ASTA Agency Sales & Revenue Trends

Comparison of Full Year 2014 with Full Year 2013

ASTA Travel Agency Benchmarking Series

February 2014

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Slide Contents

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Introduction

ASTA surveyed ASTA agency members in January-February 2015 asking them to compare their full year (FY) 2014 performance against their full year (FY) 2013 performance. Agencies specifically compared their revenue, transaction volume, number of clients and sales per travel segment in 2014 to their performance in 2013. Additionally, they were asked to estimate how profitable they were in 2014 and estimate their 2015 profits.

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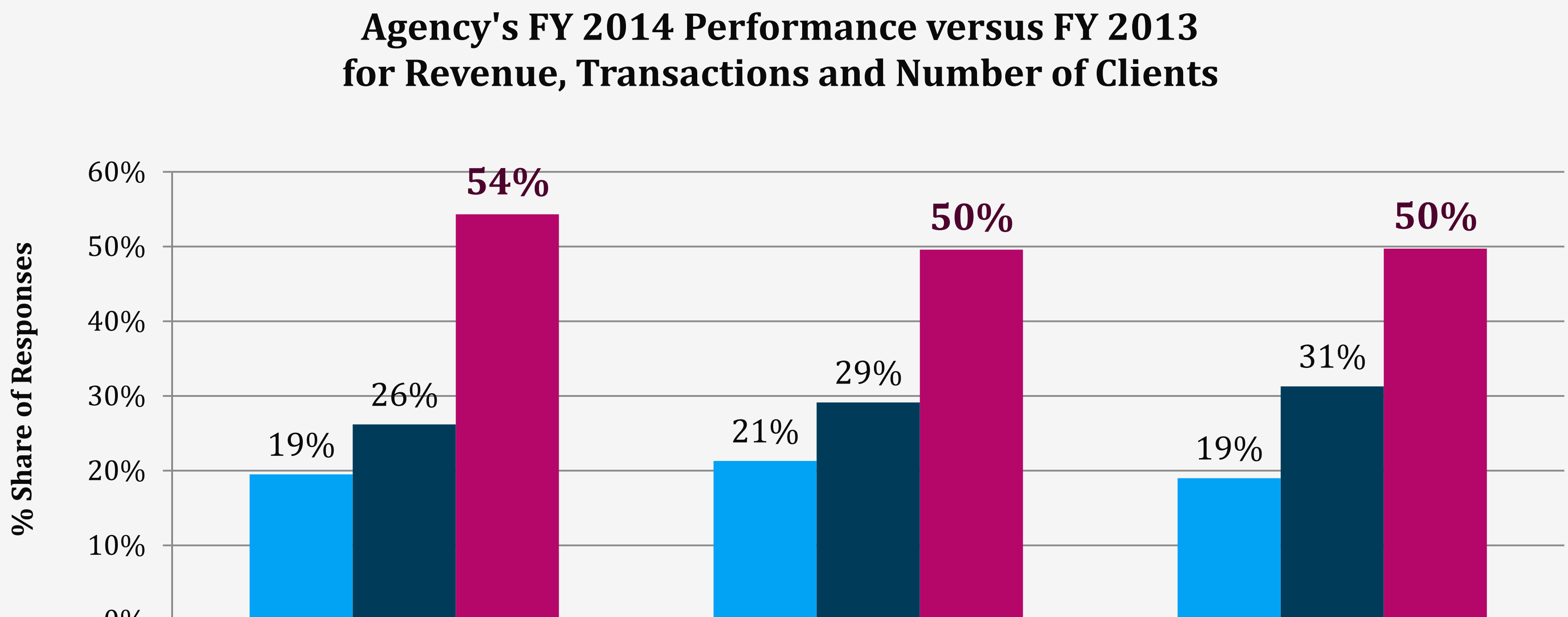
Largest Percentage of Agencies Reported an Increase in Revenue, Transactions and Number of Clients



	Revenue	Transactions	Number of Clients
Decrease	19%	21%	19%
Same	26%	29%	31%
Increase	54%	50%	50%

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Most Agencies Saw Increases "Under 10%" or Performed the "Same"

Agency's FY 2014 Performance versus FY 2013 for Revenue, Transactions and Number of Clients

	Decreased > 25%	Decreased 10%-25%	Decreased <10%	Same	Increased <10%	Increased >10%
Revenue	2%	3%	14%	26%	31%	24%
Transactions	4%	4%	14%	29%	25%	25%
Number of Clients	4%	2%	13%	31%	27%	23%

