



HOW TO INCREASE YOUR RENTAL VACATION INCOME BY 25%



This special report was sponsored by iTrip

iTrip is a leading vacation rental management company on the cutting edge of vacation rental management and strategic marketing. iTrip uses the latest in geo-targeting internet marketing and industry knowledge to increase an owner's rental income by at least 25%. iTrip offers a 25% net rental income increase guarantee in writing to Vacation Property owners, this increase will be in the first 12 months with iTrip. One of the valuable systems that helps us provide this exceptional increase is the peace of mind we provide with our "worry free guarantee" for vacation rental customers.

Introduction

We created this ebook to give you the tools and knowledge you will need to maximize the rental income from your Vacation Rental Property. You may ask why do we offer our inside secrets and years of experience to you? The answer is simple, we believe in the strength and growth of this explosive industry and we believe that the more knowledge you have, the better the entire industry will be. As ambassadors of this industry, our goal is to make it stronger for everyone. We hope that you will share any tips you have learned from your rental management experience with us as well, together we can improve the rental experience for everyone involved.

Where have we been? Where are we going?

When you listen to the news about the internet, you will often hear the term web 2.0 used as a buzz word to describe the second generation of internet technology. The internet started with Web 1.0 as the first generation of basic web pages and E-commerce sites. Even in it's basic form this web 1.0 technology changed the world in which we live. Web 2.0 technology took this basic platform to a new level of service that changed our lives and created many powerful brand names including Google, MySpace, Facebook, Craigslist and You Tube. Basically, web 2.0 is the next generation of the internet and it transformed the way we do business and connect with each other. Web 2.0 also describes some of the core technology that has allowed these new interactive sites to place more content and information at our fingertips. Just 3 or 4 years ago, many of these web 2.0 companies could not exist because the technology had not yet been invented to create their systems.

When you think about the Vacation Rental Industry, you can apply the same buzz words to describe the 3 versions of Vacation Rental Management systems as they have progressed over time.

In the beginning, this industry started with Vacation Rental 1.0, this initial business model started back in the late 1950's and remained largely unchanged for more than 40 years. This system involved an agent on location near the rental unit and this on-site property manager would mark your arrival date on a calendar, accept your payment when you arrived and give you a key to your rental unit. This version 1.0 of the Vacation Rental Management Business is still available today and is still quite popular but in many ways this on-site model has become costly, inefficient and less effective at producing income from your vacation rental property.

Compare pros and cons to V 1.0

Not long after Web 1.0 or the first version of the internet came to be, Vacation Rental 2.0 was born.

Vacation Rental 2.0 is quite simply Property Owners just like you, using the power of the internet to manage the booking of your own rental property. The idea behind this system is a good one. Use the power of the internet to reach the consumers searching the web for vacation rental properties and lower the high commissions that the on-site companies charge.

At first blush, this seems to be the perfect marriage, you are taking control of your property and putting the high commissions in your pocket as additional income.

For many Vacation Property owners, the honeymoon with Vacation Rental 2.0 is soon over as they quickly learn that managing the phone calls, emails, contracts, check ins, check outs, cleaning crews, emergency repairs, maintenance, bank deposits, sales and bed taxes etc. starts to look a lot like work! When they honestly evaluate the time they spend on this business that they created they soon begin to wonder if it is worth it after all but when they look at the high commissions that the on-site (Version 1.0) companies are charging, they continue to do the work themselves.

Take a Look at the Pros and Cons to V. 2.0

As you can see, both of these systems have their strengths and weaknesses. For many Vacation Property Owners, one of these two systems may be the perfect fit for their properties. We usually find that most Vacation Rental Property Owners would really like to have it both ways, sort of have their cake and eat it too. They are attracted by the lower commissions and utilizing the power of the internet to increase their occupancy rates but would also like to spend more quality time with their families and less hours working on their own rental management business. We also find that many property owners may not have the skill sets or proper equipment needed to compete with professional rental management companies in today's competitive market.

This wanting to have our cake and eat it too became the motivation to create a better system, enter Vacation Rental 3.0.

One of the founders of iTrip, Steve Presley has owned vacation rental properties for more than 17 years. Steve has bought, sold, rented and managed properties in the Gulf Coast market during this time frame and has tried just about every rental management system he could find. Steve has also tried his hand at renting his own units.

In September of 2007 Steve and several of his friends were closing on Vacation Properties and had a decision to make, how can we maximize our rental income from the properties we are acquiring?

Do we put them in the hands of the on-site management company? Do we manage the rentals on our own? What is our best option?

When they analyzed the pros and cons, there were several items that left them feeling less than comfortable about placing their properties with the on-site company.

First and foremost was the typical rotation system that is employed by most on-site rental management companies. This Rotation system places the last property rented at the bottom of the list and that property does not get rented again until all of the other properties in the system have been rented. This system seems fair enough, as it gives everyone equal billing but it is not quite that simple. What if you go to the beach or mountains and stay a few nights in your rental unit? How does that affect your rotation status? Well in most systems, your personal stay will place you at the bottom of the list... Waiting for 100 or more properties to rent before you get a chance at yours being rented.

What if you have taken the time and spent the money to have a 5 Star Rental Property, one that is in the top 10% of your complex? Don't you think that you would have an advantage over the property owner that furnished their unit on a budget with plain jane furnishings?

Well, unfortunately, in a rotation rental system, you have no advantage over the less than stellar competing units in the program. The only thing that matters to the system is which property has gone the longest without a rental. Even though the guest that is renting the unit would much prefer your nicer unit to the below average one, they will not get the opportunity to make this choice because the rotation system will select the property for them.

What if you have a friend from work that discovered you have a beach condo for rent? Given the fact that the traditional advertising that the on-site company is using has not been performing very well, you decide to help the situation out and send the willing and able rental guest to your management company. You do this, so you can reap the benefits of a booking in your unit. You would think that since you located the customer and sold them on your unit, then handed the customer with credit card in hand to your management company, effectively closing the deal, that you would get some sort of reward? Well, in most cases, all you will get is a thank you and the full commission taken out of your earnings.

These are some of the issues that rubbed Steve and his friends the wrong way over the years and they searched for another option.

