

# BEATING THE PANDEMIC

## Vacation Rentals Are Climbing to the Top

How to increase bookings and get your fair share.

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## Introduction

Months into the pandemic, booking rates started to climb out from under an all-time low brought on by economic shutdowns across the country. What started out as a record year for hotels and short-term rentals quickly turned into a disastrous spring. Even with record high unemployment and an uncertain economy, travelers came out of the shutdown with cabin fever. But not every sector of the travel economy has seen the demand come back at the same rate.

Destination Analysts has been polling travelers weekly from the beginning of the pandemic. According to data collected through October 6th, 75% of travelers say they are planning a leisure trip in the next 16 months and 37% say that trip will take place before the end of 2020.<sup>1</sup> While those numbers sound

promising, that's not good news for all places and types of travel. In the early stages of the recovery, travel patterns shifted away from large cities to more rural regional destinations according to AIRDNA.<sup>2</sup> Airline travel dropped significantly and hasn't shown a large bounce back while consumers are

shifting to car travel and shorter distance destinations.

The key to success for the travel industry is digging into the research and developing a better understanding of the American traveler. Knowing what drives them, what they care about and how to speak to them will make the difference.



## The Rise of the Short-Term Rental

As soon as consumers could travel, they started. But they shunned traveling with strangers on planes – opting for the privacy, safety and social isolation of car travel. Feeling safe and in control is the priority. They will not travel unless they can feel safe and keep their families safe. Travelers are applying that same logic to lodging too. Short-term rentals (STRs) are better suited to give today's cautious traveler exactly what they need to keep them safe and help them save money.

1. STRs make social distancing easier by renting entire houses or condos
2. Larger units (2+ bedrooms) are available in more rural and remote vacation markets, meeting the need of travelers to stay away from crowded urban destinations and do family travel more economically
3. Most STRs have better amenities than hotels; full-service kitchens and large living space are making longer stays more popular.
4. Average length of stay at STRs went up 58% during the pandemic

<sup>iii</sup> (Sanford & Dubois, 2020)

STRs are also beating hotels on two economic fronts – Average Daily Revenue (ADR) and Revenue per Available Room (RevPAR). According to AIRDNA, STRs

ADR remained steady through the crisis and RevPAR dropped 4.5% while hotels are down 65% year over year (as of June 27).<sup>iv</sup>



# Regional and Remote Vacation Markets Are Beating Urban City Centers

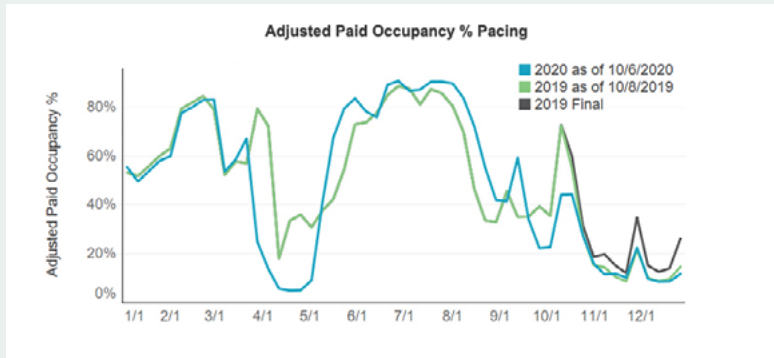
States with more rentals at regional destinations like beaches and mountains are seeing booking rates keeping pace

with or exceeding 2019 levels. Key Data Dashboard reports through October 6th show positive results for most southern

states beginning on or near May 1st all the way through October.<sup>v</sup>

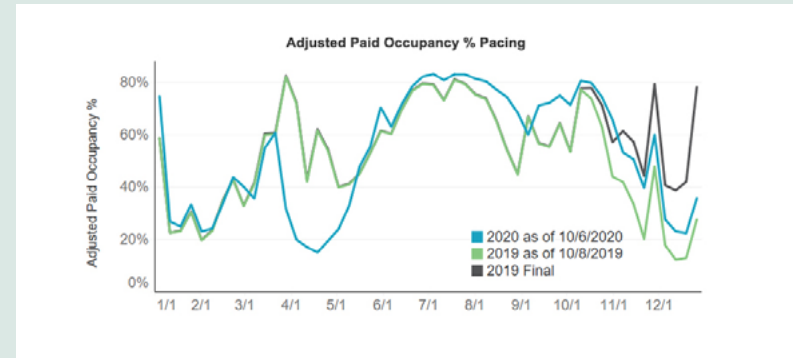
## Alabama - Pacing and Booking Activity