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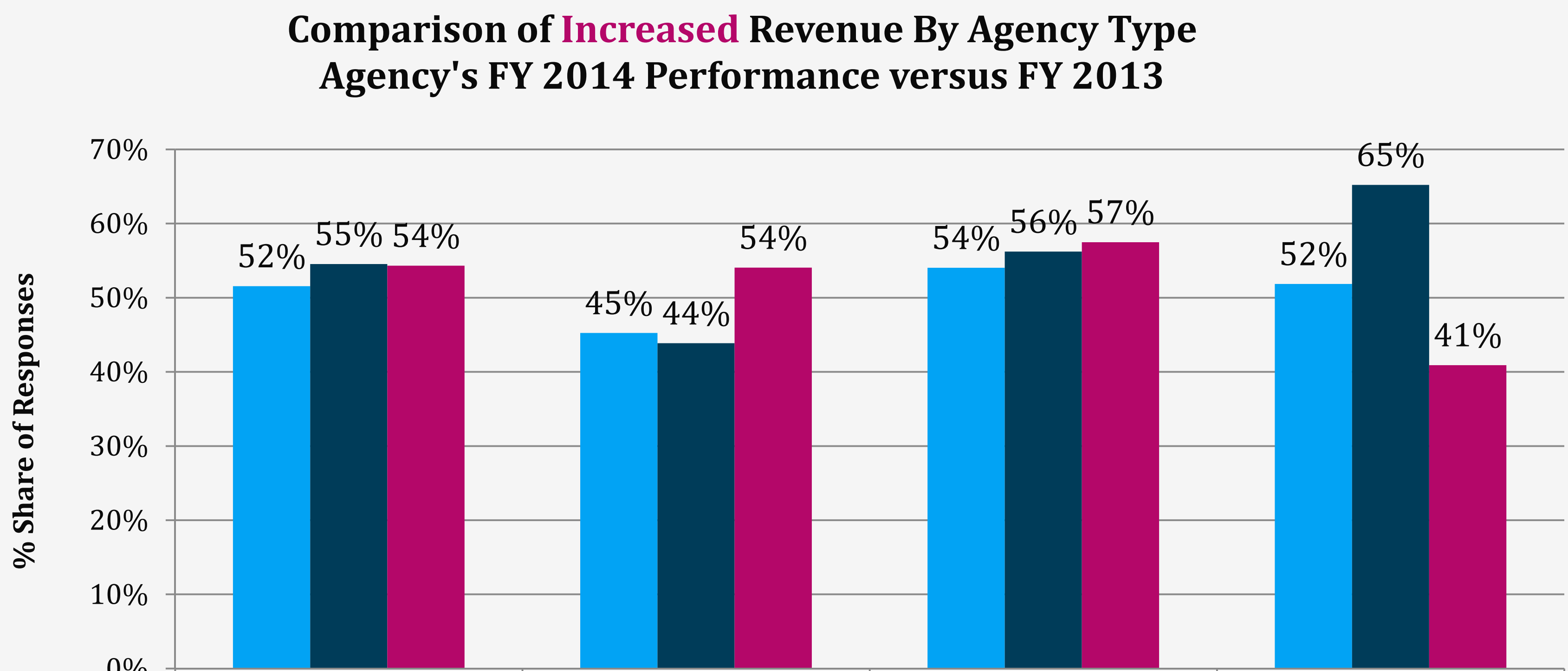
Corporate Agencies Show Much Variability in Performance – While Retail Leisure Remains Steady



	ALL Agencies	Independent Agent (incl. ICs)	Retail Leisure Agency (70%+)	Corporate Agency (70%+)
2012 Revenue	52%	45%	54%	52%
2013 Revenue	55%	44%	56%	65%
2014 Revenue	54%	54%	57%	41%

