HomeAway’s Reach Makes It a Necessary Evil for Owners, Managers

Companies: AWAY, EXPE, GOOG, KYAK, PCLN, TRIP

February 14, 2013

Research Question:

Will new bundle options and tiered pricing result in greater usage of HomeAway’s sites, or will the corresponding listing price hikes put off homeowners and property managers?

Summary of Findings

- HomeAway Inc.’s (AWAY) new pricing and listing bundle programs garnered negative reactions from 11 of 14 sources in the vacation property owner and vacation property management silos. However, few of these sources expect to abandon listing with HomeAway given the company’s lead position and market reach.

- Eight additional sources, comprising HomeAway’s competitors, property management software representatives and an industry specialist, acknowledged the company’s strength and dominance in the industry. They do not expect HomeAway’s recent changes to be a boon or a bane for the company.

- Eight of nine renter sources reported having positive rental experiences through HomeAway and its VRBO subsidiary, and expect to use the sites for future bookings. These sources generally were unaware of any changes at HomeAway.

- Property owners and property management company sources had concerns about HomeAway’s customer service, the integrity of its listing information, its older technology and its disrespect for traditional property managers. This has created a love/hate relationship between HomeAway and some of its prime customers.

- These sources also said HomeAway is vulnerable to competition from Airbnb Inc. and TripAdvisor Inc.’s (TRIP) FlipKey, and potentially from Expedia Inc. (EXPE), Sabre Holdings Corp.’s Travelocity and Kayak Software Corp. (KYAK).

Silo Summaries

1) VACATION PROPERTY OWNERS

Four of six sources were negative about HomeAway, but none had plans to completely drop their HomeAway listings because of the company’s lead position and broad reach in the market. Concerns expressed included HomeAway’s inclusion of unnecessary services, outdated technology and rising listing prices. Competition is growing from Airbnb, FlipKey and even Google’s AdWords.

2) PROPERTY MANAGEMENT COMPANIES

Seven of these eight sources had negative comments about HomeAway. They clearly recognized its powerful position, and do not expect to end or reduce listings with the company. However, they said HomeAway is vulnerable to the growing competition because of its poor customer service, lack of integrity regarding listing information, and its disrespect for property managers. The new tiered pricing and bundled listing offerings may produce short-term benefits, but its listings eventually will decline.

3) COMPETITORS

All four sources said HomeAway is not going to be hurt by its recent pricing, bundling and program changes. HomeAway offers a strong value with a significant ROI by producing a high volume of renter traffic and property visibility and bookings. HomeAway does, however, need to improve its technology and interfaces.

4) PROPERTY MGMT. SOFTWARE COMPANIES

These three sources recognize HomeAway as the industry leader in vacation home listing and property management services. HomeAway’s new programs and tiered pricing are expected to appeal to small vacation management companies and individual homeowners and be a success at least in the short term. However, HomeAway is vulnerable to increasing.

5) INDUSTRY SPECIALISTS

This source described HomeAway’s new bundling pricing as an effective marketing tool for small businesses and new vacation home owners because of its high ROI and strong SEO. She expects HomeAway to attract new listings as a result.

6) RENTERS

Eight of nine sources spoke highly of their HomeAway or VRBO rental experiences. Sources ranged from first-time users to decade-long customers. All eight expect to use HomeAway/VRBO again as long as prices remain competitive and properties remain interesting.
Background

In the third quarter of 2012, HomeAway added VRBO to its platform, which allowed it to make such changes as bundled listings and different subscription levels. However, sources for Blueshift’s Jan. 24 Whisper said HomeAway’s recent price changes might discourage property owners and managers from using the site.

CURRENT RESEARCH

In this next study, Blueshift assessed whether HomeAway’s new listing bundles and pricing initiatives will create growth for the company. We employed our pattern mining approach to establish and interview sources in seven independent silos:

1) Vacation property owners (6)
2) Property management companies (8)
3) HomeAway competitors (4)
4) Property management software companies (3)
5) Industry specialists (1)
6) Renters (9)
7) Secondary sources (5)

We interviewed 31 primary sources, including six repeat sources, and identified five of the most relevant secondary sources focused on the vacation home listing, booking and rental industry.

Next Steps

Blueshift will assess how HomeAway’s bundled listing program and pricing changes are affecting the company. We also will monitor competitors’ efforts to take market share from HomeAway. Finally, we will research HomeAway’s success in emerging non-U.S. economies that are producing more vacation travelers.

Silos

1) VACATION PROPERTY OWNERS

Four of six sources were negative about HomeAway, but none had plans to completely drop their HomeAway listings because of the company’s lead position and broad reach in the market. Concerns expressed included HomeAway’s inclusion of unnecessary services, outdated technology and rising listing prices. Competition is growing from Airbnb, FlipKey and even Google Inc.’s (GOOG) AdWords. Five sources voiced concerns regarding the negative regulatory environment surrounding vacation home rentals. They think listing companies like HomeAway should be actively involved in making sure the regulations do not end the vacation rental business in their areas.

› Property owner, renter and vacation rental industry blogger in New Jersey; repeat source

Usage of HomeAway will decrease because more portals are playing the market and at cheaper prices. Also, HomeAway’s site seems outdated. However, the source has been satisfied overall with his experiences as a renter via HomeAway.

- “HomeAway is no longer the only game in town. Also, their site has not kept up with the competition.”
- “The industry has too many less-expensive alternatives with no discernible advantage to using HomeAway.”
- “I have used HomeAway and have been very happy with the results. Their site, however, is dated to my eye, especially in light of the competition from Flipkey and Airbnb.”
- “FlipKey has the most attractive site and features. I love their Galleries.

HomeAway is no longer the only game in town. Also, their site has not kept up with the competition.

Property Owner & Rental Industry Blogger, New Jersey
Airbnb has them too.”
- “FlipKey offers access to the vast TripAdvisor network, a definite plus.”
- “Airbnb’s model as a threat is huge—pay for performance.”
- “[Priceline.com Inc.’s/PCLN] Booking.com focuses on hotels more than rentals. I don’t think of them for vacation rentals.”
- “It appears that some cities are moving to curtailing short-term rentals. The hotel industry is fighting for it. This industry has to fight just as hard. Cities should not protect hotels at the expense of short-term rentals. It’s called competition.”

Property owner of three New England homes
This source has been listing homes online since 2004 and with HomeAway since 2009. She recently subscribed to the Platinum Search Package to have her listings on HomeAway and VRBO rank higher within her region. She received more inquiries in January year to year, but said whether these will turn into bookings remains to be seen. She added that the tiered-pricing is not worthwhile unless an owner buys the Gold or Platinum package. She is considering trying to list through Google AdWords.

- “The tiered pricing works for the moment because only a few people are willing to pay this much. I just don’t know how long mom-and-pops can manage to pay $1,000.”
- “I don’t know to what degree sufficient mass will move to make a difference to HomeAway’s bottom line. ... They have enough cash to experiment. ... HomeAway is fairly entrenched, so investors need not to be too worried.”
- “About 75% of my total annual revenue came from HomeAway, so I can’t drop them unless I have another rental strategy.”
- “I consider it the main player in town, but I’m also contemplating ... experimenting with Google AdWords pay-per [click] to see if the same $1,000 I pay for HomeAway’s Platinum package can get me the same exposure.”
- “I have bought the higher tiering ... for all three properties over the last 30 days. If they are not tiered Gold or above, they get almost no visibility. There are about 6,000 listings in [my area], so you can imagine even if you start narrowing it down by amenities and number of bedrooms it’s hard to find.”
- “As I started buying those [tiers], I started getting more inquiries that did not necessarily translate to bookings ... but it’s only been 30 days. ... And one home I did not upgrade until a couple of days ago.”
- “I’ll wait a few months before I can tell whether a sheer volume of inquiries is going to translate into bookings.”
- “HomeAway has those [year-to-year] stats. They’ve been keeping tracking the number of inquiries for ... my property. They don’t publish that information.”
- “For homes listed on VRBO and HomeAway, I have had 20 inquiries with additional tiering versus eight last year [on HomeAway], but it was not on VRBO last year so that’s hard to compare.”
- “Book It Now is an optional feature. ... I have not enabled that. I still need to get that first email [from a potential renter]. ... I’m looking at 2,362 properties, and only 21 out of that have the Book It Now option activated. Only 1% of the [area’s] owners have enabled that option. They also have a pay online option that allows people to pay with credit cards. That has 207 properties out of 2,362 accepting that.
- “As an owner, I’d rather have someone inquire to me because then I know they actually read the description and there is a chance of booking.”
- “There have been problems with the HomeAway site that are not remedied yet. Over the last 10 days I had to call customer service three times because my properties would disappear from HomeAway. ... I don’t think it’s indicative of them being in bad shape.”
- “HomeAway has been hinting ... that they may turn into a commission-based listing [model] instead of annual listing. You would pay [per rental] ... similar to Airbnb. ... It may work for some who only want to list a property for a couple weeks per year. The potential is that it can flood the market with properties that are not professionally managed. ... That is just one of the things we are hearing may be coming down the pipe from HomeAway.”
- “I would not go to Airbnb unless I’m forced to ... for multiple reasons. They insert themselves between the guests and me, and they hold onto your rental revenue until guests arrive on the rental property. That can be a problem if your property is rented mostly in July and August. Then you are cash-starved for nine months or so.”
“Upgrades usually happen in that off season, and [Airbnb’s model] could be particularly challenging unless I had a huge cash buffer.”

“Last year, I did a brief exposure on FlipKey, which I don’t do well on. ... I had some on Craigslist and Vacation Home Rentals. ... More than half of the inquiries came from HomeAway sites.”

