

Part One:

Early days and last rites for the Last Minute Club



Vicki Borenstein

Vicki Borenstein was the president and co-founder of The Last Minute Club, a hugely successful discount travel agency begun in the late seventies. In 1990, she purchased her largest competitor The Wholesale Travel Group from Mike Overs, founder and CEO of Pizza Pizza.

In 2000, the travel companies were sold to Airtours Group PLC, a UK public company, subsequently rebranded as MyTravel Group PLC, and then merged with Thomas Cook Group PLC in June 2007.

Borenstein continued to manage various transition projects for MyTravel Group PLC until early 2003 and permanently retired from the retail travel industry to pursue a career in residential real estate and other investment interests. Today, Borenstein plays a dual role as president and broker at Vicki Borenstein Real Estate Inc., while also serving as publisher for Travel Industry Today Inc.

In the first of her two part Voices of Travel contribution, Vicki Borenstein offers an inside look at how the Last Minute Travel Club was born.

I started in the travel industry by accident and what a ride it turned out to be!

In 1977, a "Mad Man"-type advertising executive from McCann Erikson introduced me to CP Air. He touted me as a direct response advertising expert that knew about mail lists. In reality, I was an advertising wannabe that knew about addressograph machines, which back in the day, were used to address mailings for magazine publishers and the like.

During this meeting, the CEO told me he needed to build a mail list of his customers and develop direct marketing methods to circumvent the travel agent and encourage passengers to book directly with the airline. The objective was to save paying commission and to control travellers' purchase choices, supporting their fully integrated corporations CP Air, CP Hotels, CP Ships and CP Rail.

Today's sellers of travel would say, what's the big deal about that? But in 1977, this wasn't how the industry envisioned the future.

To accomplish what they wanted we developed a mail list of customers and built a retention

program encouraging clients to book direct with the airline through CP Air Travelsave memberships which offered travellers discounts on goods and services at destinations serviced by CP Air. The airline sold memberships to passengers through the distribution of applications in seatback pockets aboard the aircraft.

Travelsave was a fantastic experience – I flew first class to exotic destinations to manage the sales team, though while my flights and hotels were first class, the per diem was a pittance. Thanks to many wonderful flight crews who'd fill my briefcase with gourmet treats and let me hitch rides on the crew bus, I wouldn't have been able to afford the world-class sightseeing adventures I've been privileged to experience.

After Travelsave, another promotion scheme was developed for the same purpose – Save N Fly. For every \$50 of groceries bought at participating grocery stores, the buyer received a \$5 coupon. The coupons could be redeemed for up to 50% of the value on any regular scheduled CP Air flight.

The response was phenomenal.

The opportunity for 50% off a scheduled air seat created a black market for the coupons. Enterprising characters were stalking customers at the stores to buy \$5 coupons for a \$1.00. Coupon redemption went through the airline's ticket offices, so no commissions were paid and travel agents didn't notice. This gave the airline a false sense of security to "kick it up a notch."

As successful as Travelsave had been collecting customer names and addresses, Save N Fly demonstrated that members really wanted discounts on airfares, not restaurants and tourist attractions. Save N Fly was a huge success, but the store didn't like the hustling of coupons on store lots. How could the airline combine the two concepts and achieve

their ultimate goal of putting bums in seats with no commission attached?

So, "The Last Minute Club" concept was born. With the slogan "Save up to 50% off your vacation," it was an overnight success. Members were offered unsold or slow selling CP Air inventory through special mailings.

What the airline didn't anticipate was the serious backlash from the travel agents and their own management. Employees of the airline refused to participate and two major national travel chains returned their CP Air plates (used to print tickets), and said they would never book another seat, if the airline didn't discontinue The Last Minute Club.

The airline board of directors said, "shut it down." An order easier said, then done.

There were 15,000 merchants that had paid for advertising in the members' services directory, accepting the CP Air Travelsave membership card with the "accepted here" decal prominently displayed in their windows. There were 30,000 of CP Air VIPs, corporate clients and passengers with months left on their annual membership. It was a fiasco – a public relations nightmare.

It was two years before the airline managed to rid itself of Travelsave and the Last Minute Club. For me and my business partner, Harry Borenstein, it was simply a case of being in the right place at the right time. We had been responsible for its success and we wanted to stay in and keep it going. CP Air wanted out and eventually, after much argument and negotiation, we did take it over. As soon as that was done, CP ran a full-page ad with a huge orange headline that said, "It's Over!" And that's how I became an owner of the Last Minute Club.

