



GUIDE

How To Turn Vacation Rental Gap Nights Into Moneymakers

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Introduction

A vacation rental home that sits empty is an unrealized asset. But as vacation property managers know, finding occupants for homes during the gap between bookings isn't easy.

Guest arrivals and departures must be cross-checked with owner reservations and housekeeping blocks, a time-consuming process that can entail juggling multiple sources. Hunting down new guests is an equally tedious task. And automatically sending invitations to all previous renters can backfire if undesirable guests choose to return.

The easiest way to fill “the gap” is to extend the stays of departing or arriving guests. Adding nights for existing guests solves the problem of finding a new renter for a classic one-to-three-night gap, particularly midweek. It also saves resources you would spend on new guests like home inspection, housecleaning and messaging.

But there is an art to turning extended stays into an efficient income source.

In this detailed guide, you will learn how offering the right incentive, timing your invitation and using smart software are just a few of the ways you can transform money-losing gap nights into a revenue-generating resource.



1. Enticing Incentives

An extended stay starts with a standard message inviting guests to add a day or two to their stay. You should create separate messages for departing and arriving guests. At the heart of each message is an incentive you choose to persuade them to lengthen their stay.

By offering an extended stay, you're providing guests an opportunity to enjoy their vacation-happy bubble for an extra day or two. That's appealing. But they'll be changing their plans as well as paying more money, so you need a winning incentive to seal the deal.

Discounts and amenities including gifts, services and experiences are the two most popular types of incentives. Think about who your guests are and what they want from their trip. You may find that a combination of incentives works best for some guests, like a 25 percent-a-day discount and a bottle of wine.

Attractive Discounts

Most vacation rental management companies sign a contract with homeowners limiting the discount they can offer guests. A 15 to 25 percent discount is considered standard for each additional day, though the ceiling can go as high as 50 percent a day.

Vacations are expensive. Most guests will be pleased with a discount that lets them enjoy their happy place for an additional day or two.

Rent isn't the only discount you can offer. Services like cleaning can be costly. Free or discounted cleaning can be an appealing incentive for an extending a stay.

Alluring Amenities

Knowing your guests is crucial if you plan to offer an amenity instead of a discount. Not only can a carefully chosen amenity win over guests, it can be a way of distinguishing your vacation rental business from the pack.

If your property attracts adventure seekers, for example, a day of horseback riding or river rafting may be more enticing than 25 percent off a nightly stay.

Think about what's attractive about your area and make the most of your ties to the local business community when you pair offerings with your guests. Consider small amenities that are locally sourced to sweeten a discount like water slide tickets or a box of cookies from the town bakery. And team up with local providers for stand-alone amenities, like dinner from two at the area's five-star, hard-to-book restaurant.



2. When To Invite Guests

Choosing the right time to invite guests to extend their stays has a Goldilocks quality. Send your invitation too far ahead of arrival or departure and guests may not pay attention to it. Send it too close in and they may not have time to alter their plans.

The invitation sweet spot for drive-to destinations is seven days before departure or arrival, though you can do fewer days if needed. A week gives guests sufficient time to adjust their work schedule, contact the house sitter or dog sitter and plan for an extra day or two away from home. In some instances, seven days will be long enough to change flights and car rentals.

From a marketing standpoint, a seven-day window has a sense of urgency that may entice guests. It's a limited time offer, and that can be appealing.

Time Saving Organizers

One reason property managers don't offer extended stays more often is the time and effort needed to determine gap nights. This slow, head-spinning process can require cross-referencing guest departures and arrivals with homeowner reservations and housekeeping blocks.

The latest digital tools can alleviate this problem and make it easy to isolate gap nights. Look for a software provider that offers a straightforward solution, like a color-coded calendar that consolidates everything in one place and shows you which nights are taken by homeowners and maintenance and which can be rented to departing or arriving guests — or other guests you choose to invite.

The best digital calendars interface with popular vacation rental software so that guest information is uploaded instantly and you can send potential renters an extended stay invitation with the click of a button.

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3. Choose Your Guests

It can be tempting to send invitations automatically to every guest on file when you want to fill a gap night property. But while automated invitations can save time and increase the chances of renting the home, they can backfire if a guest who caused problems during a previous stay accepts your offer.

Automated invitations can also cause difficulties if there are last minute property issues that aren't reflected on your calendar, like an unexpected maintenance problem or a spur-of-the-moment decision by the homeowners to add a night to their visit.