**Vacation rental property owner who owns multiple homes along the Southern California coastline; repeat source**

This source has three properties listed with the HomeAway family but dislikes paying increased rates for services she does not need. She has enough inquiries rolling in but not enough repeat clients to cease listing with HomeAway. She would like HomeAway to fight back against local ordinances prohibiting vacation rentals in her area.

- “I don’t need all the new program changes—too cumbersome and not services I care to use—and I resent paying for these ‘upgrades.’ I’d rather put that money into a lobbying campaign to change local ordinances that forbid vacation rentals.”
- “I list three of my properties on VacationRentals.com and two on VRBO.com. ... I really like VacationRentals.com. I consistently get serious inquiries with lots of lead time.”
- “I have listed my main vacation rental on VRBO for a while. I do find the folks who inquire through that site are more ‘last-minute’ bookers. I recently listed a second vacation rental and have been pleased with the responses. In fact, this morning I decided to list my third vacation rental with VRBO. VRBO seems to have higher-end listings.”
- “I’ve listed on VacationRentals.com for a few years and VRBO for at least a year. I do have repeat clientele, but it’s not nearly steady enough for me to stop listing.”
- “Here’s what will make me stop listing: if my community shuts my rentals down. Currently, vacation rentals are illegal in Santa Monica. I have contacted the president of VacationRentals.com to discuss getting his help in changing our city laws, but he was unresponsive. I am dismayed that HomeAway is eager to take my money and business, but unwilling to engage in supporting its clients’ efforts to change their community’s ordinances.”
- “I understand HomeAway has hired a legal consultant/lobbyist, whom I was in touch last year, but I’ve heard no more word about HomeAway’s efforts to overturn these cumbersome local ordinances.”
- “Last month, I called VRBO customer service to find out about a price break for listing a second vacation rental. While the rep was friendly and polite, he told me I’d need to call back to get the ‘promo code.’ I called back three times and got three different answers before my listing finally went live—many days after I paid for the listing.”
- “I don’t use the Book It Now button. Booking through a specific site means I have to constantly check that site as well as the other sites I advertise on. I want to deal with guests directly, not have our communications filtered through a website.”

**Small business owner and owner of a single vacation rental in Oregon**

This property is listed on TripAdvisor as well as two other sites, one of which might be HomeAway. Traffic is high during the summer and at 50% during the winter months. The source does not view his city’s listing industry as competitive. HomeAway needs to get involved in the regulatory problems. Local residents strongly oppose vacation rentals because of noise, garbage, parking and other issues.

- “We have only been doing this since 2012. We have had 15% to 20% repeat business.”
- “We rent out our property a lot. It is rented during the summer on almost all days. During the winter, it is rented 50% of the weekends. It is pretty amazing. We get a lot of traffic from Portland.”
- “[My property management company] does their own advertising and lists on a couple other sites. I think HomeAway may be one of them.”
- “We are pretty happy. We list on TripAdvisor and one or two others. I think we will always be on TripAdvisor because it is a review site.”
- “There are a lot of [listing sites]. I am familiar with FlipKey, which is associated with TripAdvisor and where my property is listed. I had not previously heard of Airbnb, and I am under the impression that Booking.com was focused mainly on individual hotels.”
“I would be much more likely to use a service like HomeAway or VRBO if they were more involved in the advocacy of vacation rentals. I do not see a big advantage to using them over not using them. They are just advertising for us. What we really need is more voice with the city. It is really difficult to motivate the vacation rental owners when they are at the point where they might get shut down.”

**Computer consultant in Southern California and owner of a vacation rental in Oregon**

This source uses a property management company to oversee his vacation rental and said he likes HomeAway better than VRBO. He has not noticed the integration of the two. He is contemplating ending his relationship with VRBO but continuing on with HomeAway and Airbnb. However, he will discontinue using HomeAway if it raises its prices too much. He is considering selling his property partly because of contention between vacation rental owners/managers and other city residents. He also said he would hesitate to invest in HomeAway or Airbnb as many cities are facing similar battles.

- “[We list our homes on] both HomeAway and VRBO, and now it is on Airbnb.”
- “When I first signed up with the property management company ... they said they would like it if we advertised it on [HomeAway] and they would cover a quarter of the ad costs. They said if it brings in one or two sales a year, it is worth it. ... This is our third year with HomeAway and VRBO.”
- “I like HomeAway much better than VRBO. VRBO seems more like old-school. I am excited about Airbnb. It is very modern, up-to-date, and is free [to list]. They do not take that much when they make the sale, only 6%.”
- “[With] VRBO and HomeAway, [we pay] $300 a year to list with them. We pay Airbnb only if a sales goes through them, and we are charged 3%. If it is free upfront, why not list with them? Then you can decide to close the sale. They are very social-savvy. You build a network of trust from people who rent and also build a trust from the reputation of people who rent their homes.”
- “I have closed one sale so far [through Airbnb]. It is up to my property manager; if she is not comfortable with it, we will not continue. The pricing is a little weird. With the other sites we list a lower price because the city and state charges tax that we do not list upfront. On Airbnb, there is no way to say there is extra tax.”
- “I am not sure if I want to stick with VRBO. I probably will stick with HomeAway. If [my management company] really thinks there are a lot of sales leads from both, we will stick with them.”
- “If the price goes up [at HomeAway and VRBO], business will probably decrease. We will have to see what services they are offering. ... I will talk with my manager. If it is a 10% increase, I would stick with them. If 25%, I would say look at other options.”
- “I do not see [the integration of HomeAway and VRBO] other than they share the same calendar. They do not seem to be that well integrated at all. They share comments on one site, and then it will show up on another site. You have to create listings separately; you cannot call one company.”
- “My property manager keeps her client list pretty close to her hip, and I do not know if she would tell me [who is repeat clientele].”
- “On average we rent my property 100 days a year. The vacation rental brings in about $25,000 a year.”
- “A lot of the cities all over the U.S. and the world are clamping down [on vacation rentals], and [in our city] it has been going on for 20 years. Rules are getting tighter and tighter, and there is a threat that the city council will outlaw them.”
- “I would hesitate to be an investor in Airbnb or HomeAway with the uncertainty in the air, at least in the bigger cities.”

**Owner of two vacation homes and a vacation rental industry blogger in Oregon**

Although this source has his own minor complaints about HomeAway’s customer service and other quirks, he believes the company provides a good value. He said other homeowners are disgruntled because they merely want to use HomeAway as a listing site and do not need all of the other bells and whistles, and they are frustrated by the good play that property managers are getting on VRBO. He uses HomeAway for his larger property because of the national exposure. If he gets enough repeat business for that property, he may choose not to list with HomeAway. He writes frequently about regulatory issues and said regulations vary by region.
“I have used HomeAway because of the national exposure and the good search engine. They provide hits. It is basically [helping me] in spite of the fact that HomeAway is a little ambitious in their pricing. It is still cheaper to use them than to not use them.”

“I still consider HomeAway a strong value. A lot of the value is in the reach they have in terms of the likelihood that someone who is inquiring will find my property. The economics of the situation is that once you have enough volume of people to stay at your houses to cover your costs, then everything else is gravy.”

“I have an annual occupancy rate of 68%, with 15% of that business coming from HomeAway.”

“I have a target [of] $80,000 total [from my vacation rentals], and $10,000 [of that comes from HomeAway].”

“Those numbers via HomeAway are high enough to keep me interested. I consider HomeAway a secondary source of inquiries. My primary source is a tossup between repeat bookings and the regional site.”

“I have used HomeAway since 2002. ... I have a one-bedroom house and a three-bedroom house; the dynamics of renting houses of different sizes vary. My three-bedroom house is harder to fill in the off-season. ... I expect to continue to do business with HomeAway until they either get too ambitious with their pricing or change their product and services mix to the point where it interferes with my marketing.”

“It is theoretically possible that my repeat business would get to the point where I do not use HomeAway. In fact, I do not list my one-bedroom on HomeAway, and one of the factors is because of my repeat customers.”

“I use VacationRentals.com, VacationRentals411.com and BeachcombersNW.com, which is a regional site. I have one of my properties on Airbnb and have tried FlipKey, but did not have much success.”

“The guys that own HomeAway are pretty smart guys, and they have tried to be more responsive than most. I cannot say I am happy with its customer service, but I understand the dynamics of what is going on.”

“It is hard to tell whether HomeAway’s increased prices and changes will cause increased or decreased usage of the site from clients. There are a lot of people who want to just have a listing site and do not want all the extra stuff. There have to be some people who will see all of those extra things and be willing to pay for them.”

“There is also a little bit of a disconnect between their effort to serve owners versus property managers. ... VRBO was always a site for owners/managers like myself, and some people who have been on VRBO are unhappy that property managers are taking such a big section. They want sites that are just for owners, and they see property managers as their competition.”

“There has been some miscommunication about some of the things they have changed, and it has created some unhappiness for myself. Instead of you renewing, HomeAway started automatically renewing for you. That was annoying, to say the least. I was watching some of the discussion groups, and people were complaining about this or that, or complaining about the Book It Now. HomeAway follows those groups, and I think they are trying to be responsive.”

“HomeAway bought up the four major, successful national listing sites. They are kind of the elephant in the room, and I think there will be more efforts to compete with them.”

“You have a company like FlipKey that has some money and expertise, and they are getting their share of the market. And if you advertise on HomeAway, it does not necessarily mean you do not advertise on those other websites.”

“HomeAway has been fine [in terms of the integration of VRBO]. They had VRBO since the day they opened their doors. They are integrating the VRBO stuff into their standard format a little bit more.”

“There is some activity going on now about whether vacation rentals should have looser regulations.”