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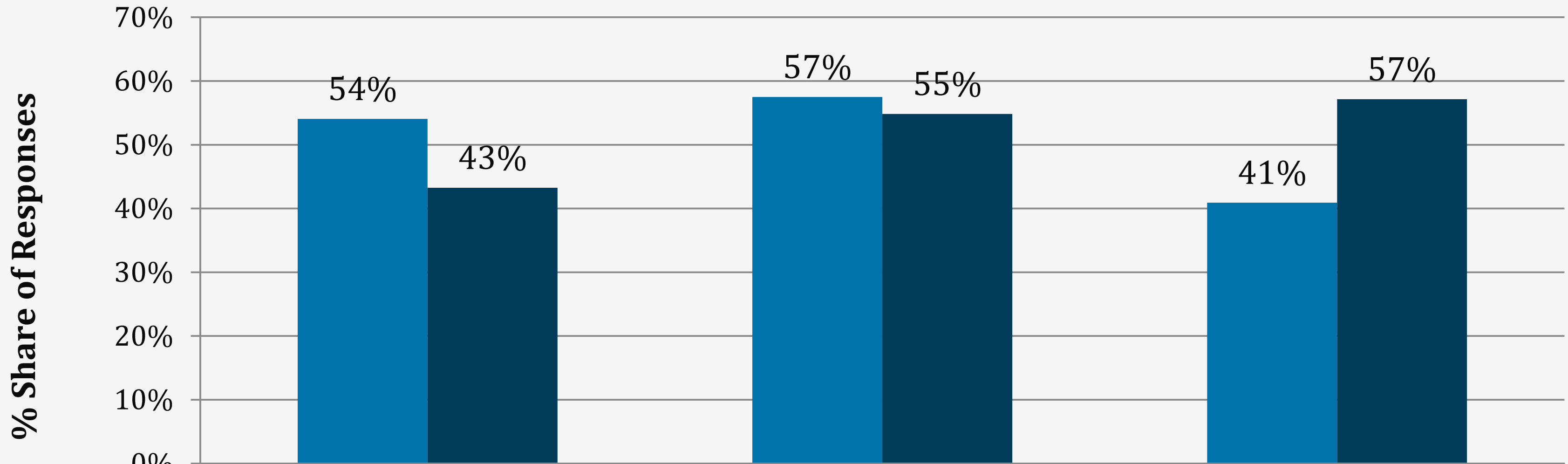
Relation of Clients and Revenue Is Opposite for Corporate Agencies Compared to Independents and Retail Leisure Agencies

More corporate agencies reported an increase of clients compared to revenue suggesting that a larger client base did not translate to on par revenue growth in 2014.

Increased Revenue Compared to Increased Clients By Agency Segment



	Independent Agent (incl. ICs)	Retail Leisure Agency (65%+)	Corporate Agency (65%+)
Revenue	54%	57%	41%
Number of Clients	43%	55%	57%

■ Revenue ■ Number of Clients

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All Eight Agency Segments Performed Well with Most Agencies Saying Sales Were the Same or Increased

Agency's FY 2014 Sales Performance versus FY 2013 Sales Performance By Travel Segment

	Decrease	Same	Increase
Insurance	10%	36%	**54%**
Tour/ Group	14%	34%	**52%**
FIT	10%	39%	**51%**
Cruise	21%	36%	**43%**
Hotel	14%	**53%**	34%
Air	25%	**48%**	27%
Car Rental	25%	**59%**	16%
Rail	28%	**64%**	8%

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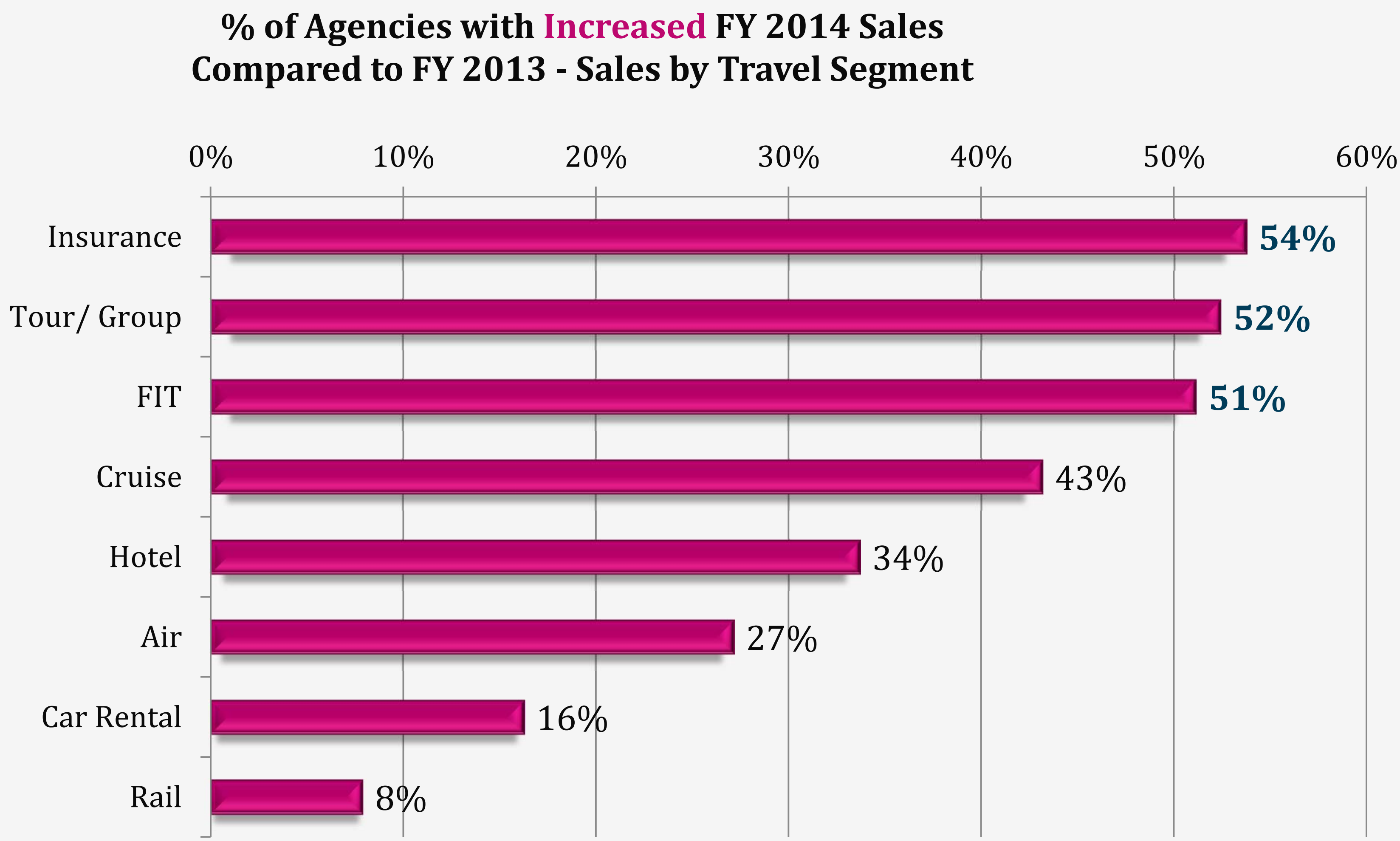
Agencies Reported the Largest Increase for Insurance, Tour/Group Sales and FIT