You want to invite guests who are most likely to accept your invitation to extend their stays. These are the guests who will be departing or arriving within seven days.

Filter your invitation to these guests. Emphasize that you are making an exclusive offer so they'll feel like they're getting something special. And they are because that extra night or two is coming with a discount, an amenity or both.



Time-Saving Tip: Choose a software probiter that enables you to send messages at once to multiple guests.



4. Email Or Text Messaging

You want potential guests to see your extended stay message as soon as it lands. That means that you need to send it in the most expedient way.

There are pros and cons to both email and text when sending extended stay communications. Some vacation rental property managers have eliminated email completely in favor of text messaging, for example. But email is far from dead.

The best approach is to consider the demographics, technical capabilities and age range of your audience when determining which mode they're more likely to open. You may wind up using both methods to be safe.

Email

Introduced in the 1960s and popularized in the 1990s, email is prime 20th-century technology, but it's far from obsolete. An estimated 74 trillion emails are sent each year averaging 2.4 million emails a second, according to Radicati Group.

Email is the preferred mode for sending images and large documents. Email is easy to print, download and store on computers.

Email is also a smart choice if you want to reach an older audience.

But because users are deluged with email (and 49.7 percent of it is spam), the opening rate is a mere 20 percent and response rate is just 6 percent. And response time is slow — about 90 minutes on average.

If you choose to email your extended stay invitation, make sure your subject line is an attention grabber with a sense of urgency.

Text Messaging

As smartphone use has skyrocketed, so has texting. Texting is the nimble medium, known for its urgency and speed with an open rate of 98 percent and a response time of 90 seconds.

Led by hotels, the hospitality industry has embraced text messaging with enthusiasm for its quickness, convenience and ease of use. Guests, in turn, have come to expect text communication wherever they stay including at vacation rental homes.

Texting is the smart way to reach an audience rapidly. This makes it especially effective for offering time-sensitive products like an extended stay. Your chances of a quick reading and prompt response are considerably higher than with email.

Text messaging can work for most age groups but is particularly popular with younger guests, many of whom no longer use email.

Know Your Guests

If you're not sure which medium to use, send extended stay messages using both and check your response rates to see which were opened more frequently and which reaped the most conversions.



5. Track And Analyze

Renting as many homes as possible on gap nights is what turns extended stays into moneymakers. To maximize your efforts, you need to understand how your message is being received and which delivery method is best.

By tracking conversion rates and analyzing the results, you'll know whether your message is a slam dunk, needs tweaking or deserves a full-scale overhaul.

You may also notice that your message works better with certain demographics than others, a sign that you may need to create a different message for some audiences.

Monitor your results to see if certain incentives aren't working. If no one is interested in the horseback riding tour you're offering instead of a discount, you need to find something better.

Tracking opens up a world of knowledge. You can learn which homes are most popular and analyze them for ideas that can be transplanted to properties that are less in demand.

Your conversion rate will tell you how much money you can project for the year by promoting extended stays.



Tip: An easy way to estimate how much money you can make with extended stays is to choose software that features a ROI calculator that projects your potential returns from gap night rentals.



6. ROI Calculator

Use the calculator below to determine the return on investment from extended guest stays.

Average Guest Arrivals Per Year	1200	<input type="text"/>
Average Rental Price	\$300	<input type="text"/>
Discount for Extending Stay	25%	<input type="text"/>
Conversion Rate	3%	<input type="text"/>
Revenue from Extend Guest Stays Per Year*	\$8,100	<input type="text"/>

*Revenue = Average Guest Arrivals * (Average Rental Price * Discount %) * Conversion Rate



7. Summary

With the right know-how and toolkit, your vacation rental properties can be gap night moneymakers without draining time and energy. Here's a recap:

- ✓ Choose the discount you want for each additional night.
- ✓ For the best response, send invitations to guests seven days or less before arrival or departure.
- ✓ Skip automated invitations and send extended stay invites to guests most likely to accept.
- ✓ For reaching guests quickly and effectively, choose text for sending extended stay invitations. But consider email for certain demographics.
- ✓ Monitor and analyze conversion rates to see which extended stay messages and incentives are the most effective.
- ✓ A ROI calculator can project how much money you'll earn by extending guest stays. Choose a software provider that offers one.

Guest Communication Tools for Vacation Rentals

Digital Guestbooks, SMS Automation, Guest SMS Messaging, Local Area Guides, Extend Guest Stays and more. Scheduled a demo and start your free 2-week trial today.

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