



Vacation Rentals, Hotels, Bed & Breakfasts

Marketing study: Online directories of Hotels

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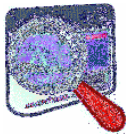


INTRODUCTION

How much should hoteliers invest in marketing a hotel? 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". This may explain why many of the hotels that are "for sale" show less than 50% occupancy in their books!

There are many options available for hoteliers to advertise ^[2] their businesses. One highly effective marketing option available today is online directories of hotels.

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/ ^[3]. The purpose of this document is to provide hoteliers, a comparison reference among the top performing online directories in the hotel 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 38 hotel directories that met the following criteria:

CONTENT: Large Inventory

We selected those directories that show an inventory of 1,000 or more hotels & motels.

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.

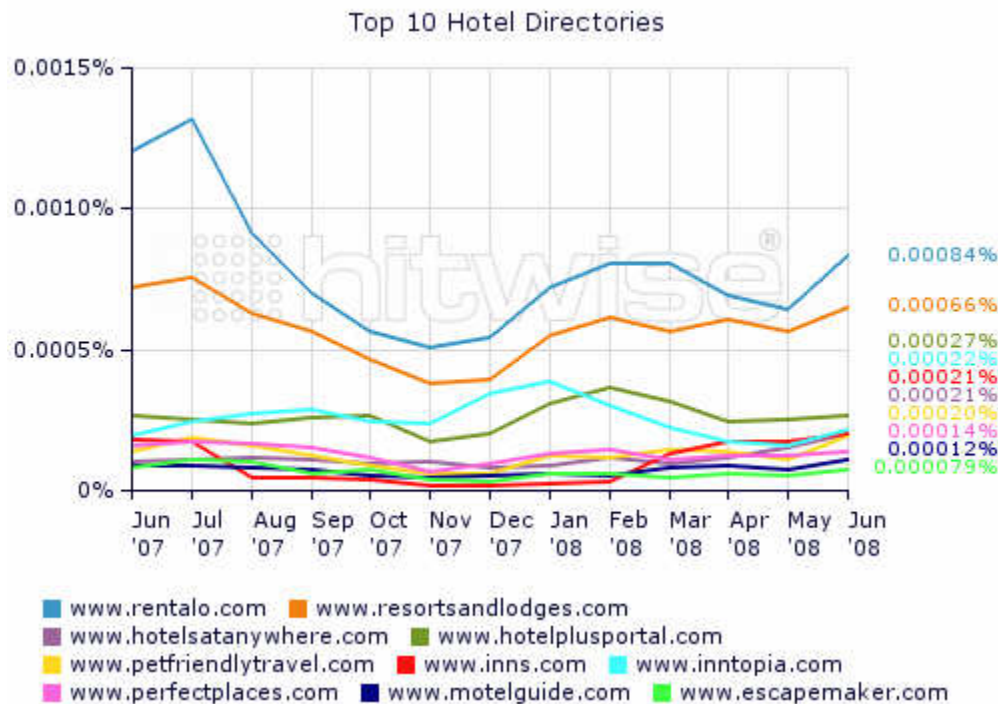


MARKET SHARE STATISTICS

The chart below shows the top 10 online directories that showed the highest market share in the month of June 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.	Rentalo.com	26.73%
<input type="checkbox"/>	2.	ResortsandLodges.com	20.81%
<input type="checkbox"/> <input type="checkbox"/>	3.	Hotels At Anywhere	7.98%
<input type="checkbox"/>	4.	HotelPlus Destination Portal	7.76%
<input type="checkbox"/> <input type="checkbox"/>	5.	Pet Friendly Travel	7.30%
<input type="checkbox"/> <input type="checkbox"/>	6.	Inns.com	7.29%
<input type="checkbox"/> <input type="checkbox"/>	7.	www.inntopia.com	6.81%
<input type="checkbox"/> <input type="checkbox"/>	8.	PerfectPlaces.com	4.44%
<input type="checkbox"/> <input type="checkbox"/>	9.	www.motelguide.com	2.99%
<input type="checkbox"/>	10.	www.escapemaker.com	2.49%

The graph below shows a historical chart of the market share on the top hotel directories from June 2007 thru June 2008.



The table below shows that the top 10 sites receive 94.6% of the market share or traffic within this industry.

Traffic Distribution









Rank Range	Traffic
Top 1	26.7%
Top 3	55.5%
Top 5	70.6%
Top 10	94.6%

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



Upstream - industries visited before Hotel Fee-based Directories

Industry	Upstream Share
Computers and Internet	80.11%
Travel	8.99%
Business and Finance	5.01%
News and Media	1.79%
Shopping and Classifieds	1.13%
Entertainment	0.63%
Government	0.57%
Lifestyle	0.45%
Automotive	0.30%
Education	0.27%
Health and Medical	0.17%
Sports	0.16%
Gambling	0.13%
Food and Beverage	0.10%
Aviation	0.07%
Music	0.06%


The chart below shows a breakdown for the "Computer and Internet" industry category which represents 80.11% of the traffic received by the vacation rental directories.

