Third Party Channels
How to Set Them Up – Pros and Cons

VacationRentalPros.com

Steve Milo, Managing Director
Vacation Rental Pros, Property Manager

**VacationRentalPros.com**

Company Summary

• **Business started in June, 2006
First employee hired in late 2007.**

• **Today Manage 950 properties in North East Florida and South West Florida in <u>resort</u> ocean areas <u>with mostly Saturday arrivals and/or Saturday departures and minimum stays (not urban)</u>.**

• **Hub and Spoke Model. Central office is in Ponte Vedra Beach (Accounting, Sales & Marketing). Operations office in St Augustine Beach, Ft. Myers Beach and Orlando (model home).**
Total company wide - 69 employees (61 full time, 8 part time)

• **Acquired 3 companies in 2014.**
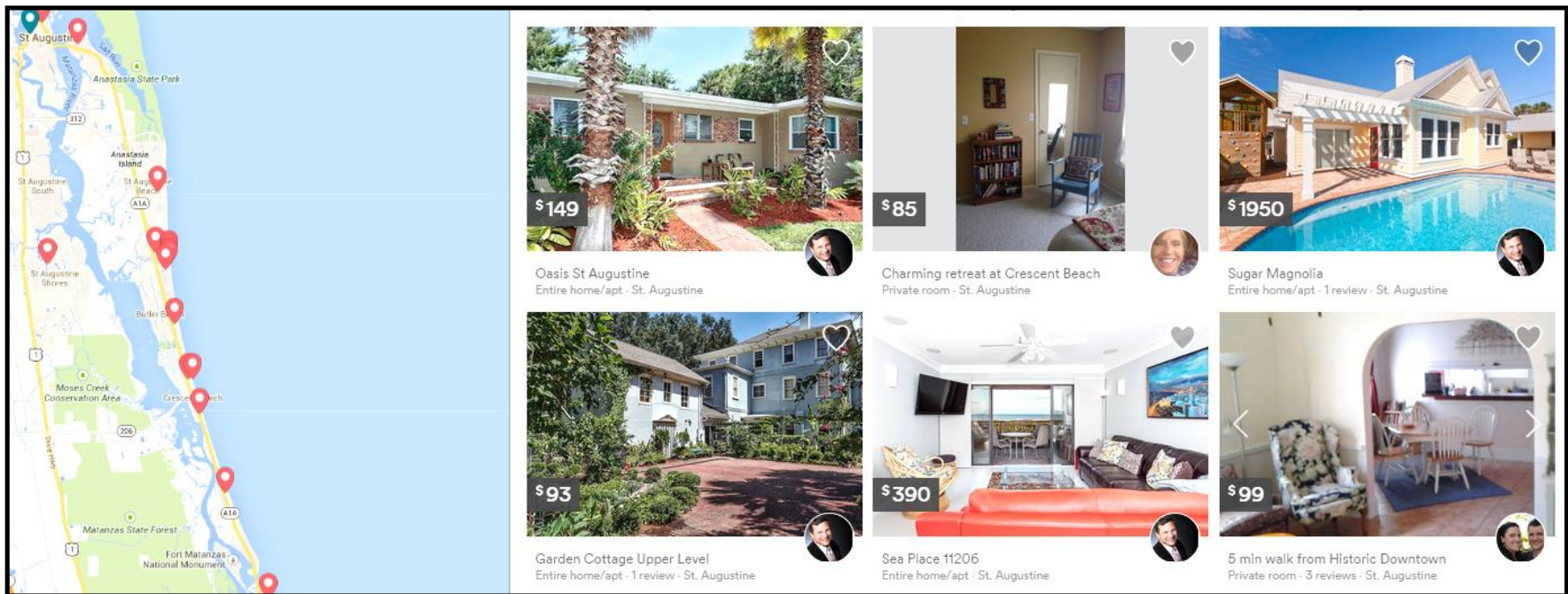
The PROS of AirBNB