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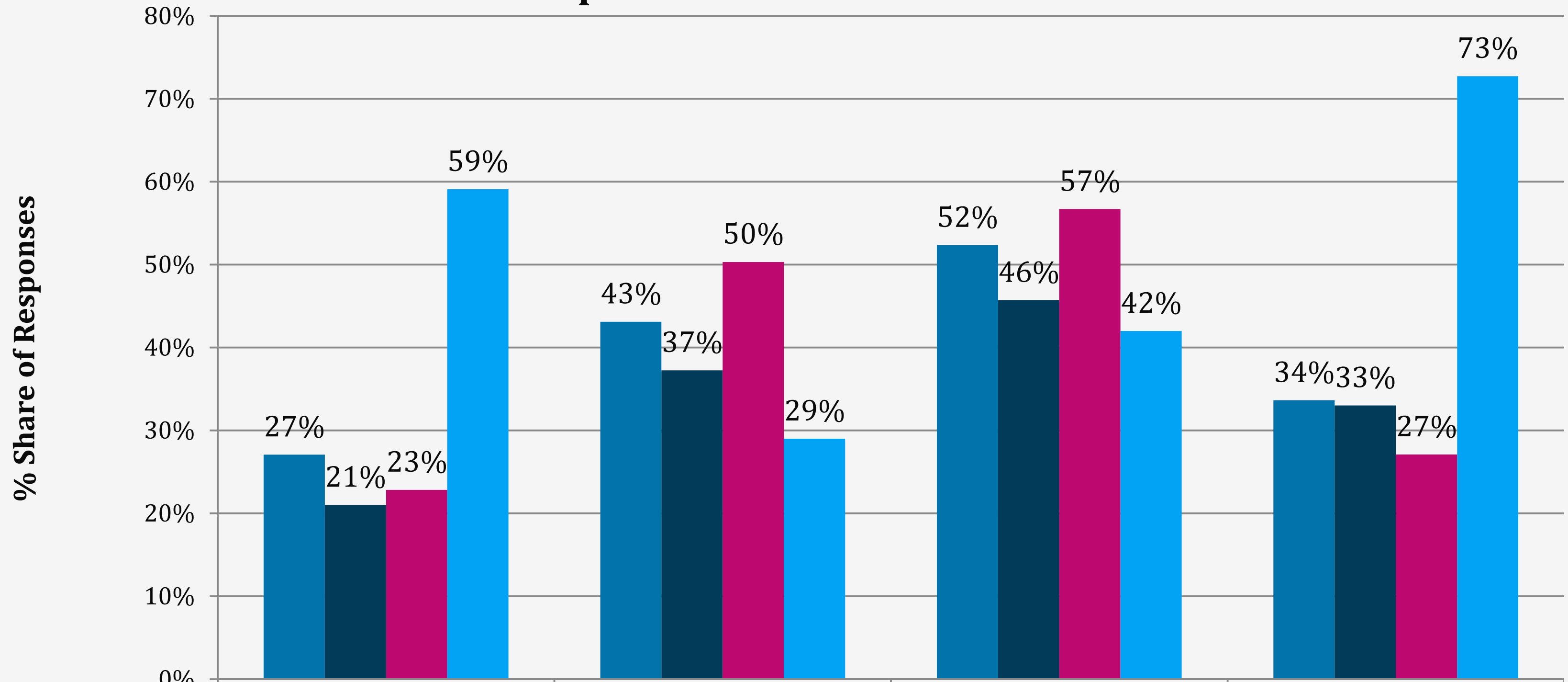
Increased Sales Varied Greatly Based on Agency Type