Renting the units themselves did not seem to be the best idea. They were busy professionals, they did not have the time to manage another business. Even if they wanted to rent their own units, they did not possess the intense focus and professional skill set required to compete with the best marketing minds in the rental business. Their time was very valuable, that is why they were able to afford a vacation rental property in the first place.

Steve looked at the math and the time involved to manage his own unit..

Doing the Math - Numbers Don't Lie...

On average, Steve spent 2 hours per day working on some aspect of his small rental management business. This included bookkeeping, updating listing pages on the internet, placing ads in the paper, answering phone calls, managing cleaning and maintenance crews, answering email inquiries, managing check ins, check outs, rental contracts and bank deposits etc.

That works out to 14 Hours per Week or 730 hours per year.

Since Steve had years of experience and seems to be a hard working and disciplined self starter, he decided to pay himself \$10 per hour.

$730 \text{ Hours} \times \$10.00 = \$7,300 \text{ per year}$

Well, you are not going to get rich on that but it is not bad, remember, Steve is only working part time....

The problem is, the part of the time you are working happens to fall when your family is eating dinner or your friends are eating lunch. It happens to be the time you are focused on a large deal with your primary business... It is just part time but Murphy's Law finds a way to make the part time, a very valuable part of the time you have available.

It is valuable time but you are earning \$7,300 per year!

That makes the sacrifice worth every penny right?

Let's look at the Math and find out!

If you have a property that is averaging \$35,000 per year in Gross Rentals, you are saving \$10,500 per year by renting it yourself when compared to the typical on-site company that charges a 30% commission.

That is not too bad, when you subtract the \$7,300 per year for your time from the \$10,500 commissions that the on-site company charges, you have a handsome \$3,200 profit to show for your efforts.

I would say that as long as you enjoy this process and you are effective at maintaining comparable rental and occupancy rates in your rental unit then you are doing fine.

Steve and his friends however had experienced the issues with cleaning crews dropping the ball, the phone calls at midnight about the plumbing problem and the phone calls in the middle of dinner.

They analyzed the pros and cons of Version 1.0 (on-site management) and version 2.0 (owner managed on the internet) and tried to form a plan that combined the best qualities of each system while eliminating the issues that they had discovered with these systems.

They really liked the idea of a full time rental property manager that would bring skills, focus, attention to detail and personal attention to their rental properties but the cost associated with this level of service seemed too high.

With reduced overhead expenses the cost to run a successful full service rental management company could be much lower.

What if this system could be created and save the rental property owner the 15% overhead of usually associated with the larger companies?

What would the numbers look like with this savings taken into affect?

If your rental property averaged \$35,000 per year in gross rentals and the new system allowed the management company to charge you a low 15% commission, how much would you save?

Let's do the math and find out!

$\$35,000 \times 15\% = \$5,250$ in Commissions

That is \$5,250 less than the on-site companies

Wow!! That is a savings of 50% for simply taking the fancy office out of the picture.

That seems pretty good but why would you pay even 15% when you can do the work yourself?

That is a good question, let's take a look at the math and find out.

We have already determined that if you pay yourself \$10 per hour, the time spent managing your property yourself will cost you \$7,300

How does this compare to the 15% commission model?

If you take the \$7,300 you pay yourself for your time and subtract it from the \$5250 that you would pay the new internet based rental management company you would find that the answer is **Negative \$2,050**

That means not only are you only making \$10 per hour your for your time, you are \$2,050 behind on paying yourself!

This means that you are actually making less than \$7.30 per hour for your valuable time. This is just over minimum wage!!

But Wait There's More!!

When you consider that the average vacation rental property owner does not have the benefits of a larger company with professional talent on staff for photography, video production, marketing, writing keyword descriptions, Search Engine Optimization, managing market rates and managing local contractors, you realize that you are going into war with a B.B. Gun.

So, it stands to reason that with the increased Internet Marketing Exposure and professional staff on board, this new company would likely even increase your occupancy rate and gross rental income.

If this new rental management system is able to increase your Gross Rental Income just 15% to \$40,000 and the commission is a low 15%, look what happens to the math.

$\$40,000 \text{ Gross Rental Minus } 15\% \text{ commission} = \$34,000$

This is incredible!

You will find that the effective cost for allowing the new company to manage your property compared to you managing the property yourself is now only \$1,000 per year!

You may not want to hear the next part of the math but this places you earning \$1.37 per hour for your time!

After looking at these numbers, Steve and his partners decided to create this unique internet based rental management system and began calling the system Vacation Rental Management 3.0.

In addition to the cost savings provided by the lower commission, They wanted to do away with the annoying rotation system and the other policies that penalized property owners for staying in their own units or referring friends to the rental management company.

They created a system that advertises each property on an individual basis, so if you have an extra nice unit, the rental customers shopping for a property will clearly see the advantage of selecting your property. Also, because of the large inventory of properties in this internet system, there is an opportunity to book multiple units at one time to large groups and when an inquiry comes in on a similar property that is already booked, you get the booking on your unit as overage.

When further defining Vacation Rental 3.0 they decided that they would place no restrictions on the number of days an owner can stay in their own unit and if the owner sends a referral that books their unit, the commission is cut in half to 7.5%.

In order to keep the system running at full speed and the property owners happy, they also decided that in this Vacation Rental 3.0 model, they will not accept more than 10% of a building, complex or area into the program. By being selective and offering only the best properties in the market, the 3.0 model can that combines only the Finest Vacation Properties with World Class Service.

In short, they created a system built from a Property Owners perspective that creates a Paradigm shift in the industry. The vacation rental 3.0 model truly allows the vacation property owner to have their cake and eat it too..

In the process of gathering our research and performing real world testing, we have learned quite a lot about strategies that work very well and some of the pitfalls to avoid. In the next section, we are going to share this knowledge with you.

Statistics and Solutions

The Vacation Rental Market has changed considerably over the last few years, yet in many markets around the county, many people are still operating and managing vacation rentals like we're still in the 60's. What we have set out to do in this eBook is outline some simple, yet revolutionary strategies each vacation rental owner can implement in a very short period of time to significantly increase the net rental revenue for their vacation property. In fact, these are the exact same strategies that we have implemented for our vacation rental clients that have improved their net rental income by over 25%. In some cases we have doubled their rental income. Let me ask you a question, who isn't interested in escalating their rental income in these uncertain economic times?