updated October 6, 2020



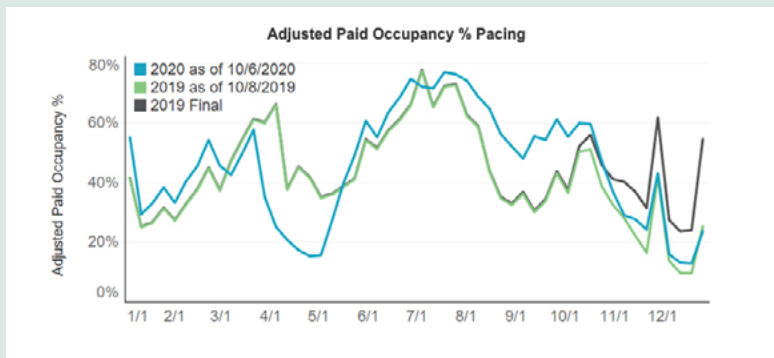
## Tennessee - Pacing and Booking Activity

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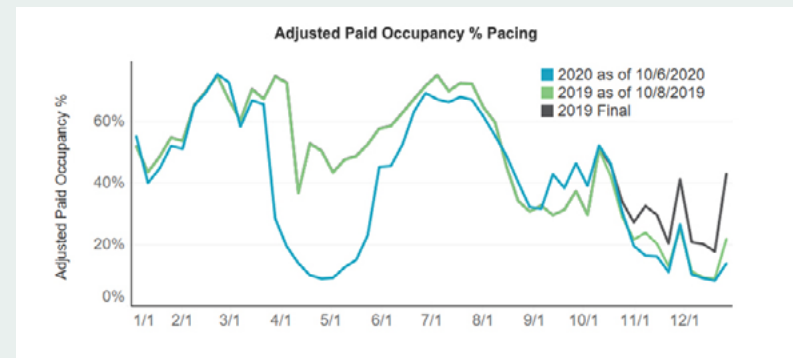
## Georgia - Pacing and Booking Activity

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## Florida - Pacing and Booking Activity

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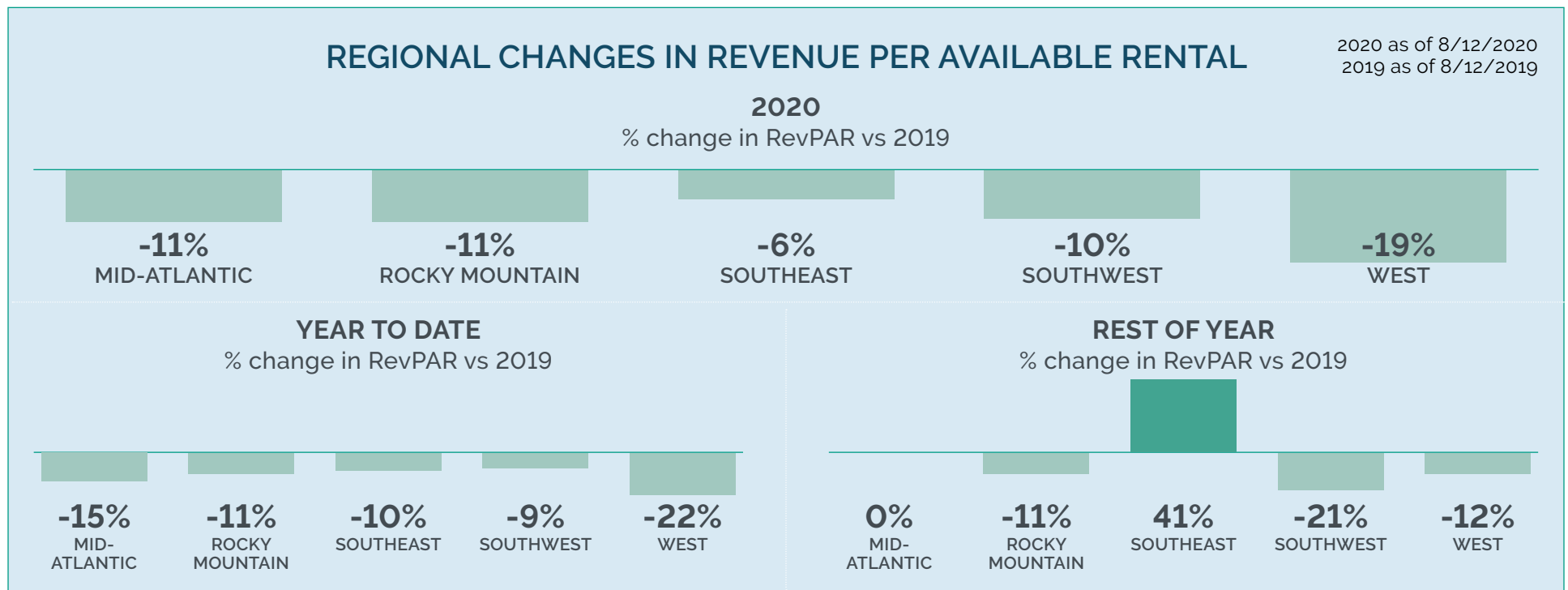
<sup>v</sup> (Keydata Dashboard, 2020)

