EXPLORE 23
FEST

Maximize revenue with strategic rates management

Lisa Monrreal, Senior Product Manager

EXPLORE FEST 23

EXPLORE FEST 23

Lisa Monrreal

Senior Product Manager

8 strategies: Adapt your rates to maximize revenue

01
Segment & target ideal audiences

02
Prioritize seasonal rates

03
Implement a cross-channel strategy

04
Optimize for Vrbo

05
Revisit cancellation policies

06
Integrate dynamic pricing tools

07
Incorporate deals & incentives

08
Continuously adapt to market pacing

01

Segment and target ideal audiences

EXPLORE FEST 23

- What is **market segmentation**?
- **How do** you do it?
- **Types** of market segmentation

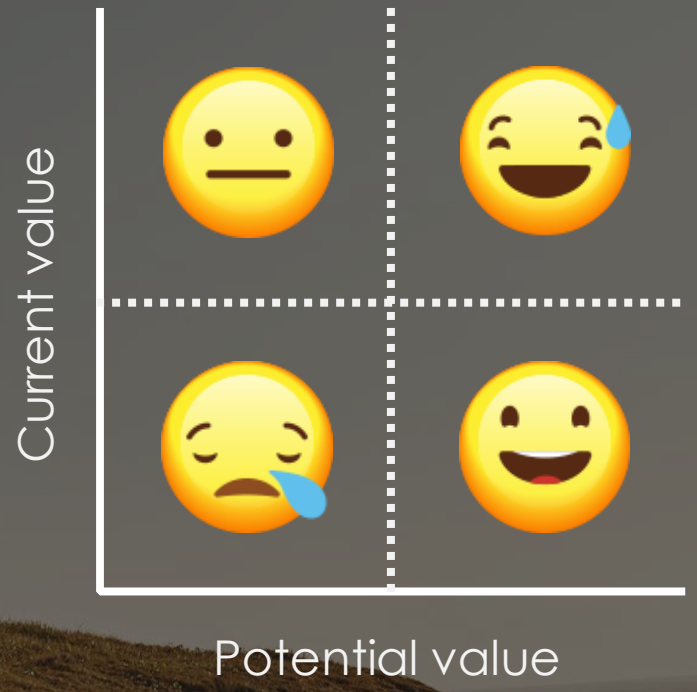
Top reasons guests choose to take a vacation

- Escape from a perceived mundane environment
- Exploration and evaluation of self
- Relaxation
- Prestige

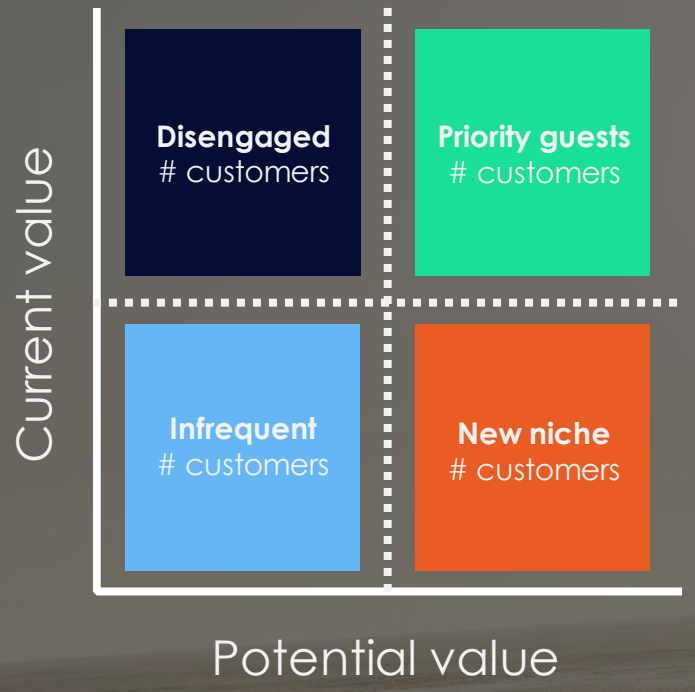
- Regression
- Enhancement of relationships
- Facilitation of social interactions
- Novelty
- Education

Customer

Segment value matrix



Segment value matrix



Key benefits of strategic segmentation

You're in the driver's seat

Stand out from the crowd

Personalized journeys

Appeal to new and niche segments

90%

look for sustainable travel options

74%

would choose a travel option that supports local cultures & communities, <u>even if it were more expensive</u>