In this eBook you are going to learn the industry secrets of how to exponentially profit from the many untapped revenue streams online using an assertive outbound marketing strategy. For the past 18 years we have been developing these innovative marketing strategies that will drive interest to your vacation rental property. These tactics are absolutely critical to assuring a lucrative rate of return on your vacation rental investment, and will be discussed in detail as we share these secrets through our proven five-star program.

Additionally, you will find a FREE step-by-step consultation compiled by a team of highly qualified online marketing strategists, which will unlock your property's hidden potential!

There are two converging forces coming together today that are significantly impacting the hospitality market and the vacation rental market. The first is how vacations are booked today. Recent statistics state that 80% of reservations booked today use the internet in some part during the reservation process. Maybe the internet was used to do the preliminary research and then the vacationer picked up the phone and called. Or maybe, which is happening more and more all the time, the entire process was researched and booked 100% online without every talking to a person. Let me ask you a few questions, do you offer 100% online bookings with your property? Do you take all major credit cards? Do you have an SSL security Certificate for your website to verify the security of your network?

In this Internet savvy, web 2.0 world we live in, you basically have 2 choices, continue to go down the same road with old technology that could be compared to the rusty train tracks that are left abandoned across this country or jump on a 747 Jumbo Jet and Fly the Friendly Skies. The bottom line is that the way the world operates and the way consumers make purchases is changing rapidly and as you can see with all of the famous retail stores closing, having a fancy building is not doing them any good at all.

The second converging force is where people want to stay when they travel. More and more people today are realizing that in many cases, they can have more room, a full size kitchen and a larger gathering space by renting a vacation property vs. a hotel room. It is not just the vacationer switching to the larger rental properties but business is getting in the game as well. Let me give you an example. On a recent business trip, there were 3 of us traveling. Instead of getting 3 separate hotel rooms at \$150 per room per night, we all shared a 3 bedroom condo for around \$200 a night.

If you do the math, you will see that $3 \times \$150$ would be \$450 per night but we saved \$250 per night by staying in the more luxurious \$200 per night beach condo.

Not hard to figure out the savings there, plus all the extra room allowed us to spread out and work in a more comfortable environment.

The bottom line is this, the vacationer today is more demanding and wanting more space plus all the modern conveniences that vacation properties offer.

These two converging forces are reshaping the landscape for the hospitality and vacation rental industries. There are very specific steps that you will need to take in order to get your fair share of this market. Without implementing what we are about to share with you, you will be left behind and you will not maximize the return on investment of your vacation property.

What Does the Data Say?

According to data research compiled by the distinguished PhoCusWright's industry intelligence group, the forecast for the U.S. vacation rental market is bittersweet. Approximately 21.5 million vacation rentals were confirmed over the last couple of years - half of all of those confirmations were booked through online sourcing, and 64% of those bookings were from word searches or customers researching vacation options online.

PhoCusWright said it this way, "The online vacation rental market is emerging rapidly from the nascent stages of static, "brochure-ware" Web site to a hotbed of activity for vacation rental

companies.” However, if you are not to be found on the Internet or only in a very limited way you are missing out on a HUGE change in this industry and the associated profits.

Vacation rental owners that are willing to embrace the demands of this growing market will be the ones positioned to realize the tremendous growth and profit.

The unfortunate fact is that majority of rentals by owner are relying on their own static websites, or “brochure ware” that is hastily becoming a primitive practice. Static sites only allow for your listing to “found” by happenstance or by giving someone the direct address of your website. Gaining traffic and directing customers to your site by leaving electronic bread crumbs all throughout the Internet will generate the type of upticks you need to solidify a client base and boost income.

To increase the bottom line, this proverbial bait has to be flung out in order to generate web traffic, but most individual owners don’t have the resources to “bait” the hook. Simply generating traffic will only result in increased hits on your property listing, but it’s what you do with the increased internet traffic that will inflate or deflate your rental income. An organized catalog of the emails collected from previous vacationers should be collected and stored in a database and used on a consistent basis for frequent market updates. In addition, static sites without online payment options, interactive components, updated calendars or review modules are nothing but a thin, peeling promotion poster on the infinite wall of online global staging.

Sounds like a lot of work? It can be a headache trying to juggle all of the promotion, maintenance and ever-changing technological trends that go into increasing vacation rental income unless you have a system in place.

With so many rentals by owner competing for business, you have to make yourself stand out. When the scope is rightly adjusted to include the current front runner, hotels and their highly evolved online booking management systems, you have to ask how do you change your model to be better equipped to compete on a broader level? How do you penetrate their client base to the point of conversion? There is no reason why an independent owner can’t utilize the same complexity and savvy as the existing travel industry giants have. The internet has allowed the individual owner to level the playing field when it comes to marketing today. The key is to know what to do.

Convenience, Content and Commercial Viability, this is what many vacation rentals are lacking. This is also where the more established companies excel. Even though this industry is dominated by the big players, with the right tools, you can play on the same field.

The Five Star Outbound Marketing Strategy

This five-star strategy is proven to increase your overall rental income. Each of these five steps can represent a 5% increase in your bottom line. Complete all five steps and you have just raised your rental income by 25%!

1. *Develop Sound Online Marketing Campaigns- SEO and Website Traffic*
2. *Become Financially Viable- Create Accessible and Flexible Revenue Management Strategies*
3. *Inviting Atmosphere- Theme is Key*
4. *Keeping Current- The Where, What and When*
5. *Professional Property Management- Professionalism Equals Profit*

These are the steps that need to be completed. These tasks may seem daunting and unrealistic. You have two choices, either dig in and do them yourself or outsource these tasks to a vacation rental management company that embraces all of the five pieces of the strategy for you! This can supply you with utmost advantage in the current leisure market. No hassle, just results!

Step Number One

Develop Sound Online Marketing Campaigns- SEO and Website Traffic

According to the 2009 PhoCusWright's study only 10% of adults have occupied vacation rental properties in the last 10 years. The study equates that there is an obtuse structuring failure to properly categorize online vacation rentals, "The biggest challenge to consumer consideration and booking of vacation rentals is a broad lack of category awareness."