Florida was lagging through the summer months. Resort Vacation Properties in Apalachicola on the Florida Panhandle is bucking that trend. They used a mix of paid social media, video, behaviorally targeted digital display and search to drive a 4% YoY increase in booking from May to July. [\(Read their case study here\)](#)

Tennessee markets are looking good through October, but the remainder of 2020 will be dependent on how well

mountain destinations like the Smokey Mountain region (only hours from Atlanta, Birmingham, Charlotte, Knoxville, Nashville and Raleigh) perform this fall. By June 21st Gatlinburg occupancy rates were up to 78% compared to 89% at the same time last year.<sup>vi</sup> In Alabama, Gulf Shores is a true success story. Studio-1BR rentals climbed 174% and 2+BR rentals climbed 132% since March COVID-19 lows.<sup>vii</sup>

Looking ahead to the late fall, the southern region is poised to lead the recovery. According to Key Data Dashboard, RevPAR for the south was only down 10% YoY through August 12th.<sup>viii</sup> The silver lining is the forecast for the remainder of 2020, where RevPAR is forecast to beat 2019 by a whopping 41%. While that will not make up for all Spring's losses, if it holds, it will bring 2020 RevPAR to within 6% of 2019.



<sup>viii</sup> (Keydata Dashboard, 2020)

## The Big Question – STRs are Up, but Are You Getting Your Share?

No matter the national trends, the big question is, is your business benefitting from the rise in STR bookings and shifts from hotels to vacation rentals? And, even if you are up, making up for the deficits created during the March-April lockdowns will not be easy. Fall travel volumes typically decrease, so we have work to do to coax more families out of the house.

Consumers have a lot of choices when it comes to vacation rentals. There are more choices in this sector than the hotel

sector. Professional rental management companies who invest in polishing their brand and speaking to the current traveler concerns will be the winners in the fight to maximize market share.

### Consumer Sentiment Drives Marketing Decisions

Knowing what travelers are thinking is key to your success. In today's COVID-19 world, traveler sentiment changes weekly depending on where they are, infection rates in their communities and medical

setbacks and breakthroughs.

Knowing what travelers want to do when they visit and understanding how the coronavirus is influencing their planning will help STRs to get their marketing right. You need to tailor your marketing messages, creative images and web site content to your target audience and provide straightforward information about how you have implemented new procedures to keep them safe and healthy.

