

ASTA Releases 2007 Service Fee Report

2008-09-17

Since 1999, the percentage of agencies that collect any type of services fee has increased steadily and now has plateaued in the mid-90 percent range. A key finding of the survey is the continued expansion of service fees collected beyond just those for air bookings.

Half of respondents now have service fees for hotel, rental car, trip planning and rail tickets, whereas just three years ago, less than a third of agencies charged service fees for any of these segments.

"As ASTA's research shows, there is pressure on all sides to cut costs and increase revenue whether you're talking about travel agencies or suppliers. Changes in market forces, for example, have caused many travel agencies not only to increase the amount they charge in service fees, but additionally to widen the number of services for which they are charging these fees," said ASTA President and CEO Chris Russo.

This is the only report of its kind that looks at service fee changes by travel segment, changes in agent compensation, internal service fee processes, and service fee collections from an agency point of view.

Among the findings:

œ 20.7 percent of agencies reported increasing their service fees for air in 2007.

œ Rail bookings, trip planning and air, hotel and car rental packages are the non-air travel services most likely to have fees.

œ 10.7 percent of agencies derive at least 50 percent their income from service fees.

œ 44.4 percent of respondents expect to make changes in their service fees in 2008.

œ 35.4 percent of those planning to make changes will be adding additional fees.

œ About half of the responding agencies selected "Charge no fee, work solely on commissions paid by vendors" as the best revenue model for leisure travel services.

œ More than 60 percent of agencies are charging trip planning and consulting fees.

The ASTA Research Family is comprised of a representative sample of ASTA member travel agency owners and managers. The report indicates a 95% confidence with an error rate +/- 5.1%.

Premium Members will receive this full report for free and travel agent members will receive a free two-page summary, but can also purchase the entire report for \$350. The cost for ASTA member suppliers is \$550 and \$750 for non-members. For additional information, please contact Melissa Teates at mteates@asta.org or visit the research page on ASTA.org.

This article comes from Hotel News Resource

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