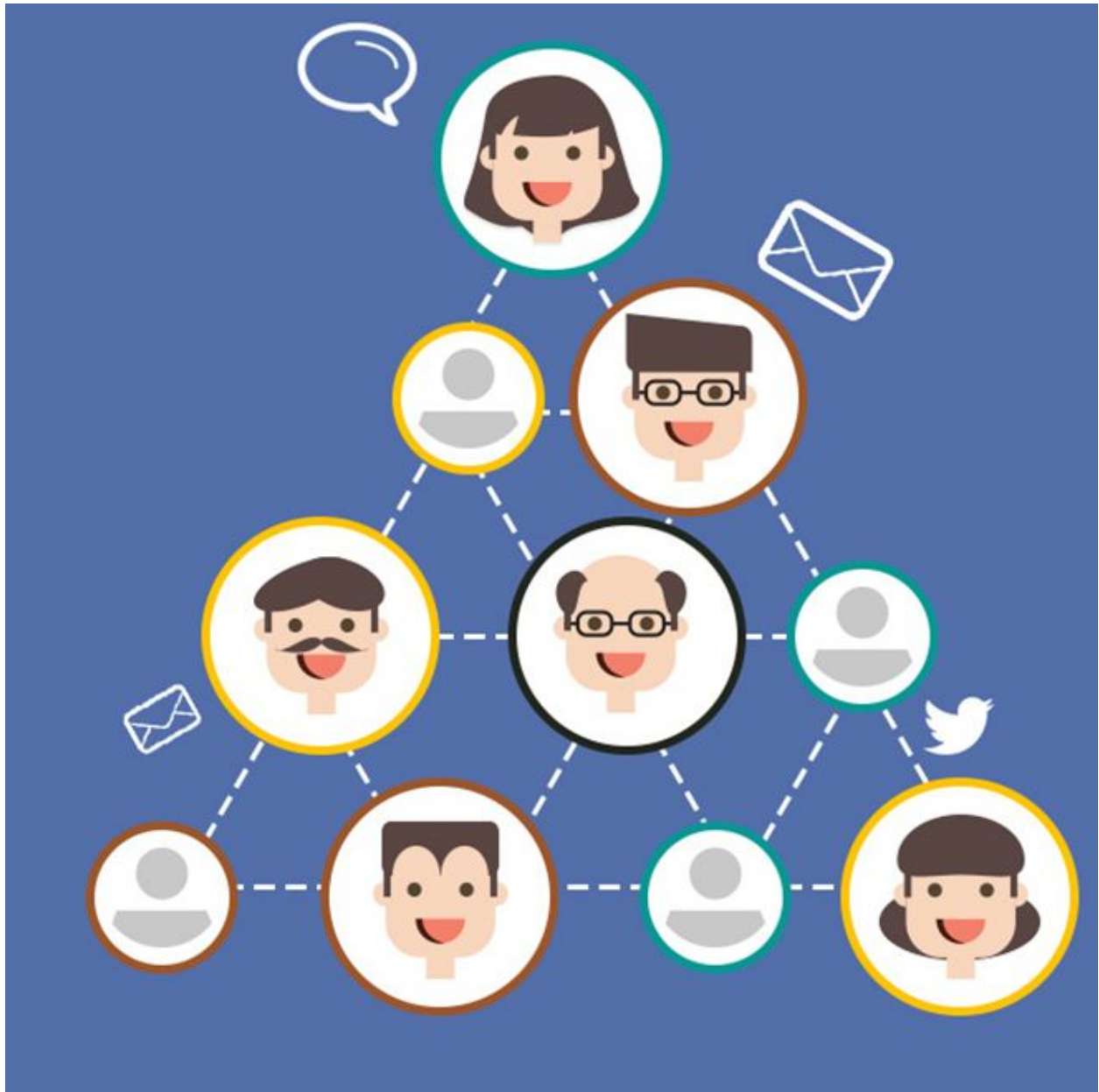


A Simple Guide to Marketing Like an Online Travel Agency



Do you ever feel like there's not enough time in the day for you to market your business properly?

If you said "yes", you're not alone. Email service provider, Aweber, conducted a survey and found that 91% of small business owners fulfill the marketing function for their company yet many of them spend [less than 2 hours per week](#) on actual marketing through their various channels.

If you feel like you're in the same boat you might be happy to learn that you could get help with your marketing efforts from an entire network of people, and the great part is you only have to pay them when they perform.

It's called affiliate marketing and with the right tools, getting started is easier than you think.

In the following paragraphs you'll learn more about affiliate marketing, how it relates to the travel industry, and how you can leverage affiliates to sell your products for you.

What is affiliate marketing?

Wikipedia defines [affiliate marketing](#) as "performance-based marketing in which a business rewards one or more affiliates for each customer brought by the affiliate's own marketing efforts."

To be clear affiliate marketing isn't a new concept for the travel industry though it may go by many different names. Technically, any travel agent who resells your products and services would be considered an affiliate.