#### TOP 5 MOST DESIRED TRIP ACTIVITIES <sup>ix</sup>

**46.3%**

Hang out with  
Family & Friends

**39.8%**

Dine Out in  
Restaurants

**33.8%**

Sightseeing

**30%**

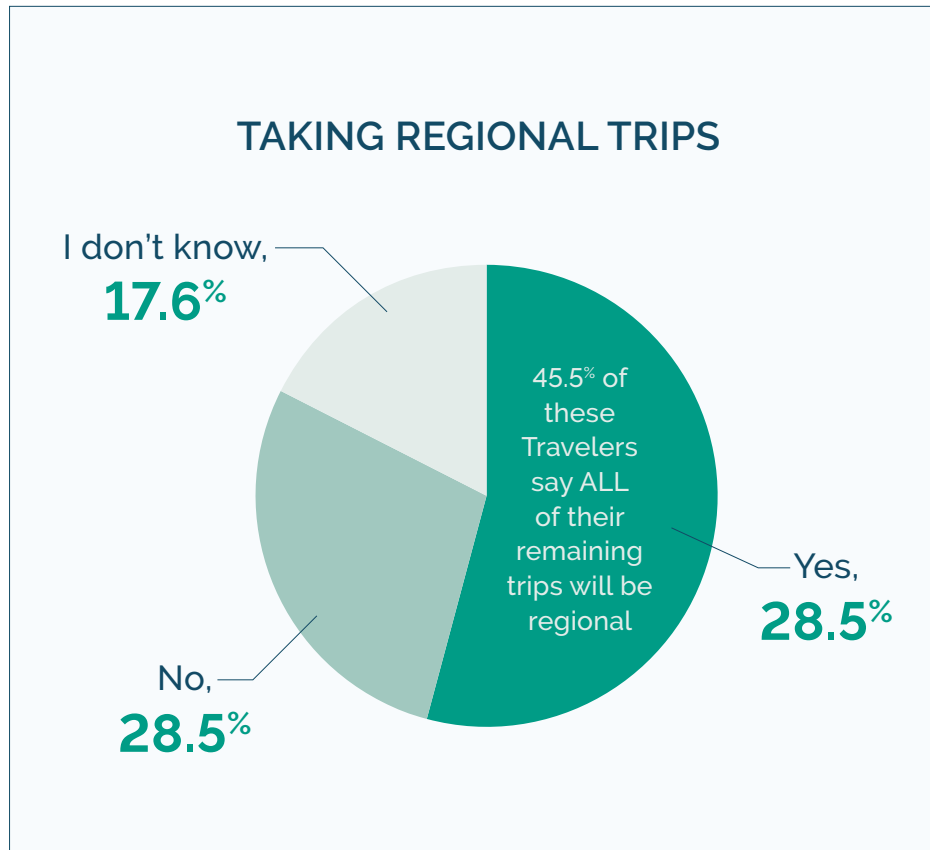
Beach Activities

**22.7%**

Hiking

As we stated earlier, most people are not traveling as far as they did pre-COVID. Focusing on drive-time markets within 200-300 miles will maximize your booking rates. Now is the time to go way back in the customer database and target previous visitors with special offers and messaging – 70% are likely to visit somewhere they have been before.

As travelers start thinking regionally, their options are fewer. Campaigns that remind them what they've been missing, and show them the safe and healthy features of your destination (great take-out options, less-populated beaches, lots of outdoor activities) can make the difference and get them to choose you over another STR or another market.



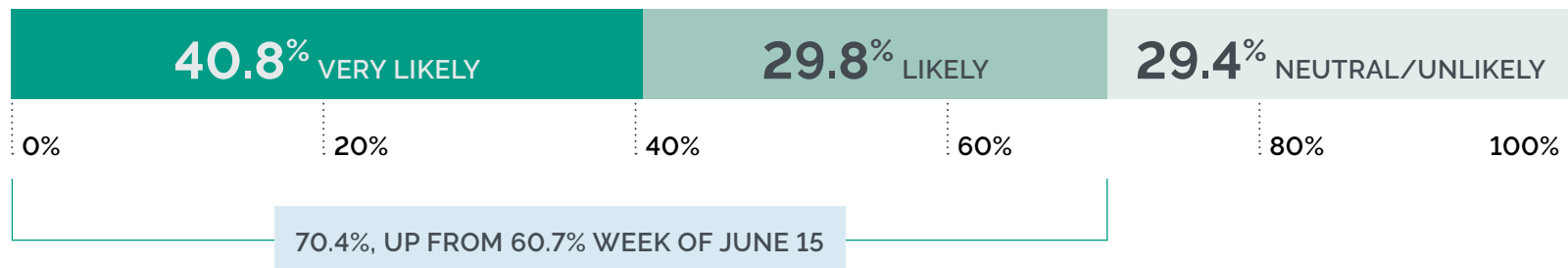


**42%**  
plan a beach visit this year



**35%**  
will visit small towns and rural areas

## LIKELIHOOD OF TRAVELING TO A PREVIOUSLY VISITED DESTINATION



<sup>vi</sup> (Sanford & Dubois, 2020) (all graphs on this page)



## Travel Season Extended into Fall Months

With many school systems partially or fully committed to distance learning for students, the summer travel season did not end when school began. STRs are uniquely poised to take advantage

