

H2R Market Research

Reveal Your Customer's Full Experience

Florida Keys

Vacation Home Rental Research

Delivered July 2019

4650 S. National Ave, Suite C1
Springfield, MO 65810

417.877.7808

@H2RMktResearch

Overview

Executive Summary

Pages 5-9

1 VACATION HOME EXPERIENCES

Pages 10-17

2 LEISURE TRAVEL PLANNING

Pages 18-23

3 BARRIERS TO LODGING & VISITATION

Pages 24-31

4 FLORIDA KEYS CONSIDERATIONS

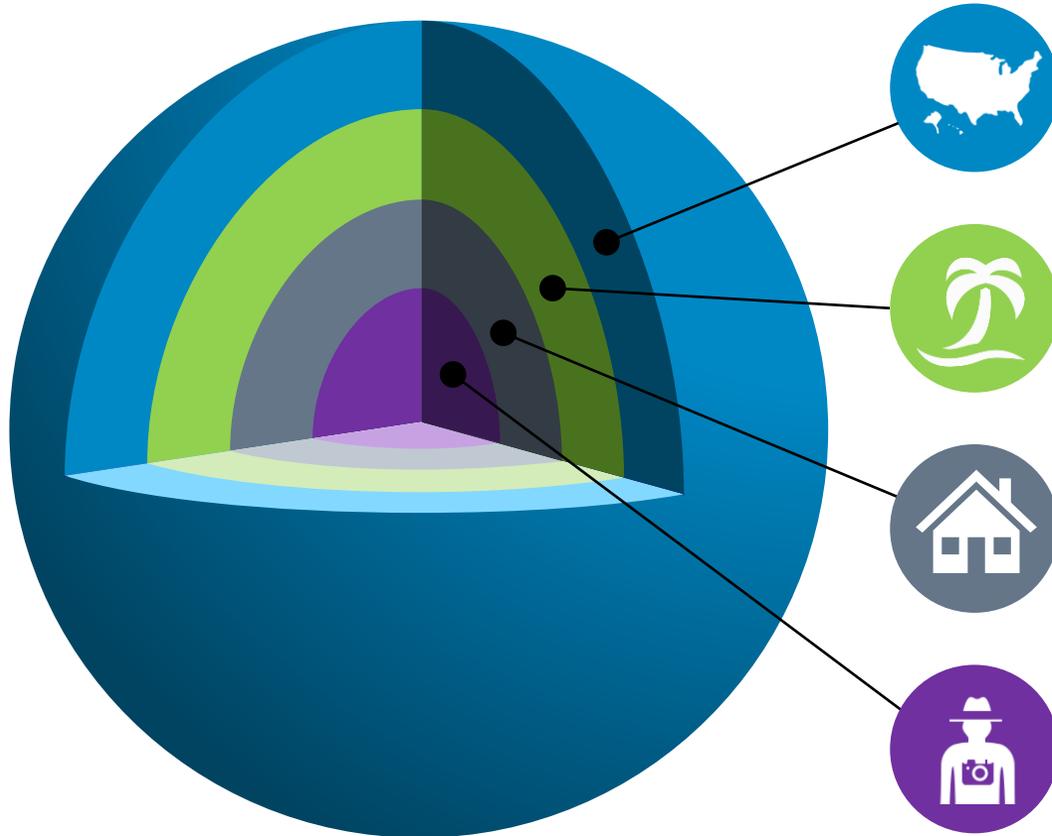
Pages 32-42

Purpose. The purpose of conducting the Florida Keys 2019 Vacation Home Rental Research was to better understand prospects' decision-making process when considering which accommodations to choose (specifically vacation home rentals) when traveling for leisure—especially to the Florida Keys.

Target Travelers. This research was conducted among a nationwide general population cell of consumers who have taken a beach vacation in the past 5 years, and have either rented a vacation home near the beach or are open to doing so within the next 2 years. Throughout this presentation, these are referred to as Target Travelers.

Sample. A total of 1,000 responses were collected for this research, providing for a maximum margin of error of +/-3.1% at a 95% confidence Interval. This includes 739 respondents who have rented a vacation home in the past and 261 who have not, but are open to doing so in the future.

Vacation Rental Market Space



United States Households

According to the U.S. Census Bureau there are 120 million households in the country.

Beach Vacations in the Past 5 Years

Approximately 63% report having taken a leisure trip or getaway to a beach destination in the past 5 years.

Rented a Beach Vacation Home in the Past

Our research indicates that 74% of those who have visited a beach destination have rented a vacation home on the beach at some point in the past. The remaining 26% are open to doing so in the next 2 years.

Vacation Rental Target Market

This provides for an overall incidence of approximately 30% of U.S. Households (or 36M) who fall into the Target Traveler segment in this study.

The vacation home rental market is becoming more formidable nationwide.

- Nationwide, Airbnb lodging supply has exploded over the past decade largely because of its appeal to consumers' increasing demand for authentic lodging experiences and it is a lodging category that benefited by an initial lack of regulation.
- The vacation home rental is challenging in South Florida because landlords and property managers can arguably make an average of nearly 40% percent more renting entire homes to tourists on Airbnb than renting to locals.¹ Thus, there is considerable financial incentive for doing so.
- As one might expect, the larger the demand for vacation home rentals, the more of an impact this lodging category has upon traditional hotel revenues.
- According to a recent study published by Florida State University, every 1% increase in the number of Airbnb properties resulted in a decrease of average revenue per room (RevPAR) by 0.02%. And, while that may not sound particularly significant, it means that every time Airbnb's supply doubles (which is its average yearly pace since inception) hotel revenues fall 2%.² Therefore, there is reason to believe the vacation rental category is beginning to pose a threat to traditional lodging properties. This study explores how to better understand the decision process of those who rent vacation homes and what impact this may have in the Florida Keys.

¹ Source: <https://www.miamiherald.com/news/business/tourism-cruises/article231476068.html>

² Source: <https://theconversation.com/as-airbnb-grows-this-is-exactly-how-much-its-bringing-down-hotel-prices-and-occupancy-116324>



Florida Keys Vacation Home Rental Research

Executive Summary

The Florida Keys is a Vacation Home Rental Destination

- **Target Travelers are a good mix of vacation rental customers and prospects.** This study includes a good mix of vacation home rental users and prospects. That is, 33% used a vacation home rental on their last trip, 41% have used a rental in the past (but not on their last trip) and 26% are considerers who are open to vacation home rental but have never done so. The top vacation home rental brands include: Airbnb, VRBO and HomeAway.
- **More likely to rent a vacation home in the Florida Keys.** Target Travelers indicated they were more likely to rent a vacation home in the Florida Keys than any other destination in the competitive set. More than four in five Target Travelers indicated they are most likely to rent a vacation home at a beach destination (83%), and the Florida Keys was identified as the destination Target Travelers would be most likely to rent a vacation home in of any other destinations evaluated.
- **Convenience, space and affordability are key.** These three characteristics are those considered most important among Target Travelers when evaluating potential accommodations. And, those most likely to rent vacation homes are further differentiated from those who prefer traditional lodging by the availability of kitchens and balconies.