In addition to a lack of category awareness, one of the leading misconceptions that surround vacation rentals is that they are only suited for the affluent. In a down economy, there needs to be flexibility in pricing and booking to stay on par for communicating value to the money conscious public. In this economic age, a misconception like price has a decreasing pull on the interest that the average customer may have in seeking out rental housing for their next vacation. Potential customers with smaller budgets tend to be gun shy about booking vacation rentals because of assumed price packages. But with proper listing information, a variety of payment options and a visible seasonal pricing calendar this can be rectified.

In an industry that is worth \$24 billion dollars, there is an unprecedented potential for growth and profit, even in a time of uncertainty. Practical solutions are needed to help vacation rental property owners book a property consistently. This means developing sound marketing strategies as well as carving out a solid, promotional plan that is relevant as well as innovative. In addition, the rental itself may need to be updated in order to draw the amount of attention it deserves.

This means making sure that once your property is visible online and ready for the viewing public, your efforts will be rewarded. The majority of rentals that are booked online are done so by 35-55 year old females. This means that your rental will not only have to make sense financially for her and the family but she will have to be attracted to the décor, as well as be drawn in by the listing description and images. While location is of course one of the most important factors in gaining interest from potential customers, there is a lot to be said about presentation, updated amenities, and flexibility in terms and booking.

As an independent owner, you need to increase the chances of exposure, namely through online avenues, which increases a visual draw to your vacation rental. A thematic approach to décor enhances the overall vacation experience, which is principal in today's market.

Search Engine Optimization (SEO)- What is it and How can it Work for Me?

Any independent vacation rental owner, no matter social or economic status, is free to compete fairly and successfully against largely branded, conventional lodging. The good news is that today's vacationers are seeking out "good deals" through the internet, in hopes to provide their families with the same quality of vacation's past without the high price tag.

Utilizing the resources that Search Engine Optimization (SEO) provides guarantees that your rental will be included in these listings on Google and other search engines.

Search Engine Optimization (SEO) is one of the newest and most reliable ways to make sure that the right clients are looking at your listing. A brief definition for those that may be unfamiliar with SEO is that it "is the process of improving the volume and quality of traffic to a web site from search engines via "natural" ("organic") search results. Typically, the earlier a site appears in the search results list, the more visitors it will receive from the search engine. SEO may target different kinds of search, including image search, local search, and industry-specific vertical search engines."

Google Ad words is one of the leaders in this growing marketing campaign, but can prove expensive as you "pay per click" to have visitors view your page. This means that every time a visitor follows the Google Ad and clicks to see your web site, you are charged a fee. This fee varies in price based on the popularity of the industry and or search terms you designate but general range is \$.05 to \$3.00 per click. This can add up in a hurry but you can put limits on the amount of clicks you wish to pay for. Remember that a click does not mean that you rent your property, it only means that someone on the web looked at your site. All websites if they are managed properly, can take advantage of SEO and drive traffic to their sites naturally. The proper SEO program will enhance clicks and in turn increase revenue. To determine what words would be most beneficial to increase your web traffic, a consultation with a vacation

rental management company would be of great benefit as you begin dotting the worldwide online map with the appropriate “tagged” words.

These little nuggets of descriptive text do wonders to increase the scope of traffic that your listing receives. More clicks and mouse traffic means more occupied nights, which of course translates into rental income amplified!

A Professional and Interactive Website

The Internet has provided a massive, blank canvas for any vacation rental owner to completely book up their rental through effective and affordable marketing campaigns. For an independent owner online, how to create a sound ad campaign in order to drive traffic to a specific listing and enable effective communication between owner and customer, is a task that needs to be approached with some road-tested strategies.

A professional web site design is extremely important when listing your property. Providing your potential customers with the feeling that they are booking with an established company legitimizes your property and gives the vacationer “peace of mind”. Internet marketing is a great opportunity for the independent owner to compete with the major competition in the same category but without the massive overhead or initial venture investment.

When it comes to presenting your listing online, the photos you post will be the only glimpse that the potential customer has of your rental. This means that you will need to invest in getting the best pictures possible of your rental unit. A wide-angle lens on your camera, with panoramic ability, is the best way to capture a small space, and proper lighting and angling enhances the openness of a larger unit. No matter the size of the space, the location, or the popularity of your rental in the past- for new online consumers you have to put forth your best shot- as this is crucial to competing online. This is especially important for the ever growing segment of renters that book 100% online.

For some rental property owners, investing in expensive camera equipment isn’t an option. If this is the case with you, then hire someone to assist you in capturing the best photographs possible for your property.

Descriptive Text- Packaging your Vacation Rental

In addition to the showmanship of your space the verbiage that you use on your listing is a huge persuading or breaking point. Simply stating that you have a “four-bedroom rental with a city view” will not attract attention. Standing apart, and being unique is the one thing that renters will be looking for. This could be exemplified as, “Embark on your own urban excursion by staying at this metropolis retreat- complete with a spacious family-sized uptown apartment, sweeping views of the cityscape, and a bird’s eye view of the downtown heartbeat.”

When they graze online listings they will be looking for specific buzzwords that will spark their interest. When you list your property with a professional third party outsourcing company you will have assurance that your listing is described in the best possible way, and in line with what type of vacation customers are looking for in your area.

Pictures are the initial draw for a customer, but if you can entice them even further by describing what little piece of heaven could be theirs, you are visually and mentally closing the deal.

To develop a professional listing complete with online website visibility, professional photos, and enticing verbiage an owner is completing only two-thirds of the entire online marketing pie. The proper text in your listing is key to completing the process.

Database Optimization

Database optimization features customer catalog creation and organizes previous information so that when re-marketing to past clientele, you have a streamlined effective approach in doing so. If you don't market to previous customers by keeping their information organized and easily accessible, you will be missing out on a fortune. If you want to know if your online marketing campaign is working, repeat business is one surefire way. An aggressive, concise approach to database optimization requires intricate software and isn't the easiest thing to do for individual owners, so outsourcing the task is best.

Step Number Two

Become Financially Viable- Create Accessible and Flexible Revenue Management Strategies - Pricing is Key

Pricing is key, so in order to accurately price your rental to be competitive in its respective market, you have to take into consideration the local market values. This requires a healthy amount of legwork. When compiling detailed data, location dictates demand, as does the time of year, the number of other available units in your area, and the revenue accrued from comparative units.