Comparison of Increased Sales by Agency-Type
FY 2014 compared to FY 2013



	Air	Cruise	Tour/ Group	Hotel
ALL Agencies	27%	43%	52%	34%
Independent Agent (incl. ICs)	21%	37%	46%	33%
Retail Leisure Agency (65%+)	23%	50%	57%	27%
Corporate Agency (65%+)	59%	29%	42%	73%

■ ALL Agencies ■ Independent Agent (incl. ICs) ■ Retail Leisure Agency (65%+) ■ Corporate Agency (65%+)

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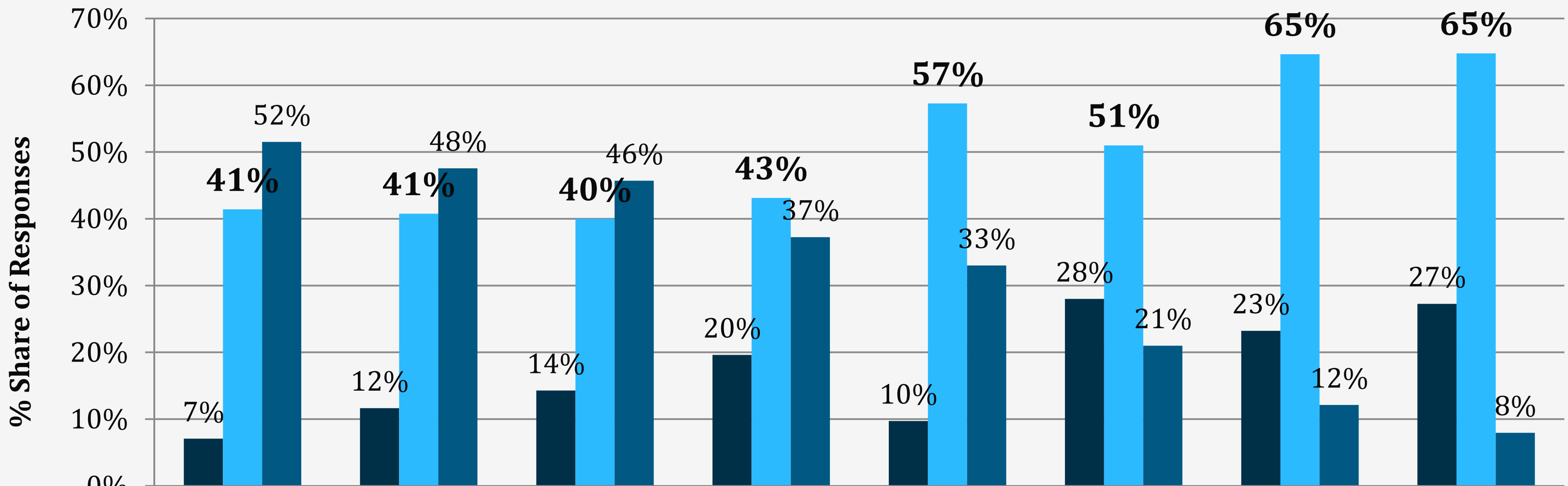
Most Independent Agents Reported Sales Remaining the Same with the Exception of Insurance, FIT and Tour/Group

Independent Agents Sales by Segment
FY 2014 compared to FY 2013



	Insurance	FIT	Tour/ Group	Cruise	Hotel	Air	Car Rental	Rail
Decrease	7%	12%	14%	20%	10%	28%	23%	27%
Same	41%	41%	40%	43%	57%	51%	65%	65%
Increase	52%	48%	46%	37%	33%	21%	12%	8%

■ Decrease ■ Same ■ Increase

Note: Independent Agents includes Owner-Agents, Independent Contractors (ICs), and Hosted Agents. They do not have employees or ICs. All agencies with employees or ICs are included in Retail Leisure.