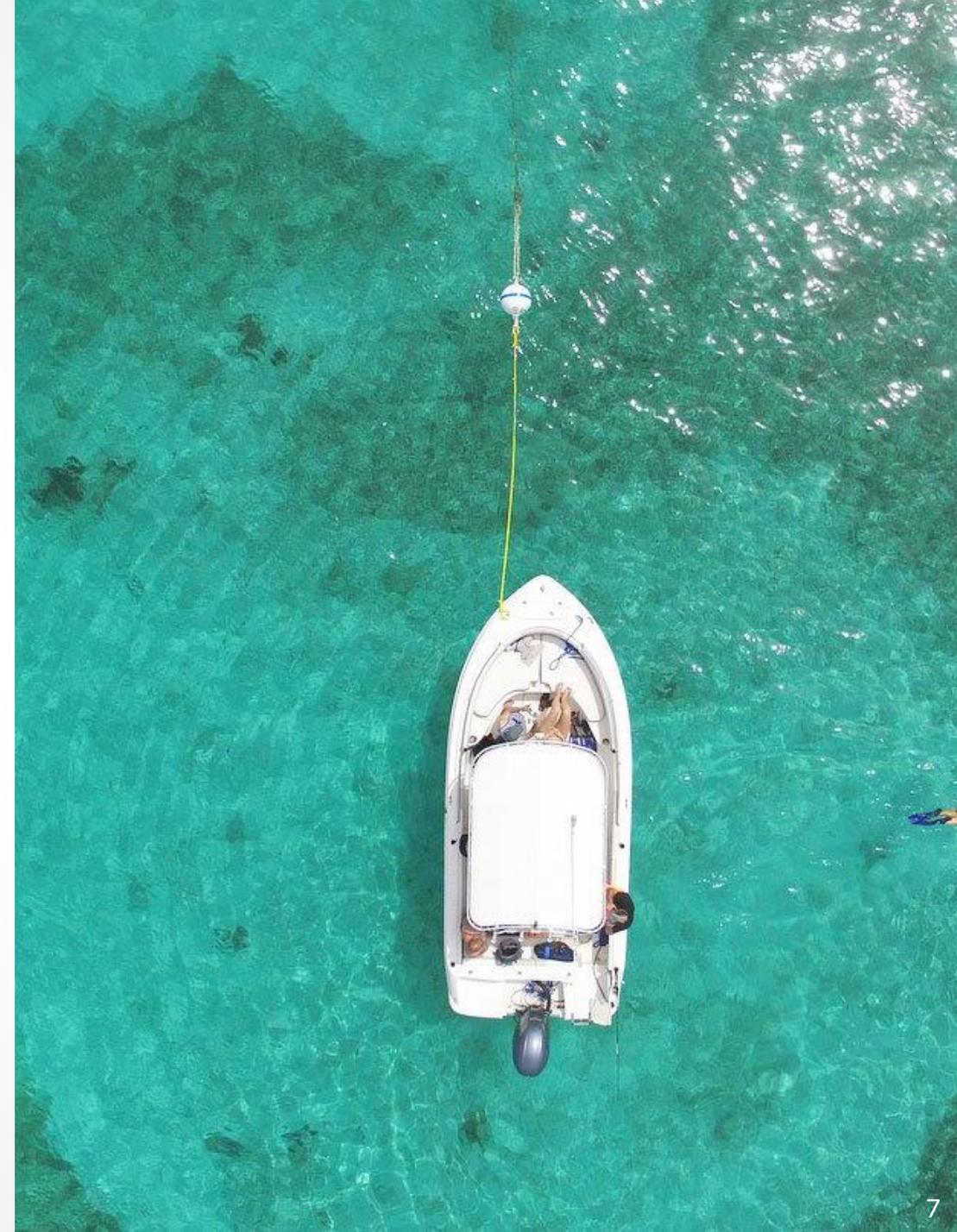


¹ Source: <https://theconversation.com/as-airbnb-grows-this-is-exactly-how-much-its-bringing-down-hotel-prices-and-occupancy-116324>

² Source: <https://www.miamiherald.com/news/business/tourism-cruises/article231476068.html>

Vacation Homes Are Equal to Traditional Lodging in Intent

- **Florida Keys is a popular destination among Target Travelers.** Nearly one third (30%) of Target Travelers have visited the Florida Keys in the past and 43% intend to do so in the near future. This places the Florida Keys in second place for both incidence and intent to visit—second only to Southeast Florida/Miami/Palm Beach—and topping the Caribbean, Southern California, Mexico, Bahamas and Hawaii. Intent to visit is comparatively strong across all of the Florida Keys territories but runs stronger than average for Key West and Key Largo.
- **Relaxation and Escape.** These Target Travelers indicate their primary motivation for visiting the Florida Keys would be for “Rest and Relaxation,” with “Adventure Seeking” coming in as a distant second.
- **Vacation home rental poses threat to traditional lodging in the Florida Keys.** Target Travelers who want to visit the Florida Keys have nearly the same intent to consider a vacation home rental as they do traditional lodging accommodations. Intent runs 73% for vacation home rentals compared to 72% average for chain/independent hotels. And, when forced to choose, more would choose vacation home rentals (41%) over traditional lodging (33%)—and the same is true among past visitors (43% vs. 33% respectively).



Barriers to Using Traditional Accommodations

- **Travel planning sources.** Given the nature of the target market in this study, it is of little surprise that vacation rental websites are considered the resource Target Travelers would be most likely to consult when planning destination visits, followed by visiting with friends and family, searching the internet and visiting online travel review sites. The most common social media sites included Facebook and YouTube, while TripAdvisor and Yelp are the most common online communities used by this segment.
- **Decision to drive or fly is a 50/50 proposition.** Roughly half (49%) of the Target Travelers in this study indicate they prefer to drive to their preferred destinations—about the same number who prefer to fly (48%). Florida Keys’ visitors in particular say they are 23% more likely than average to prefer flying to their destination and 22% more likely than average to fly to a nearby destination and renting a car.
- **Barriers to traditional accommodations.** The primary stated barriers to using traditional accommodations are the lack of kitchen facilities, not having the space they need for their party, lack of privacy, affordability and mandatory resort fees. However, when these factors are correlated with intent to visit, it is revealed that better explanations for not using traditional accommodations are that social media conversations have been unconvincing, been there done that, a lack of authenticity and a lack of privacy.