The concept of affiliate marketing (as it exists on the internet) is relatively new. Originally introduced in 1994, it wasn't made popular until 1996 when Amazon introduced their Amazon Associates program.

Today affiliate marketing is really hitting its stride. As far back as 2006 [Marketing Sherpa](#) estimated that affiliates earned 6.5 billion dollars in commissions worldwide. In addition, if you consider that in 2013 leisure travel sales (via digital channels like desktop and mobile) [accounted for \\$126 billion](#) in the United States alone the opportunity for affiliate marketing in the travel sector is huge.

How does it work?

Essentially your affiliates are given a unique way of tracking any sales they refer to your business. This allows them to refer sales to you at scale, rather than having to call, fax, or email you with each sale.

In order to track sales referred to you, you need special technology to attribute the sale to the proper affiliate.

Developing the technology to track sales from affiliates can be costly and time consuming so it makes sense to either partner with an affiliate network or use a [reservation system](#) that has built in affiliate tracking technology. I recommend doing both.

Should you decide to use an affiliate network it's best to start with one that's been around for a while. Here are a few affiliate networks that have stood the test of time:

- [Commission Junction](#)
- [ShareASale](#)
- [Linkshare](#)

The above networks are used by brands both small and large. In fact, online travel agency [Expedia](#) uses Commission Junction and [Viator](#) uses ShareASale for their respective affiliate programs.

Pros & Cons of using an affiliate network

Vetting new affiliates, managing existing affiliates, building the technology to track their sales, and handling accounts payable can become a very time consuming process. For that reason many companies turn to affiliate networks to run their affiliate programs.

In exchange for managing your affiliates end to end they take a small cut of the commission for themselves.

The pros of working with an affiliate network are that you don't have to do as much set up and maintenance of your affiliate network.

The cons are that it can be slightly more expensive when compared to managing your affiliates yourself. However when you take into account the cost of creating the tracking technology, and managing accounts payable, plus vetting affiliates the costs can balance out.

The biggest downside to working with an affiliate network is you really don't have much control over how your affiliates are promoting your products and representing your brand. If an affiliate is over promising on the services you'll deliver or using aggressive tactics it can hurt your brand more than it can help.

How it fits in with the travel industry

Affiliate marketing and the travel industry actually go hand in hand since it seems like people have been reselling travel products since the beginning of time.

Consumers tend to prefer to purchase products directly from the brands that created them and they can sometimes be weary of purchasing from resellers for a variety of reasons.

Fortunately when it comes to travel products consumers are accustomed to the same product being sold by multiple resellers across multiple websites. In fact, consumers are so used to

shopping around for travel products that in a recent survey [37% of respondents](#) said the reason why they abandon their shopping cart is to compare prices on other websites.

Not only do consumers not have a problem purchasing travel products from resellers online but they also don't mind purchasing them from travel agents as well. A survey by Consumer Trends found that [13% of escorted tours were booked through a travel agent](#). While this may sound small in comparison to direct bookings, keep in mind that consumers who booked through a travel agent took longer trips and spent more money.

Is it right for your business?

When deciding if creating an affiliate program is right for your business you want to take a couple of things into consideration. Ask yourself, does it fit in with your overall business goals and marketing strategy?

Is your goal to be the biggest tour operator in your city? Or do you want to be the biggest tour operator in your region?

If you have goals of being a major player in your region you'll need to include sales and marketing into your overall strategy. Fortunately, the best way to scale your marketing is with affiliate partnerships. Even with your own sales and marketing team you may not be able to see the benefits you would get from a team of affiliates who each have their own marketing skills and list of clients.

Likewise, If you're happy with owning the market in your city then you might want to grow slow and steady. Focus on giving great service and rely on referrals from your customers and word of mouth marketing.

The last thing you want is to hurt your business's reputation because you got more bookings than you could handle and you weren't able to [give each customer a great experience](#).

Should you decide to move forward with an affiliate program you'll want to make sure you can dedicate some resources to managing and growing your affiliate business.