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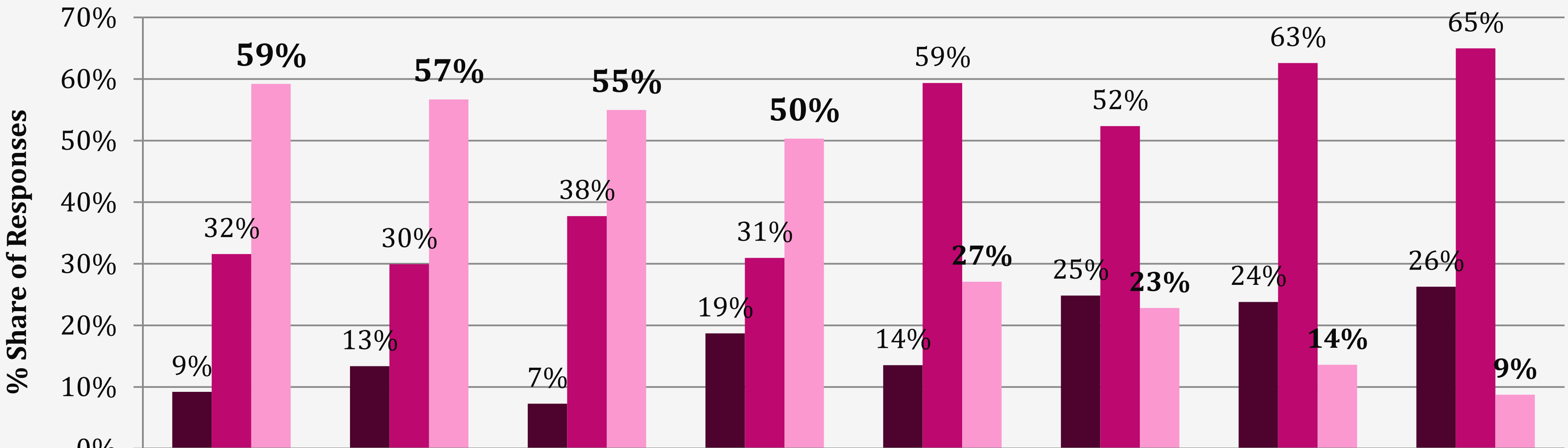
Most Retail Leisure Agencies Saw Increased Sales for Insurance, Tour/Group, FIT and Cruise

Retail Leisure Agency Sales by Segment
FY 2014 compared to FY 2013



	Insurance	Tour/ Group	FIT	Cruise	Hotel	Air	Car Rental	Rail
Decrease	9%	13%	7%	19%	14%	25%	24%	26%
Same	32%	30%	38%	31%	59%	52%	63%	65%
Increase	59%	57%	55%	50%	27%	23%	14%	9%

■ Decrease ■ Same ■ Increase

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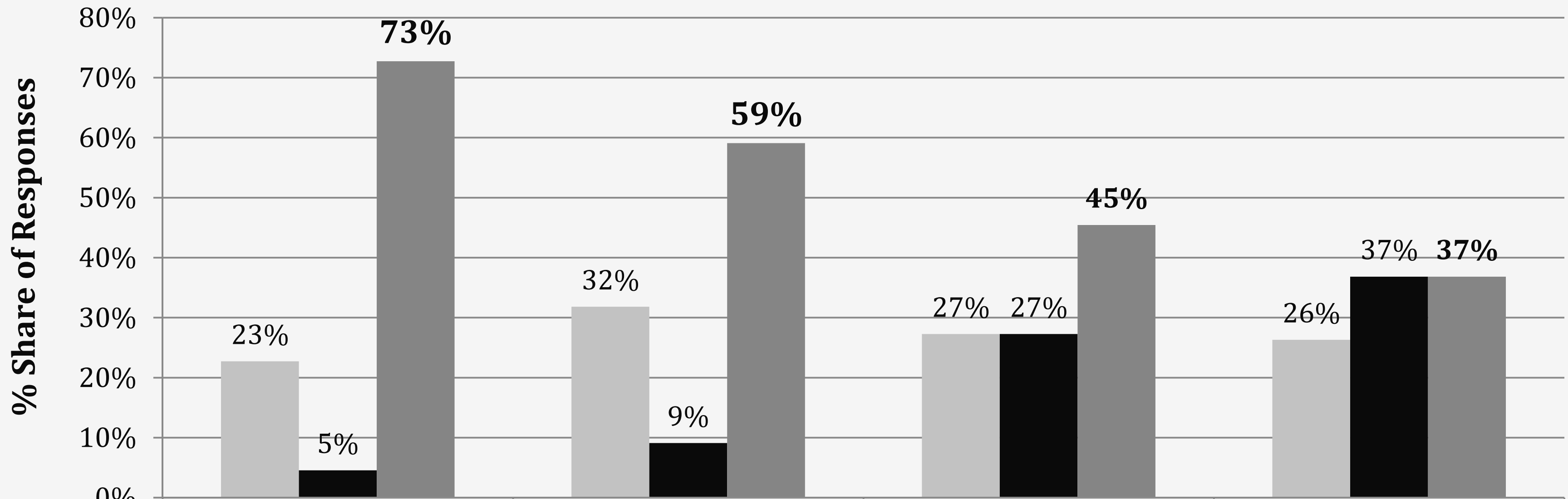
Air and Hotel Sales Increased for the Majority of Corporate Agencies