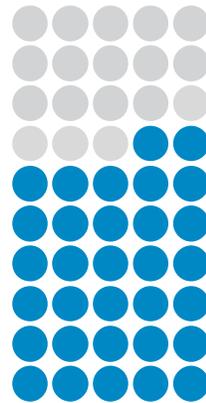
Florida Keys Vacation Home Rental Research

Vacation Home Experiences



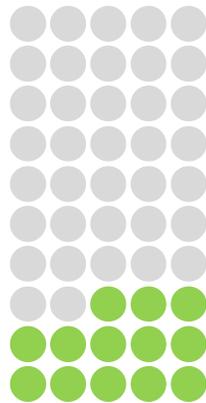
Vacation Home Experiences

KEY PERFORMANCE INDICATORS



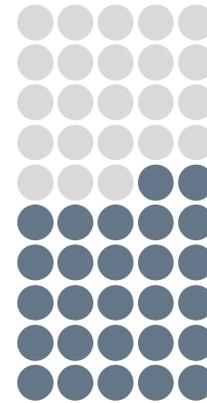
74%

of Target Travelers
have rented a beach
vacation home in the
past



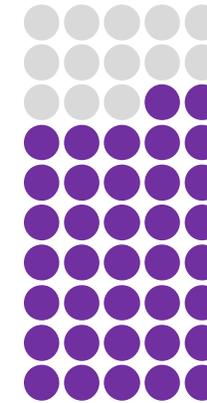
26%

of Target Travelers
have considered
renting a beach
vacation home



54%

of Target Travelers
frequently/always rent
a vacation home when
traveling for leisure

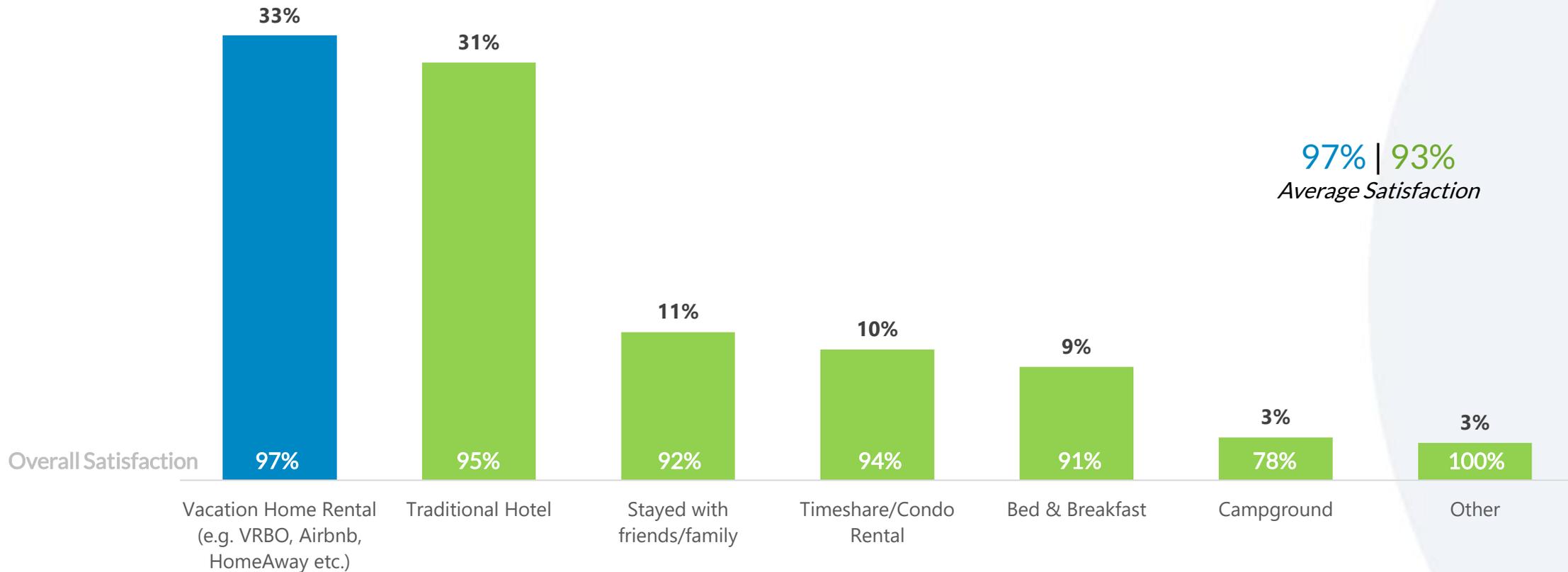


75%

of Target Travelers
would rent a vacation
home in the Florida
Keys

One-third of Target Travelers in this study report using a vacation home rental on their most recent beach vacation. And, vacation home rental satisfaction is at 97%, compared to 93% among all other accommodations.

