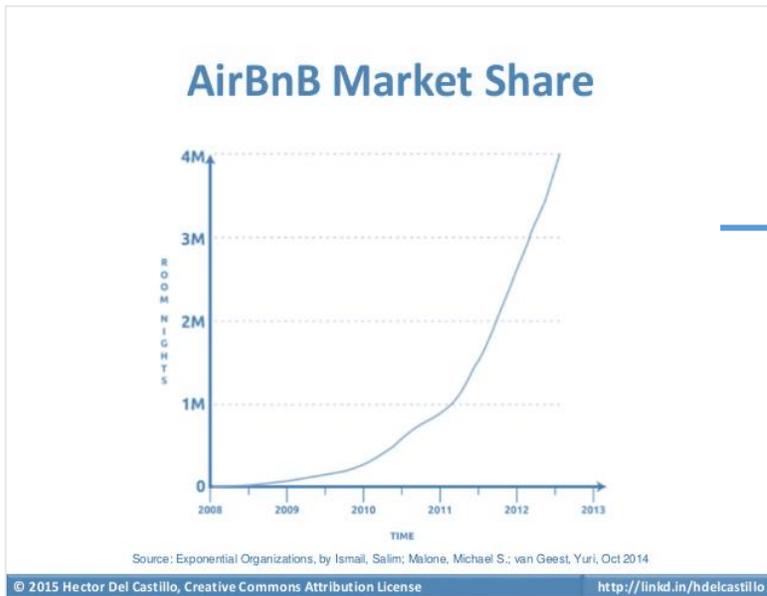


# HOW-TO:

# COMBAT AIRBNB TO WIN THE DIRECT BOOKING

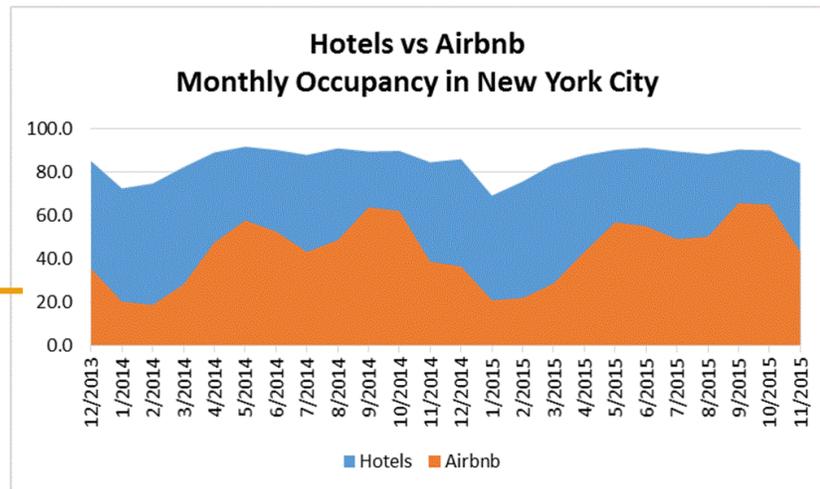
## AIRBNB OVERVIEW

In these times of flat and even negative occupancy projections, and Airbnb satisfying a portion of the travel demand, hoteliers must fight for every guest that is inclined to stay at an Airbnb rental. Airbnb is **taking 10-12%** of demand in NYC alone. The impact affects hotel room pricing leading hotels to be unable to raise prices in periods of peak demand, and also affects overall occupancy. Airbnb's valuation of over \$10 billion now exceeds that of some global hotel chains. According to HVS, **It is estimated that the hotel industry loses approximately \$450 million in direct revenues to Airbnb per year (HospitalityNet.org)**. Hotels must take action in order to combat the negative effect Airbnb has on the hotel industry.



→ Airbnb market share is steadily increasing.

In NYC alone, Airbnb is steadily stealing demand.



Source: STR, Airbnb

## PRESENTING THE HOTELIER VALUE PROPOSITION ON THE HOTEL WEBSITE

To combat the affects of Airbnb on the hotel industry, hoteliers should promote features and amenities that Airbnb lacks. Here are actions steps to consider:

### 1. Guest Services

Hotels offer services that guests cannot get when staying in an Airbnb rental. These services include room service, concierge and information, and luxuries such as plush robes. Hoteliers should highlight guest services throughout the hotel website. They can also showcase their employees that are dedicated to making stays comfortable and convenient.

### 2. Amenities

Hotels also offer amenities that are typically unavailable in Airbnb rentals, including spa services, onsite dining, fitness center, etc. The hotel website should highlight these amenities with rich imagery.

### 3. Inspiring Communal Spaces

Many hotels now offer spaces for guests to gather and socialize, including inviting lobbies, lobby bars and cafes, executive meeting rooms, etc. This can be a place to meet other guests or just a place to relax and work. Airbnb options lack this community space, as many Airbnb spaces are just rooms within apartments or an entire space to a guest. In light of this, Airbnb guests do not have the same opportunity to socialize and mix and mingle with other travelers. Hoteliers can highlight this on the website with images of guests using communal spaces and enjoying themselves.

### 4. Security and Safety

Airbnb is not always a safe option for travelers. Accommodations are booked through property owners that are unknown to the guests. If the guest is unfamiliar with the area, they may be staying in an unsafe neighborhood or use unsafe transportation to/from the Airbnb rental. Hotels, however, have 24/7 front desk and security. Hotels can highlight this on their website by listing their security measures under FAQs or amenities.