- Free to list your properties. <u>3% fee per booking (they pay cc fee)</u>
- Customer base is different & sticky – young, urban & foreign.
- Smaller properties book better than larger properties.
- Good generator of off-season bookings.
- Does not require Rate Parity. Can add fees to the rent.
- All bookings are direct online (no phone calls).
- You get to review the guest who stayed in your property.
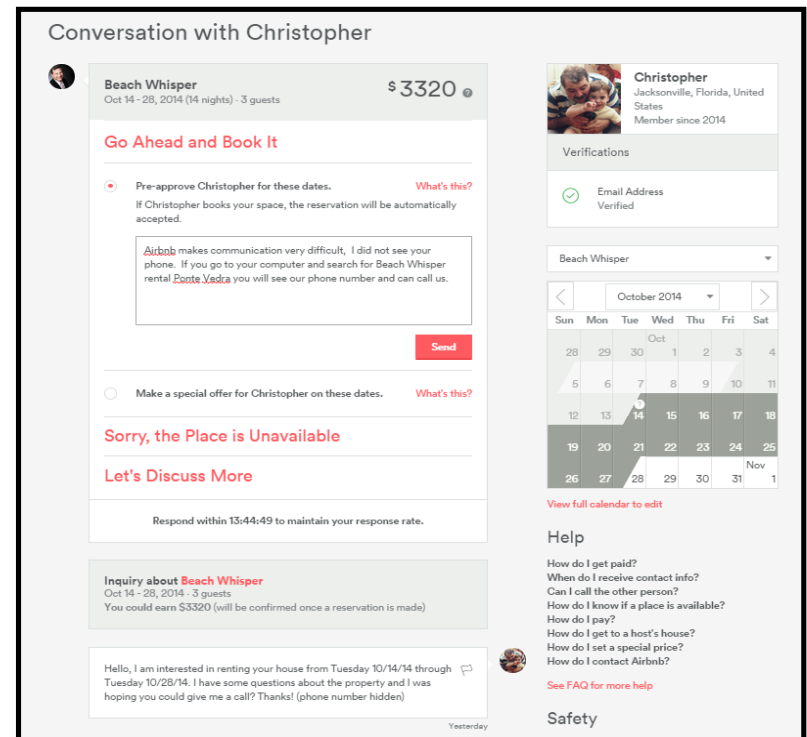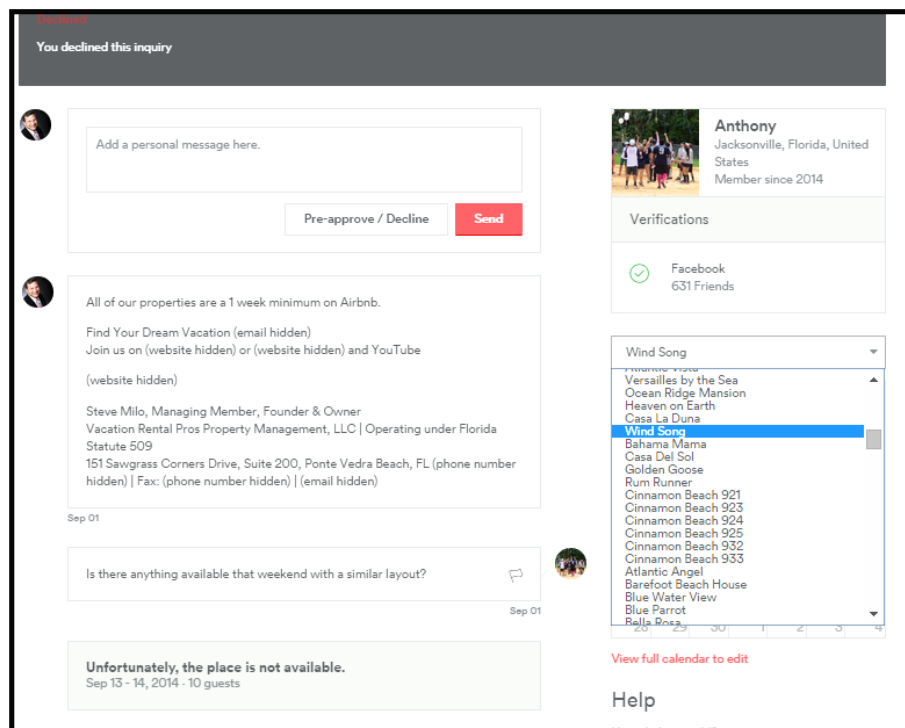
The Cons of AirBNB

