



Vacation Rentals, Hotels, Bed & Breakfasts

Marketing study: Online directories of Bed and Breakfasts

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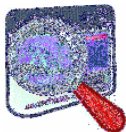


INTRODUCTION

How much should innkeepers invest in marketing a B&B? As a generally acceptable rule of thumb, hospitality businesses should invest 8% of revenues in marketing ^[1]. However, in real life the marketing budget is typically one of the more "controllable" business expenses, and as a result, it is often target for "cost cutting". As a matter of fact, according to PAII ^[2], B&Bs/Inns reported spending from 2.9% to 4.7% of their annual sales in marketing their properties. This may explain why most of the B&Bs that are "for sale" show less than 50% occupancy in the books!

There are many options available for innkeepers to invest in advertising their businesses. One highly effective marketing option is B&B on-line directories. According to PAII's survey, 90% of the B&Bs/Inns reported that online directories represent "strong or moderate" source of referrals ^[2], as compared to other higher cost marketing channels such as direct marketing, print advertising^[3], radio or TV.

Currently there are close to 100 directories listed under the category of Business and Economy/ Shopping and Services/ Travel and Transportation/ Lodging/ Bed and Breakfasts/ Directories/ ^[4]. The purpose of this document is to provide B&B innkeepers and business owners, both existing & aspiring, a comparison reference among the top performing online directories in the B&B industry. In order to facilitate this comparison, Rentalo.com used Hitwise. Hitwise is an online measurement company. The data presented in this document is from a custom category based on Rentalo analysis, and selected by Rentalo.com.



CASE STUDY

For the purpose of this study, we narrowed down the list to 74 directories that met the following criteria:

CONTENT: Large Inventory

We selected B&B directories that display an inventory of 1,000 or more B&Bs & Inns.

BUSINESS MODEL: Subscription type

These are directories that charge a fixed annual fee (or membership) per listing.

BUSINESS MODEL: Lead Generation

Directories that offer an unlimited number of referrals (leads), and do not charge commissions, transactional fees or per lead fees.



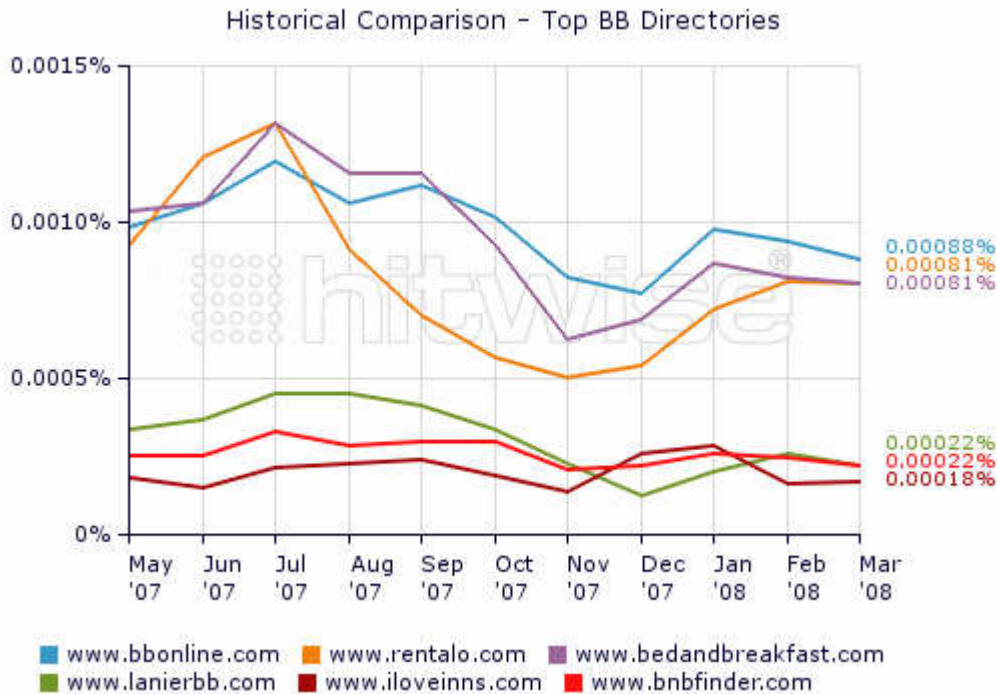


MARKET SHARE STATISTICS

The chart below shows the top 10 online directories that showed the highest market share in the month of March of 2008. Please refer to appendix A to find the list of all the online directories included in this study.