78%

say they have made a travel choice based on promotions they feel represent them

Expedia Group research titled *The Path to Purchase, 2023.*

Top five related amenities

Access to EV car charging stations

Solar energy

Recycling

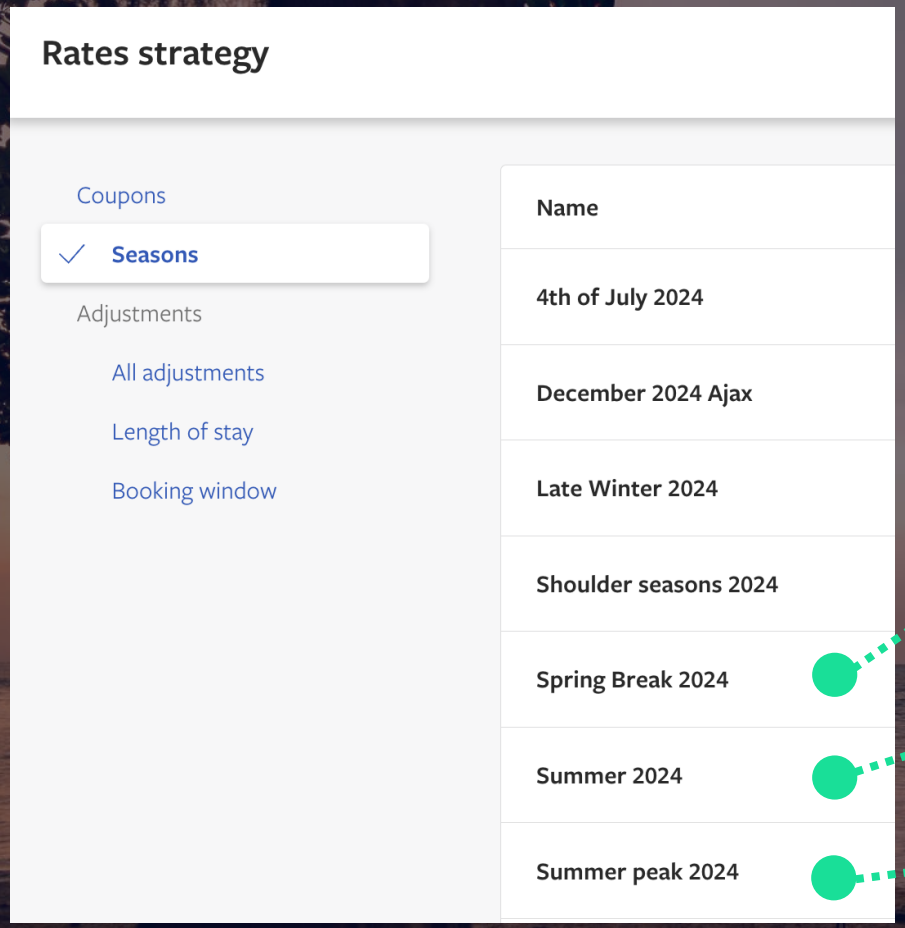
Elimination of single-use plastics

Eco-friendly LED lighting

02

Prioritize seasonal rates

Support segmentation with seasonal rates

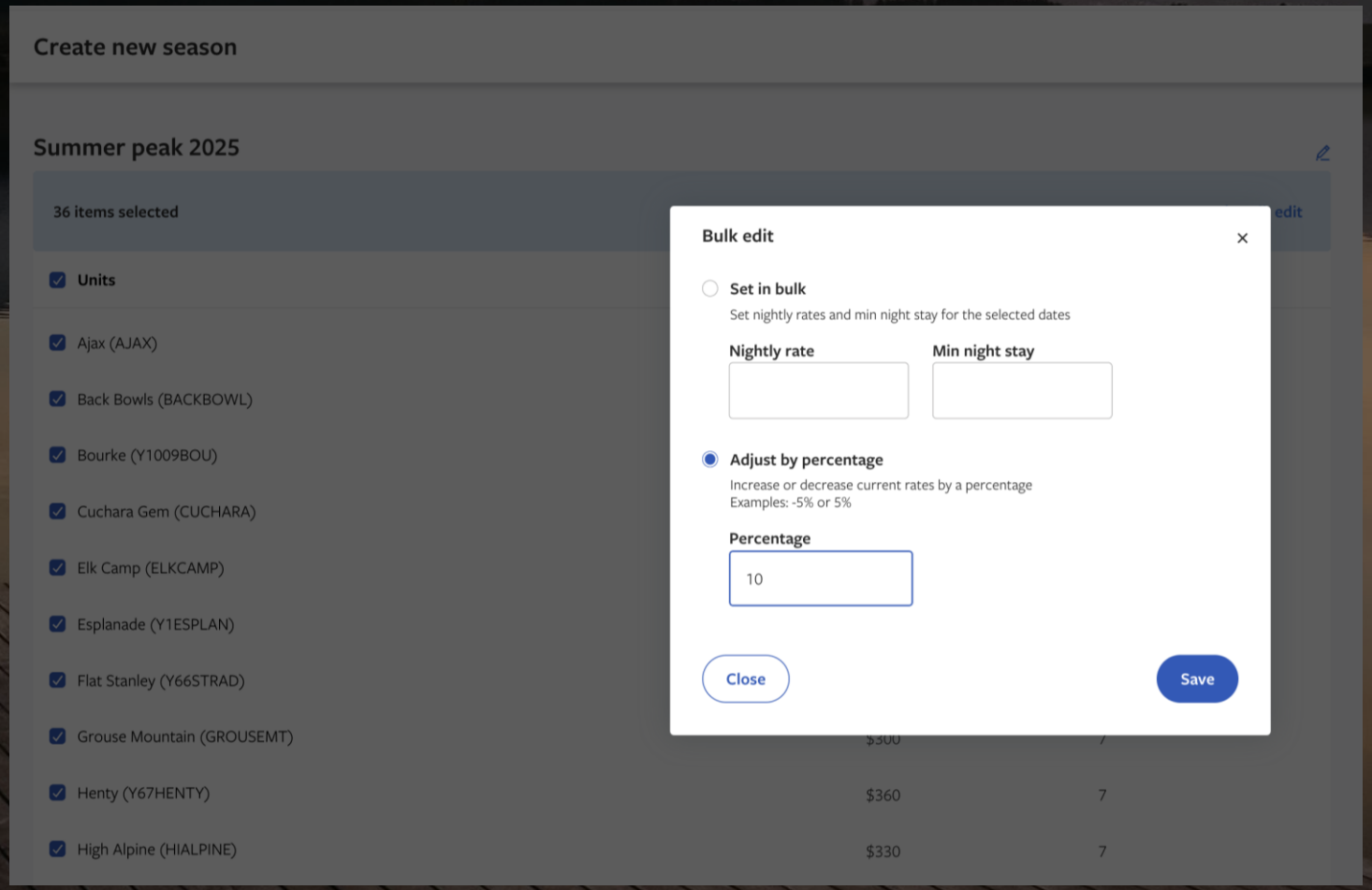


Snowbirds

Personalized journeys

Extended families

Start with attractive rates for target segments



Reserve premium rates for high demand

Edit season

Summer peak 2024

All seasons based off this season

Units	Nightly rate	Min night stay
Ajax (AJAX)	$540	7
Back Bowls (BACKBOWL)	$390	7
Bourke (Y1009BOU)	$1,124	7
Cuchara Gem (CUCHARA)	$585	7
Elk Camp (ELKCAMP)	$640	7
Esplanade (Y1ESPLAN)	$479	7
Flat Stanley (Y66STRAD)	-	-
Grouse Mountain (GROUSEMT)	$300	7
Henty (Y67HENTY)	$360	7
High Alpine (HIALPINE)	$330	7

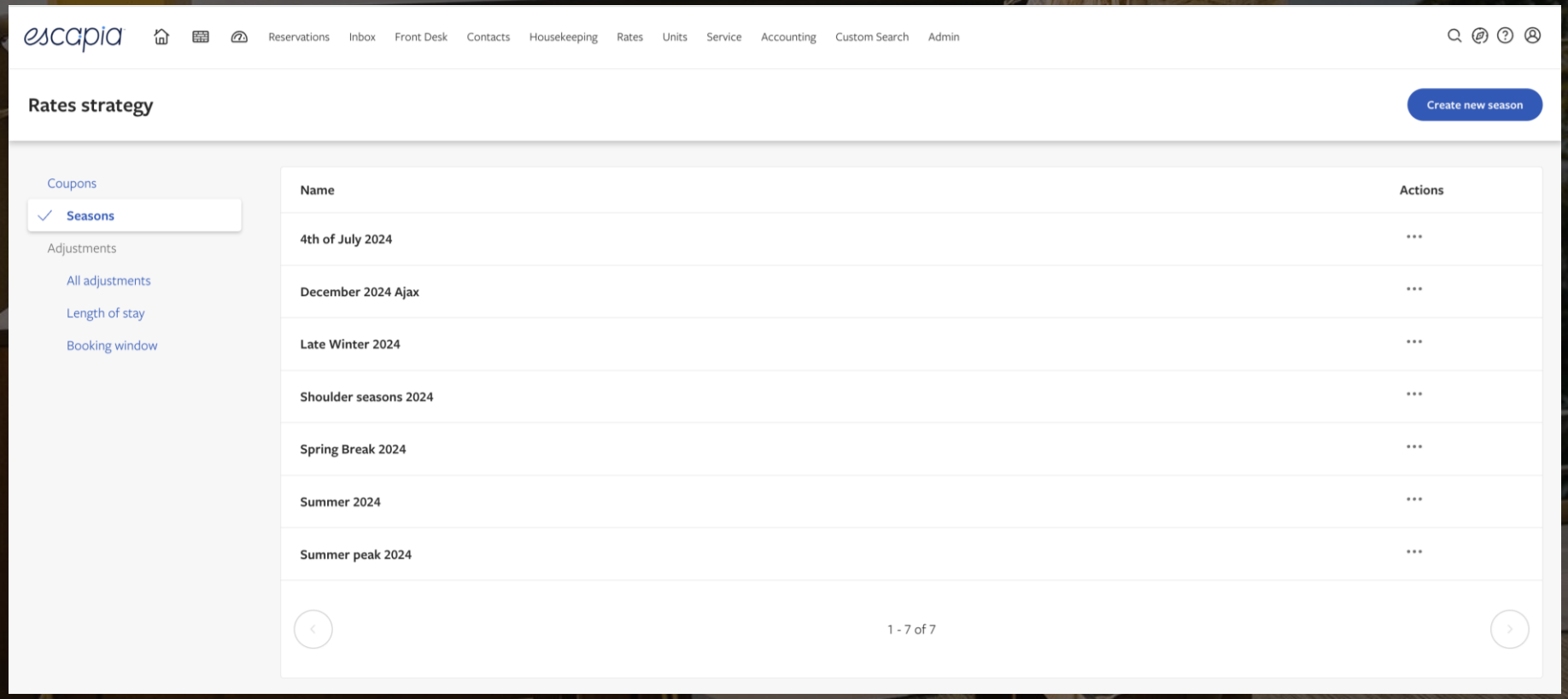
Edit season

Shoulder seasons 2024

Rates for spring and late summer

Units	Nightly rate	Min night stay
Ajax (AJAX)	$405	3
Back Bowls (BACKBOWL)	$293	3
Bourke (Y1009BOU)	$843	3
Cuchara Gem (CUCHARA)	$439	3
Elk Camp (ELKCAMP)	$480	3
Esplanade (Y1ESPLAN)	$359	3
Flat Stanley (Y66STRAD)	-	3
Grouse Mountain (GROUSEMT)	$225	3
Henty (Y67HENTY)	$270	3
High Alpine (HIALPINE)	$248	3

