

TIPS TO STARTING A TRAVEL AGENCY

The ASATA Guide offers an overview as a starting point for aspiring travel entrepreneurs looking to start a travel agency in South Africa. It outlines essential steps, considerations, and industry requirements to build a credible and successful travel business.

ASATA

ASSOCIATION OF
SOUTHERN AFRICAN
TRAVEL AGENTS AND ADVISORS



TIP 1

Define Your Travel Business Model & Niche

- Decide what type of travel business you want to operate:
 - ✓ Travel Agency (Booking & Reservation Services)
 - ✓ Travel Consultancy/Advisor (Custom Itineraries, Travel Advice)
 - ✓ Tour Operator (Guided Tours, Experiences)
 - ✓ Travel Marketplace (Connecting Travelers with Providers)
 - ✓ Online Travel Services (Website/App for travel booking and planning)
- Consider a niche: Adventure travel, luxury travel, wellness retreats, eco-tourism, business travel, etc.

TIP 2

Conduct Market Research & Competitor Analysis

- Study current market trends and customer preferences.
- Identify competitors, their services, pricing, and marketing strategies.
- Define your Unique Selling Proposition (USP) that differentiates your business.

TIP 3

Fulfil any Legal Requirements & Qualifications

- As the business owner or manager, you may require a financial background with an understanding of setting up a business and the various requirements, including compliance with the Laws and Acts of the Republic of South Africa related to business.
- Register your business and open a business bank account.
- If you wish to issue your own air tickets, contact IATA (International Air Transport Association) to apply.
- Consider joining ASATA for credibility and benefits.
- You might also want to consider joining one of ASATA's leading travel consortiums. They offer strong buying power with travel products and service providers and give your business brand credibility. Most provide access to the necessary technology, training and development, as well as marketing and a network support.
- If you employ staff for your travel business, it is recommended that a travel consultant has a certificate in general travel or if possible, a tourism related certificate, diploma or degree and a Matric, 'Grade 12' with mathematical and literacy acumen. If consultants are issuing air tickets and making reservations, they should have completed one of the GDS courses with Amadeus, Travelport or Sabre. Many of travel consultants have several years of experience and have continuously upgraded their skills and competencies. It is recommended that to be a travel consultant, they should have excellent geographical and product knowledge in to service the client's travel requirements.

TIP 4

Set Up Technology & Tools

- Secure access to a CRS (Central Reservations System) or GDS (General Distribution Systems). The leading GDS in South Africa are Amadeus, Travelport (Galileo) and Sabre.
- Establish booking systems, CRM tools, and customer support systems.

TIP 5

Establish Partnerships & Supplier Relationships

- Build relationships with airlines, hotels, transport services, and local tour operators.
- Negotiate contracts and agreements (Service Level Agreements) where necessary.



TIP 6

Customer Experience & Support

- Provide top-notch customer service and personalised experiences.
- Develop clear Terms & Conditions and booking policies.
- Ensure robust customer support systems are in place.

TIP 7

Financial Planning & Management

- Keep track of expenses, revenue, and profits.
- Remember you are acting as an intermediary and your customers entrust you to disperse the monies paid to you, to the relevant service providers you are booking for them.
- Monitor cash flow and optimise profitability.
- Continuously update your business plan and adjust strategies as your business grows.

A few more questions and suggestions

Do you know the steps and processes needed when offering and booking travel itineraries, including business and leisure trips, cruises, accommodation, car rental and air?

Do you understand the rules and regulations and terms and conditions included in these various processes and transactions?

What insurances and legal structures have you put in place to protect your business and your clients?

Are you aware of the various Laws and Acts governing business, for example, the CPA, Protection of Personal Information Act, Corporate Governance, etc. and more specifically the IATA Resolutions that govern the agency programme, should you become an IATA accredited agent?

If you consider membership of ASATA, you need to familiarise yourself with ASATA's membership requirements, which include but are not limited to presenting annual financials, that you can show that you have been operating for at least one year, adhere to our various criteria, our financial guidelines, the ASATA corporate identity, the Advertising Standards Authority Guidelines.

Disclaimer: Please note that this is a very brief outline of the requirements for starting a travel business. It is by no means a full guideline, legally binding or cast in stone. It merely guides you when setting up a travel agency, either as a small business, or for an independent consultant or when joining a consortium or franchise. It is up to you to make the necessary contacts and have the various systems in place. Plus, if you join a consortium, franchise or business managing corporate travel or independent consultants, you will need to ascertain their requirements and adhere to their specific service level agreements. We reserve our rights.



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