Voices of Travel

Part Two:

Beating the competition, against all odds



Vicki Borenstein

Voices of Travel

I met Bill and Tim Baxter on my first “fam trip” to San Andres Island, Colombia. I was fascinated by the Baxters’ knowledge of the travel industry and decided to hang on to their coat tails. Our fam group got into party mode on arrival. Events, sightseeing and dignitary meet-and-greet cocktails were ignored. With the host tour operator’s abandonment of responsibility, Mr. Baxter took charge. The Baxters charmed the dignitaries, co-ordinated tours and arranged dinners. Tim saved a reveller from falling out the door of a moving van and spotted a group member drowning in the ocean at a beach party. Throughout the disastrous trip, Mr. Baxter recited to me “Fam Trip Etiquette.”

He said: “The No. 1 thing to remember is; be the first one up in the morning, and the last one to go to bed at night. Don’t gossip or complain about your roommate. Be the first one on the transfer bus. Don’t waste time shopping. Compliment the hoteliers on their rooms and hospitality. Sit with someone different at every meal. Look interested and don’t talk when the hosts have something to say.” Throughout my travel career I have followed his directions to a “T” and profited greatly from his lessons, although being the last person to go to bed destroyed me many times!

Considering CP Air’s lack of enthusiasm for travel agents, becoming one, was never a desire, but a reality for club operations. We’d naively thought it possible to operate a travel club and have travel retailers fulfill bookings. Last Minute Club phone lines were installed in various travel agencies, but partner agents



Vicki and Robin Leach enjoy “champagne wishes and caviar dreams.”

would let our phone lines ring unanswered, while they serviced their own clients. They had no interest in selling “sell off” vacations with low margins so The Last Minute Club became a travel agency by default.

It wasn’t easy. Travel agents loathed the club’s discounting practices. They accused the club of false advertising. I NEVER ran false ads. To our advantage, many travel agents refused to learn how to position their services to compete and didn’t read the small eight-point type which always noted: “Here are a few examples of last week’s Last Minute Club prices.”

For a consumer travel show, the club invested in a booth to pitch the benefits of becoming a Last Minute Club member. The travel registrar at the time said we were a club and not part of the travel industry, so we had to leave the show. We refused and attending agents destroyed our displays and bodily removed our people from the show.

The travel registrar and his inspectors were regular visitors at the club. Travel agents and tour operators complained about club prices, and I’d have to prove they were legitimate. Years later, ironically the same registrar became the clubs, Customer Service Manager.

Year after year, we won sales awards that were never announced in front of our peers. Our awards were presented in the privacy of our offices. The suppliers didn’t want to recognize us for fear of retribution from the full price retailers, but they definitely wanted our sales.

Sunquest Vacations was the first tour operator to present an award to the Last Minute Club at a general presentation. That welcoming gesture generated a lot of business for them. Interestingly, the same UK group bought both companies – but neither the Last Minute Club nor Sunquest Vacations win top seller awards today!

The club’s travel agency was not a store front, but a Call Centre. Technology was

non-existent, and product was offered and controlled on big white boards. Agents had to face the front of the room to read the boards. Tour operators telephoned us with product updates, Benny Salamon, a lawyer by profession, transcribed the calls by shorthand, priced the product and had his assistant manager Al Budhwani, now executive vice-president of itravel2000, update the white boards. Updates in hand, Ben would run to the “taping room” to record the new “sell offs.” We had a cassette tape duplicator to produce enough tapes to load the wall of tape recorders that dispensed information to members who called the Travel Hot Line. When fax machines became available for average businesses, Ben bought six \$2,000 fax machines and gave them to his favourite tour operators and single-handedly changed the way product updates were handled.

Most of our travel agents were hired for their telemarketing experience and were taught travel at the club’s travel school. Our theory was it was easier to teach travel than sales. As phone software became more sophisticated, agents could be measured on how many calls they processed. We soon discovered the highest volume agents were not always the best agents and changed our reward system to reflect this discovery. Closing rate became a big deal. It cost advertising dollars to generate a call, so to waste one was a crime. Agents who “creamed calls” (worked only with easy calls), were financially penalized, and those who worked every call were rewarded.