Seasonal rates in Escapia



03

Implement a cross-channel strategy

EXPLORE FEST 23

Explore cross-channel strategies

35 days
inspiration

39 days
research & planning

Expedia Group 2023 research titled *The Path to Purchase*

Explore cross-channel strategies (cont)

Resources used leading up to a travel purchase

Expedia Group 2023 research titled *The Path to Purchase*

Open to inspiration

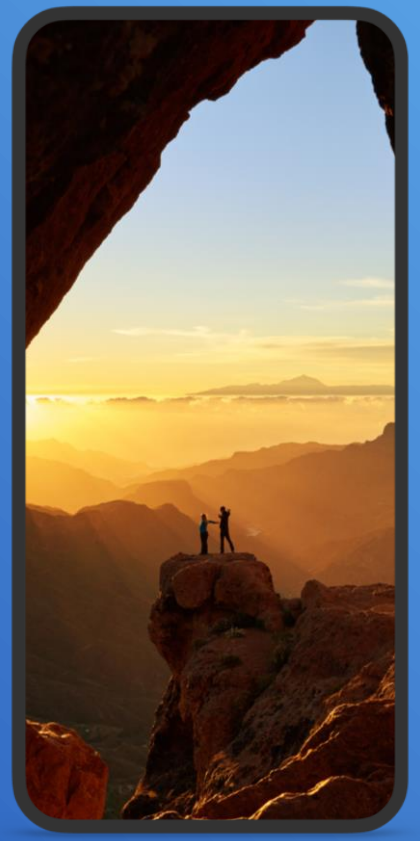
is a leading factor when booking all elements of a trip for nearly

3 out of **5**

travelers

Source: Expedia Group Optimized Distribution Analysis, 2021

Showcase aspirational content



Breathtaking locations

Interesting experiences

Brand differentiators

04

Optimize for Vrbo

Why Vrbo?

Travelers that spend more on lodging

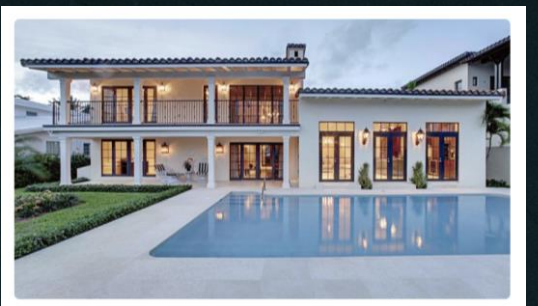
Travelers that stay longer

Travelers that book 2x earlier

Travelers that respect your home

Expedia Group internal lodging data, 2022

Capture leads during the discovery process



SPACE FOR EVERYONE

More than 3 bedrooms

FLEXIBLE STAYS

Homes with free cancellation

POPULAR AMENITIES

Swimming pools

FAMILY TRAVEL 2023

On the beach

THE WHOLE FAMILY

Pets welcome

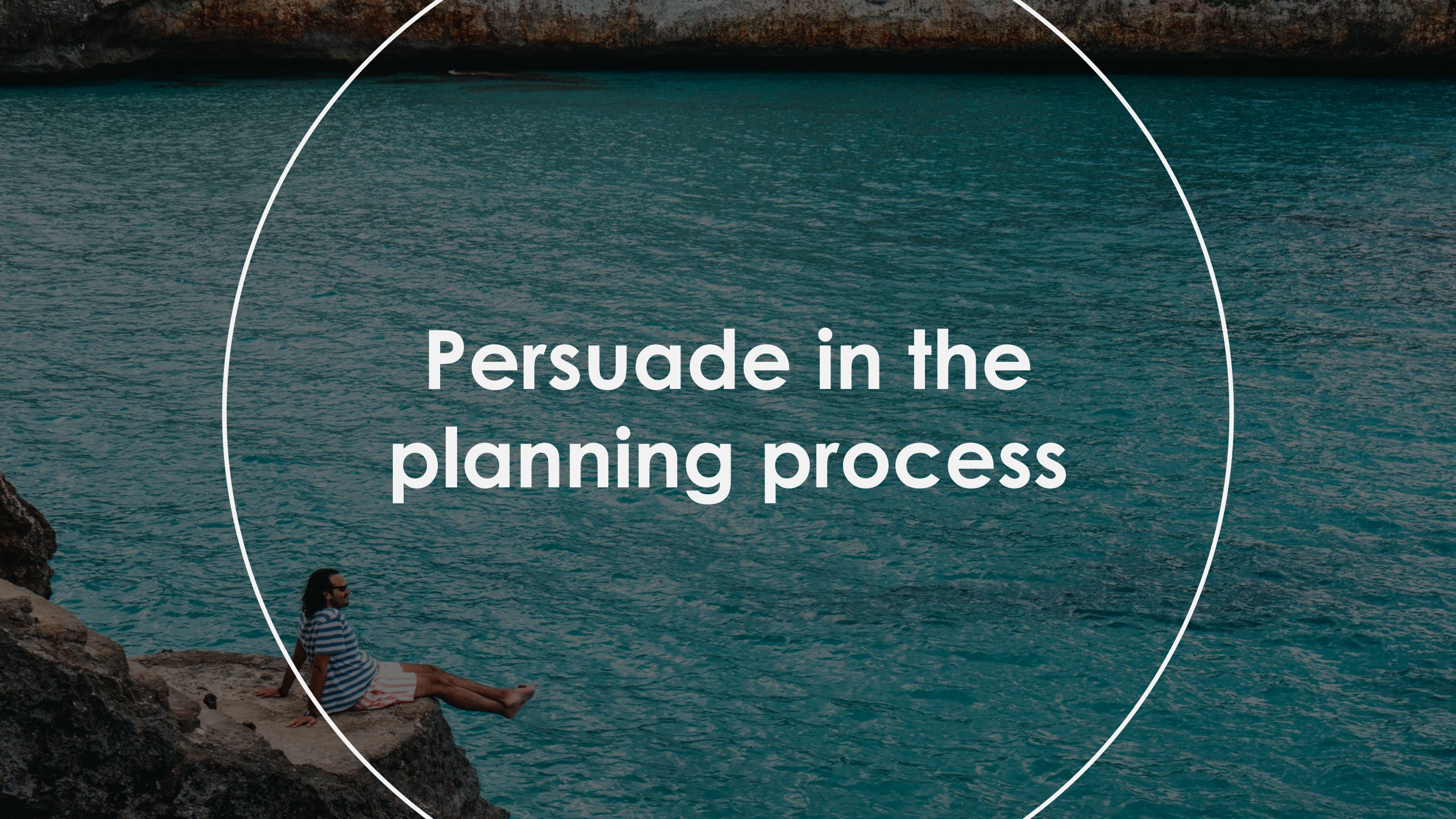
Factors that influence the discovery phase