- Labor intensive. Time consuming admin. 24 hour response.
- Not designed for larger property managers.
- Content & Prices are static (only calendar has data feed).
- Closed Communication (only through Airbnb).
- Customers want more hand holding, concierge type service.
- "Rate Terms" not easy. Only one minimum stay, No minimum age ability.
- No easy way to add fees (pets, damage waiver, booking fee).
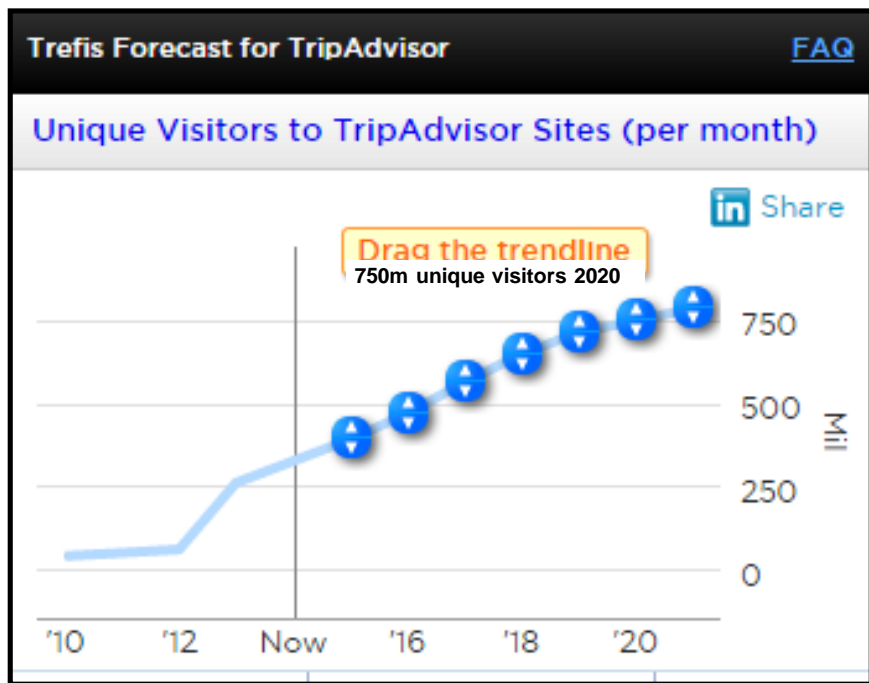 Need to add fees into nightly rates.
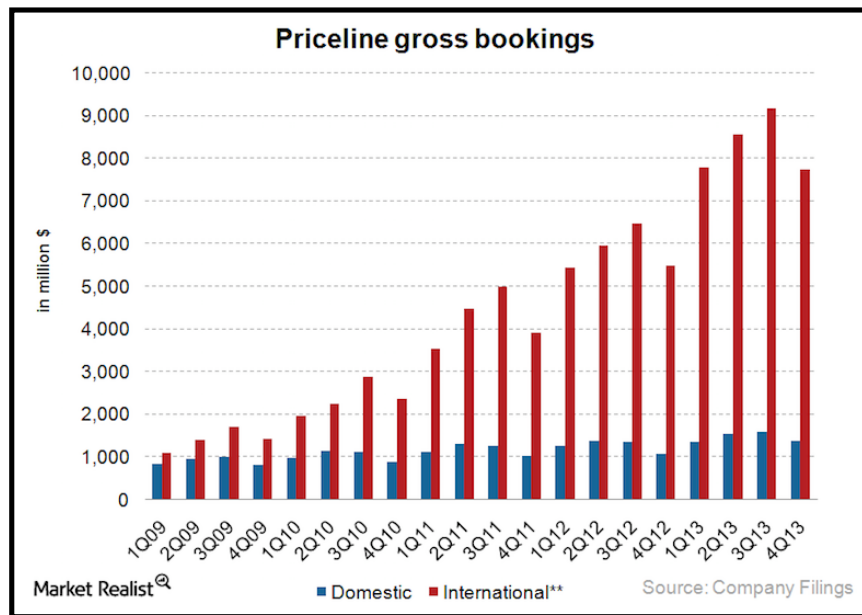
Why Booking.com?