By the end of the 1980s, the club had competition. Travel discounters with no member-

APPOINTMENTS

Air Canada Vacations

Air Canada Vacations (ACV) has announced the appointment of **Guy Marchand** to its management team as its new general manager, sales – Eastern Canada, effective March 18. In his new role, Marchand will oversee a sales team composed of five area sales managers who cover the territories of Quebec and Atlantic Canada. As GM, he will help ensure that Air

Canada Vacations continues to lead the market with its vast product offerings and continues to further advance its strong partnerships with its valued travel partners. Prior to joining ACV, Marchand held the title of sales director for Quebec and the Ottawa region at Sunwing. Before that, he held the same title at Transat.

Goway Travel

Goway Travel has welcomed **Carrie Ruttan Powell** as the latest member of its Wholesale Down-under team, who will look after agents in both Canada and the US. She has been in the travel industry for more than



Powell



Air China says thanks:

Air China recently hosted a partner appreciation reception in Vancouver. Pictured at the event are Air China's GM John Xu and sales manager Tianna Zhang.

13 years and started her career in 2000 with Travel Cuts working as a retail travel agent specializing in student and youth jour-

neys. She then joined the wholesale world for many years working at Tourcan Vacations, followed by Boomerang Tours as a

South Pacific Specialist. Ruttan Powell can be reached at 1-800-387-8850, ext. 5858 or via e-mail at carriep@goway.com.

Voices

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ship fees were cutting into our business. Damn discounters! We bought our largest competitor, The Wholesale Travel Group from the Pizza Pizza people and positioned it against the club. If we were going to get beaten, we might as well be the ones to do it.

The WTG slogan was “no clubs to join, no fees to pay.” To counter that, we propped up the club with celebrity spokesperson Robin Leach, star of the Rich and Famous television show. Robin worked with the club for 10 years and was an amazing spokesperson.

By the early 1990s every agent had a computer on their desk and product updates were entered into our proprietary system for easy access. There was still no centralized system for charter product. SoftVoyage was a late 1990s software.

By the mid 1990s, I changed my tune about travel agents needing to be sales people first. With new software for analyzing statistics, I determined the “gold” was a travel counsellor who had sales experience, combined with a depth of product knowledge and a head for numbers. The accomplishment of which I'm most proud was encouraging our counsellors to earn CTC accreditation. We had the highest number of certified travel counsellors in any one retail agency. To lead by example, I got certified

too. How can you be a professional and not seek accreditation in your field?

After going full circle in my own belief that any hotshot telemarketer could sell travel, to proving product knowledge and professional standards is the only way for success - I realized the new industry leaders didn't support my logic.

With the popularity of self-service online travel booking engines, their new mantra became “circumvent the travel agent and encourage passengers to book direct using our online booking engines.” Hire order takers to fulfill the backroom process. Where had I heard that before?

I believe that today's huge travel groups who pay board room executives obscene bucks, while ignoring the front line (emotionally and financially), will fail. The evidence to support this is clear in performance results.

In May 2000, I sold The Last Minute Club and The Wholesale Travel Group to one of the largest travel companies in the world, Airtours PLC, who later changed their name to MyTravel and soon after sold to Thomas Cook.

Today, many travel counsellors tell me it's too difficult to charge service fees for survival. I don't buy into this. Last Minute Club charged a \$55 service fee for 25 years, while no one else did. The experience of the travel

counsellors who worked there was worth every dime of that membership fee.

Booking online vacation travel is complicated. A Google search for “online travel Canada” produced 683 million results. Does having the best SEO techniques mean you offer the best vacations? Can search engines qualify a traveller's true vacation desires? I've been told that a virtual sexual experience is not as fantastic as a live one.

If I marketed retail travel today, I'd have a web site optimized to be at the top of every Canadian travel search. My site would offer a travel service with experienced, accredited, live travel counsellors available 24 hours a day. I believe there are travellers willing to pay a fee to discuss their individual requirements with a live person who'll cut through the online confusion to advise how and where to book a perfect vacation and what travel insurance would protect them best. In my fantasy, I'd charge the recipients of my referrals a fee for matching my clients with their products.

Do I miss travel? “Hell, yes.” Would I do it all over if I could? “In a New York minute.” Would I invest my savings in a travel business? Well, let me reflect on that!

Each decade has brought such dramatic change to the industry I can't even imagine what's next. Stephenie Anevich of Vision 2000 is selling space tours.

That sounds like fun.