Amazing visuals

Personalized content

Compelling amenities

Five-star reviews



Persuade in the planning process

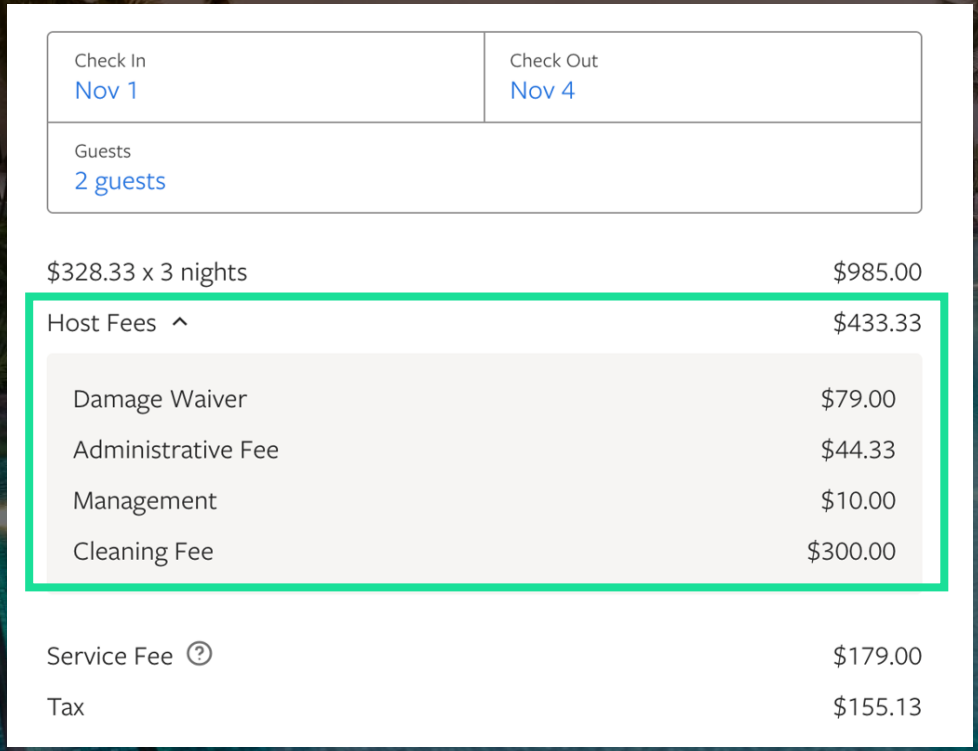
Factors that influence the planning phase

Optimal minimum night stays

Competitive rates

Minimal fees

Prevent lead conversion blockers



Over 2/3 of travelers

report that they will not book a property with more than 2 fees

50% of travelers

would not book a property where fees make up > 15% of trip total

#1 negative experience

travelers rank high fees as the #1 negative experience on Vrbo

Source: Expedia Group Optimized Distribution Analysis, 2021

05

Revisit cancellation policies

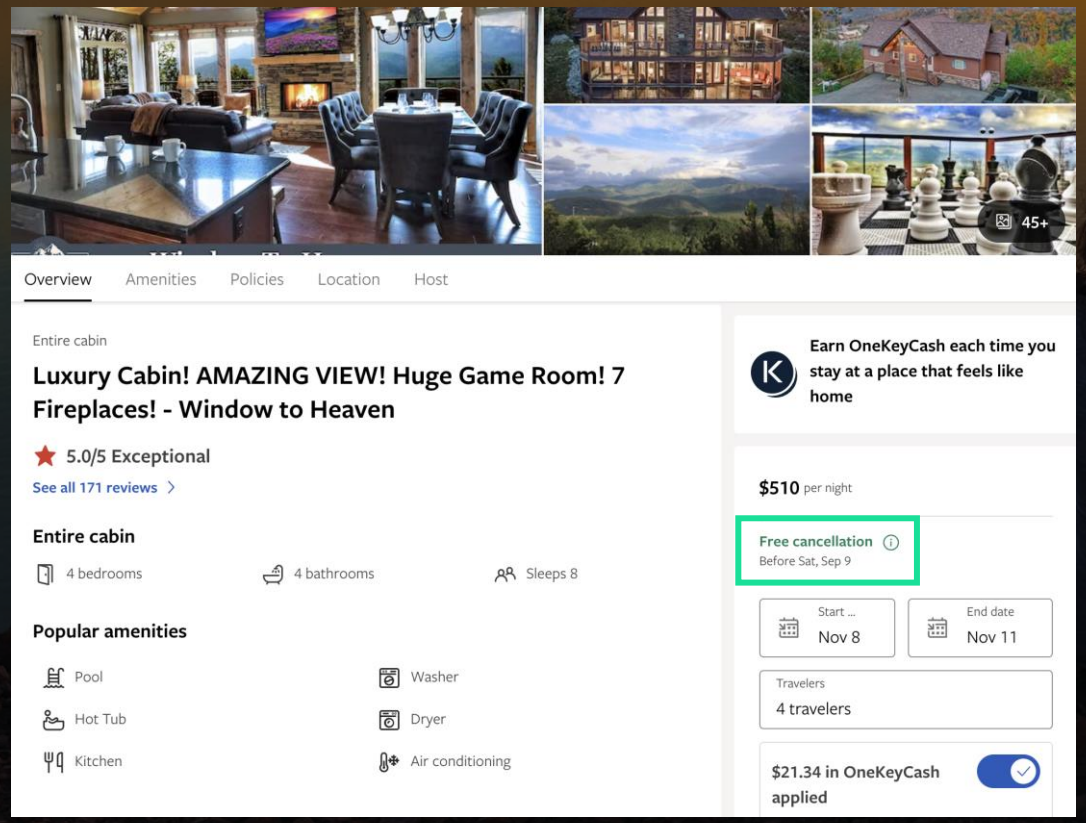
Are you meeting your guests' needs?

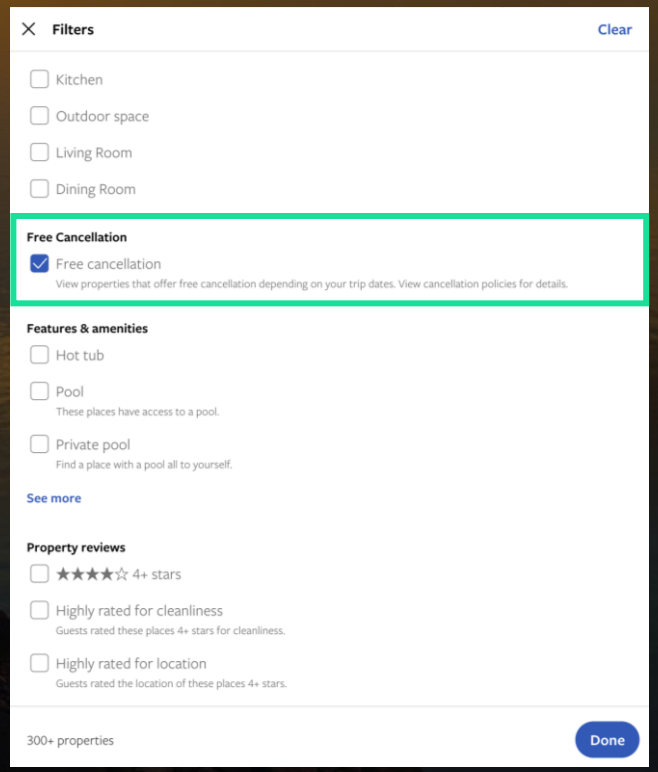
77%

of travelers are more likely to book a rental with flexible cancellation policies

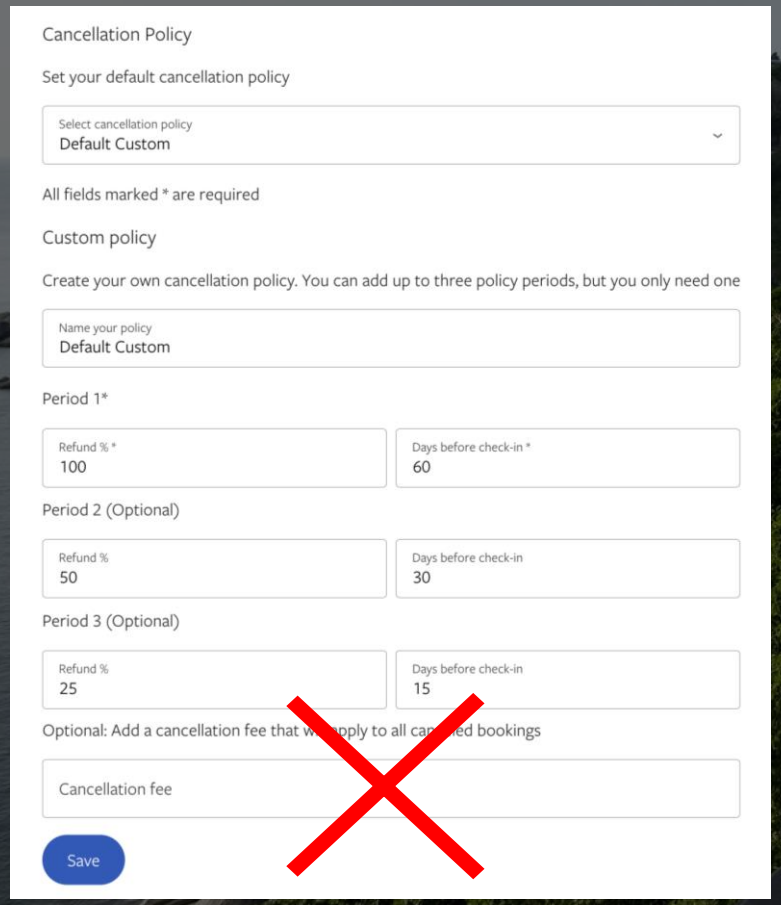
Source: Expedia Group Optimized Distribution Analysis, 2021