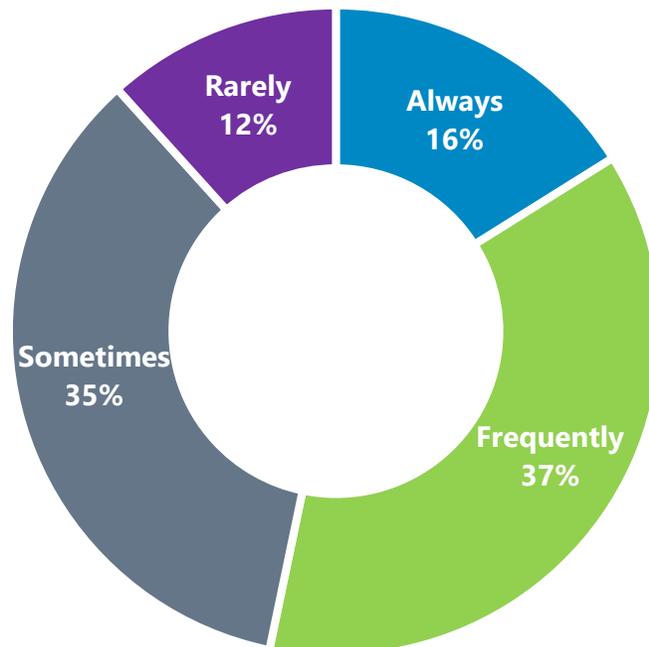
Most Recent Beach Accommodations Used



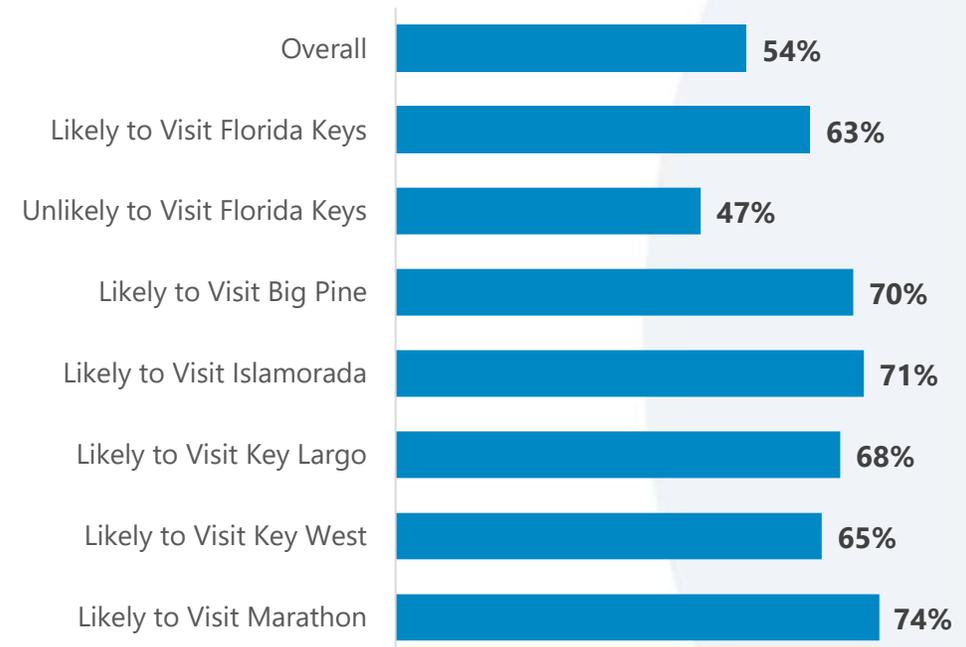
Q9: Which of the following types of accommodations did you use on your most recent leisure trip to a beach destination?
Q10: How satisfied were you with your most recent beach destination lodging experience?

More than half of these Target Travelers say they always/frequently use vacation rentals. And, those who use sharing services say they are more likely to visit the Florida Keys and specifically Marathon.

Frequency of Vacation Home Rentals



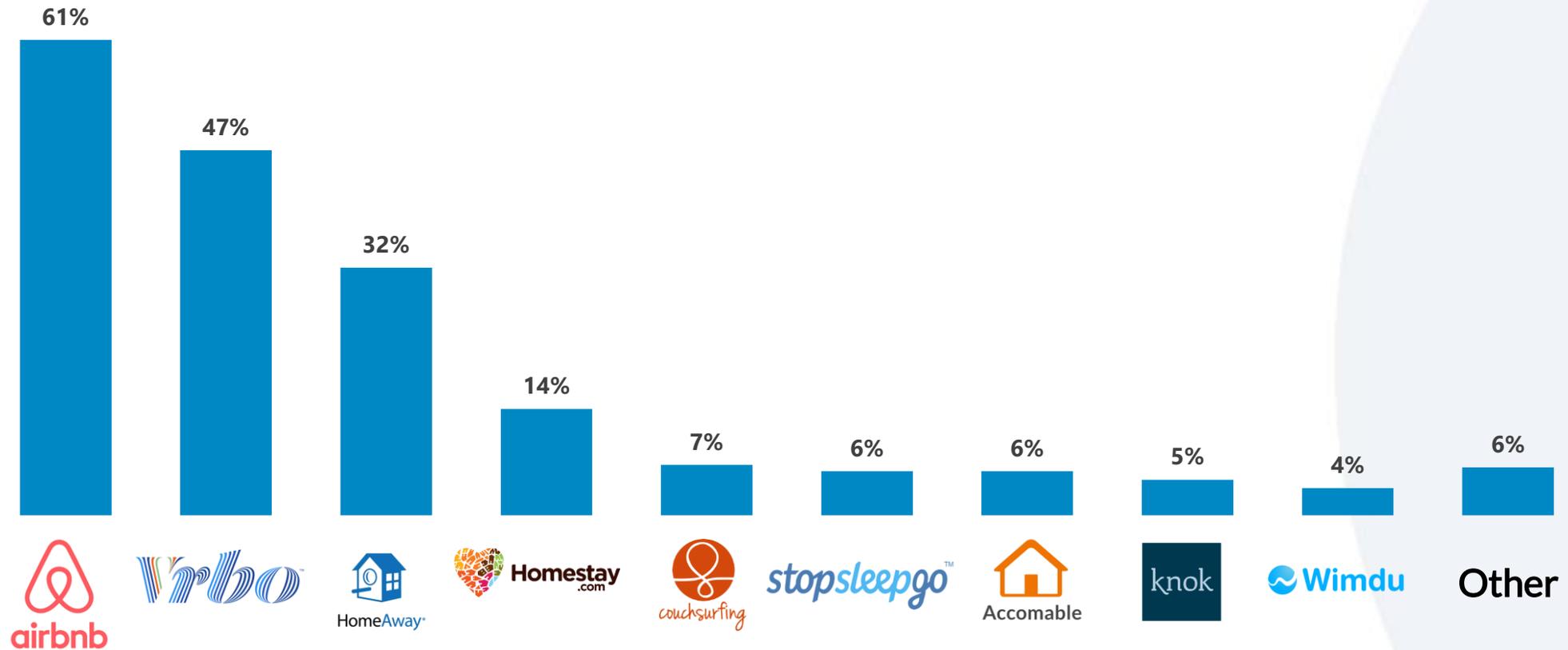
% Always/Frequently Use Vacation Rentals



Q13: How often do you rent a vacation home when traveling for leisure?

Airbnb is the most popular vacation home rental service used in the past, followed by VRBO and HomeAway.