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Owner, Two Vacation Homes in Oregon & Vacation Rental Industry Blogger

2) PROPERTY MANAGEMENT COMPANIES

Seven of these eight sources had negative comments about HomeAway. They clearly recognized its powerful position, and do not expect to end or reduce listings with the company. However, they said HomeAway is vulnerable to the growing competition
because of its poor customer service, lack of integrity regarding listing information, and its disrespect for property managers. The new tiered pricing and bundled listing offerings may produce short-term benefits, but its listings eventually will decline. The one dissenting source reported getting 95% to 98% of bookings from HomeAway, and thinks the new bundles are a great value and have increased referrals. Airbnb and FlipKey offer interesting options and services; Rentalo.com Inc., Vacation Home Rentals, Vacation 411 and Bookings.com also were discussed. One source believes Expedia and Priceline eventually will become participants in the vacation home rental business.

Owner of a property management company in Orlando
Bundling is proving to be advantageous for both price points and marketing, and has created multiple inquiries for the source. The only drawback is the inability to bundle homes listed on HomeAway prior to this new program’s unveiling. Apparently, HomeAway is playing catch up with the program coding to include those properties.

- “We list all of our [24] properties on HomeAway and VRBO, and I am starting to use the bundling option. I would bundle all of them, but you can only bundle new properties. You can’t bundle existing properties until the renewal date comes around.”
- “If you bought a house and signed up [with HomeAway] on June 7, 2012, you can’t bundle now until June 7. ... It didn’t make sense to me because it’s giving an advantage to only some owners ... but they said they couldn’t do it yet because they were still writing the codes to that for the older properties.”
- “The two new houses that I have [bundled are] getting tons and tons of hits. They also ... pushed out this bundle package typically when Dec. 26 inquiries start coming in.”
- “To spend $1,100 to market, it’s a chunk of change for the owner. But if that’s the primary way you get your reservations, then it’s a drop in the bucket.”
- “I can’t think of a better way right now to market properties [than HomeAway] ... if you’re a startup or a smaller company.
- “If I make 36 reservations, probably 30 to 33 would be from HomeAway and VRBO. I may get one call for one property and then recommend a different property based on their needs; then I code it as [my company]. I’d say, overall, 95% to 98% of what I book is from VRBO and HomeAway.
- “Renters are not going to know the difference of the bundling and tiered pricing. How would they?”
- “[HomeAway is] always upfront and honest about the prices. They sometimes run specials. ... If I bundle another house, I don’t necessarily expect them to keep the same prices all the time.”
- “I tried FlipKey because they offered a free, 60-day trial. In their defense, I didn’t give it a full shot because it took up too much of my time.”

Co-owner and COO of a vacation rental management company in Florida
This company prefers to list properties on its own site and with bigger channels. The source has used FlipKey but only infrequently. He would be more amenable to using these sites if they allowed his company’s brand to be displayed. He is not thrilled with HomeAway’s bundling option because it results in fielding multiple emails. He said HomeAway’s Book It Now button is a great addition and the wave of the future, with others like FlipKey soon to follow. He also expects Expedia, Priceline and other sites to enter the vacation rental industry. Airbnb’s market is too vast, and ranges from couches to vacation rentals. Regulatory issues are a nationwide problem and have not been properly addressed.

- “We do not [list all of our properties on HomeAway], ... We tend to work with bigger channels because they work on more of a pay-for-performance service rather than a listing service.”
- “Usually, right on our website we direct enough traffic that we book ours direct rather than paying a third party.”
- “No on VRBO. We do not deal with many of those listing sites. One thing that they did not want to do with these listings was to allow professional companies to show our brand. ... A company brand behind a product means a lot. We are just against showing properties [on listing sites]; there is so much more that we do than hand out a key.”
- “[HomeAway is] starting to add a little branding, but I have to buy a huge package where I have to show all of my properties out there. If I could show my brand and a Book It Now scenario, I would definitely go for it.”
- “We use a little of FlipKey but not much. It does not make 1% of our business.”
“I do not care for the guest shopping experience on listing sites. It is not the best. If you compare a listing site to Expedia that you can book something right then and there, that is a better experience.”

“Book It Now is something new that HomeAway is trying in the last six months or so, but it is a small percentage of what they list.”

“The Book It Now button would make me extremely happy, and if they showed my brand I would be on board. I am not excited about [bundling across channels] because what I have to do on my end is to have someone on standby to respond to that email. If we wait 24 to 48 hours, they have already moved on to somewhere else. It becomes labor-intensive. Nine times out of 10 they are looking for a last-minute deal.”

“We will be getting off these listing websites because they are too labor-intensive on the answering emails side. Eventually the Expedias, the Pricelines are going to be into this industry.”

“Airbnb seems like a great thing, but their market is too vast. They are not set on condos or vacation homes. You can go on there and rent someone’s couch or spare bedroom while they are living in the other room; they have had some problems with that. ... That is really not in compliance with a lot of local laws. When you rent out a property, the local state or county wants to make sure you are collecting appropriate sales tax.”

“Reviewing the customer is very valuable. I have talked to top people at TripAdvisor and FlipKey, and asked why not have the property review the guest sometimes? Guests say, ‘I had a bug fly into my window last night and it ruined my vacation.’ It is fair that we are able to write back when they go to another property. That service is very much needed, and I am very excited that Airbnb has incorporated that.”

**General manager at a vacation rental and real estate firm in North Carolina**

This firm regularly uses HomeAway and has had good, consistent leads. However, HomeAway’s new bundling and tiered pricing will put off homeowners and property managers, which in turn will affect renters’ options. HomeAway also has done terribly in integrating VRBO, and the source’s firm has faced continual problems with inventory quality control. She is unsure how long her firm will continue to use HomeAway. She expects big regulatory changes in the coastal areas because of adjustments to Federal Emergency Management Agency’s (FEMA) flood insurance program.

- “We do list our properties that we manage on HomeAway. In our experience, we have received a significant amount of added exposure for having our inventory listed. We list on a couple of other sites as well.”
- “I do not have the exact date we began listing with HomeAway [but] approximately five years [ago]. Our future plans to list with HomeAway have yet to be determined.”
- “I consider [HomeAway] to be of value, but the new programs make me question our future in listing with HomeAway. The new program changes may make its listing service for property managers cost-prohibitive.”
- “The new bundled products and tiered pricing at HomeAway will ultimately deter both homeowners and property managers, [and will lead to] decreased [usage of the service], ... This will affect renters because the listing exposure of HomeAway may suffer.”
- “We did not receive proper notification [from HomeAway] to list our inventory on [VRBO]. We have also had continual challenges with quality control of inventory—for example, inaccurate locations and inaccurate pricing. Secondly, we have had challenges keeping our inventory off of their site.”
- “We do not use the Book It Now feature.”
- “[The vacation rental business is] very competitive and becoming more so as our industry becomes more national and internationally
recognized. FlipKey has been quite successful in gaining a presence through TripAdvisor. I am not familiar with the Airbnb model.”

- “Regulatory issues affecting the vacation home rental industry are something we always monitor. I [believe] changes in the FEMA flood insurance program will be a huge impact on areas requiring flood insurance.”

Owner of a property management company in Maine

Although this source appreciates the low advertising costs of online sites, he is not a fan of HomeAway or its chief executive officer, Brian Sharples. He said HomeAway thinks very little of property managers, and yet the property managers are the ones who make sure homes are cleaned, smoke detectors are fixed, and renters have 24-hour service. He also is not pleased with HomeAway’s inquiry and calendar systems, but is too afraid to leave the site, at least for another year. Airbnb does not fit the vacation rental industry, and FlipKey is a waste of time and money.

- “I do not like anything about them, but it is a pay-per-lead model. We refer to them as a crutch. I probably could get along without them, but I am too scared not to go [with them]. We look at HomeAway as another advertising venue, and it is the most recognizable brand when it comes to vacation rentals. So if somebody is not smart enough to Google ‘Maine vacation rentals,’ HomeAway is where they go.”

- “I have seen the CEO of HomeAway speak and was not impressed. He does not think a lot of property managers. HomeAway cannot get out at 2 a.m. and fix a broken smoke detector. HomeAway needs to embrace property managers more. We have a 24/7 customer service line for renters, but when I have trouble with my website, HomeAway is only open Monday through Friday, 8 a.m. to 5 p.m.”

- “HomeAway does the advertising end of it, and that is one piece of the pie. Beyond ads, you have to have someone clean [the homes] and service it. HomeAway needs to pay better attention to that.”

- “We have worked with HomeAway for three years now. I do not know if this will be our last year or not, but I could see using HomeAway for another year maybe. About 70% of our business is repeat.”

- “I do not put my ‘gravy’ [properties] on HomeAway, but you always have houses that struggle.”

- “I do not think HomeAway’s tiered pricing and other changes will have any effect on the company. I do not think there will be any change in usage of HomeAway by homeowners and property managers.”

- “Up until three or four years ago, you had to do print advertising and you would spend $70 to $80 to get one booking, and now we are spending less than $1 to get a booking—and even $8 is still a bargain. In the bigger picture compared to print, online advertising is still a bargain.”

- “I have looked at Airbnb. That is a growing site, but that is not part of the vacation rental industry—people renting rooms for a couple nights or doing home swaps. That is ultra-budget vacationing, and most of the homes involved on Airbnb would not generate enough income for me to rent.”

- “I know a lot of people use FlipKey, through TripAdvisor, and we do not use them. We found FlipKey very ineffective. The conversion rate was very low compared to HomeAway. ... We had five bookings from [FlipKey] last year, and all five were some of the worst renters.”

- “HomeAway’s searches are screwy when dealing with pay-per-lead. And nobody trusts the calendars. As a consumer, when I am searching on HomeAway, I do not trust the calendars or pricing. This is because whenever I call the homeowner, he tells me a week is already booked or that the price went up. ... If we did not keep our calendars and pricing accurate to the second, not only would our reputation be compromised but we could become disorganized, leading to double-bookings.”
“HomeAway is trying but still failing at integrating professional managed homes into their homeowner-managed advertising platform.”