- Owned by Priceline.
- Largest international portal – big in Europe. Growing in US.
- Perfect for different languages and different currencies
- Now listing Vacation Rentals
- In theory they have the money to be a dominant player.
- Allow booking to your gateway.
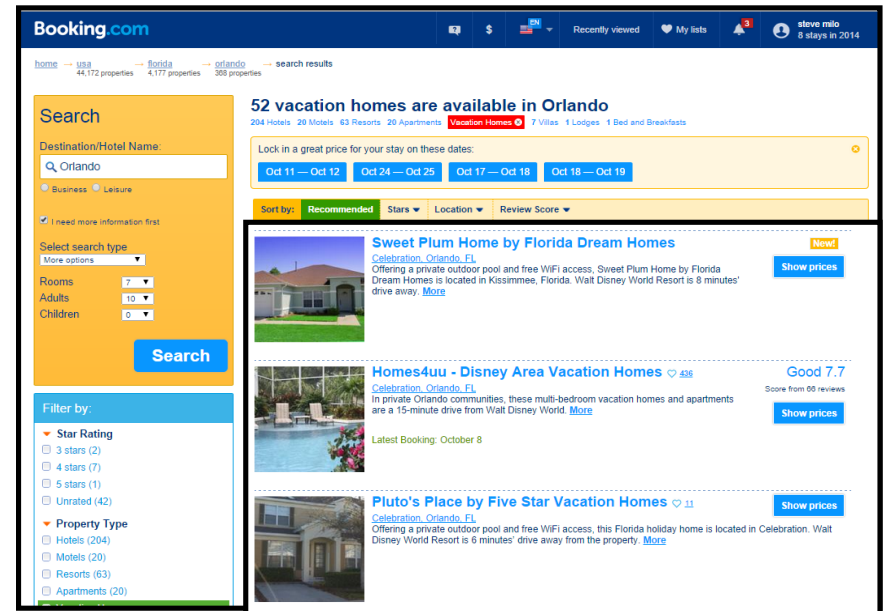
Why not Booking.com?

- Lack of true data feed. Content needs to be manually updated.
- Very bureaucratic process.
- Need to add fees to the rent.
- Poor training from Booking.com
- Poor interface. Built for hotels.
- Arrogant company culture.
- 15% of booking as commission.

Trefis Forecast for TripAdvisor — FAQ

Unique Visitors to TripAdvisor Sites (per month)

Drag the trendline
750m unique visitors 2020

tripadvisor.com st augustine

Web | Maps | News | Shopping | Images | More ▾ | Search tools

About 23,800,000 results (0.50 seconds)

TripAdvisor Saint Augustine
www.tripadvisor.com/Tourism-g34599-Saint_Augustine_Fl... ▾ TripAdvisor ▾
Saint Augustine Tourism: **TripAdvisor** has 104899 reviews of **Saint Augustine** Hotels, Attractions, and Restaurants making it your best **Saint Augustine** resource. You've visited this page many times. Last visit: 9/27/14

Saint Augustine Travel Forum
Travel forums for Saint Augustine. Discuss Saint Augustine travel ...

Restaurants
Collage Restaurant - The Pre... Moment Cafe - Catch 27 ...

Saint Augustine Attractions
Fun things to do in Saint Augustine, Florida: See TripAdvisor's ...

Vacation Rentals
... reviews for 767 Saint Augustine beach houses and condo ...

Saint Augustine Hotels
Saint Augustine Hotels on TripAdvisor: Find 18831 traveler ...

Activities in Saint Augustine
Saint Augustine, FL activities: See TripAdvisor's 107 reviews and ...

More results from tripadvisor.com »