This inclusive approach to supply versus demand is a great way to make sure the value you perceive your rental to be is in stride with the current market trends. It is not an easy task to access extensive local market data, and to invest the time necessary in order to pull information and sew together a sturdy report of financials and predictions. Not only that, typically the property owner will have a hard time staying objective during this process. For this reason and the difficulty accessing data this process is best done by a unbiased third party. This is where you need to set your ego aside and base your pricing strategies upon market conditions and vacancy forecast not personal feelings or a sense of pride.

With some rental property owners, the temptation is to dictate the price of your vacation rental based upon terms of emotion, or owner preference. To make sure that you are attractive to customers and turn a profit in the process, you have to be sober in judgment and take in many different factors into the pricing process. The market value for vacation rentals is always fluctuating especially in today's economy, so to be the most relevant rental in your market it is best determined by timely facts and market research.

The type of vacation experience your unit offers is another facet to consider. Beachfront properties and ocean getaways are by far the most popular to own, clinching 22% of the entire rental marketplace. The snow/ski Colorado type trips make up 7% as well as California (amusement/points of interest) and the Southern market (Carolinas). Hawaii represents 4% of the popular vacation type. Being aware of how many vacation rentals there are domestically and how they are distributed gives an owner a clear idea of where they fall in the chain of demand.

If you find yourself in the upper end of the market, or one of the more populated markets, it is advised that you consider lowering rates to increase competitiveness. To rent out your vacation rental twice as much at a lower rate, will produce bigger returns over the course of the season and of course increase occupancy rates. Overall occupied nights is the goal, so exercising flexibility in pricing makes that a reality.

Flexibility equals Profitability

Flexibility in pricing is only one side of the coin. Flexibility in booking terms can also be the edge you need in an increasingly softer market. As leisure travelers tend to save money and stay closer to home there has to be certain compromises made. As mentioned before, one of the biggest misconceptions that consumers have about vacation rentals is the minimum stay policy. On average vacations last anywhere from 3-5 days. However vacation rentals are on average 7 days or more. This is due in part to minimum stay restrictions, but also because travel consumers assume that vacation rentals are only beneficial in long periods of time.

To consider minimizing stay restrictions, will maximize customer interest. Through proper marketing of this option and owner compliance this revenue roadblock can be eliminated, and rental income safeguarded.

Credit Cards

Another issue of convenience is one that is still missing from a large number of rentals and that is the online payment procedure. Accepting credit cards online is a major step in the right direction, and these days it is considered old-fashioned if this service is not provided online. In most cases, Individual Vacation Rental Property owners are not setup to accept credit card payments. This can get cumbersome and the payment paperwork can outweigh the value of the time booked.

Getting bogged down in the details of payment processing is one of the reasons that many rental owners opt not to provide online payments. Not to mention the outrageous fees that some companies can set upon independent owners.

If you currently don't have an online accounting through an automated system, now is the time to soberly consider the benefit of doing so. An online system can provide you with no checks to collect or statements to organize or sensitive information to protect, such as credit card numbers. With the frightening increase of identity theft, customers prefer a secure online transaction system to over-the-phone or mailing payments. Offering your customers a highly secure system will assure them that their identity is safe and well protected.

A Last Minute Asset is Still an Asset

Despite the current economic downturn, people still want to plan and experience vacations. However, the difference in today's market versus years before is that some vacationers are waiting until the last minute to book their vacations. This is the case for a myriad of reasons; the uncertainty of the job market, the influx of career changes, the lack of vacation time, or the fear induced by media reports.

Whatever the case, a successful vacation rental owner must take into account, these last minute decisions and embrace them. Currently, rental owners still have lengthy contract processes, lengthy fund exchange and deposit methods, and do not have efficient online payment options.

The social network of communication is transitioning from word of mouth and phone calls to email and online transactions. For the moms (the women aged 35-55 who book the majority of vacations) there is very little time between their jobs, kids and after school activities to spend hours attempting to complete the booking process. This process becomes even more frustrating when the rental owners are trying to work around their own busy schedules and utilize outdated transaction processes.

Consider accepting credit cards, and allowing a vacation rental management company to handle the transactions in a professional, convenient and timely manner.

If pricing is key and convenience is the closer, increased occupancy rates are the result.

The Importance of Gaining Good Reviews

Word of mouth is still a huge driving force in booking vacation rentals, but today's "word of mouth" has been digitalized into online reviews. Online reviews are extremely important in drawing in new business and positively advertising to those who may have never stayed in your unit before. Flipkey, a leading Blog site dedicated to "expanding the the rental vacation market through insight and community", ran a recent article about "the power of consumer reviews", this was their finding:

- 71% of online shoppers read reviews making it the most widely read consumer-generated content – Forrester Research
- 82% of those who read reviews say their purchasing decisions have been directly influenced by those reviews – Deloitte & Touche
- Consumer recommendations are the most credible form of advertising among 78% of the 26,486 internet users in 47 markets who responded to a global Nielsen survey – "Word-of-Mouth the Most Powerful Selling Tool"

Escapia had this to say about the importance of their property listings and reviews, "Included in the presentation are a number of charts that showed what we have learned about guest reviews after having collected 40,000 reviews. Here are some of the key findings from our data analysis:

1. Guest reviews drive bookings: We've always thought they would. But now we can see it in the data. The ratio of bookings for units with reviews is 41% higher than for those without reviews. That's a compelling result that units with reviews get booked more often than those without them.

To increase occupancy rates and profit margins, reviews are crucial. However, taking the time to contact customers and encourage them to write reviews, and then post them, while trying to keep track of all of the incoming and upcoming review possibilities can be too much to handle.

Outsourcing this responsibility means that reviews will be gathered for you. Encouraging previous customers and first time visitors to log into your online listing and post their thoughts, is another tricky obstacle.

Generating customer feedback is something that requires persistence, savvy, and industrious methods. Most people do not have the time to leave their thoughts and often simply forget as life takes over. However, if you want to be great at promoting incentives for guests to leave feedback, there are experts in this field that have mastered the art of organizing, compiling and keeping track of those who have posted reviews and those who still need to be contacted.

And remember, if you choose to beef up your booking and customer communication online through a third-party, such as a vacation rental management service, this does by no means say that customers will not feel personal attention. Quite the contrary, communication with each and every one of your customers to generate return business, the provision of excellent customer service, and the promotion of a healthy dosage of constructive “word of mouth” online is the goal.