**Owner and vacation rental manager at a property management company in Florida**

HomeAway made its recent changes because it needs to come up with a new revenue source. About 30% of this source’s business comes from HomeAway. She applauds HomeAway’s customer support for its software, and said the company still provides a strong value. However, the new tiered pricing and other changes will lead to less use by homeowners and property managers. She also lists on FlipKey, Airbnb and other sites, and really likes that she can review renters on Airbnb.

- “Our annual booking revenue is $4.7 million, and about 30% of that is from HomeAway.”
- “Last year when we were doing the pay-per-lead, we received 3,400 emails from February that HomeAway produced.”
- “They do a package where you use VRBO and HomeAway and get better pricing. They had a pay-per-lead program I was using last year, but they made me a better offer.”
- “I do think HomeAway is still a strong value based on the bundle that they offered me.”
- “I had 215 emails from Saturday evening to Monday. I am trying to answer them all individually. They do get a lot of traffic.”
- “I pay an annual fee, and then they will renew it every year. Again, I have heard they are making significant changes to their marketing platforms.”
- “I would say new tiered pricing and other changes at HomeAway will lead to decreased [usage]. I have had owners ... who do not [use] it anymore because they do not like the way HomeAway is paying them.”
- “HomeAway is definitely trying to help the individual owner more so than they are the property management companies, trying to make sure they provide them with software and booking engines.”
- “[HomeAway is] trying to make money. I think there are times they are greedy, but then they cannot do it without money and have to come up with a revenue source. And they bring industry awareness. I do not know if I would give them all the credit of vacations being on the upswing, but they have definitely made the consumer aware of vacation rentals.”
- They are not my only listing site. I do not put all of my eggs in one basket. We use Airbnb, FlipKey, Leisure Link, Travelocity.”
- “I like Airbnb. ... You can actually see who is booking. With VRBO and HomeAway, if a renter does not like something about you, you do not get to review them in return when they review you badly. On Airbnb, you can do a public review of that person, but you can also do a private review. ... And I love that Airbnb does not charge you a fee to list the property. Right now you pay 3% for any booking and you are done. I have all of my properties on Airbnb. We do not allow anyone under 25. If someone looks like they are 18, it is a red flag.”
- “FlipKey does good for us. ... They are no VRBO and HomeAway, but they hold their own.”
- “I have houses on [Airbnb] for $12,000. ... We are renting the whole property [through Airbnb], just like on VRBO.”
- “I do not know [how long I will list with HomeAway]. I have heard rumors that they are going next year to a commission model. This may be my last year. I have no intention of paying 10% commission. I would rather do the subscriptions or pay-per-lead. They do book a lot of my property—30% between HomeAway and VRBO.”
- “I shop around for software all the time and honestly. What makes HomeAway better is their customer support for their software. They kept all the good people from Instant Software, and they have spent a lot of money to make improvements.”

**Owner of a large vacation rental property management firm in Florida**

HomeAway should see some revenue increases in the short term as a result of its tiered pricing and bundled offerings but will lose listings and eyeballs in the long term. The company lacks good customer service and integrity. This source is much more impressed with TripAdvisor and FlipKey, though he expects other players to emerge. Some, like Airbnb, have been able to ramp up quickly. For now, HomeAway remains a strong value.
“We cut back our ad spend with HomeAway and spent more money with their competitors. ... For us, we are looking at the return on investment.”

“I still consider HomeAway a strong value, but we are having to be a little more careful with our ad spend. FlipKey, VacationHomeRentals, Vacation411—we are actively listing in a number of places.”

“Our typical annual rental revenue per property through HomeAway is probably $30,000 a year. In terms of total annual rent for our properties, it would be $18.5 million.”

“There is no inventory integrity on HomeAway. HomeAway would be like going to Amazon.com and not knowing if you are looking at something that is available. If you attempt to book a property and are not sure if it is available, it is a frustrating experience. With the online travel agencies like Expedia, if you go there, with minor exceptions that inventory is available. ... Essentially, people buy their way to the top [with HomeAway], and I am not certain that that serves the interest of the consumer in the best way.”

“HomeAway is a company where there is so much growth that there is a lot of chaos, and in my experience and in that chaos the squeaky wheel will get the grease. If you just go through the normal channels you will not get good customer service. If you scream a lot you get service, and that is not the way it should be.”

“I looked at being involved in the Book It now, and it did not work for us. ... It is kind of a joke. It is like an honor system, and it is not bookable inventory.”

“We are hedging our bets by listing in a lot of different places.”

“The FlipKey model is a much better model.”

“I am much more impressed with the TripAdvisor model. TripAdvisor is smarter in how they are posting the category and how they are protecting the category. HomeAway does not have that luxury; they have to hit their earnings now. That is not a good thing for the long term.”

“There are some pretty significant barriers to entry because it takes time to accumulate the listings. But Airbnb is an example of a company that did it very quickly. Right now it is an industry of two large companies—TripAdvisor and HomeAway—and going down the road five years, I would not be surprised there are other players that have emerged. HomeAway is vulnerable unless they do some things to improve the consumer experience.”

“In regards to the integration of VRBO, the technology was terrible initially. I do not think they had software that could support large property managers, and that was a big problem. They have made improvements and continue to make improvements, but the VRBO platform was meant for rent-by-owners, and I am not sure that HomeAway necessarily understood the level of problems with trying to integrate for property managers.”

“Regulatory issues are a little scary. You have all over the country different areas where governments are attempting or looking at attempting to put regulations, and to date the vacation rental industry has not been able to protect itself.”

Owner and general manager of a vacation rental management company in Seattle

This source lists all of his company’s properties on HomeAway and its affiliate sites, but views doing so as a necessary evil. He dislikes HomeAway’s customer service, its failure to tell him which site is generating a booking, and some of the technology glitches that have come with the integration of VRBO. The company is trying to make changes and satisfy investors, but eventually its efforts will be a wash, particularly as tough competition like Airbnb and FlipKey ramps up. Airbnb already has surpassed HomeAway in Seattle with its number of listings, and Airbnb’s customer service is superior.

“All of our properties] are on HomeAway. I use it mainly because they have opened a portal to talk with my software. It is essentially a means to an end to me. I get my calendars and rate information from my software to HomeAway, and it goes to HomeAway and to their other sites. HomeAway does produce leads to me, but it is not a performer like it has been.”

“HomeAway last year took a huge dive for me. ... Part of that was me signing up as a property manager instead of an individual owner. When they made that switch, my rankings dropped. In years past it performed significantly better. I did $51,000 in 2009 when I had four properties.”

“I am listing on a lot of other sites as well.”
“There is not a typical annual revenue because we have grown so much. Every year we have done 50% to 100% growth in the number of properties we have had. In 2012 we had $880,000 in bookings. We added one this year and one at the end of 2012. HomeAway bookings were $51,000, FlipKey was $64,000, VacationRentals was $35,000, VRBO was $270,000.”

“It is hard for me to ignore HomeAway in that the industry is growing, and with HomeAway being the biggest player, it makes me think I have to grow.”

“When I got started in Seattle, there was fewer than 100 listings on HomeAway. Now there is growth. There are people who love VRBO, and a lot of people get a lot more bookings on VRBO than HomeAway. Airbnb is reaching out to a very different demographic of younger travelers, but that’s the future industry. I think HomeAway is changing to reach that demographic of people.”

“I have a decent amount [of repeat business]; about 10% of clients come back. I think HomeAway will always be in my parameter, and will always be a necessary evil.”

“What I typically say is I love to hate HomeAway. They bring a decent amount of business. I do not see myself operating without them. But if FlipKey was able to bring me enough business, I might. I do not feel any love for them either.”

“My biggest [complaint] with HomeAway is on the customer-service side, and I am sure you will hear it more and more. At Airbnb, that is the one thing where they have them beat hand over heels. I can call Airbnb 24/7. You do not get that with HomeAway; sometimes it can be three days before they call you back. And my ad spend pays for one employee at HomeAway for the entire year, and I do not feel [I receive] that kind of representation.”

“FlipKey does quite well. They produce good results for us and good return on investment because they are a lower price point for advertising.”

“HomeAway’s heart is in the right place in that they are trying to grow the industry and are working toward making changes. The challenge is a lot of the players in the industry do not want to change. It is going to be interesting to see what goes down.”

“I love the Book It Now button and wish I was able to do it [on our site]. On chat forums, lots of people hate it because they feel they lose control over who is going to stay in their rental.”

“There have been a lot of rumors about changing models. I am not going to pay [HomeAway 10% in commission], like some of their surveys have asked people about. I pay on an annual basis. ... It is more cost-effective. They have recently launched that bundle, and I did take advantage of that.”

“I wish I was able to review the renters on HomeAway [as one can do on Airbnb], to warn other owners.”

Book author and founder of a vacation rental management company in Maine

This property management company uses HomeAway but infrequently, primarily because of cost and quality control concerns. The source believes the new tiered pricing, bundled products and other changes at HomeAway will only lead to decreased use by managers, homeowners and, thus, renters. Her company has a significant repeat base, but she plans to continue to use HomeAway to fill difficult time slots or locations. Regulatory issues pose a big problem for this very competitive industry. She was not familiar with Booking.com, and said Airbnb has a poor reputation.

“New tiered pricing and other changes at HomeAway will lead to decreased usage by managers. Yes, it will affect renters and is misleading to them, basically giving them the impression of better properties based simply on the amount of money spent to promote them.”

“Price increases from HomeAway are not directly impacting our renters. It just means we will not use HomeAway as much or at all.”

“We list with HomeAway several months each year. I expect to continue with this.”

