

GUEST EDITORIAL

A new era

by Graeme Moore

Chairman, World Travellers Ltd

In the first nine months of operation, 14 retail travel stores have joined a fresh, new co-op: World Travellers.

The group was founded by passionate, long-established travel store owners who believe a cooperative operation to be the only way to create ongoing wealth and sustainability.



Financially, the co-op has already achieved break even, at the same time as delivering \$70,000 to \$150,000 a year extra profit to each member.

The travel industry has seen many structural distribution and remuneration changes: the internet has spawned massive B2C connections, airlines have actively tried to cut travel agents from their distribution channels, supplier incentives have dramatically reduced.

Large vertically integrated franchise models with costly overheads are no longer sustainable. The current model had to change.

THE WORLD TRAVELLERS COOPERATIVE MODEL

- Aimed at high-end, experienced travel store owner-operators who have well-established profitable businesses with high levels of repeat customers (80-90%)
- All profits are returned to co-op member stores
- Total transparency and member-driven strategy and business plans
- Very lean overheads
- Extensive use of cloud-based IT solutions delivering connectivity between co-op members and suppliers
- Trade supply services contracted out to like-minded partners who deliver 'freemium' services
- Exclusive partnership with Flight Centre, the



world's fourth largest travel procurement company, to provide access to worldwide product at the best price.

SUPPLIERS WELCOME CO-OP MODEL

Travel suppliers have welcomed the co-op model, especially as its survival and success do not rely on suppliers contributing marketing money to fund the operation.

They are overjoyed to be dealing with owners who have the business skills and drive to succeed in their own right, without having to deal with the restrictions of a large corporate owner.

Joseph O'Sullivan, Director of Travel Marketing Cruise World, says 'World Travellers co-op allows us to build partnerships directly with travel stores and to focus on building the expertise of the consultants, while working to grow the business to maximize profitability for both parties.'



He also adds that the co-op model allows them to 'get great deals and information to the stores without it costing an arm and a leg.'

STRICT MEMBERSHIP CRITERIA

World Travellers member stores recognised above all that they needed to change. Traditional travel 'agents' who fail to promote and sell their knowledge, skill and time-saving benefits to customers cannot survive.

World Travellers have moved onto providing a deep, enriching travel experience that starts from the moment a customer first makes contact and continues throughout their journey.

To achieve this, the co-op is very particular about new members. Criteria are stringent, and business and cultural 'fit' are paramount. Some applicants have not met the criteria and so have not been accepted.

The 100% transparent model is expected to attract up to 50 members within five years. ●

A REPRINT FROM

Cooperatives News
newsletter of the
New Zealand
Cooperatives
Association Inc.,
Level 3
75 Ghuznee St
Te Aro
Wellington 6011
04 384 4595
nzca@nz.coop
Skype: nz.coop

Graeme Moore,
Chairman, World
Travellers Ltd

PHOTO:
WORLD TRAVELLERS LTD

Best Travel in Hastings,
one of the World
Travellers member stores

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L to R: World Travellers
directors Larry Lumsden,
Bill Sheppard, Graham
Elliot, Graeme Moore,
Wendy van Lieshout
(General Manager),
Craig Corbett

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World Travellers can be
found online at
www.worldtravellers.co.nz