Offer peace of mind with free cancellations





You have options in Escapia



Free cancellation badge

- Relaxed ✓
- Moderate ✓
- Firm ✓
- Strict ✓
- No refund ✗
- Custom ⚠

06

Integrate dynamic pricing tools

Reach your goals with revenue management

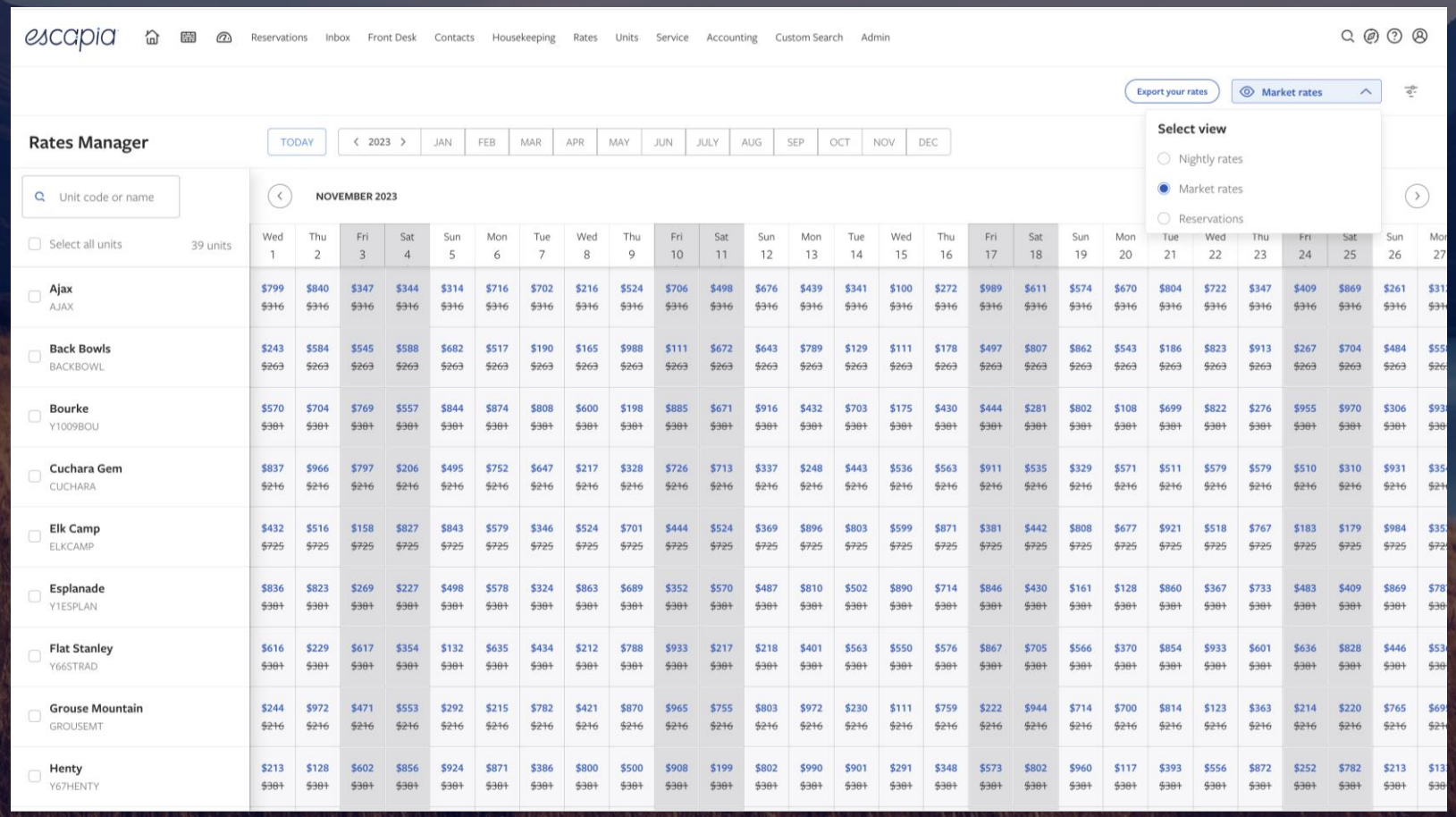
Work smarter

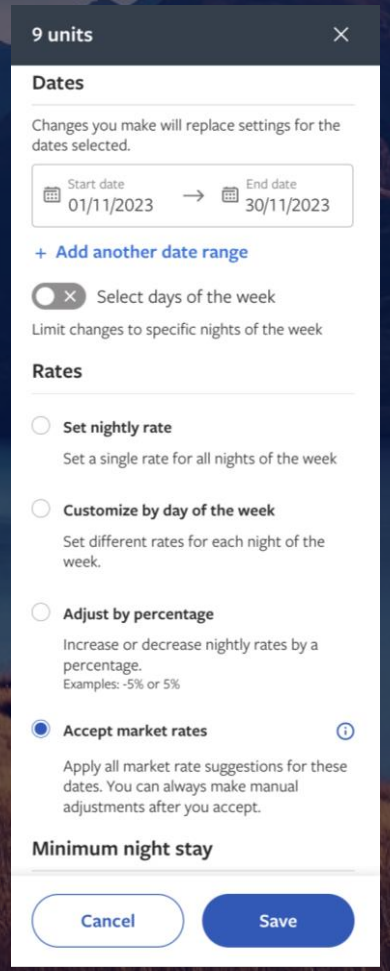
Save time

Maximize revenue

Augmented functionality

Leverage Escapia's Market Rates





Automate with a dynamic pricing partner

Wheelhouse

BEYOND

PriceLabs

Rented.com

07

Incorporate deals and incentives

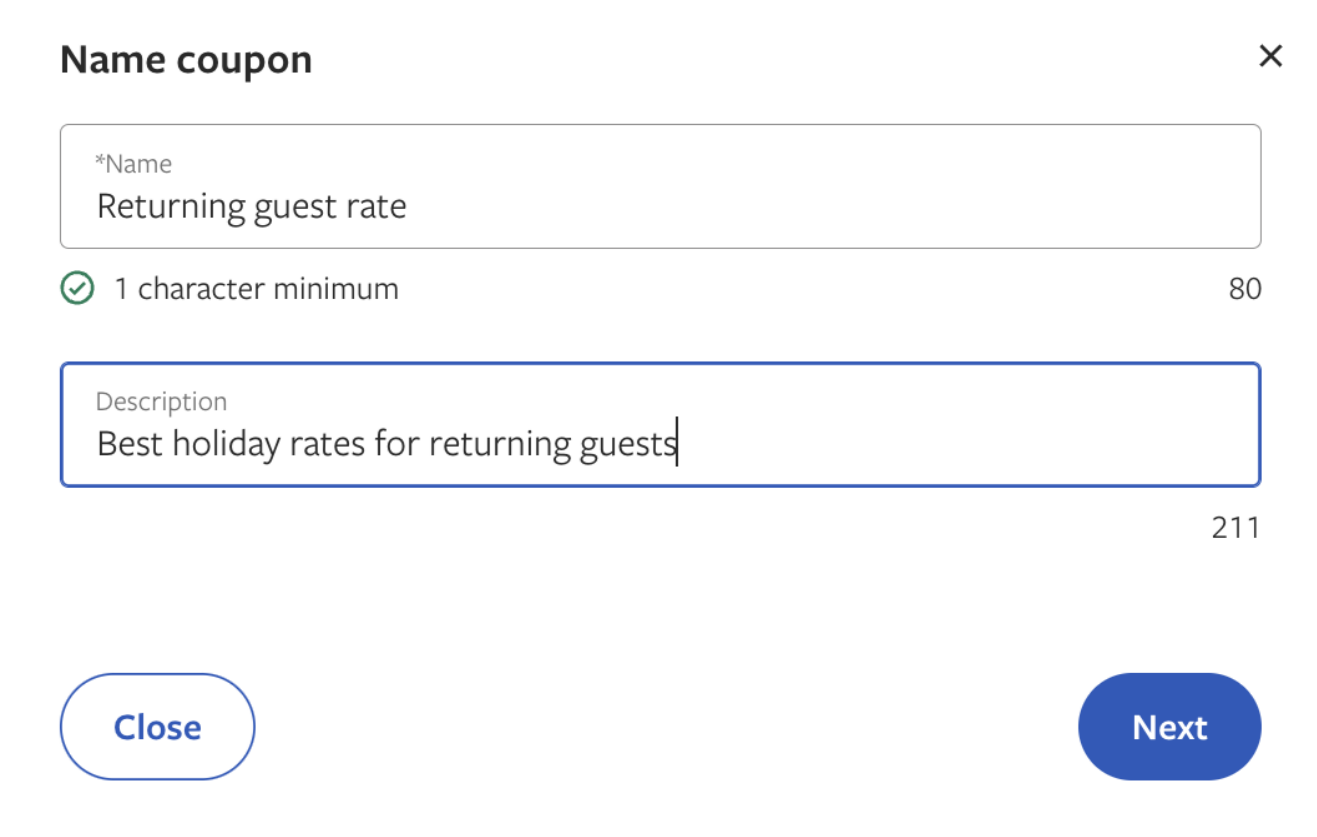
Benefits of promotions

- Boost occupancy
- Incentivize repeat customers
- Encourage direct bookings
- Attract new customers to your brand
- Reduce risk of devaluating properties
- Promote newly acquired properties
- Help plan out upcoming season/year
- Build guest excitement
- Improve cash flow
