

August 11, 2015

Stephen Kaufer, CEO TripAdvisor

Dear Mr. Kaufer,

We are writing on behalf of several professional vacation rental managers (undersigned below) to express our concerns with issues we have experienced with Flip Key /TripAdvisor Vacation Rentals Division. You may not be aware of some of these items so we feel it is important to bring them to your attention since TAVR is an important division of TripAdvisor.

Many of us have been satisfied TAVR customers for years and have received acceptable service and functionality within the system. Over the last 18 months the service, support, communication and functionality have deteriorated dramatically due in part to significant staff turnover, while the technical issues have created inaccurate pricing, inaccurate calendars, outdated photos, incorrect location details, inaccurate content that cause consumers to believe we are deceiving them.

Several property managers we have communicated with have decided not to renew their TAVR listings due to these issues. Some are still contemplating whether to remain a FK/TAVR customer or not in the future. Others have agreed to discuss an industry wide protest of TAVR in October at Vacation Rental Managers trade conference in New Orleans in 2015.

We hope this feedback will be useful and productive to you and your senior leadership, and that this feedback will lead to necessary changes in focus, communication, and transparency regarding senior management within TAVR, specifically Mr. Dermot Halpin the President of the Vacation Rental Division, and Ms. Tracy Zhen the General Manager of the Vacation Rental Division.

We all value TripAdvisor as being one of the world's leading travel websites. We appreciate the quality guest traffic, the leads the site brings from our listings and the opportunity the site provides for our guests to leave independent third party reviews of their experiences in our properties.

The following is an outline of the issues we have experienced (all of which have been reported by our companies independently to TAVR support or customer representatives):

**1. Technical Issues (Inaccurate listings and Customer inability to correct issues or respond to reviews)**

- a. API feeds are not functioning – Causing inaccurate calendars, inaccurate pricing, inaccurate availability, outdated photos, and incorrect location details. We all know consumers demand truth in advertising and the challenges presented to our employees to mitigate these discrepancies are overwhelming. Many of us have been told that the technical issues are a “system wide issue” and they cannot be corrected, or there is no timeline presented for follow-up and resolution. If Managers are to self-load, monitor, and edit all this information, the cost and time to manage this process devalues the ROI on purchasing TAVR advertising, and many companies do not have the marketing staff to handle this function especially when there are hundreds of listings involved. Other distribution channels are more user-friendly and accurate, and have a structured, transparent ticket system for reporting issues, assigning follow-up and communicating resolution.
- b. Expired listings, or worse, deactivated listings appear live on TAVR (these are properties that have been sold, moved to another management company or under a maintenance hold) – sometimes causing managers to receive threats from our clients (the property owner) to have them removed, or else. In some states Real Estate laws consider it a violation for an agent to advertise a property that is not operating under a valid management contract. There have been cases where we have been threatened by our clients and their attorneys due to TAVR's lack of response when we request a listing be removed for this reason. Managers

should be able to remove their listings on the back end, or get immediate response when this action is requested of support.

- c. Listings not being removed after the TAVR advertising contract expires. One manager communicated the request for removal for nearly a month after the expiration until they finally were removed. As we contemplate an industry wide protest of TAVR, we want to make it clear that TAVR must agree to deactivate listings of any property manager who requests this.
  - d. Guest reviews are not all showing up with the TAVR Admin but are showing up on FlipKey and/or TripAdvisor – thus making it impossible for a manager to respond to a review when this is the case. To counter this and to allow a legitimate management response to a Guest Review, Manager Responses have to be sent to TAVR due to the lack of them showing up in the backend. The reviews in some cases take months to be updated on TAVR and worse, some property manager remarks to Guest Reviews are not added by TAVR.
  - e. Managers no longer have the ability to manually suppress reviews on our own websites, and getting support to do so is slow and difficult. While as customers we appreciate the functionality of being able to feed these reviews to our websites, we must have the ability to manage which ones are visible in our own marketing. The former Flip Key back end offered this option which easily allowed us to self-manage the display function. An example of this need would be if a property is sold, renovated and the listing is updated, sometimes there can be five year old not applicable negative review that should not be included in the current marketing. We understand these reviews will not disappear from FK or TA, however, we should be able to control what reviews appear within our own websites. When removing functionality such as this from property managers it should be communicated in advance and offer an alternative method which accomplishes the same goal quickly. Lacking this internal control damages our relationships with our property owners
2. **Technical Support** – There appears to be a complete lack of a process for handling Property Manager technical issues. TAVR does not offer reliable tech support or updates on system issues or resolutions leading Property Managers to attempt to call or email multiple contacts to address issues. Property Managers are asked to send issues to a generic support email account, yet there is no way to prioritize urgent issues from more routine technical issues. Worse, there is no attempt by technical support to provide anything but a generic response back to a request.

**Request:** We recommend a transparent support ticketing system and response system be implemented to track the technical issues like the ones reported above. This system should be transparent in regards to providing the client with an email and a case number that estimates turn-around time on their specific support issues.

### 3. **Customer Account Management and Communications**

- a. There is no consistent TAVR account manager to report deficiencies to. When one TAVR account rep leaves the company customers are not notified who their contact is. The communication circle begins again to see who is left at TAVR to pick up the dropped balls. TAVR staff turnover has created many communication issues and most managers do not have a point of contact. Many of us have spent months requesting a new account contact only to have those requests ignored. One manager has had over 5 account reps at TAVR in the last year and they have all vacated without notification or identification of a replacement. There are also examples of companies who stopped receiving their “Flip Key Front Desk Report” from their reps because they no longer had one and no one assumed that responsibility. How are advertisers to measure their success and ROI?