“HomeAway has managed the transition and integration of VRBO just fine.”

“I am unsure at this time if HomeAway’s website and service are a strong value. Cost is always a factor.”

“The vacation rental business is very competitive. I like some features of FlipKey, but am not familiar with Booking.com. And Airbnb has a bad reputation.”

“Regulatory issues are a huge problem, with state-to-state differences.”
3) HOMEAWAY COMPETITORS
All four sources said HomeAway is not going to be hurt by its recent pricing, bundling and program changes. HomeAway offers a strong value with a significant ROI by producing a high volume of renter traffic and property visibility and bookings. HomeAway does, however, need to improve its technology and interfaces. One source said HomeAway is closing the door on mom-and-pop listing sites. FlipKey is a strong competitor because of its relationship with TripAdvisor. Airbnb services a lower economic group.

▶ President and CEO of a vacation rental property website
HomeAway is poised to take over nearly every segment of the industry, from property managers’ revenue share and SEO quality to this source’s potential customers. His company plans to fight back by marketing to a critical mass via an upcoming new TV series that features his site’s rental properties.
- “If you want to market, you have to say yes to HomeAway. There is no other way ... because they’ve gobbled up so many other portals.”
- “HomeAway, frankly, puts the industry in jeopardy. The fact they are a public company makes that more so because ... how do they keep increasing their profits ... for shareholders?”
- “If HomeAway has the only portals that matter ... and [property managers] are not signed into the site, then you have a distribution platform that nobody is using or they can’t find it to use it.”
- “If it gets to the point that HomeAway is a notch higher than everyone else in the industry, HomeAway will likely bleed the industry to [financial] peril and then try to recuperate because property managers only have so much [marketing budget].”
- “The door [also] is closing on ma-and-pa family operations to run as online booking sites. ... They are losing market share.”
- “The industry is definitely maturing, and that’s been spurred by HomeAway, I don’t say this with ill feelings toward them, but they have an aggressive or predatory practice of buying up other companies. ... The door is closing for new portals.”
- “Their bundle is going to hurt our individual signups ... because HomeAway will try to bleed every penny out of them in terms of marketing budgets. ... We work from a commission basis.”
- “Does bundling help them? ... It’s a love-hate relationship with homeowners because it takes the need away for a vacation rental manager. ... It takes a good portion of what owners pay the managers to do.”
- “I’ve talked to some people are very happy with [HomeAway’s new pricing], and the other half spit venom.”
- “It’s hard to know how big their piece of pie can get because they already have the lion’s share. That gives them a strong advantage.”
- “The [HomeAway] model is an interesting model that appeals to a large percentage of society.”
- “What I see happening is a large push for commissioned booking, which is going to go hand-in-hand with online booking because everyone can do it and there is no cost to it. I especially see that happening if there is another recessionary type situation.”
- “We do [software] business with Escapia, but [HomeAway] gets a portion of the business. ... It’s their software.”
- “My company is going to be trading punches with HomeAway. Right now, it is much, much larger than we are, but the TV series will give our brand global recognition.”
- “We are working on a Canadian-based TV series that will come out in the fall. It’s centered on our host searching the world for his paradise ... We are going to be promoting vacation rentals through the series.”
- "VRMA really needs to educate their property managers about the potential peril, but they also have to have a relationship with HomeAway.”
- “The property managers are becoming commoditized, and I don’t think they understand that’s what’s at their doorstep.”
- “HomeAway has so many of the world’s top companies that they have to be considered ... the top brand, FlipKey is not as well known.”
“Right now HomeAway—and FlipKey only because of their association with Trip Advisor—would be in a good fight and Airbnb would be less so ... because Airbnb serves a lower-income need. Airbnb has more rooms and small apartments for rent.”

“If your two marketing voices are FlipKey and HomeAway and HomeAway drives everyone else out, they can increase prices.”

“[Airbnb] has a great business model. It’s working well. Airbnb has established a very nice business for themselves in a short period of time.”

“Within a few years, the footprint of the vacation rental industry ... will absorb a much larger portion of the vacation marketplace. Hotels and resort inherently understand this; that’s why they are moving to suites and villas for a different vacation experience. They are reacting to the market share that they’re losing to the vacation rental industry.

➤ President and CEO of a global travel accommodations website

The vacation rental industry is highly competitive, and smaller companies like this source’s have to be extremely creative when attempting to generate leads against big players like HomeAway and FlipKey. Despite HomeAway’s recent changes, clients worldwide will continue to view the company and its affiliate sites as a strong value and a good ROI. HomeAway is making things easier for travelers and offers various payment models to its clients. Many clients use HomeAway in addition to his and other sites because they want more bookings. His site offers bookings at different locales than HomeAway. Airbnb offers a free listing model for property managers and homeowners. Overall, he believes HomeAway is doing what it needs to do in integrating VRBO and moving it forward, and keeping investors happy.

“[HomeAway] is very competitive. What makes them more competitive is the huge amount of money they have to invest in marketing. FlipKey also has a large pocket of money to burn out in the search world, and it is hard to compete with that kind of budget in terms of generating leads.”

“Despite prices increases and new program changes at HomeAway, the site offers a strong value for a percentage of clients. For some, it will make sense as their regular return is way over 1,000%. Some [sites] have warranties of a 1,000% return, or they give something for free.”

“Our 1,000% guarantee results in a 10% [or less] cost for each reservation. For example, if an owner pays $300 for a yearly subscription, he/she is guaranteed to receive at least $3,000 in rental money. So, if you compare the marketing costs after receiving 20 bookings in a year, owners pay $900 in Airbnb, and $600 in subscription sites like HomeAway and Rentalo, resulting on a $300 savings.”

“Most owners will be willing to continue paying an upfront subscription cost as long as they are able to get enough bookings to justify their investment.”

“If you look at what travel agencies such as Expedia changes hotels, which is 30%, there is still some room to grow for the rest of us in the travel industry.”

“Typically, the clients are happy with the amount of leads that they are getting from HomeAway; as long as that is the case, they will continue to sell subscriptions.”

“For owners, it does not take much to justify their investment on HomeAway or a site like [ours]. That might change if HomeAway decides to go into a transaction-based booking model. Right now they work on all different models. HomeAway has the majority of their property management leads under the pay-per-lead model. A majority of their clients pay $8 per lead. They also sell the subscriptions—fixed prices on a yearly basis. And they have people who are clients that they can earn commissions on. They have all three models, and I do not think they will eliminate them anytime soon.”

“Airbnb is fairly new and has acquired a lot of this market as a result of their approach. It is kind of a different approach to renting a whole place. Their approach is not limited to only renting a couch in an apartment, but they have a lot of vacation rentals. It is pretty much a commission-based website. They get 10% from the owner and then 5% from the traveler. They do not allow any direct contact from travelers. Travelers cannot contact the owner directly. Everything has to go through their website.”
“Property owners that do well [on our site] invest in [other] subscription-based services. There are clients on HomeAway who want or need more bookings, and they list with us [as well]. We target the same audience but in different places, all across the Internet.”

“Companies come to us all the time from HomeAway. Typically, they did not get enough leads [on HomeAway]. The general complaint is they want more reservations, so they invest [in our site as well].”

“(HomeAway and VRBO] are essentially the same company and do similar things, and HomeAway is leveraging on VRBO’s rankings. I would not do anything different than what they have done. They kept VRBO moving forward, so it still is their biggest milking cow. ... They own all of these sites—CyberRentals, VRBO, VacationRentals.com—and are still dominating the national search results. It makes it tough for smaller companies to compete at that level and be creative in how we are generating leads.”

Owner of an online platform that lists bed and breakfast/”space” accommodations

The vacation rental booking services industry is doing very well, thanks to more potential travelers from the middle class. The difference between this source and most other services is that he does not have a paid subscriber base. Instead, his company takes a portion of the rental proceeds. He does not believe increased subscription rates will adversely affect HomeAway because the rates are on contracts of at least a year. HomeAway also puts a lot of money into marketing. Airbnb and the source’s company offer rooms rather than entire houses, lessening travelers’ expenses.

“HomeAway will probably keep most of their subscribers because their customers subscribe annually. When it is time for them to renew, many of them may not even remember what they paid the first time around since it will have been a year since they last paid. They don’t have a monthly bill that hits them in the face and brings to their attention how much they are paying. As long as they keep their price increases to no more than 20% where it won’t be obvious, they should be OK.”

“HomeAway is a good service. We do things a little bit different than they do and our customer base is slightly different, but they do a good job.”

“HomeAway does a lot of marketing and puts a lot of effort into it. The small amount of people that they may lose will be replaced with others do to their marketing efforts.”

“They still have a little bit of work to do in regards to the managing the transition and integration of their website VRBO.com. I am not privy to the technology on their website, but it seems like it may be a little too busy and hard for some potential customers to follow.”

“The industry is definitely changing. Airbnb and companies like ours are making it easier for the emerging middle class all over the world to travel by renting smaller and a bit more limited space. That makes it cheaper for potential customers and will ultimately mean an expansion of the potential customer base.”

Startup advisor and former CEO of an accommodations listing site

Airbnb was this source’s largest competitor, but he said HomeAway caters to a different market, namely second-home or vacation-rental owners who do not mind paying a fee in exchange for good visibility. HomeAway had a chance to offer a free service that would have reduced Airbnb’s threat. FlipKey also poses a threat in the industry, which is now very competitive. HomeAway faces some pressure on its pricing, but he doubts it will be hurt by its new tiered pricing structure or other changes. As long as HomeAway offers some value to homeowners and managers, it should be fine. It still needs to work on its technology and interface, but its customer service is good.