This is a graph from Flipkey, a web firm that specializes in compiling data specifically for those who want to keep up to date about how the vacation rental industry is fairing as the economy twists and turns itself around the volatile state in which we find ourselves. This graph is enlightening as it shows what the deciding factors are that may cause a customer to choose a hotel or Bed and Breakfast versus a vacation rental.

To what extent would the following increase the likelihood of you choosing a vacation rental over a hotel/B&B on your next vacation?
(% choosing likely to very likely, N = 104)



As you can see we have already touched upon how the importance of flexibility in pricing and booking, credit cards and good reviews, but now is the time to talk about the number one concern that renters may have with picking a vacation rental over a hotel or Bed and Breakfast, on site maintenance, as well as the interior concerns of guests. Let's jump in and find out how you can put your rental property in a class of its own!

Step Number Three

Inviting Atmosphere- Theme is Vital, Peace of Mind is the Core Principle of that Vitality

Creating an inviting and professional listing online for your customers that guarantee on-site maintenance, is established online through high quality photos, an interactive video of the interior, and expert descriptive data will evoke peace of mind, and entice customers to browse and book your rental. However, it can't end there. Once a vacation is booked, follow through is what will be the defining factor between repeat business and a less than stellar reputation.

On-site Maintenance

Offering your clients a 24-hour on-site maintenance for your unit or units is customer service at it's finest. But what if you don't have that option to offer your clients currently? And what if your renters prefer to speak with someone directly for on-site maintenance, can you guarantee that you are available for them at all times? Probably not. So how do you accommodate such a need?

There is the option to provide your renters with on-site maintenance through management outsourcing, but what if you took it a step further and even provided your customers with a number they can call at all times to speak with a live person? That would be a great asset! It is something to be measured since it is the number one reason that leisure travelers cite choosing a hotel experience over a vacation rental.

In an age of automated voice systems, it is a much-appreciated personal touch when you can offer your customers a live voice and a listening ear whenever and whatever their needs may be. And instead of the owner having to manage incoming calls constantly, most of which are laden with complaints, concerns or questions, this highly qualified group of professional customer service agents will be the buyer liaison and handle all issues accordingly.

Also, what if you could offer a "worry free guarantee" to your customers assuring clients that there will be a maintenance presence available to them all at times? This is a priceless service to offer those customers who are seeking the "peace of mind" and especially those who are trying out a vacation rental for the first time. Those who are used to a concierge and room service will find 24/7 maintenance to be a HUGE selling point! Not to mention your rental income will be fat and happy as well!

Makeover Must's

In today's world of HGTV proliferation and the bombardment of home makeovers, an owner has to take inventory of what they are offering and honestly deduce if it can compare to what is currently desirable in home aesthetics. There are a variety of ways to do this, however it can be a difficult task to complete for owners. First of all, knowing how to appropriately decorate and update your unit isn't something that is inherently known. This requires research, a great eye, knowledge of the surrounding market competition, and a plan to develop an appropriate theme for the customer.

Painting is one of the most important thematic elements when revamping your unit for mass appeal. This means NO white walls. Creating a mood within a room, whether that is a spa-like atmosphere, a rich red, or a relaxing yellow the unit needs to be unified in its décor and send a united message to the vacationer. Keep in mind that a theme can be dictated by the locale of the rental. Is it tropical, wintry, or urban sleek? Choose one theme and make it clean and simple, albeit consistent. People want to feel as if they are at a "home away from home" so be sure not to leave hints of your ownership around, even if it is your personal vacation spot as well.

Kaba Locks

When creating an inviting atmosphere and keeping the customer's convenience in mind, security and access should be factored into the equation. Kaba locks are a highly evolved locking system that allows for remote security, as well as a convenience for those who need to check into a place without having to wonder how they will get the key or check out once the vacation is over, keyless entry is relatively new and an aggressively effective product which increases customer interest.

Their website describes their product this way, "Kaba provides innovative, comprehensive access control solutions for buildings, facilities and sites as well as solutions for staff and enterprise data collection which meet client's needs for security, organization and convenience. The company is a key expert and technology leader for a range of security solutions."

Installation and pricing when it comes to Kaba locks can be time consuming, and again if the location of your rental is remote in comparison to a yearlong residence, this security upgrade may be best achieved by outsourcing. Wouldn't it be nice if the models and prices were all collected for you as well as the quotes for installation? Providing a Kaba locking system is another way to set yourself apart from the pack.

A Kaba locking system is a great bullet point online, when those potential customers are browsing your listing; keyless entry translates into easy, low-hassle travel.

Having a Kaba Lock says that you are invested in the security of your clients and that you consider their convenience extremely important. The online advertising that you can gain from such impressive security solution is worth the extra mile, and you won't even have to walk the extra mile yourself, if you decide to consult with a management company that is immensely familiar with Kaba locks, and can detail what options best suits your budget and needs.

Any way to enhance that “peace of mind” factor, which may inhibit a vacationer from booking a rental as opposed to a hotel, is worth the investment, especially if there is an easier way to achieve such improvements without the stress of research and the time consumption of installation and troubleshooting.

Practical Planning

Here is a list of practical extras than an owner needs to make sure they “check off” every time a new customer checks into your rental. An awe-inspiring experience is usually met when a customer is pleasantly surprised by the keen thoughtfulness that goes into the preparation of their unit. In all instances it is best to put the customer at ease.

For some reason renting out a home or condominium versus a hotel raises all kinds of concerns. Will there be soap in the bathrooms? Will there be all the proper utensils I need to make my favorite dish? What about laundry detergent, do I need to bring my own?

Beginning with toiletry amenities, make sure that each bathroom is fully stocked with toilet paper, quality soap, shampoo, and fluffy towels. Also it is a plus if your management service you can assure your customers that a routine maintenance check on all of the appliances in the home is done periodically to make sure everything is in proper working order.

As an owner, there are a few things that you can do in order to increase customer satisfaction and produce those great online reviews!