<input type="checkbox"/>	Rank	Website - [Show domain]	Market Share
<input type="checkbox"/>	1.	Bed & Breakfast Online	26.86%
<input type="checkbox"/>	2.	Rentalo.com	24.60%
<input type="checkbox"/>	3.	BedandBreakfast.com	24.50%
<input type="checkbox"/>	4.	Pamela Lanier's Bed and Breakfast Guide	6.80%
<input type="checkbox"/>	5.	www.bnbfinder.com	6.78%
<input type="checkbox"/>	6.	I Love Inns	5.34%
<input type="checkbox"/>	7.	TheInnkeeper.com	1.33%
<input type="checkbox"/>	8.	BBCanada.com	1.11%
<input type="checkbox"/>	9.	International Bed and Breakfast Pages	0.82%
<input type="checkbox"/>	10.	Bed and Breakfast Explorer	0.58%

The graph below shows a historical chart of the market share on the top 6 B&B directories from May 2007 thru March 2008.





The table below shows that the top 10 sites receive 99.4% of the market share or traffic within this industry.

Traffic Distribution		
Rank Range	Traffic	
Top 1	28.1%	
Top 3	74.9%	
Top 5	88.9%	
Top 10	99.4%	











The table below shows the top industries that visitors visit prior to visiting these on-line directory sites.

Upstream - industries visited before Bed & Breakfasts Online Directories

<input type="checkbox"/>	Industry	Upstream Share	
<input type="checkbox"/>	<input type="checkbox"/> Computers and Internet	68.39%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Travel	14.97%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Business and Finance	2.92%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Shopping and Classifieds	2.39%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Entertainment	1.52%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> News and Media	1.27%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Lifestyle	1.02%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Food and Beverage	0.79%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Automotive	0.37%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Government	0.35%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Gambling	0.32%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Education	0.30%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Sports	0.29%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Aviation	0.18%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Health and Medical	0.10%	
<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Music	0.05%	



The chart below shows a breakdown for the "Computer and Internet" industry category which represents 68.39% of the traffic received by the vacation rental directories.

<input type="checkbox"/>	Industry	Upstream Share
<input type="checkbox"/>	☒ Computers and Internet	68.39% 
<input type="checkbox"/>	- Search Engines	61.30% 
<input type="checkbox"/>	△ - Email Services	4.69% 
<input type="checkbox"/>	△ - Portal Frontpages	0.91% 
<input type="checkbox"/>	▽ - Graphics and Clip Art	0.72% 
<input type="checkbox"/>	▽ - Social Networking and Forums	0.57% 
<input type="checkbox"/>	▽ - Web Development	0.15% 
<input type="checkbox"/>	▽ - Hardware	0.08% 
<input type="checkbox"/>	▽ - Software	0.05% 
<input type="checkbox"/>	▽ - Internet Advertising	0.04% 
<input type="checkbox"/>	▽ - Paid to Surf	0.01% 

And the chart below shows a breakdown for the "Search Engines" sub-category which represents 61.30% of the traffic received by the vacation rental directories

<input type="checkbox"/>	Rank	Website	Related	Upstream Share
<input type="checkbox"/>	△ 1.	Google	▶	45.02% 
<input type="checkbox"/>	▽ 2.	Yahoo! Search	▶	8.91% 
<input type="checkbox"/>	▽ 3.	MSN Search	▶	2.01% 
<input type="checkbox"/>	△ 4.	Dogpile	▶	0.91% 
<input type="checkbox"/>	▽ 5.	Ask.com	▶	0.82% 
<input type="checkbox"/>	▽ 6.	Windows Live Search	▶	0.56% 
<input type="checkbox"/>	▽ 7.	My Web Search	▶	0.36% 
<input type="checkbox"/>	△ 8.	AOL Search	▶	0.35% 
<input type="checkbox"/>	▽ 9.	Google Image Search	▶	0.35% 
<input type="checkbox"/>	△ 10.	Lukol	▶	0.27% 



CONCLUSIONS

Even though there are several vacation rental directories available on the Internet, as shown in this study, 99.4% of the travelers searching for vacation rentals online visit the top 10 directory sites.

The most prominent source of Internet traffic for vacation rental directories at 61.3% are the search engines. This means that these sites invest heavily on search engine optimization efforts.

The second largest source of Internet traffic to these sites is email services at 4.69%. This means that a significant portion of the traffic going to these sites is "recurrent" and most likely, the result of periodical email newsletters sent to their opted-in list of registered travelers.

Savvy innkeepers should take advantage of the success of these top directories to market their properties more efficiently. By advertising on the top 10 directory sites, they can reach 99.4% of their target audience, and save time and marketing dollars invested in efforts such as paid Internet advertising or search engine optimization.

Successful business owners agree with this quote: "It takes money to make money." Consequently, if you have a small B&B, and you want to reach a higher occupancy rate e.g. more in bookings, you should seriously consider investing on these top directories.

REFERENCES

[1] Buying and Running a Guesthouse or Small Hotel: Make a Fresh Start and run your own guesthouse, Dan Marshall

[2] PAII (Professional Association of Innkeepers International) 2006 Marketing Survey

[3] <http://en.wikipedia.org/wiki/Advertising>

[4] Yahoo! Directory
http://dir.yahoo.com/Business_and_Economy/Shopping_and_Services/Travel_and_Transportation/Lodging/Bed_and_Breakfasts/Directories/





ABOUT RENTALO.COM

Rentalo.com was launched in 1999, and it is based in Miami, FL, and has an "A" rating status with the BBB (Better Business Bureau) for successfully applying exceptional business ethics since 2004.