<input type="checkbox"/>	Industry	Upstream Share
<input type="checkbox"/>	☰ Computers and Internet	80.11% 
<input type="checkbox"/>	- Search Engines	76.05% 
<input type="checkbox"/>	- Email Services	2.49% 
<input type="checkbox"/>	- Social Networking and Forums	0.82% 
<input type="checkbox"/>	△ - Portal Frontpages	0.68% 
<input type="checkbox"/>	▽ - Graphics and Clip Art	0.08% 
<input type="checkbox"/>	⚡ - Web Development	0.07% 
<input type="checkbox"/>	▽ - Software	0.04% 









And the chart below shows a breakdown for the "Search Engines" sub-category which represents 62.71% of the traffic received by the vacation rental directories

<input type="checkbox"/>	Rank	Website	Related	Upstream Share
<input type="checkbox"/>	1.	Google	▶	62.71% 
<input type="checkbox"/>	△ 2.	Yahoo! Search	▶	5.77% 
<input type="checkbox"/>	▽ 3.	MSN Search	▶	3.21% 
<input type="checkbox"/>	△ 4.	Ask.com	▶	1.40% 
<input type="checkbox"/>	▽ 5.	Windows Live Search	▶	0.56% 
<input type="checkbox"/>	△ 6.	My Web Search	▶	0.43% 
<input type="checkbox"/>	△ 7.	AOL Search	▶	0.42% 
<input type="checkbox"/>	△ 8.	Dogpile	▶	0.42% 
<input type="checkbox"/>	⚡ 9.	Yahoo! Spanish Search	▶	0.12% 
<input type="checkbox"/>	⚡ 10.	Search.com	▶	0.11% 

Here is the breakdown of the travel category which represents the second highest source of traffic for hotels:

<input type="checkbox"/>	Industry	Upstream Share
<input type="checkbox"/>	+ Computers and Internet	80.11% 
<input type="checkbox"/>	△ Travel	8.99% 
<input type="checkbox"/>	△ - Destinations and Accommodation	5.57% 
<input type="checkbox"/>	▽ - Maps	1.91% 
<input type="checkbox"/>	△ - Agencies	1.15% 
<input type="checkbox"/>	- Transport	0.19% 

And here is the breakdown of the third highest source of traffic for hotel directories "Business & Finance":

<input type="checkbox"/>	Industry	Upstream Share
<input type="checkbox"/>	+ Computers and Internet	80.11% 
<input type="checkbox"/>	△ + Travel	8.99% 
<input type="checkbox"/>	▽ + Business and Finance	5.01% 
<input type="checkbox"/>	▽ - Business Directories	3.00% 
<input type="checkbox"/>	▽ - Real Estate	1.34% 
<input type="checkbox"/>	▽ - Employment and Training	0.29% 
<input type="checkbox"/>	▽ - Banks and Financial Institutions	0.20% 
<input type="checkbox"/>	△ - Business Information	0.17% 
<input type="checkbox"/>	△ - Building and Construction	0.09% 



CONCLUSIONS

Even though there are several hotel directories sites available in the Internet for advertising hotels, 94.6% of the travelers searching for hotels online visit the top 10 online directory sites.

The most prominent source of Internet traffic for hotel directories at 76.05% 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 travel sites at 8.99%, and in particular those within the "Destinations & Accommodations" sub-category at 5.57%. This means that a significant portion of the visitors tend to shop around similar travel lodging sites.

Savvy hoteliers should take advantage of the success of these top directories to market their hotels more efficiently. By advertising on these top 10 sites, they can reach 94.6% of their target audience, and save time and marketing dollars invested in efforts such as paid Internet advertising or search engine optimization efforts.

Successful business owners agree with this quote: "It takes money to make money." Consequently, if you own or manage one or more vacation rental properties and want to increase your occupancy rate, you should seriously consider listing your property in all these top hotel directories.

REFERENCES

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

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

[3] Yahoo! Directory

http://dir.yahoo.com/Business_and_Economy/Shopping_and_Services/Travel_and_Transportation/Lodging/Hotels/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

hotelmotelaccomodation.com
hotelmoteldirectory.com
localhoteldirectory.com
www.4hotels.us
www.accommodationsusa.com
www.acoomo.com
www.allworld-vacation.com
www.beautifulinns.com
www.best-hotel.com
www.bestlodging.com
www.bestromanticinns.com
www.bighoteldirectory.com
www.bringyourpet.com
www.budgethotels.com
www.escapemaker.com
www.hotelguide.net
www.hotelplusportal.com
www.hotelregister.com
www.hotels-and-inns.com
www.hotelsatanywhere.com
www.iag.info

www.innlog.com
www.inns.com
www.innsus.com
www.inntopia.com
www.lodging-world.com
www.lodgingquest.com
www.motelguide.com
www.perfectplaces.com
www.petfriendlytravel.com
www.pettravel.com
www.rentalo.com
www.resortbay.com
www.resortsandlodges.com
www.travelnett.com
www.travelpick.com
www.usaresortrentals.com
www.worldhotels.com

Note: If you own a hotel 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.