The Pros of Trip Advisor/ FlipKey

- Trip Advisor is Fastest Growing Portal Site (with community)
  Trip Advisor is giving good visibility to Vacation Rentals.
- TA/Flipkey allows email, phone calls and direct bookings.
- TA/Flipkey offer "Free to List"/"Pay on TA" for 3% of booking cost to RBO (rent by owner), and 10% of the booking cost to Property Manager.
- TA/Flipkey supports feeds of live data.
- TA/Flipkey is <u>very</u> sticky thanks to robust community.
- TA/Flipkey does not currently require rate parity.
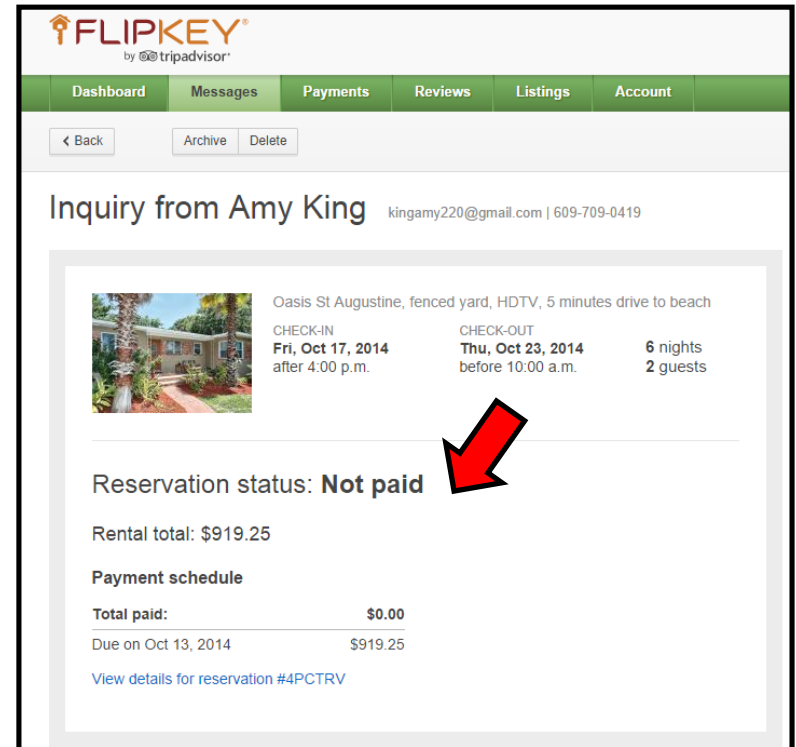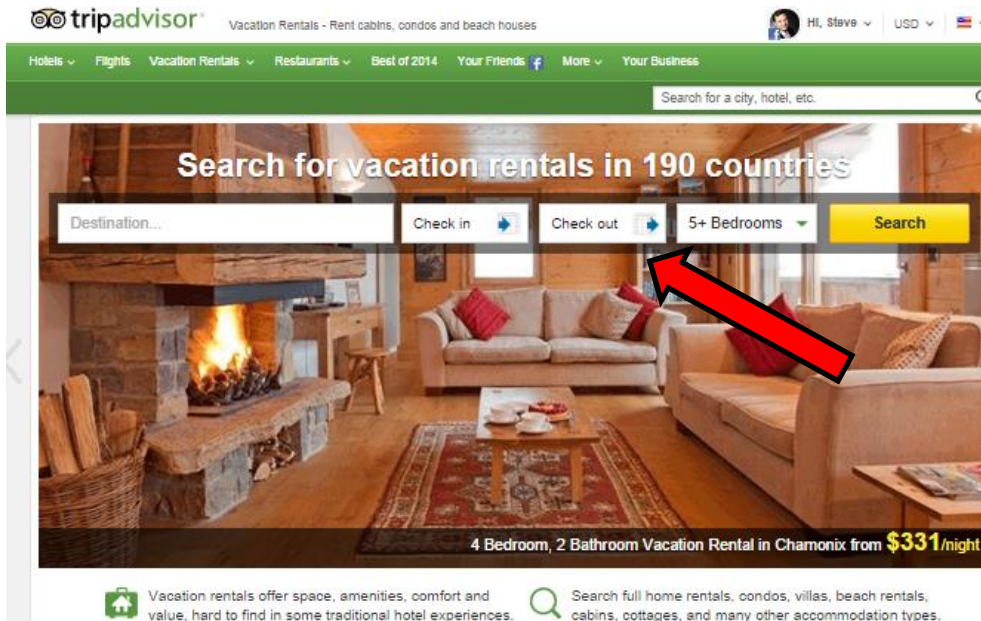
The Cons of Trip Advisor/ FlipKey

- Lack of Transparency on Placement Ranking.
- Lack of Transparency in changes in their system and programs.
- Pay on TA/FK "admin" is very difficult to use and understand.
- TA bookings are not able to go through your payment gateway.
- Limited Resources for technical support and admin support. Takes time to fix technical issues.

The Pros of HomeAway,

- Generate a lot of inquires.
- Offer "Book Now" function.
- Allow emails, calls & Book Now
- Offer "ala carte deals" for PMs.
- Most transparent on internal ranking and placement.
- Rank highest in organic search.

VRBO, and Global Bundles:

- Offer bundles to push to VRBO, HomeAway, VacationRentals and many global sites.
- Support data feeds to update all content on almost real time.
- Large technical staff and sales staff. Very responsive.
- Rate Parity is not a requirement
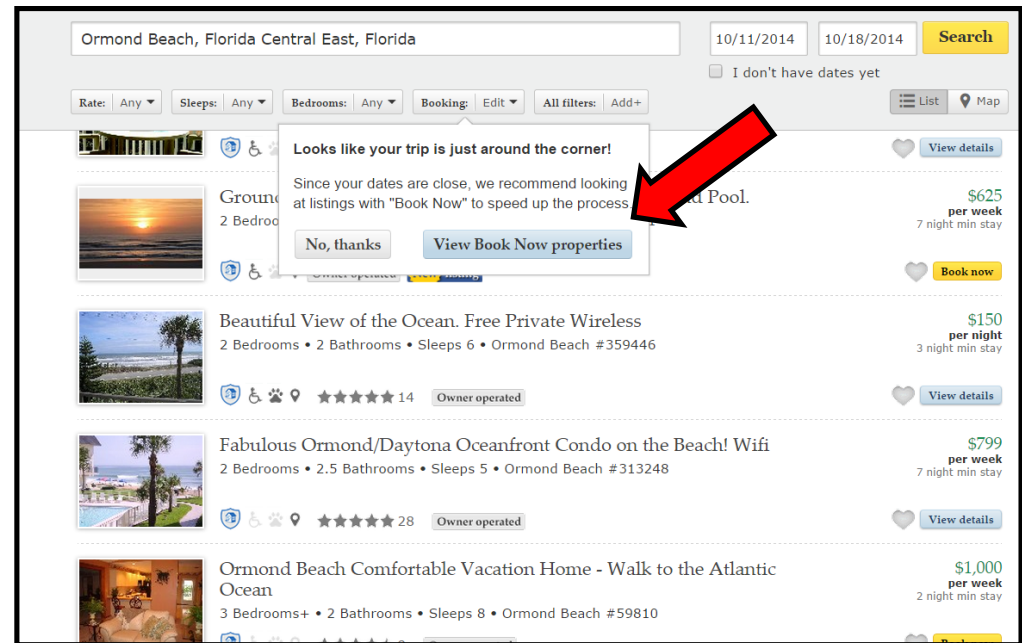
The cons of HomeAway/VRBO?

- Need auto responder email system, or get flooded by leads.
- You must update your calendar regularly which is manually intensive – unless you have a datafeed.
- Book Now is an important element of search placement.
- Mapping of "nodes" is critical, and often messed up – especially when you buy bundles.
- RBOs can "game the system" and buy way to top search

How to Set up Third Party Channels?

- 3rd Party Channels <u>can</u> be set up directly by PMs.
- <u>Property Managers will need technical resources both internal and external.</u>
- Setting up TPCs is time consuming & challenging.
  - ➢ Need a technical firm to handle data feed and "mapping" issues. Data feeds need precision.
  - ➢ Need content management resources to load content
  - ➢ Need VERY strong testing and Quality Control standards.
  - ➢ Some TPCs require certification
  - ➢ Requires upfront costs.
  - ➢ The benefits are control, and future cost savings.

How to List on AirBnb

- Free to list your properties. <u>3% fee per booking (they pay cc fee)</u>
- Very Manual process to set up listings.
- Must load copy, photos, and pricing manually
- Pricing only goes out 55 weeks, so constantly must update.
- Calendar supports a "ical" function for automation.
  Tech team deployed this. Otherwise, AirBnb would not be feasible.

Tips on AirBnb

- Labor intensive. Time consuming admin. VRP hired an overseas freelancer to create listings. This is your cost.

- AirBNB has limited support for technical issues.

- AirBNB does not support many fees. Have to add to rent.