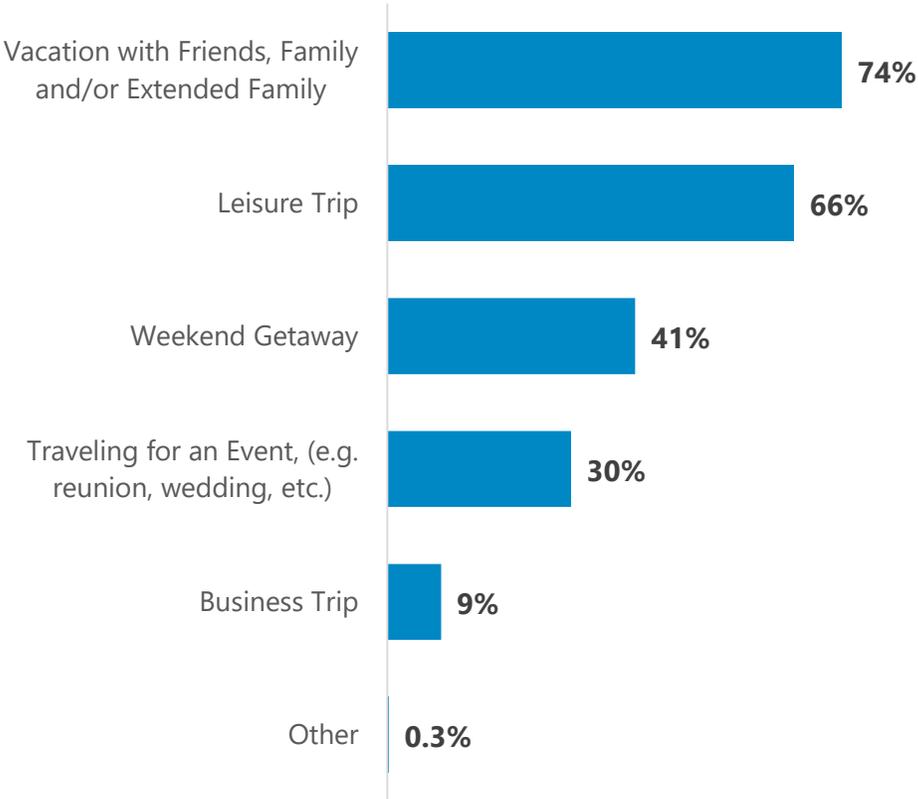
Vacation Home Rental Services Ever Used



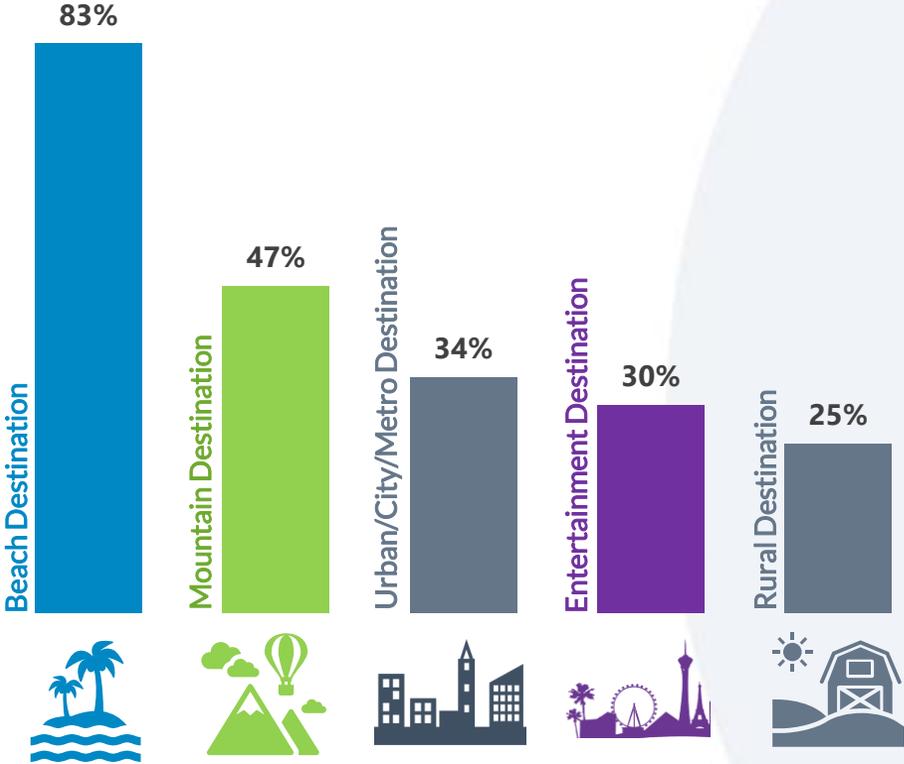
Q16: Which of the following vacation home rental services have you ever used?

Target Travelers are most likely to rent a vacation home for vacations with friends/family and leisure trips. Likewise, vacation rentals are more popular when visiting beach destinations than other locales.

Situations Most Likely to Rent a Vacation Home For



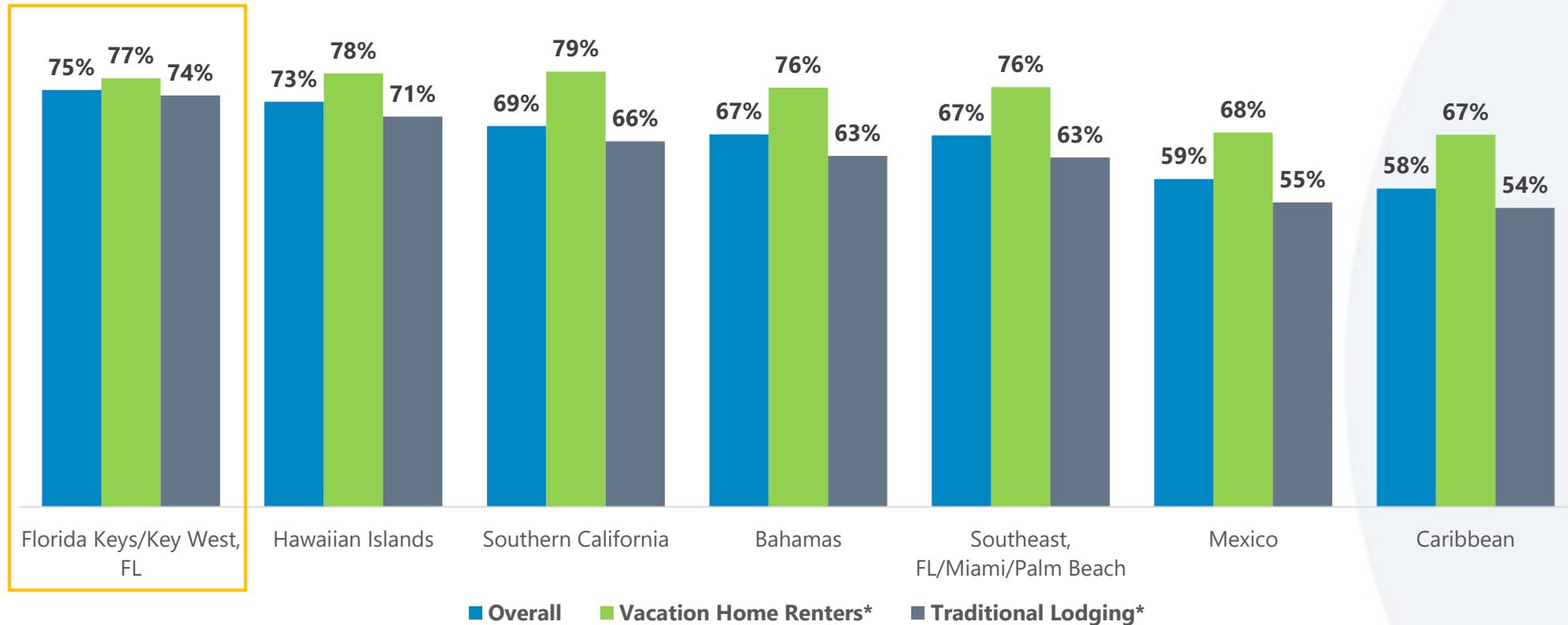
Destinations Most Likely to Rent a Vacation Home For



Q18: For which of the following situations are you most likely to rent a vacation home?
 Q19: For which of the following types of destinations are you most likely to rent a vacation home?