### 5. ADA and Accessibility

Very few Airbnb accommodations are ADA compliant. Hotels are ADA compliant by law and offer ADA-compliant accommodations and access for disabled guests, such as wheelchair accessible bathrooms and elevators.

### 6. Baggage Storage

Travelers often arrive to their destination earlier than expected, or leave later in the day after check-out. Hotels often offer luggage storage so guests can explore the destination without having to carry around heavy bags. Airbnb hosts typically do not offer this service. They expect the guest to arrive at the time of check-in. Hoteliers should provide their baggage storage information under amenities and services.

### 7. Guest Appreciation Program/Loyalty Program

Many hotels offer guest appreciation of reward programs for repeats guests. They are free to sign up and reward guests for staying at the hotel. This encourages guests to return in the future. Airbnb does not offer loyalty programs. Hotels can highlight their loyalty programs by putting a call-out to sign up directly on the homepage of the hotel website. They can also dedicate a portal on the website for members-only discounts to loyalty members.

### 8. Pricing

The average paid rate for an Airbnb unit is \$148.42, which is 25% higher than the average hotel rate of \$119.11 (STR, Inc), revealing that while Airbnb is seen as a more cost-effective option to consumers, this is not always the case. Hoteliers should stay aware of Airbnb pricing in the property's neighborhood and emphasize the value and additional services guest will experience by booking the hotel at a comparable price. Featuring a Smart Rate on the hotel website homepage will also allow the property to highlight competitive rates.

### MARKETING STRATEGY

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To combat the effect Airbnb has on the hotel industry, hoteliers will need an efficient marketing strategy.

#### 1. Experiential Packages

Hotels can offer packages that provide guests with the ultimate destination experience. For example, a New York based hotel can offer guests complimentary museum passes, Uber credits, and free walking tours. Hotels in warm destinations can provide poolside beverages and complimentary sunscreen. Other examples may include yoga sessions or spa credits.

#### 2. “Live Like a Local” Messaging

A big appeal of Airbnb is that guests feel like a local because they are staying in a resident’s home. Hotels can combat this by delivering “live like a local” messaging. They can offer packages that make the guest feel like a local, such as discounts at local restaurants and complimentary passes for public transportation.

#### 3. Social Media

Social media outlets are one of the most popular places travelers get inspiration for their next vacation. Therefore, hotels should have an active social media presence and post rich imagery showcasing the hotel’s guest rooms, amenities, and services. They can also invest in video and Canvas ads to allow the traveler to experience the hotel without even being there. This will inspire travelers to book the hotel. Additionally, social media platforms such as Facebook and Twitter offer many targeting opportunities which can allow hoteliers to target people who are interested in Airbnb.

#### 4. Blog Posts

Hotels can create blog posts with itinerary ideas in the hotel’s destination that appeals to all types of travelers, including history buffs, art enthusiasts, and foodies, which will also help combat Airbnb. Blog posts will come up in search results when the traveler is searching things to do in their destination. This will lead the traveler to the hotel website and drive direct bookings.

#### 5. TripAdvisor Reviews

Travelers often turn to TripAdvisor when planning travel. Having positive reviews on TripAdvisor is important, as this may encourage travelers to choose the hotel over Airbnb. Hoteliers can ask guests to write a review in their post-stay email, or ask people who have left reviews on other channels such as Facebook and Google. When prompting guests to leave a review, hoteliers can also prompt them to mention their favorite local activity in their review to really help drive home that guests can stay at a hotel and still get a local experience. TripAdvisor is also a great opportunity to advertise your hotel through destination targeted display or a TripAdvisor business listing on your property page. This will help ensure you drive traffic to the hotel website while potential guests are researching hotel options and price comparing to their Airbnb options in the same neighborhood.

#### 6. Smart Data Marketing

Through our top partners ADARA and Sojern, we can target travelers based on the dates they are researching. Travelers likely have already searched for flights and may even have searched for hotels before turning to Airbnb. ADARA and Sojern can target these potential guests with ads that appear on multiple touchpoints throughout the online travel planning journey, and ultimately drive traffic to the hotel website.

### NEXT STEPS

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Airbnb has had a large impact on the hotel industry, but hoteliers can still combat this to win the booking. Hoteliers should utilize their hotel website to highlight features that travelers cannot get when choosing Airbnb:

- Service (room service, concierge)
- Amenities (spa, onsite dining)
- Communal Space
- Security and Safety
- Baggage Storage
- Guest Appreciation Program/Loyalty program
- Competitive Pricing

### IN SHORT:

- Hoteliers should create a multi-channel marketing strategy that will effectively steal market share from Airbnb.
- Promoting experiential packages and using “Live Like a Local” messaging will give travelers most likely to stay at an Airbnb rental the experience they are looking for when planning their vacation.
- Utilizing marketing strategies such as Smart Data Marketing and social media advertising will effectively deliver the message to the right person at the right time *before* they’ve researched Airbnb options and finalized their decision.
- Creating rich content and blog posts surrounding the destination and local neighborhood will help drive interest among the Airbnb segment and direct travelers to the hotel website through organic search results.
- Lastly, hoteliers should encourage guests to write TripAdvisor reviews to inspire future guests to book instead of turning to Airbnb.

**Overall, by implementing these strategies together, hoteliers can combat Airbnb and drive more direct bookings.**