- Rate Parity is not a requirement

- AirBNB is very tricky to use. You needed dedicated staff. No way to stop 1 or 2 night requests.
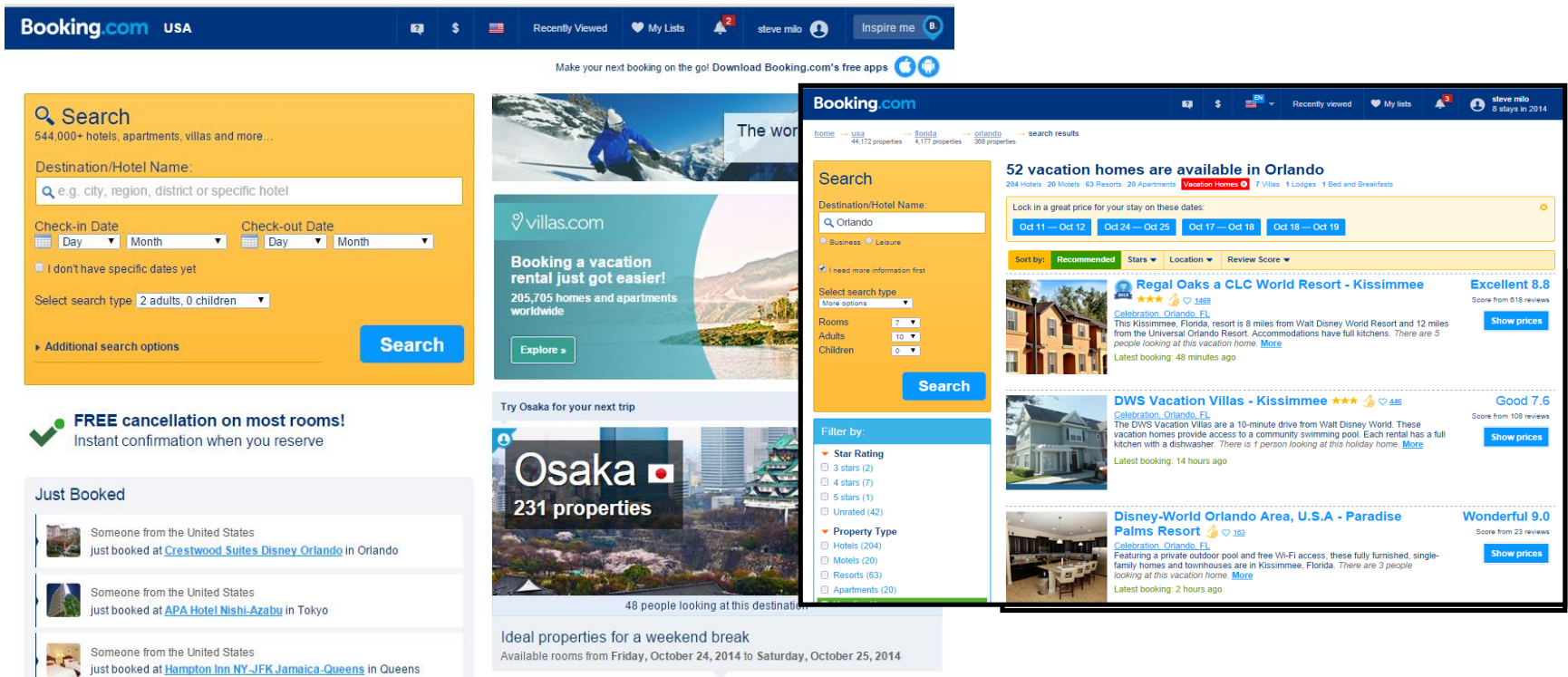
How to set up Booking.com?

- Lack of true data feed. Content needs to be manually updated. Pricing and Calendar are the only automated feeds.

- Huge content management work requiring CSV upload.

- Painfully bureaucratic. Requires certification and a lot of paper work.

- Property Managers will need to add many fees to the rent.