In the kitchen make sure that there is a full stock of paper towels, and that there are plenty of utensils, plates and glasses appropriate for the size of the units. To make sure that you have sufficient place settings use this guideline:

- 1 Bedroom needs 6 place settings
- 2 Bedroom needs 8 place settings
- 3 Bedroom needs 8 Place Settings

Step Number Four

Keeping Current- The Where, The What and The When

It is difficult to always know what the current competition is making available to customers and what rate they may be booking and why. If you don't know, you can be left to wonder what you may be doing wrong while others benefit greatly in their pocketbooks. What sets apart the successful from the stagnant? Conclusive research and time investment on the internet with a discerning eye. Here is a comprised list that mirrors the current temperament of how each of the “where, what and when” factors posses the power to improve your overall rental appeal or greatly impair it.

The Where

We've all heard it before: location, location, location. This is perhaps the most important bullet point your vacation rental has in its arsenal. So if there is something that is unique about your vacation rental that is a location niche worthy of promoting, by all means be sure to include this information. If there are any resort amenities that your unit or units provide, they need to be showcased front and center as well.

Take a second to run down the list of resort amenities that are provided and take note of any that apply to you. If you find that many of the amenities being offered by competing properties in your area are not offered by your property, it is probably time to consider recommending upgrades to the HOA. A management source can help to identify the value of each of these competing amenities and how they can help to increase your listing traffic and unit nights occupied:

Desirable Resort/Development Amenities

- Pool or Pools, hot tubs
- Meeting rooms
- Movie Theater or movie room
- Exercise room
- Covered or Garage parking

Close Proximity to Entertainment

- Ski in Ski out
- Beach Front
- Proximity to Theme Parks (Disney, Six Flags, Sea World, etc)
- Proximity to Golf courses
- Proximity to Shopping and Restaurants

The What

The Internet.

In this information age, wireless Internet is becoming a staple necessary for all those who travel. If someone is in a place they have never been, they may want to go online to check out local restaurant reviews, Mapquest directions to a particular site, or simply order pizza. They will want to look up that information online. Even though you may offer a Yellow Book as a resource, that isn't going to get the job done!

Additionally, even though some people may want a chance to get away from it all on their vacation, it is a rare instance that a potential renter won't want Internet or at least the option to catch up on some work or personal emails while away from home. It is also essential to take into consideration that the younger generation will likely feel compelled to stay in touch with friends through social networking like Facebook and Myspace, and to be unplugged from that entirely for the entire span of a vacation may not be attractive and can limit your family-friendly appeal.

Keep in mind as well, that while the telephone on a general consensus has been replaced in modern day culture by cell phones, not having one inside the unit could cause a potential riff. Not all cell plans are configured to have service availability in other parts of the country, particularly those places that may be more remote.

The Importance of Modernity

The kitchen is the heart of the home, and it is no different on a vacation. The kitchen will be the all-telling piece of the vacation rental puzzle that will sway those mothers who will undoubtedly imagine themselves in it, while pouring a glass of wine or preparing one of their favorite meals. If you want to make your kitchen one that is desirable online there are a few modernities that an owner must implement if they wish to reach maximum occupancy in a competitive market. The bathrooms need to be more than just a “wash room”, for most they will be searching for a “spa-like” experience.

In the bedrooms, we already discussed how the theme is vital, so make sure that the rooms are vibrant, inviting and on par with the competition. Alongside décor, in-house spacing and number of rooms versus beds is something that has to be taken into consideration. Increasing a “sleeps 4” to a “sleeps 6”, is a benefit, spaciousness is always a draw.

The family room is where most of the vacation will take place. This is where the games will be played, the movies watched, and the memories made. This space has to be mindful of what any vacationing family may need and make that available. In addition, the family room is where the theme of the entire vacation should be most prominent. If promoting a ski chalet, you would be best served to make the family room the exclamation point of the entire unit’s theme.

Also, if there is some kind of outdoor space to utilize, especially one with a view- such as a patio or deck, make this space inviting and useful. Wasted space is no space at all.

Here are a few examples of how you can perk up all of the spaces in your vacation rental to draw attention from vacationers and will assist your online rental management company in creating the best outbound marketing plan possible. Here is a quick checklist of what is preferred in a unit to make it stand out from the others:

KITCHEN:

- A refrigerator with an ice maker
- A dishwasher
- A standard size microwave
- Appliances should not be over 10 years old
- Stainless steel is preferred and looks best in photos
- If there is a bar area or peninsula there should be no less than a minimum of 3 bar stools
- Update window treatments over kitchen window, in the family room, and other bedrooms. (This needs to be more than just blinds)
- Updated lighting
- Recessed Lights

BATHROOM

- Granite counter tops

- Nice oversized mirrors
- Updated, bright lights
- Updated paint
- Remove any outdated wallpaper
- Have a shell and a shower curtain for all showers
- Tile the bathroom floor if there is vinyl
- Remove any plastic work around the tub and replace with tile

BEDROOMS

- King size bed in the master.
- If 2 bedroom unit, King in master and Queen in other bedroom
- If 3 bedroom unit, King in Master and King in 2nd bedroom and Queen in 3rd bedroom
- If 4 bedroom unit, King, King, Queen and bunk or separate twin beds in 4th bedroom
- Current and in theme ceiling fans will be important, especially in the hotter climates.
- Invest in mood lighting next to the beds that match the overall theme and décor of the space.

FAMILY ROOM

- Flat screen TV with DVD and Cable or Satellite Service
- Stereo with CD player
- Couch with pull out sleeper (must match the décor in the unit)
- Coffee table
- Board Games and puzzles
- Dining room table with modern overhead lighting

PATIO

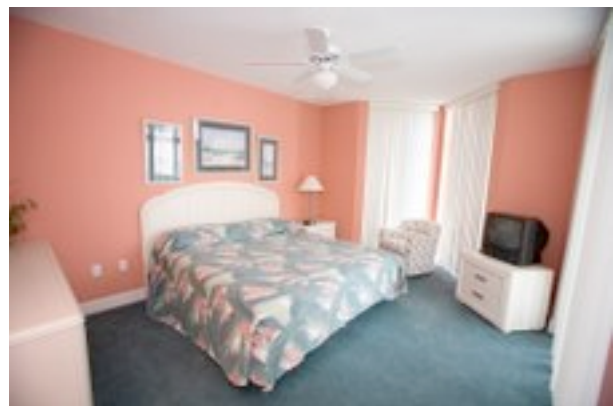
- Updated patio furniture, all in working order (minimum of small table and 2 chairs, 4 chairs is nice)

Photo Examples:

Do:



Don't:





Do:



Don't:





The When

Dennis Rooney from the New York Times wrote this in a July 2008 article about vacation rental owners turned renters in the panhandle, "As South Florida experienced a huge rise in values of all kinds of housing, from roughly 2000 to 2005, it became a speculators' market. And those speculators are now eager to get the highest possible rental receipts, since they are planning to hold on to their properties only until the market rebounds and they can make a profit."