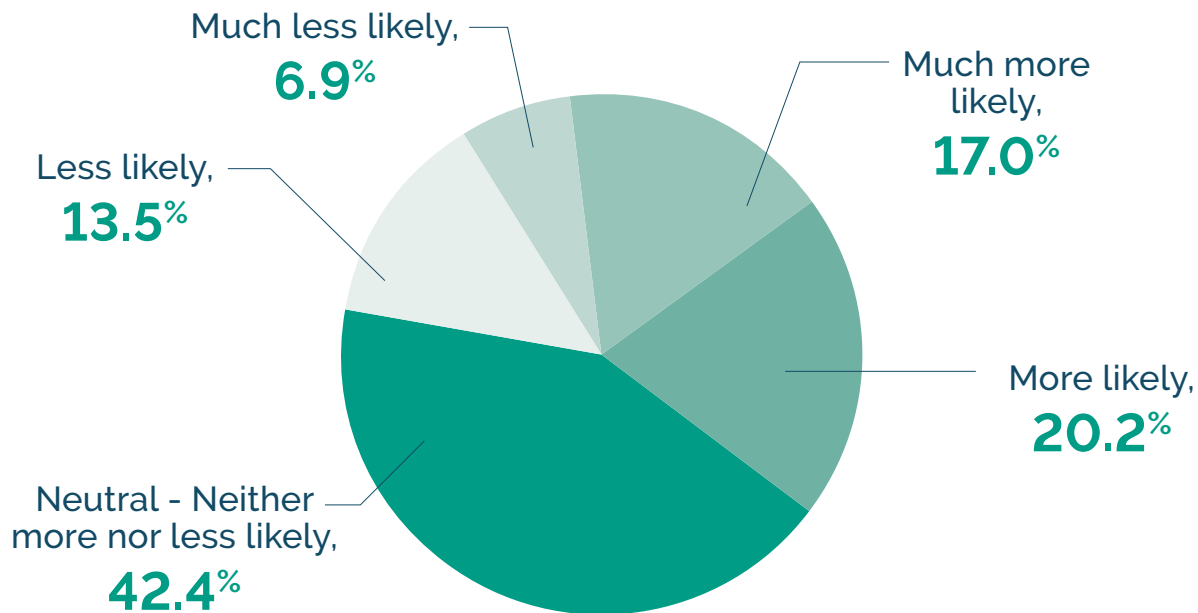
of this trend. And marketing messaging and targeting should be adapted to get parents thinking about the possibilities. With both students and parents working from home, a large percentage of families

have been tempted to consider doing remote work and virtual learning sitting on a beach or way up in the mountains rather than cooped up in their living rooms day after day.

To get these audiences, you need to point out that your properties have what they need – sufficient space, high-speed internet and convenient stress-free food options like meal or grocery delivery, a full list of restaurants and near-by outdoor activities (trails, parks).

Families are not the only ones experiencing a new reality. Die-hard football fans typically hit the road to tail gate and attend college and pro games. With COVID-19 restrictions firmly in place, those tail-gating parties are turning into beach or mountain trips in multi-family vacation rentals. What a better way to have the feel of fall football with friends and extended family.

### DISTANCE LEARNING UNCERTAINTY IMPACT ON LIKELIHOOD TO TRAVEL



<sup>vi</sup> (Sanford & Dubois, 2020)

## STRs in Remote Markets Need to Be Their Own CVB

In many regional, remote, and rural markets vacation rental managers play the role of the Convention and Visitors Bureau, Destination Marketing Organization or Travel Destination Council. These markets are hot right now because vacationers want to get out the house, but they also want to escape the potential perils of crowded traditional hotspots like big cities and major attractions. The major challenge for these regional markets is TDC's, DMO's and CVB's are promoting a large area in general. They are not producing up-to-date information

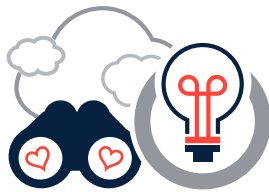
about your properties. You have the opportunity to show you are the expert on how to enjoy your destination in the pandemic conditions – safe places to eat, what attractions are pandemic friendly, changes in procedures, capacity at venues or masks requirements.

### Increase Bookings by Following the Stages of Traveler Conversion

STRs that only focus on the final conversion (booking) stage of marketing will not take full advantage of the

pandemic bump in vacation rental bookings. Getting more bookings starts by building a relationship with prospects and guiding down the conversion path to booking and beyond. Advance Travel & Tourism developed the Traveler Conversion Journey and it has helped the industry attract more customers, build brand relationships, increase customer loyalty and turn customers into brand ambassadors and influencers.