“Airbnb was my largest direct competitor ... so I know their model very well. HomeAway and their various brands cater to a different kind of market. Their owners are primarily vacation rental/second-home owners who are happy to pay a fee to have the kind of traffic HomeAway brings them. While Airbnb and the free models out there are interesting, I am not sure that the vacation rental owner is convinced they can bring them the type of quality traffic that they have seen from HomeAway throughout the years.”
“HomeAway missed an opportunity to offer a different free service though that would have negated the threat of Airbnb. FlipKey is an interesting threat because of the traffic they generate from their tie-in with TripAdvisor. The market is very competitive with lots of smaller niche players too.”

“HomeAway will face pressure on their pricing, but it is all about traffic. HomeAway brings quality traffic. Also, Airbnb and the like potentially can cost the homeowners more in commissions in the long run rather than a single annual fee.”

“I do not think HomeAway’s new tiered pricing and other changes will make a material difference either way to the company. HomeAway’s customers are used to paying a fee. If they perceive a value in paying more, then they will pay more for greater visibility.”

“My clients struggle to fill their rooms. … But I’m not a big fan of them during the in-season because they’re a public company. They are struggling to get more inventory in so … they are playing the revenue management game.”

“You can expect HomeAway promos moving forward. Everyone does that to get more customers.”

“Expedia’s technology is state-of-the-art [in the travel industry], but Expedia doesn’t understand vacation rentals. HomeAway is built specifically for vacation rentals, but it was built about six to seven years ago. … The VRBO model was built seven, eight, maybe even nine years ago … It’s just low-tech … It’s basically become so successful so fast that, as a big company, they don’t run at a fast pace. … Everything is being double-checked and doubled-crossed.”

“‘Their technology has been very old, but they realize that and they’re trying to incorporate new technology. Really, it’s penning a contract that both of us can’t agree to. That’s the slowest part.’

“‘It’s not that I don’t like HomeAway. I love them because I’m partners with them … but from a consulting perspective, I’m a fan of them in the ‘shoulder season’ … when my clients struggle to fill their rooms. … But I’m not a particularly big fan of them during the in-season because you’re pretty much forced to use them.’

4) PROPERTY MANAGEMENT SOFTWARE COMPANIES

These three sources recognize HomeAway as the industry leader in vacation home listing and property management services. HomeAway’s new programs and tiered pricing are expected to appeal to small vacation management companies and individual homeowners and be a success at least in the short term. However, HomeAway is vulnerable to increasing competition from Airbnb, Expedia, Travelocity, Kayak and companies like Wyndham Worldwide Corp. (WYN). One source said HomeAway’s new features could cut out part of the traditional property management role.

• VP/acting CEO of a property management software firm that is a HomeAway partner

HomeAway’s new program is attracting smaller companies and yet faces the challenge of maintaining inventory over the long term, especially if another big player like Expedia or Travelocity can elbow into the portal market at a better price point. Also, Expedia has state-of-the-art technology, but HomeAway understands the vacation rental market better.

“For the big guys who have marketing dollars and are firmly established in the market, they may do a little bit more with HomeAway during the shoulder season, but likely not in the in-season for tiered pricing/bundling.”

“People are willing to spend it, but if inventory starts to drop away and [another player] comes in with as many affordable services … like Expedia, Travelocity or Kayak … and offers it for less, they’ll be in trouble.”

“These kind of portals really affect the small companies … that are short on staff, short on time and busy cleaning toilets. … HomeAway is a good, simple fix.”

“For the small guys who don’t have a clue about marketing, they can just throw their money at this and be done with it. If they put $400 into this and get $7,000 out of it … that would be a good value.”

“HomeAway’s new pricing is basically playing the market. They are trying to see what consumers will spend now that they’re a public company. They are struggling to get more inventory in so … they are playing the revenue management game.”

“You can expect HomeAway promos moving forward. Everyone does that to get more customers.”

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Startup Advisor & Former CEO for an Accommodations Listing Site

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VP/Acting CEO
Property Management Software Firm, HomeAway Partner
I’m not a particularly big fan of them during the in-season because you’re pretty much forced to use them. ... They are No. 1 when you search your local market ... but are they doing a good job of representing that market ... as a vacation experience?”

- “Airbnb is a huge threat, but it’s a total different model. ... Airbnb’s ... model is more personal. It’s a sharing environment whereas HomeAway is more of a transaction. ... A lot of Airbnb is heavy on [the idea] you’re going to stay in my room, my camper, my couch.”
- “This is an industry that’s been around for a long time, but is relatively immature. You also have a lot of generalists out there that have 50 properties ... and there is some big money coming through, like Wyndham and other big hotels.”
- “Reviews are important. I read somewhere that if you do an online booking, 65% of people will not book unless they read the reviews. That’s almost as much as much as much as mapping where a place is located.”

**President of a property management software company**

HomeAway’s new program will attract home owners at first but will see only short-term success. The program threatens the entire industry. All it takes is one bad experience for HomeAway to start losing business. Meanwhile, HomeAway’s own software is attempting to edge out this source’s company.

- “The new program is going toward lower pricing, but with terrible service for the guest. It’s a ‘Wal-Marting’ of the industry. That’s what HomeAway is.”
- “The property manager is feeling enormous competition from HomeAway because his individual home owners are trotting out to go to HomeAway [for reservation bookings].”
- “They’re trying to drive all the consumers to rent from all the home owners ... because that’s where all the money is for [HomeAway]. ... They’re cutting out the need for the middle man [the property manager].”
- “HomeAway is good if you use them and still use your [property] manager. If you use HomeAway and fire your [property] manager, all hell is going to break loose.”
- “What the Internet is doing is forcing everything toward a price. ... Guests and owners are assuming all the services offer equal in value. ... Then the guests or the owners have a terrible experience and won’t go back to HomeAway.”
- “HomeAway has acquired a number of software companies similar to mine. They are giving a person like [a property management company] fewer and fewer choices for their software.”
- “HomeAway is saying to the owners: ‘We’ll give you property management software for your business to keep track of cleaning and rentals’ ... and saying, ‘We’ll just make money off the reservation.’ They’re effectively putting [software companies like mine] out of business.”
- “Once you use HomeAway software, they have the rights to your customer database, so guess whose marketing to your customers now? Next time you want to make a reservation, they say, ‘Come directly to HomeAway and we’ll give you a discount.’ ... The whole game is capturing the guests a second time.”
- “HomeAway, in effect, is trying to put all the vacation rental companies out of business.”

**Founder of a vacation rental management software company and a property listing site**

HomeAway’s time at the top could be limited because competition is stiff and the vacation rental market is not rapidly expanding. Plus, HomeAway has terrible customer service and a long history of rolling out poorly implemented products. Still, HomeAway’s bundled products and tiered pricing will not deter customers, and its Book It Now feature is a good addition. Overall, investors in HomeAway should be looking not only at subscription growth but also at the real cash cows for the company: merchant accounts and insurance offerings for guests. Airbnb is a possible acquisition target for HomeAway.

- “We do not [list on HomeAway]. We do not need to list with HomeAway because with our website, we get all the business.”
- “I cannot see how [HomeAway’s bundled products and tiered pricing] would be a deterrent. It is a natural progression for them in their quest for additional revenue, and there will be a certain segment of their companies that will save money with bundled pricing but a larger number of customers who will upgrade to get additional exposure. And they will treat listings that bundle in terms of placement to their site; they will place...
them better and offer those incentives. ... If you look at their revenue component, they are [making] more on the insurance and merchant account revenues."

- "HomeAway for some individuals will offer significant value because of the amount of money they spend on pay-per-click and their relative strength in their organic search-engine ranking. Their pricing model, as it exists on a pay-per-listing for smaller property owners, can probably be a very good value. And HomeAway knows this, and knows they have to move away from the price-per-listing model."

- "They struggle with turnover. It is something they are monitoring pretty closely. Vacation rentals are sensitive to price increases."

- "The marketplace has been competitive. ... It is not sustainable and not a rapidly expanding market. It is kind of finite, and as social media mechanisms come around, the need for a HomeAway listing mechanism will be less and less."

- "You will find HomeAway and VRBO ... have the worst customer service out there. That is what everybody gripes about. ... They cater to a market where people rent out their property six weeks a year to help them make the mortgage, and they are just high-maintenance customers. But with HomeAway, if you send them an email, you are lucky to get a response. If you get a response, they are not very helpful, and it could be six to eight days later."

- "They throw off customers like it is nobody’s business. Those customers who are going after companies like ours will pick up the phone and email us, and we will respond. Our efficacy may not be good—it might take three companies like mine to equal one HomeAway—but this relationship is better."

- "It has only been in the last couple of months that they have integrated VRBO effectively, and both now are on the same platform. You cannot tell the difference if you log in as a property owner."

- "HomeAway traditionally has had reason to cater to property managers. It has only been in their search for new revenue as they have gone public, and acquired property management software companies like mine. They are still evolving in how they work with property management companies. There has always been friction between property management companies and property owners; it is kind of two different models. One is like an assembly line, and another is someone who caters to your every need."

- "The Book It Now functionality is great if you have ever utilized HomeAway or VRBO as a guest looking for a property. ... It is a natural progression."

- "Airbnb caters to someone who wants to help pad their mortgage and rent out a room in their house in urban markets. That is different than someone who is renting out their entire house and the owner is not there at all."

- "I would say HomeAway would view [Airbnb] as a threat or possible acquisition opportunity, because their pricing model is very different. They charge a fee to the guest to use their system. ... It reaches a point where guests will not want to pay that fee as more competitors come to the marketplace and have more of an innovative model."

- "With FlipKey, you can list your site for free and they will take a percentage of every transaction. In a vacation rental world, it seems like a great deal, just a little bit for every transaction. But it is $1,000 at the end of the year. That is smart of FlipKey, and it gives them the ability to charge more. ... FlipKey has not been around for a long time. HomeAway and VRBO have been around for 15 years, and [customers] will bail when prices get too high, especially now if they have alternatives."