- Introduce FOMO (fear of missing out)

- Increase basket size
- Decrease/fill gaps
- Satisfy owners with early bookings
- Increase mid-week stays
- Win longer bookings in the off season
- Ramp up lead generation
- Own contact info for marketing
- Brand recognition
- Help close deal
- Increase probability of selling nights

Lean into loyalty

- **Incentivize** and **reward** return guests
- **Encourage** direct bookings
- **Create** goodwill
- **Empower owners** with referrals
- **Delight** family & friends



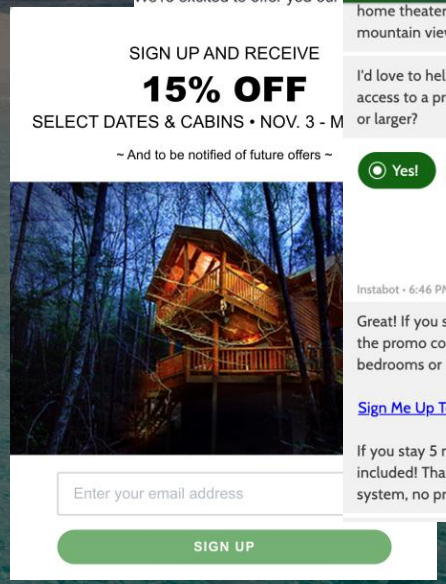
Tried & true lead generation

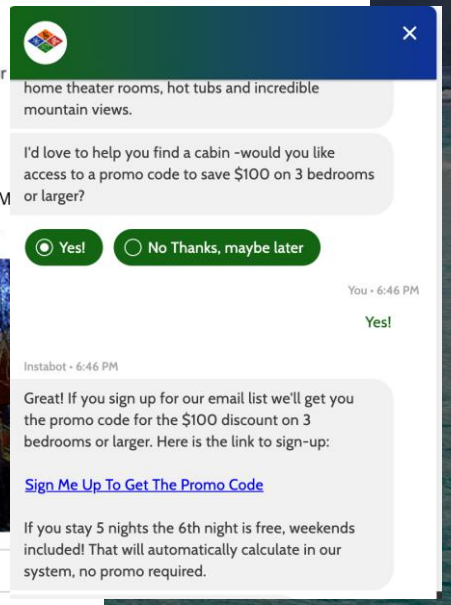
Examples of where to use coupon codes:

- Email/newsletter **signups**
- **Chatbots**
- **Social** media
- **Direct** website

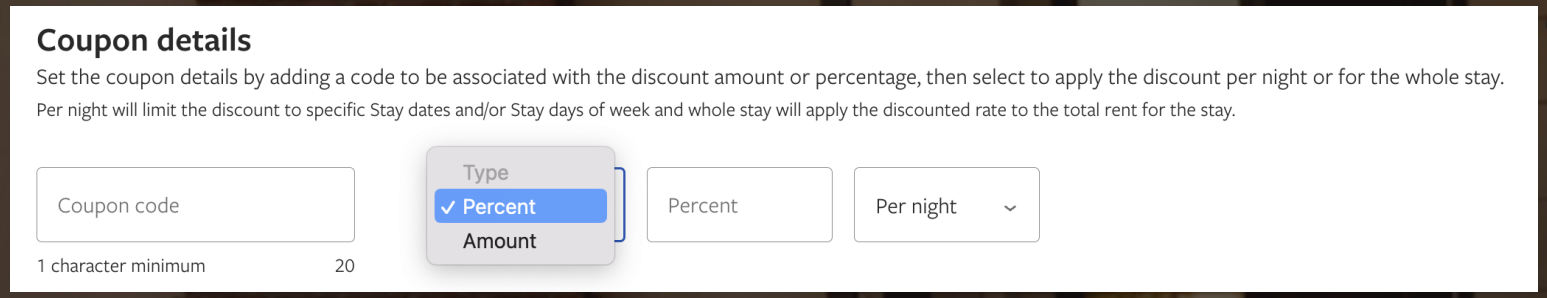
Include various options:

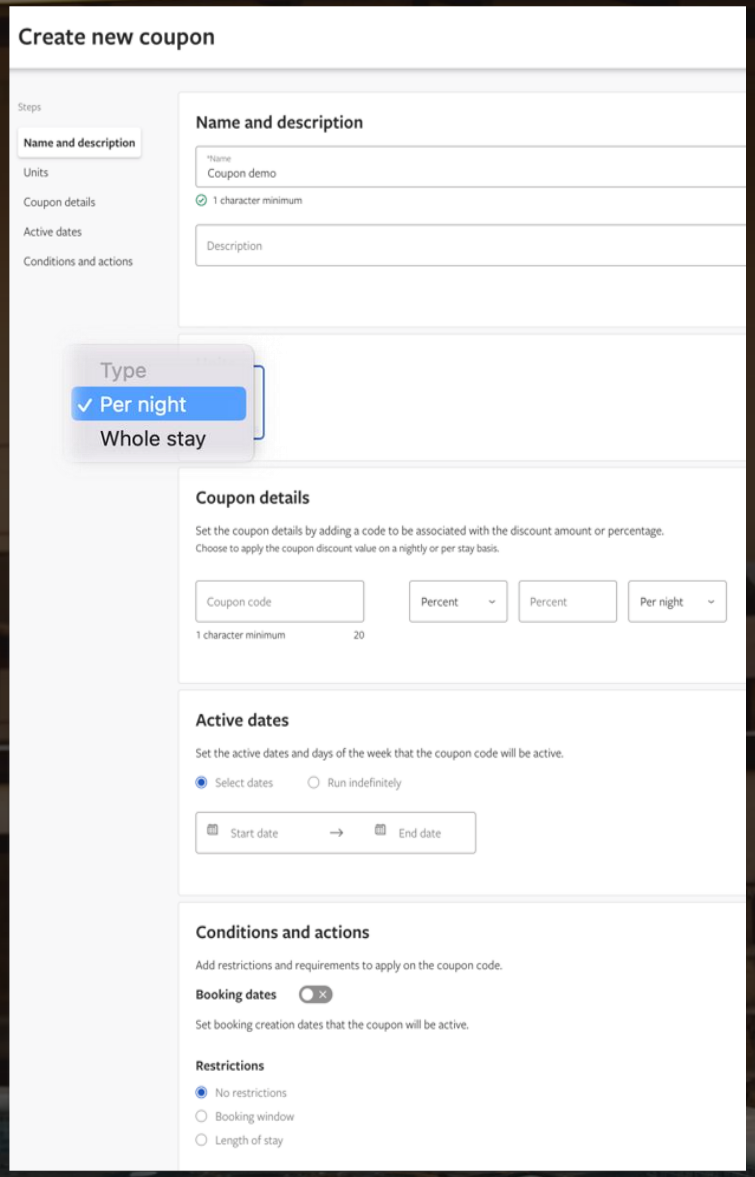
- **% off** per night
- **$ off** whole stay
- **Free** night