This is an excellent observation, and a great blueprint for owners who need to increase their rate of return on a vacation rental investment, and in double time.

Florida has the most vacation rentals in the nation, making up 22% of the entire rental housing market, making it a hard market to infiltrate if you are just relying on static websites and word of mouth. It was also cited by the US News in mid 2008, that Florida has the highest number of cited foreclosures in the entire nation. This is a grave picture of supply and demand for those vacation rental owners who are located in the state of Florida.

However, Florida isn't the only rental housing market that is in utter need of outbound marketing, Rooney went on to later say in his article that "The ski areas in New England and Colorado, (have) more than a few owners trying a similar approach, staying in the mountains in the summer — they're just as beautiful without snow — and leaving the skiing to their high-paying tenants in the winter."

It is a thinly strung crosshatch of supply and demand. *The When* you make your unit available will greatly affect occupancy, and customer compliance. A rental by owner can gain the priceless benefit of outsourcing property management by employing a third party service to handle all of the details that go into scheduling and managing a successful vacation rental.

The When will be addressed without the sacrifice of owner enjoyment, however personal flexibility is highly encouraged when it comes to seasonal vacation owners and their personal time spent at the rental.

Step Number Five

Outsourcing Property Management- Professionalism Equals Profit

Outbound Marketing Overview

If you are not using outbound marketing through a vacation rental management company, you can be assured that your current clientele roster and website traffic will remain neutral. In the competitive stage of today's market you cannot expect to produce any more return than you have in past years, unless action is taken.

That is based upon the mere fact that we are in an economic crisis as a country. With the economic temperature of the real estate market, there is a dire situation awaiting those who are trying to pay two mortgages, one for their year round residence, and one for their vacation rental. Higher occupancy and maximized exposure is the best way to keep those personal investments in the black, especially for those who are teetering on the edge.

So what are the details that pay the dividends? These details include the creation and infiltration of a gainful online presence, effective customer screening, timely bookings with a flexible online calendar, and efficient and flexible payment plans complete with an online purchase program. These small details can be the driving force between getting left behind in the lull of the downturn versus being actively a part of pulse in the heart of the rental boom.

This doesn't mean that you have to sacrifice the enjoyment of your vacation rental just because the economy is tight. But it does mean that if you utilize outbound marketing you can enjoy your vacation rentals even more, because the stress and worry of making ends meet will be lifted off your shoulders completely. Imagine not having to worry about handling all of your own advertising, bookings, rental purchasing and receipts. All the while your vacation rental is paying for itself with little or no effort on your part!

The truth is that most people who invest in vacation rentals do so for personal reasons. They want a second home; they want a romantic get away, or a place to take the kids, or the grandchildren. When anyone embarks upon a second home purchase they have high hopes

that the investment will increase in value as is determined by the current real estate market value. And in hindsight, the unexpected happened, the real estate bubble popped.

While there were hundreds of excellent reasons to invest in a property previously, people in this economy are pulling back on the buying, which is resulting in a freeze. For those of you who have already bought, this can be a frustrating position.

For those that may be seeing dollars seeping out from under the bottom line, the good news is that there are customers waiting to help you pay your vacation home mortgage, but what you may not have are the resources needed to reach them.

Not only does outsourcing to a third party help with the handling of a thousand important details, but it also keeps the organization of specifications per unit in order for the owner and the customer. This projects a certified professionalism that is more likely to be adhered to and puts you in a place of control without having to handle discrepancies with the customers directly.

The Five-Star Strategy Works- But You Don't Have to!

As you can see, increasing your vacation rental income by 25% requires a lot of groundwork, Internet savvy, capital investment, and long hours.

- Trying to develop your own outbound marketing plan through online marketing campaigns, Search Engine Optimization, customer review generation, and developing an attractive and interactive website requires extensive knowledge of market trends and cutting edge technology.
- Making an online payment processing plan available online through credit cards, and uploading a rate and availability calendar directly to your site, requires constant maintenance and software know-how.
- Developing a theme within your vacation rental, or within a string of them if you own more than one is a detailed, industry driven fixation, which requires skill and constant research.

- Knowing what needs to be fixed, updated, painted, or modulated in order to increase profit potential is a long process of inventory and manpower, which can be an off-putting process not to mention pricey, and for some who are in a different part of the country, unrealistic.
- Keeping current with The Where, The What, and The When of the competition, by understanding and applying this powerful system will greatly affect your bottom-line. While some of you may have this time and energy readily available, it has been our experience that most do not. Something as simple as staying current with market trends as they relate to weekly rental prices in your market can be a daunting task and one that is difficult to accomplish with objectivity.

Using the convenience of an outbound marketing source removes the guesswork, groundwork, and hassle from managing your vacation rental. There is no doubt that running a professional vacation rental business is a highly intricate process, which can be complicated by the onslaught of increasingly competitive and accumulative marketing strategies. Bear in mind, the devil is in the details. So in order to surmount the huge responsibilities that come with running a successful vacation rental and in order to avoid the loss of income accompanied by outdated systems many owners choose to employ professionals.

We want to Thank You for taking the time to read this valuable information and wish you all the best in your marketing and managing efforts. Please stay on touch with us for updated versions of this ebook which will include the latest cutting edge strategies as they become available.

You too can increase your rental income by 25% by using this highly effective five-star outbound marketing strategy!

Now is the time to learn about the infinite benefits and convenience that a vacation rental management company can provide to any vacation rental owner. Your vacation rental income can be increased significantly if you list your property with a highly sophisticated, technologically advanced, customer-centric, business management hub. We also know that while you may be perfectly happy with your existing rental management company or managing your own property at this time, situations change and we hope that you will remember us if you should be in the market for a world-class rental management company in the future.



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