

TRAVEL

SAFE RETURNS FROM HOLIDAY HAVENS

BRW Fast Starter, My Holiday Centre, is taking on established players.

Report: Georgina Dent

● Economic malaise or not, Australians feel entitled to a decent holiday. That's how Randall Deer, the founder of BRW Fast Starter, My Holiday Centre, explains his jump in revenue from \$18 million to \$28 million over the past 12 months.

"It's not recession-proof but people still see their holiday as a right. Whether it's overseas or domestic, three-star or five-star, short or long, resort or caravan, people want their holiday," Deer says.

Flipping through the travel pages inspired Deer, who was chief financial officer at big travel operator BreakFree Resorts between 2001 and 2005, to found My Holiday Centre in 2009. "If you pick up the newspaper, the travel advertising is very price focused. There's not much inspiration or information about where and when you go," Deer says. "We tap into the market of people who don't know exactly where they want to go. They want a great holiday but they're not driven just on price."

Rather than promoting deals with lots of resorts, My Holiday Centre only promotes a select few.

"Most travel operators could never afford a full-page advertisement for just one resort," Deer says. "Instead they do one ad with 50 deals." He says that industry practice is for the operator to then charge each resort for that advertisement, and many of them profit from the advertising set-up.

The problem for resorts is that it's difficult to stand out from the crowd. "If you're a brand new resort, your option is sitting in a tagline among 50 others so how do you make your brand known?"

My Holiday Centre gives resorts an alternative to become known and creates demand for them in the process.

"Our channel is powerful. It's unique because it's one resort on a full page ad and we only partner with half a dozen resorts in places like Bali or Fiji. If we



Selective packaging: My Holiday Centre's Randall Deer promotes only a few holiday choices

had 500 resorts we'd be facilitating demand rather than creating it."

In 2008 Deer's client the Westin hotel in Nusa Dua in Bali, which has 300 rooms, sold 2000 rooms to Australia for the entire year. "We launched in July 2009 and we gave them 1155 room nights in that month alone," Deer says.

Nusa Dua had been a popular destination for Australian tourists but had dropped off the radar. "We went and saw how much it had to offer. Because no one was promoting it, it had become a self-fulfilling prophecy. A destination can end up with low numbers purely because the market isn't educated."

Deer says his intimate knowledge of the tourism industry, from BreakFree Resorts, helped him spot the opportunity.

"Without an in-depth understanding of resorts from the tourism operator perspective it would have been difficult to identify this business."

Advertising is essential and as old-fashioned as it might seem, newspapers are the ideal medium.

"Newspapers are perfect for us," Deer says. "When someone is reading the

REWARDING BUSINESS

In 2009 an electronics company ran a promotion offering a free flight with the purchase of any digital camera costing more than \$400. It wasn't until after customers bought the camera that they learned their "free flight" was almost impossible to get. They had no phone number to call, no website to visit, had to write down three preferred dates for travel within a prescribed period of time, send a letter by post within a month and then didn't have a choice between Bundaberg or Mackay as their destination. So why run the promotion?

The founder and chief executive of RewardsCorp, Randall Deer, says it's because traditionally the companies that are paid to run and host promotions have earned more money when people don't redeem prizes, than when they do. "If everyone who bought a camera redeemed their flight, the host would actually lose money," Deer says. "The incentive is to make redemption almost impossible." This industry idiosyncrasy prompted Deer to start RewardsCorp in 2005.

"Travel is a fantastic tool but there needed to be a better way. We invented a new model where customers get an immediate reward from one transaction, where the brand is reinforced and where we make money when they redeem."

RewardsCorp is now in its sixth year and turns over \$3 million a year from travel promotions.

travel section they're usually having a coffee, sitting down, in a good mood on the weekend and they're willing to be educated about a destination or a resort and learn why Fiji might suit them better than Bali."

My Holiday Centre advertises packages which include transfers, flights, accommodation and vouchers to be used at a particular resort for wining, dining and spa treatments. They offer longer stays than the three-night deals typically promoted by big wholesalers, which satisfies the resorts. Deer says unlike other travel operators where only a tiny proportion of customers get the rate advertised, 95 per cent of My Holiday Centre customers get the holiday at the price advertised.

Deer says his business makes money because of the high volume of holidays it sells.

"We don't make a cent from media and we don't make as much per commission as a big wholesaler but we do a higher volume on each ad. We're happy to make less per booking but do far more bookings." BRW