Coupon codes are live in Escapia

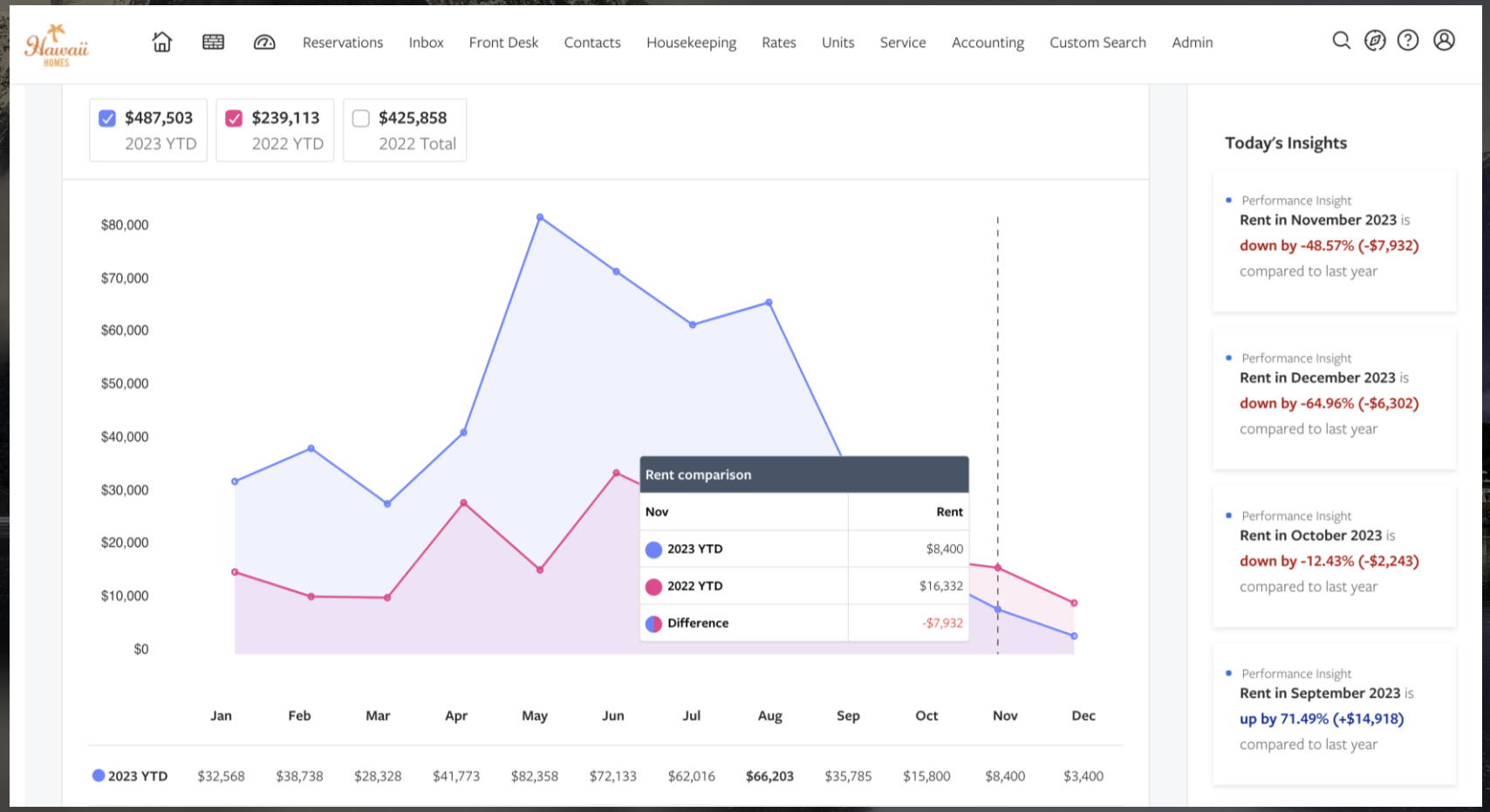




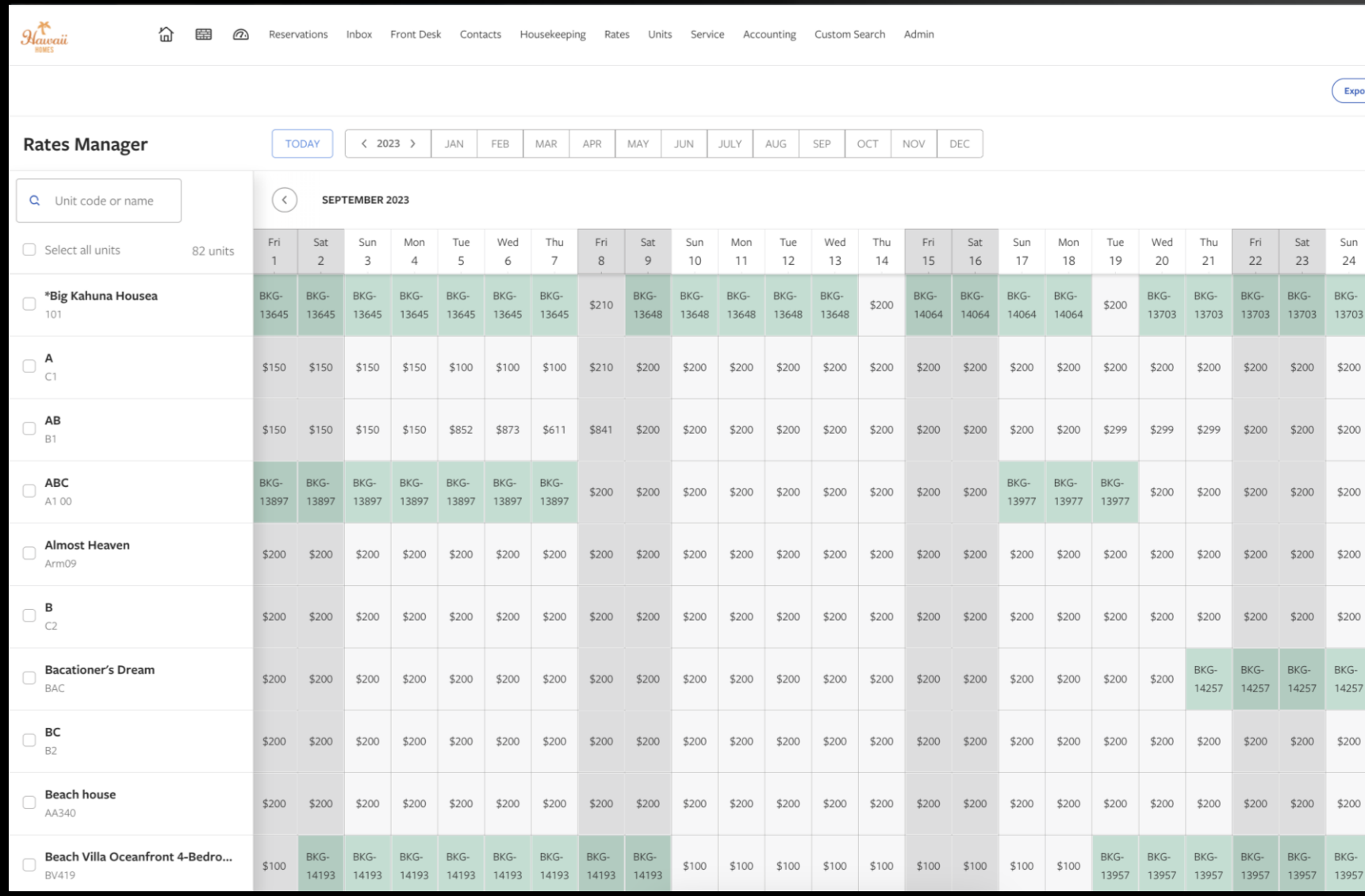
08

Continuously adapt to market pacing

Keep up with market conditions



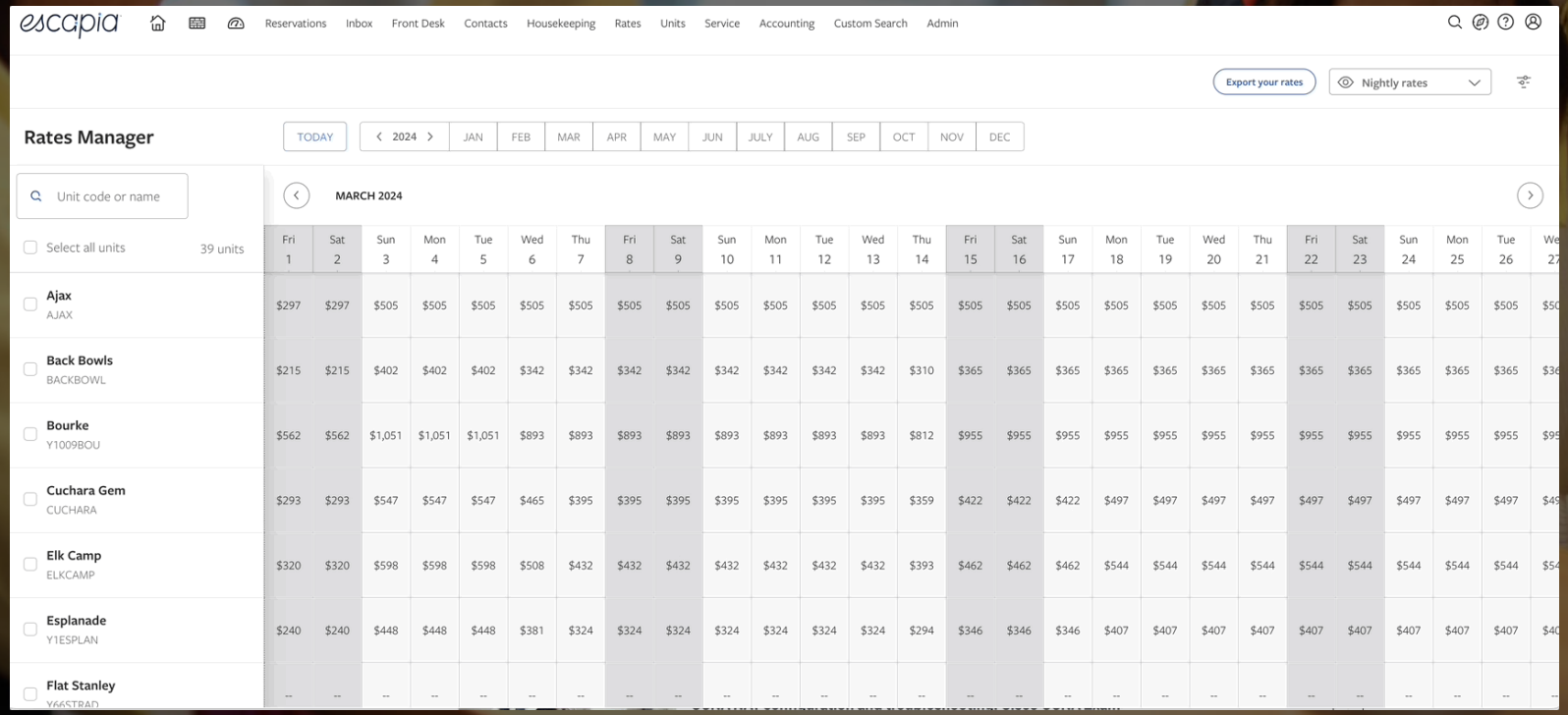
"...easily see which nights were booked and which are still vacant... this would make the calendar so much more **usable to optimize bookings**."



	Fri 1	Sat 2	Sun 3	Mon 4	Tue 5	Wed 6	Thu 7	Fri 8	Sat 9	Sun 10	Mon 11	Tue 12	Wed 13	Thu 14	Fri 15	Sat 16	Sun 17	Mon 18	Tue 19	Wed 20	Thu 21	Fri 22	Sat 23	Sun 24
*Big Kahuna Housea 101	BKG-13645	BKG-13645	BKG-13645	BKG-13645	BKG-13645	BKG-13645	BKG-13645	$210	BKG-13648	BKG-13648	BKG-13648	BKG-13648	BKG-13648	$200	BKG-14064	BKG-14064	BKG-14064	BKG-14064	$200	BKG-13703	BKG-13703	BKG-13703	BKG-13703	BKG-13703
A C1	$150	$150	$150	$150	$100	$100	$100	$210	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
AB B1	$150	$150	$150	$150	$852	$873	$611	$841	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$299	$299	$299	$200	$200	$200
ABC A1 00	BKG-13897	BKG-13897	BKG-13897	BKG-13897	BKG-13897	BKG-13897	BKG-13897	$200	$200	$200	$200	$200	$200	$200	$200	$200	BKG-13977	BKG-13977	BKG-13977	$200	$200	$200	$200	$200
Almost Heaven Arm09	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
B C2	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
Bacationer's Dream BAC	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	BKG-14257	BKG-14257	BKG-14257	BKG-14257
BC B2	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
Beach house AA340	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