	Hotel	Air	Car Rental	Insurance
Decrease	23%	32%	27%	26%
Same	5%	9%	27%	37%
Increase	73%	59%	45%	37%

Decrease Same Increase

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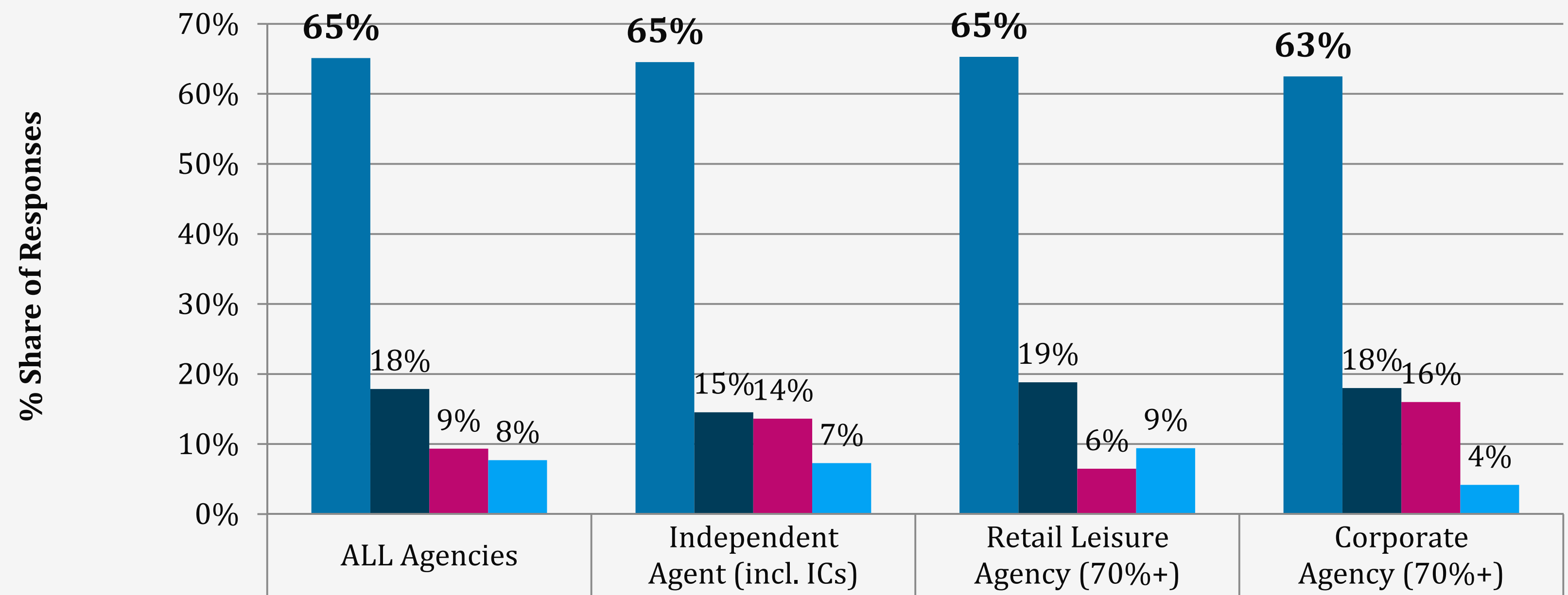
Reported Profits for 2014 Strong Across All the Agency Types

Agency Performance in 2014 Compared to 2013



	ALL Agencies	Independent Agent (incl. ICs)	Retail Leisure Agency (70%+)	Corporate Agency (70%+)
Realized profit	65%	65%	65%	63%
Broke even	18%	15%	19%	18%
Operated at a loss	9%	14%	6%	16%
Don't know yet / Unsure	8%	7%	9%	4%

Realized profit | Broke even | Operated at a loss | Don't know yet / Unsure

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Expectations for 2015 Are Very Positive