Overall, Target Travelers say they are most likely to rent a vacation home in the Florida Keys than any other destination in the competitive set.

% Probably/Definitely Would Rent a Vacation Home in Each Destination



Q26: How likely would you be to rent a vacation home in each of the following destinations?
*On most recent beach vacation

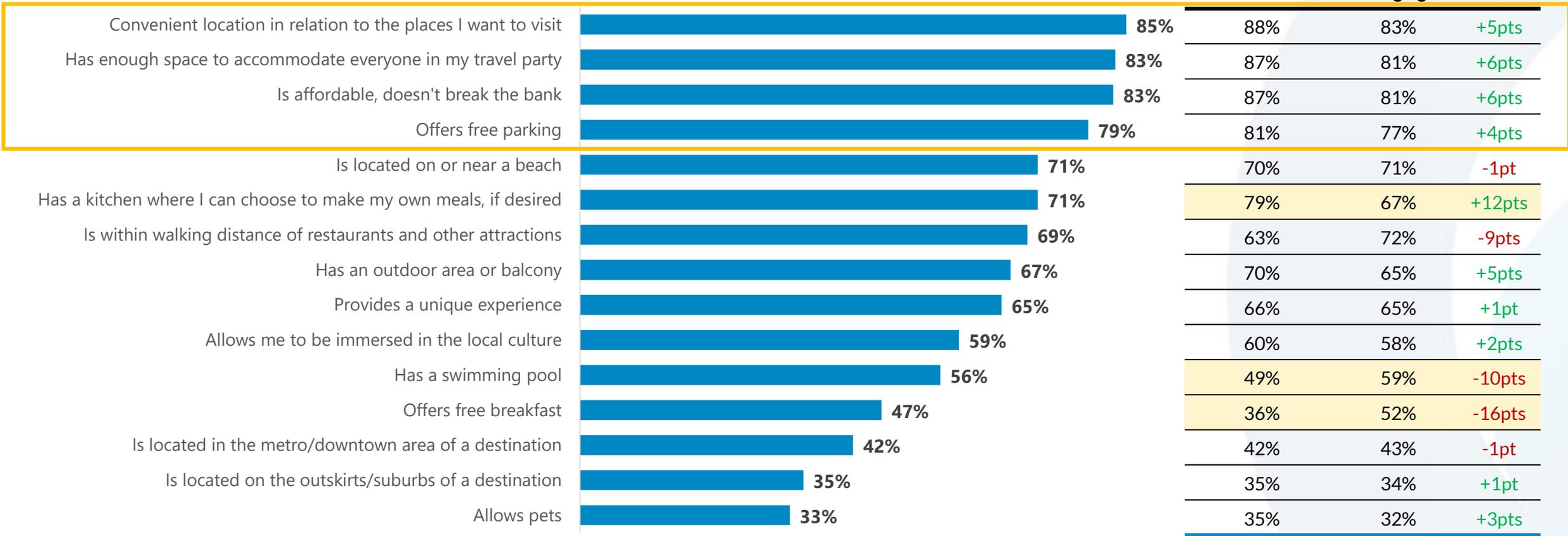
Florida Keys Vacation Home Rental Research

Leisure Travel Planning



Target Travelers' most important lodging preferences include convenient locations, space and affordability while vacation home renters place a significantly higher priority on the availability of kitchens.

Somewhat/Very Important Lodging Characteristics

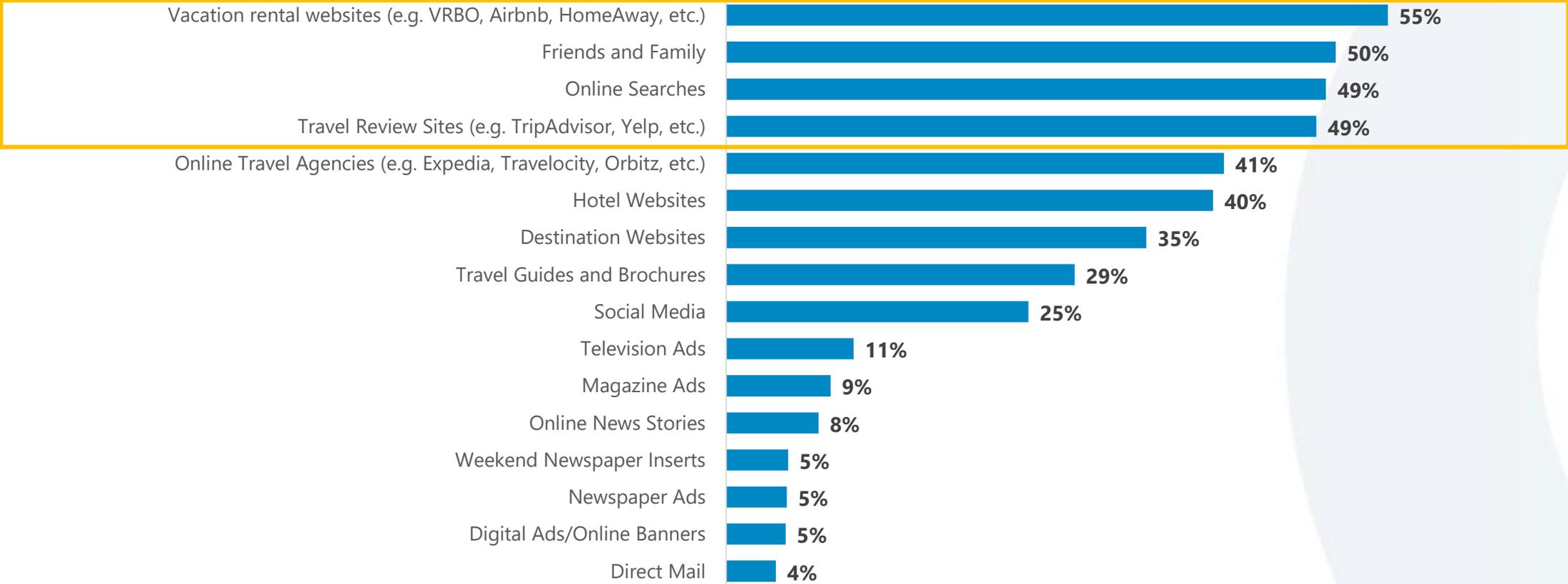


Q17: Please rate how important the following characteristics are when you are considering lodging for your leisure travel.