- "If a viable alternative comes to market, there is no brand affinity, no stickiness to HomeAway. People want to leave HomeAway."

- "Regulatory issues vary by geography. ... When state and local governments are more pinched for cash, that is a way to tax people more, to implement a separate vacation rental tax."

**5) INDUSTRY SPECIALISTS**

This source described HomeAway’s new bundling pricing as an effective marketing tool for small businesses and new vacation home owners because of it high ROI and strong SEO. She expects HomeAway to attract new listings as a result. Homeowners will also list with other sites in an effort to gain as much exposure for their property as they can.
> **Luxury travel marketing consultant and travel writer, based in Canada; repeat source**
Small businesses and new home owners looking for a cheap, effective marketing tool likely will flock to HomeAway’s bundle option. The key is the ROI and HomeAway’s high-ranking SEO capabilities. What would make this bundling more attractive is if these owners, especially new ones, were able to transfer renters’ positive reviews from site to site.

- “If you’re talking a difference of pricing of $100 or couple hundred dollars, then I would think it would have a huge surge in listings for HomeAway, even if owners only test the market.”
- “This tiered process might be most hopeful for beginning, new owners or those who don’t have the time to do the legwork ... of getting good reviews on their own.”
- “In terms of price points, [the value of the bundling] will differs from villa owner to villa owner. ... I imagine in regions where there are going to be tons of property, this will have a lot of value.”
- “That is the eternal question: How does HomeAway prioritize [featured properties]? Those are questions homeowners should be asking before they buy in. Does it come up by search criteria ... or am I going to have a 20-bedroom chateau come up when I need something smaller?”
- “[Owners] are in a no-lose situation because they can also list with exclusive boutique sites if they want to ... but also hope [HomeAway] comes upfront ... because the more exposure, the better [to capture rentals].”
- “If there is a transferability of the recommendations [reviews] ... that makes it much more attractive.”
- “The biggest risk is [owners] are going to list with everybody. ... It’s just a matter of which site [renters] are going to find you first. This is where HomeAway is [advantageous]; ... It’s more of a search engine ... and has a huge reach so obviously people are going to go there [as well as to the free sites].”
- “The interesting thing is the SEO; I [also] block these guys out because I figure they are not the point of view of the industry. They are the portal people. From a social media point of view, I listen to the boutique people because they have a more cultivated point of view.”

6) **RENTERS**
Eight of nine sources spoke highly of their HomeAway or VRBO rental experiences. Sources ranged from first-time users to decade-long customers. All eight expect to use HomeAway/VRBO again as long as prices remain competitive and properties remain interesting. Sources were mixed about dealing directly with homeowners or rental agencies if the opportunity presented itself. The one negative source complained about high prices and poor unit availability from HomeAway and VRBO. She also reported having a negative experience with Bookings.com.

> **47-year-old journalist in Lancaster, PA**
This source used VRBO for the first time in 2012 and now is sold on the concept. The vacation-rental option gave her extended family more space, advice from the locals and the ability to prepare meals. She does not believe tiered pricing and other changes on HomeAway’s sites would deter her, other renters or even homeowners. She also likes Airbnb for solo travelers, but has not used FlipKey.

- “We did rent a property this past summer for a week’s vacation in Asheville, NC. We chose this option because a) it was a vacation that included extended family, and everyone wanted something different; b) it was much cheaper than a hotel would have been; c) we wanted the option of preparing some of our own meals; d) we wanted to stay somewhere big enough that everyone could find space to be alone if they wanted, or where some of us night owls could stay up late or early birds could get up without disturbing others; e) it gave us access to someone who lived in Asheville and could advise us.”
- “This was the first time we had used VRBO, and we would love to do so again.”
- “[I am] not familiar with how much prices have gone up [on
HomeAway Inc.

HomeAway, but for a group of people, we would still probably get nicer amenities for a lower or equal price than we would at a hotel.”

- “It was nice to have that extra layer [of booking through VRBO] that these were people who had presumably put some thought into the fact that they would be renting out a house. They were actively involved in the process. A management company can get overwhelmed with troubleshooting during the big vacation season and may not be able to respond quickly.”
- “[VRBO] gave us a wide range of options [and] allowed us to contact homeowner directly with questions.”
- “I would like the Book It Now button, especially if we are aiming for a time of year when properties get snapped up.”
- “I like the Airbnb model for solo travel or for more intrepid travelers. That said, most of the travel arrangements I do these days are for four or more people, and that seriously limits the options of a service like Airbnb. I am familiar that FlipKey exists, but never have used it.”

- **Mother of three children in the Philadelphia area**
  This source solely rents from VRBO and will continue to do so because of overall satisfaction with the quality of homes listed on the site. HomeAway’s pricing changes likely will not change her plans, but she may check out other sites going forward.
  - “I’ve only ever rented through VRBO, and wasn’t even aware that the other sites [mentioned by Blueshift] ... existed.”
  - “I don’t know that I’d use Airbnb where I’d have to pay for the transaction. I’ve never thought about who pays to use the site, but I’m not a fan of additional fees. I’d be more willing to explore a site in the future where the homeowner pays to list their property rather than one where I pay to rent.”
  - “I have rented vacation houses in Stone Harbor [NJ] two to three times using VRBO in the last few years.”
  - “I will continue to use VRBO. I’ve been very happy with the homes we’ve found in terms of space ... quality of accommodations and price of the home. I plan to continue to use them for the foreseeable future.”
  - “We loved the house that we rented from VRBO in 2012 and would like to continue renting that house. We’ll continue to rent through VRBO since that’s the only way that the homeowner will rent to us. If she offered us a direct rental, then we’d do that.”
  - “The pricing tiers might ‘price out’ some of the smaller vacation homes in favor of high-dollar rentals.”

- **Renter in southeastern Connecticut**
  This source currently plans to continue using VRBO and HomeAway based on past experience, but said she would continue booking elsewhere if HomeAway’s property price points, amenities and geographical location do not suit her needs. She also would rent directly from a homeowner if the deal was better. She has not been impressed by Booking.com’s commercials.
  - “Vacation rentals were never something I thought to use until a good friend of mine went on several vacations with her husband and young daughter using the rentals. She kept touting the amount of space available—rooms for her and hubby and one for their daughter. Privacy helps too.”
  - “We have used VRBO twice and HomeAway twice. I go through both sites and don’t favor one over the other. I’m comparing my cost, location, convenience of renting, amenities and whichever comes out with that along with availability is who I go with. I’m starting to use them more often when traveling in the continental U.S. only for long weekends or a week-long stay. I like the flexibility they offer.”
  - “[I] will continue to use them in the future based on comparing to other sites as well. I’m not a ‘brand’ person, so though I’ll research on HomeAway, I will research other sites as well and rent what’s right for me.”
  - “I did not know about the recent changes to the packages offered to the owners. I’ll be more careful on my rental research for sure now.”
  - “I suppose I never gave it a thought as to whether I’ll get passed along the charge or the owner would absorb it. As long as the cost is advertised upfront, I don’t care. I won’t rent if I feel the price isn’t fair or in my price point.”
- “I suppose if renting a property directly through the owner was less expensive for the same product, yes, I’d rent direct and bypass the site.”
- “I’m not aware of the other sites. ... I’m just starting now to see commercials on TV for Booking.com. They are annoying, but what commercial isn’t?”

**Renter in Pennsylvania**

This source uses VRBO and HomeAway and has not noticed pricing changes. She does not plan to use VRBO this year because money is tight this year and a time share gift has been arranged. She refuses to use Airbnb’s model and reported having a horrible experience with a Craigslist booking.

- “I’ve probably used VRBO for [roughly] the past 10 years.”
- “VRBO and HomeAway have been my main resources for successful rentals. They’re easy to use, free, and seem to have rentals anywhere we want to travel. The review system works well too. I rely heavily on past renters’ reviews to determine if I should even consider a rental.”
- “We rent vacation homes at least one week a year, sometimes several within one trip depending on how long we’re away and where we are going.”
- “We usually hit hotels for the nights when we’re just passing through. If we’re going to be in an area for three or more nights, we look at VRBO. Prices are always comparable to hotels and include so much more.”
- “This year we are not using VRBO because we were gifted a week at a timeshare. ... Money is tight this year, so this is how we plan to keep with our wanderlust.”
- “I miss the ‘search’ part of our trip planning this year. I love looking through all the rental listings and hoping to find that hidden gem. We’ve found so many over the years. Next year I certainly plan to use it again. I hope they don’t change things too much.”
- “The rates are always reasonable, everything is detailed very well, and I’ve always assumed the rental rate would be the same regardless. I was under the impression the owners paid a subscription fee to list their homes, but that the rental rate was the rental rate.”
- “To be honest, I haven’t used much more than VRBO/HomeAway when booking rentals. I’ve used VRBO for years with much success. One time I found a cabin in Weston, VT, on Craigslist, took a chance at booking it, got there and it was infested with mice.”
- “I played around on Airbnb, but found it to be very limited in terms of locations and addressing our needs. I’ve never tried Booking.com. And I would never pay to use one of those sites.”

**38-year-old account executive at a public relations firm in New York**

This source has used HomeAway when traveling with large groups, and likes the ease of use and knowing a third party is involved in the rental. He will continue to use HomeAway, but will book directly with homeowners or management companies or through another site if he can get a better deal. He has not use VacationRentals.com, Booking.com, VRBO, Airbnb or FlipKey. He welcomes the Book It Now feature and said it should help increase bookings for HomeAway.