Revised 2013 and 2014 and Forecasted 2015 Profits Compared to 2012-2007
(profits measured as a percentage of total revenue)

Year	Average Profit %	Median %	Mode %
2007	8%	10%	10%
2008	8%	10%	10%
2009	7%	5%	0%
2010	6%	5%	5%
2011	7%	5%	5%
2012	8%	5%	5%
2013r	8%	5%	5%
2014r	10%	10%	5%
2015f	12%	10%	5%

Note: r=revised, f = forecast

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Independent Agent's 2015 Forecast More Positive than Retail Leisure and Corporate Agency

Average Revised 2013 and 2014 and Forecasted 2015 Profits Compared to 2013-2011 By Agency Type
(profits measured as a percentage of total revenue)

Year	ALL Agencies	Independent Agent (incl. ICs)	Retail Leisure Agency	Corporate Agency (70%+)
2011	7%	8%	7%	8%
2012	8%	8%	8%	8%
2013r	8%	9%	8%	9%
2014r	10%	11%	10%	9%
2015f	12%	14%	12%	12%

Note: r=revised, f = forecast

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Percentage of Agencies Reporting Same is Increasing as Those Reporting a Decrease Shrinks Showing the Industry Is Stabilizing

Comparison of Reported Total Increased Sales, FY2012 - FY2014			
	FY 2012/2011	FY2013/2012	FY2014/2013
Revenue	52%	55%	54%
Transactions	47%	53%	50%
Number of Clients	47%	55%	50%
Comparison of Reported Same Sales, FY2012 - FY2014			
	FY 2012/2011	FY2013/2012	FY2014/2013
Revenue	24%	22%	26%
Transactions	23%	23%	29%
Number of Clients	28%	26%	31%
Comparison of Reported Total Decreased Sales, FY2012 - FY2014			
	FY 2012/2011	FY2013/2012	FY2014/2013
Revenue	24%	23%	19%
Transactions	30%	23%	21%
Number of Clients	26%	19%	19%

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Survey Background

Survey data was collected through the 2015 ASTA Research Family. The ASTA Research Family is comprised of a representative sample of ASTA member travel agency owners and managers. The Research Family reflects ASTA members in key agency demographics including sales volume, leisure/business mix, number of part-time and full-time employees and geographic location. Members were recruited randomly and were contracted to complete a survey every four to five weeks from January 2015 through October 2015. The Family's size varies from survey to survey due to non-response, agency closings, mergers, and changes in membership status, but is designed to yield a response representative of all ASTA agency members.

The survey data was collected online via surveygizmo.com in January/February 2015. The reply level for the survey indicates a minimum of 95% confidence with an error rate +/-4% representing the total ASTA agency membership. This is considered to be a strong sample with reliable results.

Please note: All tables and data in this report are sourced directly from ASTA's Agency Profile survey unless otherwise indicated.

Contact Melissa Teates, Director of Research at ASTA, at mteates@asta.org if you have any questions.

This report is available for download free on [ASTA's Research Page].

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ASTA Research Program

More information on ASTA Reports can be found on the Research Papers page. Reports can also be purchased in the ASTA Store.

Travel Agency Benchmarking Series:

ASTA Agency Profile - Demographics of ASTA members including sales and type of agents.

Financial Benchmarking Report - Benchmarking data on sales, revenue sources, revenue by type of travel, and operational expenses are the focus of this report.

GDS Report - Trends on GDS usage, contract lengths, contract negotiations, and incentives/penalties are covered. Also, includes information on non-GDS users.

Labor and Compensation Report - Detailed data on compensation by region and agency size and type. Benefits offered, turnover rates, and hiring practices are also included in this report.

Marketing & Customer Retention Report - Marketing practices and client relationships are analyzed in this report. Topics included are lead generation and client turn-over.

Niche Marketing Report – Details on important agency niches including market share and sales impact.

Service Fee Report - Includes survey data on average service fees by travel type, service fee policies, service fee collections and service fee revenue. Consulting fees are also covered.

Supplier-Travel Agent Relationship Marketing Report - Preferred supplier relationships, booking channels used, and effectiveness of incentive programs are analyzed.

Technology and Web Usage Report - The business practices of agencies related to internet usage, technology usage, agency Web site, and online booking are covered.

Other Research Available:

2014 Value of Travel Agents - The primary objective of this study was to measure the value of the travel agency channel and to show whether working with travel agents enhances the travel experience. And the results confirmed just that, and more.

Independent Agent Report - Basic operational data for independent agents including host agency usage, commission splits, sales, and revenue are covered in this report.

Coming Soon: ***2015 Traveler Decision Making*** – Learn about how consumers chose travel agents and why they chose the types of travel they do.

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