How to get started

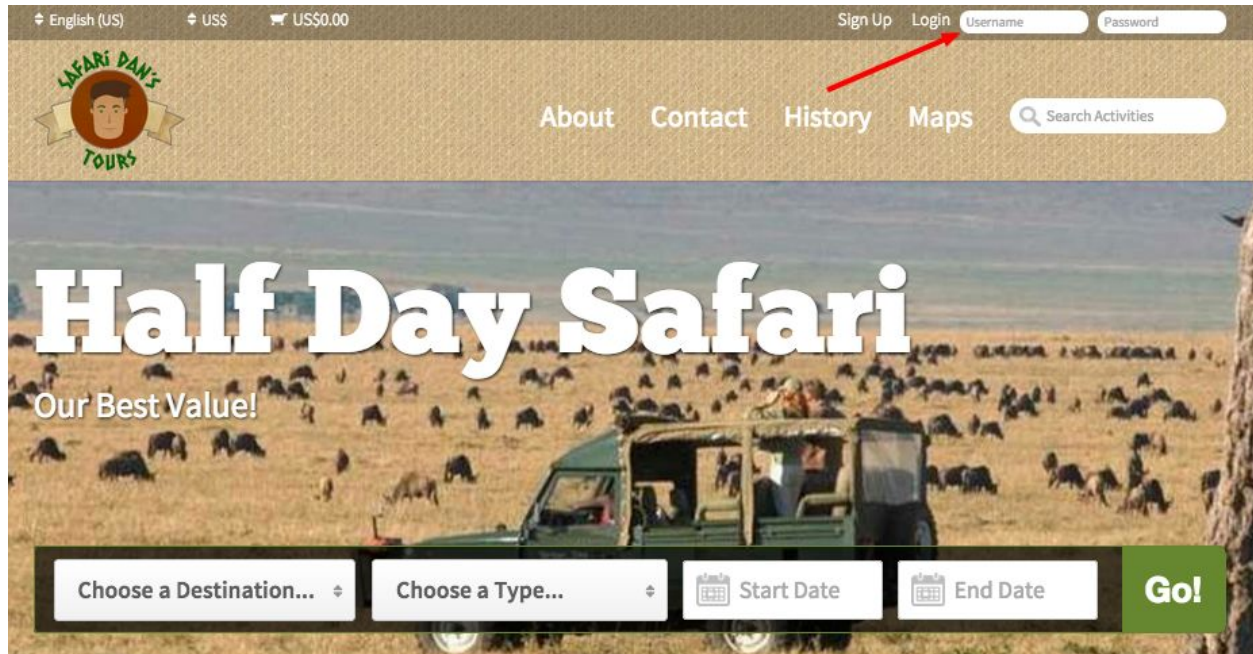
There are a couple ways you can get started in creating your own affiliate program. You can partner with an affiliate network to manage everything for you, or you can manage your own program as long as you have [affiliate tracking technology](#) built into your reservation system. I recommend doing both as they will likely compliment each other.

If you decide to partner with one of the affiliate networks I've mentioned above it's as simple as signing up on their website and setting up your account. You set the terms and upload any ads or special promotions for the affiliates on that network to use.

If you decide to manage your own affiliate program you can do this easily within ActivityRez. it's as simple as creating a new company within [our Marketplace](#) and setting up the commission percentages that you'll give affiliates from that company when they sell each of your products.

You can set up the user accounts for each of the affiliates within that company yourself or they can sign up on their own via your website.

Once they're set up all they have to do is log in using the travel agent log in feature that's built into your website and the system will automatically track every booking they make on your behalf.



Your affiliates can view their potential commissions and commissions earned at any time so it's completely hands off for you. Each month we'll automatically email you an accounts payable report so you know how much commission to pay your affiliates.

Ensuring success with affiliate marketing

As with any other marketing campaign the amount of time and effort you invest in growing your affiliate program will directly correlate with the amount of success you have.

That being said here are a few basic things you can do to ensure the success of your affiliate program:

1. Offer competitive payouts- At the very least you should be paying a commission rate that is on par with the industry. If you're not sure what's a good commission percentage to pay your affiliates, sign up for the free affiliate programs that Expedia and Viator offer to see what commission percentages they offer their affiliates.

Keep in mind they are reselling other activity supplier's products so their margins will be smaller than yours. This means you should be able to match similar commission percentages at the very least...if not offer higher commission rates.

2. Make timely payments - Create transparent payment terms for your affiliate partners and commit to a payment schedule. If your affiliates are unsure about when they can expect to receive payment for commissions earned or worse yet, they receive their commissions late, they may send business elsewhere.

For example, you could pay your affiliates 30 days after you have fulfilled the booking for the consumer, this will help minimize any potential losses you might have from cancellations or chargebacks.

3. Reduce friction - The easier it is for affiliates to promote your products the more likely they are to give you business. Help them with their sales and marketing efforts by doing part of their job for them.

You could:

- Create banner ads they can use on their website or give them marketing collateral that they can use when corresponding with their clients. This is the same strategy [Groupon used to grow their business](#).
 - Keep your affiliates in the loop when you launch new products and special deals by sending out a regular email newsletter.
 - Create unique discount codes for your affiliates to use to create urgency for their clients to book with you.
4. Network - To grow your affiliate program you always want to be onboarding new affiliates. You can do this by attending industry events or events for affiliate marketers like [Affiliate Summit](#) or the [USTOA annual conference](#).
 5. Build relationships - After you've onboarded new affiliates take an active role in helping them succeed. Reach out to them regularly to find out if they're having any trouble selling your products. Solicit their feedback and come up with strategies to help them drive more sales.

Show them that you genuinely [care about their success](#) and they'll continue to refer customers to your business.

Conclusion

While this isn't a comprehensive guide on affiliate marketing it should help get some ideas flowing about how you can leverage affiliates to sell your products for you.

By now you should have a good understanding of what affiliate marketing is and if it will work for your business. Most importantly, I hope I've shown you that it's easy to get started creating your own affiliate marketing campaign and hopefully I've given you some ideas on how you can use this marketing channel to continuously drive sales for you far into the future.