With a growing database of 800,000 leisure and business travelers and 15,000 registered travel agents actively searching for accommodations online, Rentalo.com is the only travel lodging directory attracting travelers searching for all types of short term lodgings including hotels, vacation rentals and bed and breakfasts.

Demographics – Over 45% of your traffic comes from households earning \$60,000-100,000 per year. When compared to the percentage of the US population in that demographic, Rentalo.com is overrepresented, which means that our site targets a highly desirable target audience.

Brand Awareness – From June 2007 to June 2008, Rentalo.com has grown in searches to www.rentalo.com by 129.6%.

ABOUT THE AUTHOR



Alfredo Purrinos has over 20 years of professional experience in the fields of e-commerce and engineering. During the last 6 years, Mr. Purrinos has been fully dedicated to the management, development, and operations of Rentalo.com. Mr. Purrinos started his career as a systems engineer working for the US Federal Government; National Aeronautics and Space Administration (NASA) at KSC, FL. He also worked 7 years as a consultant for small, medium and large-size firms, leading many private enterprises through the decision making and implementation processes of networking and telecommunications solutions.



ATTACHMENT A – LIST OF SITES INCLUDED IN THE STUDY

www.1-888-inn-seek.com
www.a1-bedandbreakfast.com
www.aa-bedandbreakfasts.com
www.amazinginns.com
www.bandbmidwest.com
www.bba.travel
www.bbcanada.com
www.bbconnector.com
www.bbdestinations.com
www.bbdirectory.com
www.bbexplorer.com
www.bbhost.com
www.bbinfousa.com
www.bbinns.com
www.bbonline.com
www.bbtravel.com
www.bedandbreakfast.com
www.bedandbreakfastcenter.com
www.bedandbreakfastnationwide.com
www.bedandbreakfastnetwork.com
www.bedandbreakfastplanner.com
www.bedbreak.com
www.bedbreakfastreservations.com
www.bedbreakfasttraveler.com
www.bedsbreakfastsandinns.com
www.beduk.co.uk
www.bestromanticinns.com
www.betterbedandbreakfasts.com
www.bnbcity.com
www.bnbfinder.com
www.bnbinns.com
www.bnbstar.com
www.bnbweb.com
www.bucksinns.com
www.charmingcountryinns.com
www.classicinnsouth.com
www.colorado-bnb.com
www.cozyplaces.com
www.europebandb.com
www.findbnb.com
www.roadlodging.com
www.rochesternybb.com
www.savannahinns.com
www.getawaywisconsin.com
www.homestay.nu
www.ibbp.com
www.iloveinns.com
www.inn-businesstravel.com
www.inn-dex.net
www.inn-guide.com
www.inncrawler.com
www.innfinder.com
www.inninformation.com
www.innmarketing.com
www.innseekers.com
www.innsite.com
www.innsnorthamerica.com
www.innsnewengland.com
www.kenaipeninsulabba.com
www.lanierbb.com
www.originalinns.com
www.passportnewengland.com
www.pillowsandpancakes.com
www.planetbnb.com
www.rentalo.com
www.roadlodging.com
www.rochesternybb.com
www.savannahinns.com
www.southwesterninns.com
www.theinnkeeper.com
www.thinkaboutinns.com
www.travelassist.com/reg/reg_m_us.html
www.triple1.com
www.uniqueinns.com
www.usinns.com
www.victorianinns.com
www.virtualcities.com/ons/0gif/0onsintr.htm
www.wolseylodges.com
www.getawaywisconsin.com
www.homestay.nu
www.ibbp.com
www.iloveinns.com
www.inn-businesstravel.com
www.inn-dex.net
www.inn-guide.com
www.inncrawler.com



- www.southwesterninns.com
- www.theinnkeeper.com
- www.thinkaboutinns.com
- www.travelassist.com/reg/reg_m_us.html
- www.triple1.com
- www.uniqueinns.com
- www.usinns.com
- www.victorianinns.com
- www.virtualcities.com/ons/0gif/0onsintr.htm
- www.wolseylodges.com
- www.getawaywisconsin.com
- www.homestay.nu
- www.ibbp.com
- www.iloveinns.com
- www.inn-businesstravel.com
- www.innfinder.com
- www.innformation.com
- www.innmarketing.com
- www.innseekers.com
- www.innsite.com
- www.innsnorthamerica.com
- www.innsnewengland.com
- www.kenaipeninsulabba.com
- www.lanierbb.com
- www.originalinns.com
- www.passportnewengland.com
- www.pillowsandpancakes.com
- www.planetbnb.com

Note: If you own or manage a B&B directory and would like for us to include it to our list, please send your request to info@crm.rentalo.com and we will be glad to include it in future studies.