*On most recent beach vacation

Not surprisingly, the Target Travelers in this study are most likely to consult vacation rental websites when planning their leisure travel.

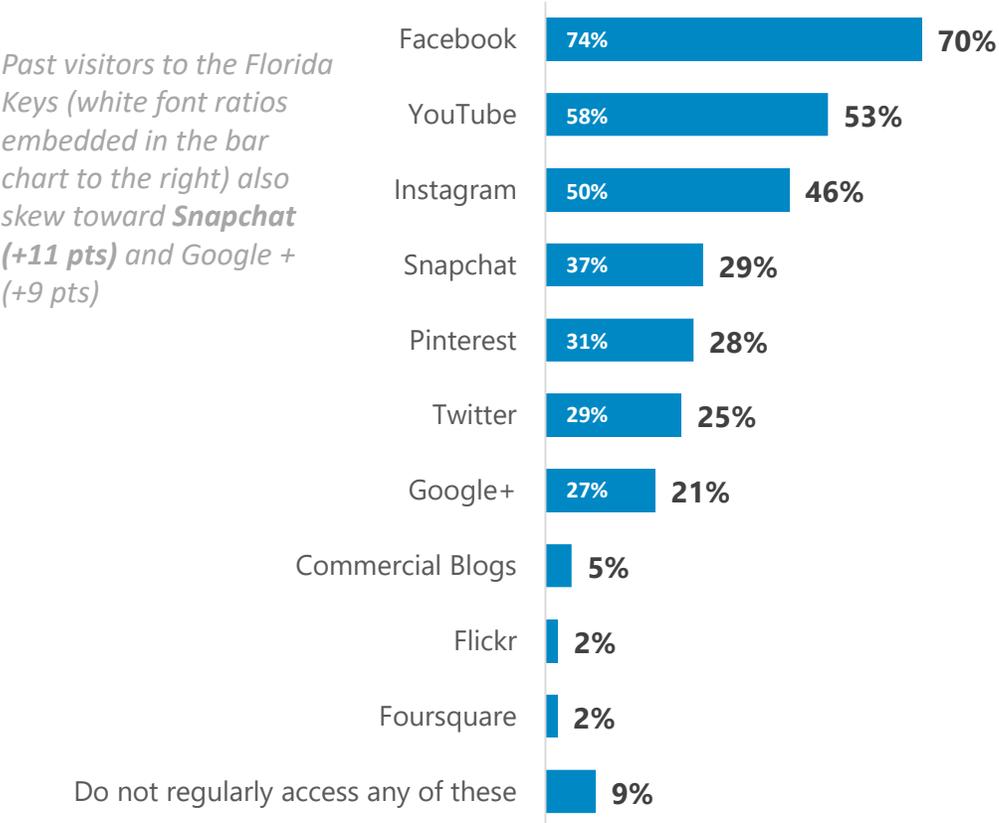
Sources Used to Plan Leisure Travel



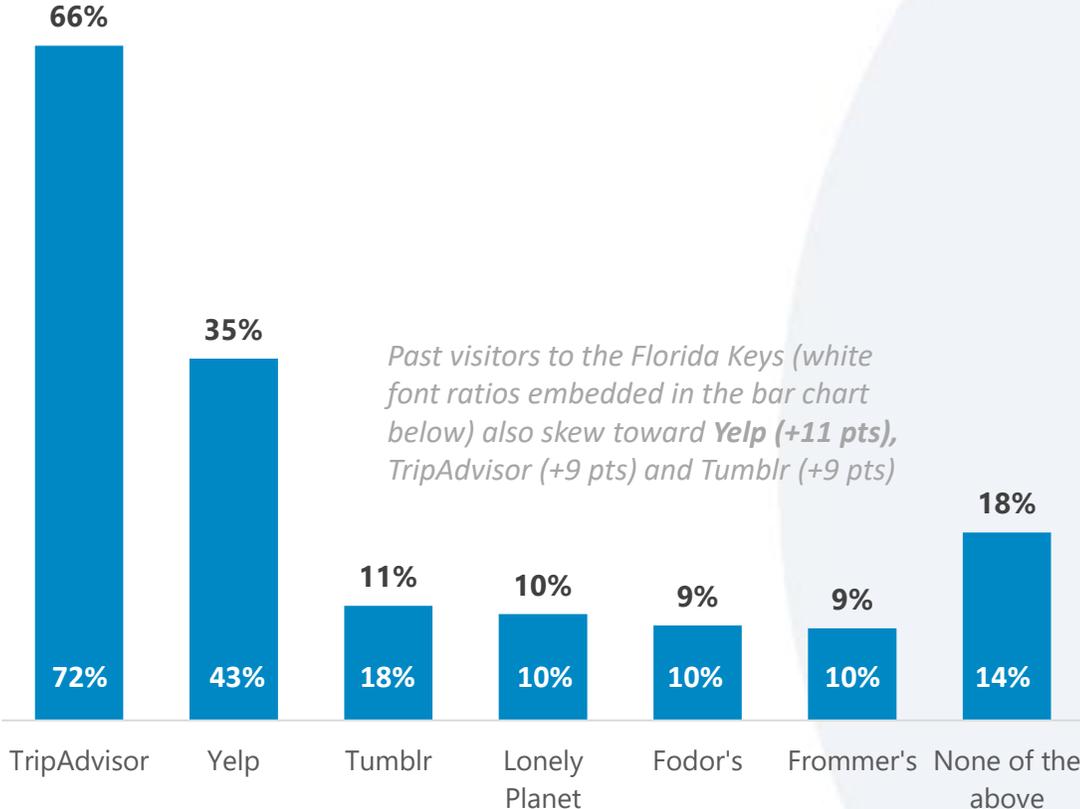
Q20: Which of the following sources are you most likely to use when planning travel to places you might like to visit?

Facebook, TripAdvisor, YouTube and Instagram are the social media and online communities these Target Travelers report accessing most often.