- Can take 6 months or more to get Booking.com live.
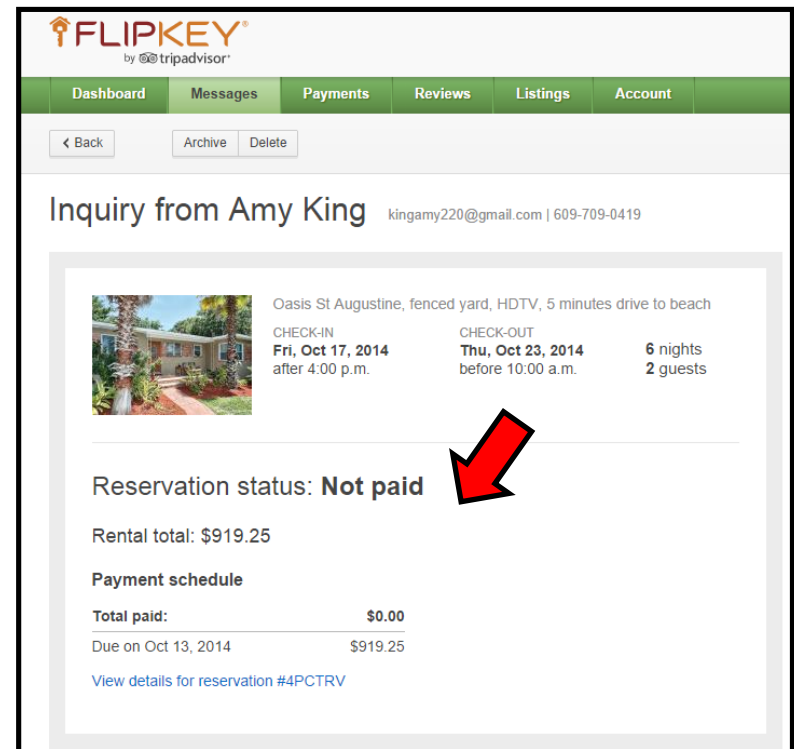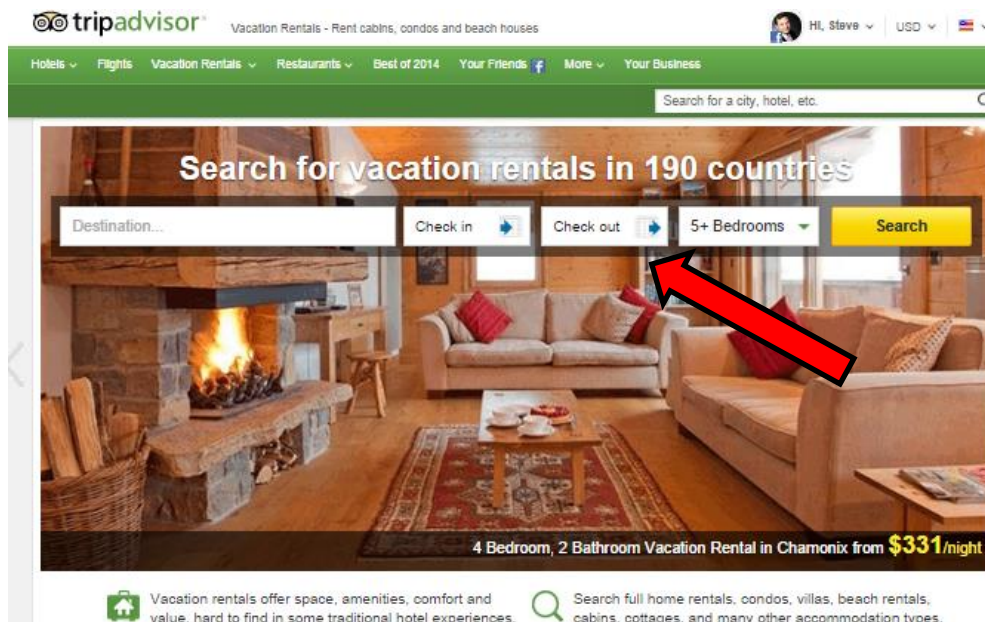
How to set up Trip Advisor/ FlipKey

- TA/FK has an admin section that allows "Pay on Trip Advisor"
  Similar to AirBNB a very manual process.
- TA/FK will also allow a full data feed with PMs on select basis.
- Supports pricing, calendar, and full content.
- Rate Parity is not a requirement
- Limited Resources for technical support and admin support..

How to set up Trip Advisor/ FlipKey

- TA/Flipkey data feeds require <u>tremendous</u> testing.

- TA/Flipkey "Pay on Trip Advisor" goes through their Gateway.

  TA/Flipkey charges 3% of booking cost but pays the cc fee.

  TA/Flipkey holds the money in escrow.

- Property Managers must stay on top of "Cancel Terms"

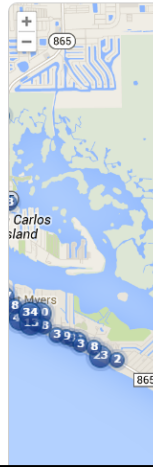- Property Managers need dedicated resource to answer Pay on TA/Flipkey. Require response in 24 hours.

How to Set up VRBO/HomeAway/Vr.com, and Global Bundles:

- "Book Now" is included with all subscription orders. Process is a very manual as calendar, pricing and content all require manual updates.
- HA offers select clients with large ad spends an ability for data feeds.
- HA Support data feeds to update all content on almost real time.
- HA has Large technical staff and sales staff. Very responsive.
- HA will support "Book Now" orders going through PM's gateway.
- If you pay subscription, HA does not charge extra for "Book Now".

Fort Myers Beach - 1,362 vacation rentals

How to Set up VRBO/HomeAway/Vr.com, and Global Bundles:

- ◼ Very technical resource driven process to integrate
- ◼ Required many man hours of testing on both side
- ◼ Mapping of "nodes" is critical, and often messed up – especially when you buy bundles. Requires dedicated testing.
- ◼ Rate rules can improperly display. Again, lots of testing.
- ◼ Need to set up Special GA code to track "book now".
- ◼ You have to TEST every node, every bundle site.