- b. When Managers reach out to TAVR for help on urgent technical issues (like inactive units no longer under contract that appear on TA), it is virtually impossible to reach a person. Many of the TAVR staff leave their phones filled with voice messages and some avoid answering the phone – so you can no longer leave a message. Even when you do reach a TAVR representative our communications are directed to support, and response time there is also very slow (weeks). Most items require multiple follow up with multiple employees to get resolution.
- c. Lack of timely response and service: Requests for support are often ignored for weeks, requiring persistent follow up from the customer. Many of us have email logs of repeated reporting of issues without response or resolution for weeks.
- d. One company received a generic renewal letter from an account manager who had not been at the company for over 4 months. The manager requested a new contact and a conversation and received no response. Very unprofessional. The manager chose not to renew their 215 listings.
- e. A culture among TAVR senior management of both denial and “take it or leave it” regarding resolving technical issues. Several managers who have persistently attempted to escalate technical issues have been told that if they keep complaining TAVR will decline to renew their listings. One larger manager insisted on speaking to Mr. Dermot Halpin on a phone call, and during this call Mr. Halpin advised him 3 times to just remove his listings from TAVR if he was not satisfied with TAVR.

**Request:** We recommend a review of required staffing levels and training programs for new hires in light of merged responsibilities and turn-over. Senior management at TAVR should also be trained to respond to clients in a manner that is consistent with values that align with the hospitality industry and retention.

4. **A Lack of Commission Parity for Professional Managers versus Rent by Owners on “Pay on TripAdvisor”** Properties that are professionally managed are being charged a significantly higher commission (10%) than those that are rent by owner (3%). This practice makes no sense and, if anything, managers should get a discounted rate since they list in bulk and are business partners. At minimum it should be equal. The flat rate listing price should also remain equal or discounted for managers if the company is considering changing its advertising structure.

However, we may be under the mistaken belief that TAVR actually wants Professional Managers to list their inventory on TAVR. The impression that we gather from this policy is that the goal of TAVR is to encourage participation by Rent by Owners by providing discounted services and discourage Professional Managers by creating a dramatically skewed commission structure that represents a 70% difference.

**Request:** Please let us know if TripAdvisor is willing to offer Property Managers the same pricing model on the “Pay on TripAdvisor” as Rent By Owners.

#### 5. **The TripAdvisor Philosophy is Inconsistent with its Policies for Vacation Rental Listings.**

From the TripAdvisor website:

**We believe in "the right to write."**

The TripAdvisor community has a wealth of valuable experience, and every one of our 315 million monthly users should feel confident sharing their opinions. When you stay in a hotel or eat in a restaurant, you have a fundamental right to talk about that experience with others. We are immensely proud of the community we've built which helps customers do just that.

We believe every experience counts, not just the ones where you paid the bill. If you have a party of 12 at a restaurant, we believe that all of them should have a voice. That's what TripAdvisor stands for.

Because we believe in promoting personal experiences, we do not take lightly the decision to remove a review from our site. It might be easier to give-in to censorship and remove reviews that a business owner disagrees with. But it goes against what we stand for, which is the right for genuine consumers to share their experiences.

In keeping with this philosophy, our policy regarding review submission is self-directed. While we do require reviewers to certify that they are reviewing their own experiences before they can submit their review to TripAdvisor, we don't seek third-party verification.

So what does this statement say about the "right to write" if Vacation Rental companies remove their properties? We have thousands of guests whose "rights" will be removed if we allow our listings to expire. It does appear hotels and all other accommodations list for free, VRBO can list at 3% and Managers have to contact TAVR if they have more than 5 listings. So if a traveler is looking for guest feedback on a property, they will only be able to see those written on properties that are paying to be displayed.

By contrast, if travelers want to read reviews of a hotel, restaurant or attraction, they can find almost every business listed on TripAdvisor, regardless of whether the business owner maintains a listing or not. How is this offering accurate information to the traveling public and the "right to write?" to those who have stayed in hundreds of thousands of vacation rentals worldwide? If one company alone were to remove their listings, this could also mean the removal of thousands of verified guest reviews. How is that consistent with TripAdvisor's philosophy?

**Request:** We request that a mechanism for allowing guest reviews to remain on the site be adopted, and we would like an explanation of why vacation rentals have to pay to be listed in contrast to other types of listings that appear for free. We would also like an explanation of what happens to the thousands of guest reviews that disappear when a manager removes their properties.

In summary, our intention is to offer feedback on the VR division of TripAdvisor with hope to make you aware that there is a serious problem that many managers are talking about. We will be meeting in New Orleans October 25-28 to discuss the common issues we have experienced with Flip Key and TripAdvisor and a potential industry wide protest of TAVR.

Our hope is that you can address the mismanagement and technical issues, and improve customer communications when issues arise. We realize TripAdvisor is a large company with many areas of focus and the vacation rental segment may not be high on the priority list.

We on the other hand are in the business of managing and marketing our properties to ensure success to our clients and the best guest experience possible. There are many other distribution options to choose from, which many of us utilize with great success. However it would be unfortunate for the vacation rental industry as a whole if TripAdvisor fails to recognize and resolve these issues for the good of TripAdvisor, the consumers, and the advertisers.

**Request:** As far as additional solutions to improve communication, we are open to your suggestions. Many of us will be in attendance at the VRMA National Conference in New Orleans on October 25-28, 2015. We would very much like to invite at a minimum Mr. Dermot Halpin and Ms. Tracey Zhen to a meeting of property managers to discuss this letter and these issues. We are happy to arrange an in person meeting during that time should you wish to have a discussion or receive further feedback.

Thank you for your time and consideration on this matter. We look forward to your response.

Signed,

***The undersigned professional vacation rental managers***