- “I have rented on HomeAway in the past when traveling with a large group. ... I like that the ease of use and knowing that a third party is ensuring I do not get ripped off. I have used other rental services that offer properties on Disney property when in Florida.”
- “I used [the HomeAway] service two years ago, I believe. I would continue to use them when traveling with my extended family.”
- “Their changes [on HomeAway] are not transparent. I still consider the site valuable, but would be willing to go with another similar service if I got a better price.”
- “I have not used VacationRentals.com. Until now, I did not know it existed.”
- “Book It Now is a great idea. It calls the user to action and should increase bookings.”

**VRBO and HomeAway have been my main resources for successful rentals. They’re easy to use, free, and seem to have rentals anywhere we want to travel. The review system works well too. I rely heavily on past renters’ reviews to determine if I should even consider a rental.**

**Vacation Renter Pennsylvania**

**I used [the HomeAway] service two years ago, I believe. I would continue to use them when traveling with my extended family.**

**Vacation Renter New York**
“I cannot say [much about VRBO’s integration with HomeAway], but the sites look very similar.”

Renter in New Mexico
VRBO has been this renter’s go-to source for the past decade. The source will continue to use VRBO even if the new pricing forces homeowners to pass along slight increases to renters. The source was unfamiliar with other vacation rental sites.

- “We have only used VRBO and private listings on the Internet for renting, not HomeAway.”
- “I first started [using VRBO] over 10 years ago. I will continue to use it as long as they continue to meet our needs and price.”
- “If the fees passed along to the renter are reasonable, I would continue to use.”
- “I am not familiar with other booking agencies.”
- “We usually stay at hotels if it’s just a couple of days. If we are staying a week, I will check to see what rentals are available.”
- “[Rentals] are great if you’re taking family and kids [because] … there are many more amenities than staying in a hotel room. The down side: They usually don’t have maid service.”
- “I didn’t know [renting directly from homeowners] was an option. I think it would be more up to the home owner and their contract. If there was an advantage to rent directly, then I would.”
- “We have had great luck in the places we have stayed. It has allowed us waterfront stays in Hawaii and California, where we wouldn’t have been able to afford hotels.”

Married 51-year-old owner of a Minnesota liquor store; repeat source
This regular VRBO user had never heard of HomeAway, and said VRBO’s site appeared “a bit more cumbersome” now. She would stop using VRBO if it were to switch to a fee-based model for renters.

- “I heard of VRBO years ago and did a bit of research and continued to do so after our first successful rental.”
- “I have never used HomeAway as I have not heard of them. We have used VRBO several times and have felt it to be safe and easy to use. We have been very happy with VRBO.”
- “We have always gone through the proper VRBO channels. We believe this is how they make their money—through fees on successful rentals on behalf of owners.”
- “I was not aware there was an integration [of HomeAway and VRBO]. I did not see anything on the VRBO site on our most recent rental. I thought the VRBO site seemed to be a bit more cumbersome than in the past, but could not really give specific reasons for that feeling.”

61-year-old IT consultant in Toronto; repeat source
This seasoned traveler has booked primarily through VRBO and Airbnb, which she said should it improve its search engine. She has looked at HomeAway only once or twice through VRBO, and had a good experience with FlipKey the one time she used it. She was unaware of any price changes on VRBO. She prefers to book directly with homeowners rather than through property managers.

- “I have not booked through HomeAway just because I have used other sites. VRBO was my main go-to site for several years, and I have looked at HomeAway once or twice through VRBO. To be honest, I did not initially realize that they were two different organizations. I thought that maybe it was known as HomeAway somewhere else in the world, since people seemed to refer to them interchangeably. I saw a lot of ads for Airbnb and of course the photos in the ads were very nice, so that drew me to Airbnb.”
- “The only thing that I have noticed on VRBO is that there might be a link to look at other homes on HomeAway; however, there are not a lot of other homes, so I doubt that I would look at it specifically.”
- “VRBO was the first site that I found several years ago, and I really like it. ... I have always had good luck with rentals through that site.”
- “I actually like to rent directly from homeowners rather than management companies.”
- “I do not know anything about the new price increases and program changes [at HomeAway]. What I like about VRBO is that there is one price, and while the owners must be paying to advertise, I do not see that price.”

I was not aware there was an integration [of HomeAway and VRBO]. I did not see anything on the VRBO site on our most recent rental. I thought the VRBO site seemed to be a bit more cumbersome than in the past, but could not really give specific reasons for that feeling.

Vacation Renter
Minnesota
“I have also booked with Airbnb, where the renter does pay a fee upfront to Airbnb. Since it was a nominal amount, I was fine with it.”
“[I] have used Airbnb and like it very much, although there could be improvements in the search engine. I usually rent studios or one-bedrooms, and it does not seem possible to sort by number of bedrooms. That means that you have to go through a lot of listings to find something suitable.”
“I have used FlipKey just once, and it was fine. I had no complaints with the accommodation, but it is not the first place I think of when searching for an apartment.”

53-year-old substitute special-education teacher in northern Minnesota; repeat source
This source disliked HomeAway’s pricing and unit availability, and said VRBO has misrepresented units at times. She also will not use Booking.com because of a recent issue. She will rent directly from the owners if she knows them from a previous booking. Pricing is not a significant factor.
- “We have looked into HomeAway, but have not used them due to their pricing or availability of units. We have used VRBO, but sometimes the unit was totally misrepresented.”
- “If we get to know the owners, we rent directly from the owners and get a better deal.”
- “Pricing is not a real factor most of the time. We have specific ideas of what we want and realize we have to pay a premium sometimes.”
- “We will not using Booking.com. We already had a mishap the other day.”

Secondary Sources
A review of secondary sources uncovered a property owner’s concerns with HomeAway’s pricing, a vacation rental blog’s list of alternatives to HomeAway, reviews of HomeAway’s customer service, and the company’s expansion into China.

Jan. 26 Facebook post (click on See All)
A small company with three vacation rentals described HomeAway’s new overview program as a great asset, but disliked the additional fees and the true cost of the program. HomeAway responded to the post by stating it was working on new enterprise-level software for small companies.
- “Overview looks perfect but we came up with a minimum of over $5000 or $6000 year we would pay and just can’t justify it for owning only three rentals.”
- HomeAway’s Jan. 28 response: “Thanks for your feedback. We are working to make enterprise level software more affordable for small companies, and Overview is a giant leap forward. Software is expensive but Overview will also allow you to offset the costs in several ways. Some companies sell revenue generating add-ons like travel insurance through their own websites to make it work for them! Yet, it is not for everyone. We will continue to work hard on all of our products and continually improve them.”

Jan. 11 Connecting Rentals blog
The blogger offered three alternatives to HomeAway and VRBO—Connecting Rentals Worldwide, FlipKey and Vacation Home Rentals—based on HomeAway’s high annual listing fees and pay-for-position packages that reportedly do not reflect the ROI. HomeAway also has “mediocre at best” customer service.
- “Connecting Rentals welcomes advertisers to try the site free with their ‘Anytime Offer’ and 90 day free trial. The ‘Anytime Offer’ consists of 5 free annual listings in all locations around the World.”
- “FlipKey enables you to easily collect and manage guest reviews. These reviews can be seamlessly integrated onto your own website through a variety of tools. FlipKey provides verification services for both professional property managers and individual homeowners.”
- “VacationHomeRentals.com gets the most visitors per listing in the industry.”

Jan. 8 SiteJabber review
A Platinum subscriber tried to advertise on HomeAway only to find an elongated process after being forced to pay for the advertisement upfront. This incident in conjunction with bad customer service prompted this homeowner to cancel the account.
“When I asked when the ad would be posted, he said 3-5 business days. Ridiculous! ... [It’s] already been 3-4 days past their promised posting date. Meanwhile I’m paying top dollar for the ad and he can’t expedite it any more than that ... nor will they offer any refund for the week that they wasted!”

Dec. 5, 2012, SiteJabber review
This Gold subscriber commented on HomeAway’s lack of customer service and obligation to adhere to the agreement of guaranteed placement.
- “There is no customer service.”
- “We have been members for 4 years, gold level (they just increased the cost from $700 to $750 for guaranteed placement) for 3—long enough to know without a doubt that they make many, many mistakes (at the owner’s expense) and couldn’t care less.”
- “We have as many as you allow ... are you even looking at our account??? We are listed after basic level, brand new, non-reviewed houses with just a few pictures THAT DON’T EVEN FIT THE SEARCH CRITERIA!”

Dec. 5, 2012, article on The Next Web
Asia is the key growth market for travelers, with 78 million outbound travelers expected this year. To capitalize on this, HomeAway has expanded to China through an agreement with Tujia.com. Competition is coming from Airbnb and a new Asia-based service called Travelmob.
- “Vacation rental website HomeAway is hoping to capitalize on the growing ranks of Chinese vacationers through a new agreement with Tujia.com to distribute translated listings on its partner’s platform.”
- “Evidence points to travelers from Asia as being the key growth market worldwide. For instance, PhoCusWright Research analyst Charlie Li expects Asia Pacific to become the world’s largest travel market next year. He also predicts China will have 78 million outbound travelers this year with a total of $80 billion in overseas spending.”
- “Of course, HomeAway isn’t the only travel platform with its sights set on Asia. Airbnb recently added support for Chinese to its iOS app as it looks to grow the number of properties it lists in Asia from 20,000 to as many as 2 million. It recently launched an office in Australia and is planning new locations in Indonesia and Thailand.”
- “Local competitors are also coming online. Southeast Asia-based Travelmob announced in September that it had raised $1 million in a round led by Jungle Ventures. The company focuses on rentals within Asia Pacific, so it won’t compete with HomeAway for Chinese clientele headed to the west, but Travelmob has been seeing a rise in travelers originating from China.”

Additional research by Cheryl Meyer, Marissa Yaremich and Scott Johnson

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