Beach Villa Oceanfront 4-Bedro... BV419	$100	BKG-14193	BKG-14193	BKG-14193	BKG-14193	BKG-14193	BKG-14193	BKG-14193	BKG-14193	$100	$100	$100	$100	$100	$100	$100	$100	$100	BKG-13957	BKG-13957	BKG-13957	BKG-13957	BKG-13957	BKG-13957

On the fly rate changes

- Decrease rates by a %
- Change minimum night stay to fill gaps
- Accept Market Rates suggestions



8 strategies: Adapt your rates to maximize revenue

01
Segment & target ideal audiences

02
Prioritize seasonal rates

03
Implement a cross-channel strategy

04
Optimize for Vrbo

05
Revisit fees

06
Integrate dynamic pricing tools

07
Incorporate deals & incentives

08
Continuously adapt to market pacing

Build loyal guests
+
Satisfied owners
with strategic rate setting

Embrace change and adopt best practices

Make sure your team is taking full advantage of this new functionality!

Escapia's new Rates Manager makes it easier than ever to implement these pricing strategies

escapia

Search the knowledgebase

Search

- Accounting
- Admin and Security
- Correspondence and Email
- Credit Card Processing
- Distribution

Help Home > Set your rates in the Rates Manager

Set your rates in the Rates Manager

The Rates Manager allows you to easily set, update, and publish accurate rates across your connected channels.

When you first access the Rates Manager, your rate grid will be blank as no rates have been set. You can enter your rates from scratch or use your existing nightly rates to jumpstart the process. Adjust global rates settings in the Rates Manager,

EXPLORE FEST 23

#EXPLOREfest