#### DREAM



Discovering Destinations  
Building Wanderlust

#### PLAN



Exploring Possibilities  
Mapping out the Visit

#### BOOK



Choose and Purchase  
Finalizing the Itinerary

#### SHARE



Experience and Relive  
“Honeymoon Phase”

## Dreaming

In the pandemic, nearly all house-bound families were in the dreaming stage since the lockdowns began in mid-March. After they were lifted, households started to think more actively about the possibilities of traveling well into the fall and winter months due to more flexible school and work schedules.

Consumers want to know more about what they will experience when they visit. Video has become the best way to virtually get-to-know your destination – what it will look and feel like. Good video and photos are the best way to capture the attention of social media users (YouTube, Facebook, Instagram), but it is also a good tool for streaming platforms (OTT) as well. Digital Display is still an important and cost-effective way build brand awareness and stay in front of travelers high in the sales funnel.

## Planning

When prospects move from dreaming to planning their next adventure, they need information – guides, expert advice,

insider tips, live-like-a-local articles. Content is king at the planning stage and it needs to be readily accessible and easy to find on your website. But content is also a great way to get people to your site when you distribute it through sponsored content, email marketing, display advertising and paid-social media campaigns.

Content should be refreshed seasonally and be relevant to the times. If you don't have COVID-specific content on your site to show how you are cleaning differently,

reducing crowds in high traffic areas like pools, beaches or recreational areas, then consumers might not feel like you are considering their health and safety.

Travelers want to know the best places to eat, how to get takeout, the best local markets, rentals and outdoor activities. When you become their go-to source for this kind of content, you differentiate yourself from competitors and drive them down the funnel faster toward the booking stage.



## Booking

Comprehensive search engine marketing (SEM) and search engine optimization (SEO) programs are essential. There's not a one-size-fits all approach to SEM and SEO, and Advance Travel and Tourism experts work with clients one-on-one to build strategies that are right based on their location, target audience, and the current condition of their website content and booking engine.

Booking is where you see revenue directly attached to marketing spend, but without building your brand with prospects at the earlier stage of the funnel, you will only attract bargain hunters at lower-than-average rates. Reaching consumers at the Dreaming and Planning stages increases their loyalty to your brand and helps them choose your property even if the rate is not the lowest offered.

Retargeting is important too. Retargeting display, search display and social re-messaging drive planners back for another bite at the apple. Adding in the right blend of creative and messaging to

turn casual shoppers into bookers helps decrease cost per conversion rates and maximize marketing ROI.

## Sharing

Sharing is key for many reasons. First, when travelers share their experiences with friends and followers, they feel a greater connection to your destination, rental management company,

restaurants and stores they encountered. Second, your customers are marketing for you – exponentially expanding your reach to their networks – people just like them. Monitor social sharing by setting hashtag alerts. Respond to posts from customers and continue the social media connection beyond their stay. It is an easy way to turn a first-time customer into a lifetime advocate.



## Conclusion: Short Term Rentals Can Win Market Share and Thrive in the COVID-19 Pandemic

More than any other sector in the travel industry, STRs are positioned for success in the pandemic. What other sector can offer the safety, security, and socially distant lodging experience that travelers need? The STRs that will earn the most

business are the companies that can stay on top of consumer sentiment and give them the information they need to plan and execute the trip of their dreams. As families hit the road looking for distraction from virtual learning and work-at-home

fatigue, STRs can extend the travel season well into the fall.

Advance Travel and Tourism has been helping the vacation rental market increase bookings and brand their markets for many years. We want to get to know you too because we know we can help you navigate this unique time and find success in 2020 and beyond. Give us a call, send us an email or snail mail a letter. There is no obligation and no pressure to talk to better understand your unique goals and challenges.



*Here's to a successful  
2020 and an even  
better 2021. We can't wait  
to hear from you!*



## About Advance Travel and Tourism

Advance Travel & Tourism is a destination marketing team within Advance Local, one of the leading media and marketing companies in the United States. From local to regional, national or international, we reach travelers everywhere.

Advance Travel & Tourism works with travel partners across the US, with local account managers waiting to meet you in person (or on Zoom in today's environment).

Our hands-on approach ensures we understand your needs and creates a solution that meets your goals and budget.

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<sup>iii</sup> (Sanford & Dubois, 2020)

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<sup>v</sup> (Keydata Dashboard, 2020)

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