Social Media Accessed Weekly



Online Communities Used

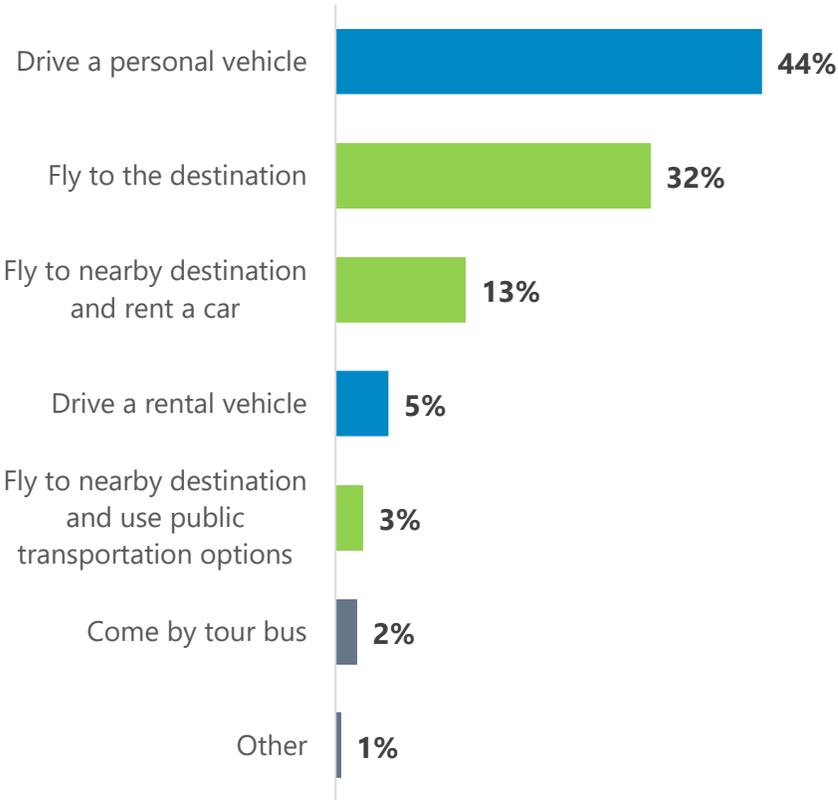


Q21: Which of the following social media sites do you typically access at least once a week?

Q22: Which of the following online communities, travel forums or travel review sites do you normally consult for travel information?

Most Target Travelers choose personal or rental vehicles (49%) or air travel (48%) as their preferred sources of transportation. Drivers say it is most convenient while flyers tout the speed at which they can travel.

Transportation to Leisure Destinations



Why choose this option?

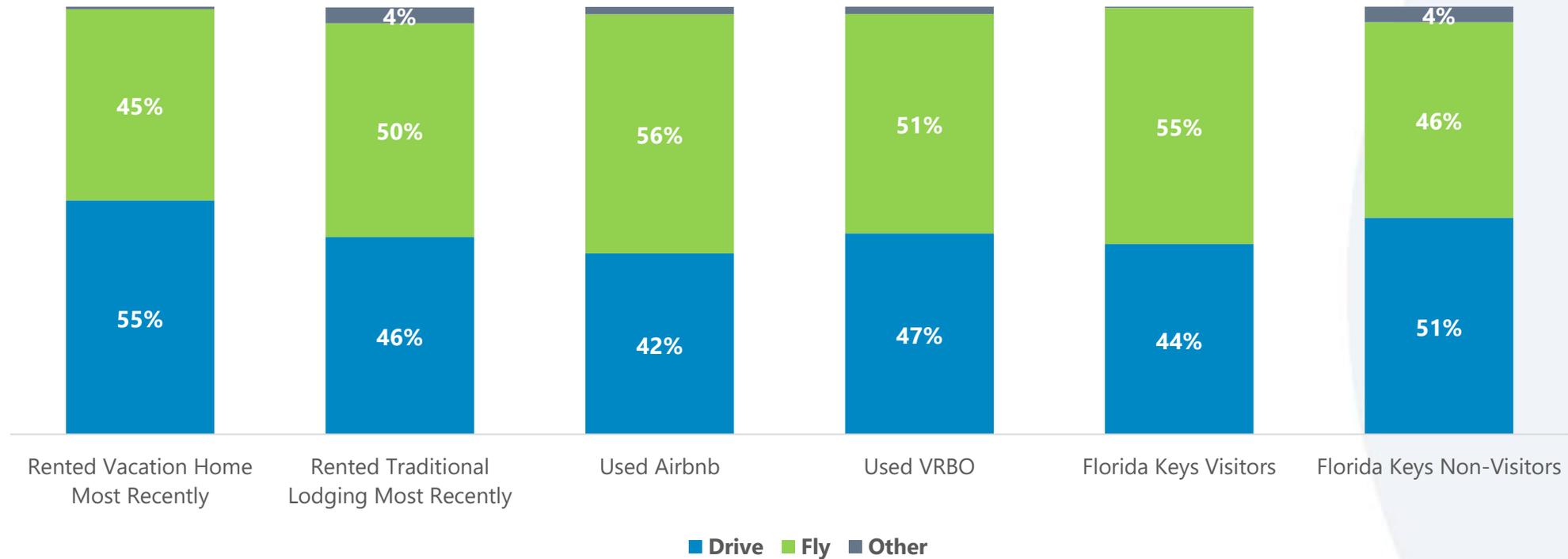


Why choose this option?	Car (44%)	Plane (48%)	Bus (2%)
It's most convenient	60%	34%	33%
It's the fastest way to reach my destination	14%	56%	41%
It's the most economical option	23%	5%	15%
It's the only option I thought was available	1%	4%	7%
Other	2%	1%	4%

Q7: When traveling for leisure, how do you normally get to your destination?
 Q8: Do you choose to [PIPE ANSWER FROM Q7] because...

Those who rent vacation homes are more likely to drive than those who use traditional lodging. Interestingly, Airbnb customers are some of the least likely to drive to their destination.

Transportation to Leisure Destinations



Q7: When traveling for leisure, how do you normally get to your destination?



Florida Keys Vacation Home Rental Research

Barriers to Lodging & Visitation

Target Travelers who use non-traditional lodging have a variety of reasons for doing so, including more personal experiences, wanting something new and accommodating large parties.

"Airbnb has a better variety of choices. Sometimes it's a lot cheaper than hotels and sometimes it has a better feeling than a hotel."

"I think you can get a more personal experience by using Airbnb and renting from somewhere that isn't typical."

"Non-traditional lodging is usually cheaper, more welcoming, and more adventurous."

"Because I'm always using traditional lodging. And for once I'd like to do something out side of the norm. Something different."

"I prefer to be immersed into the locality and chain hotels makes that difficult to do. Chain hotels tend to be more expensive."

"It will not efficiently accommodate to my family and would be more expensive to rent two rooms, versus one vacation home."

"We like to cook and having a kitchen is helpful. We also have several children and need a washer and dryer."

Q38: You indicated previously that you are not likely to use traditional lodging (i.e. chain hotels, independent hotels, bed & breakfasts, timeshares, campgrounds, etc.) if you were to visit the Florida Keys. Why not? Please be specific.

Those most likely to use a vacation rental in the Florida Keys say that no kitchen, a lack of living space and crowds are the things most likely to prevent them from choosing traditional lodging accommodations.

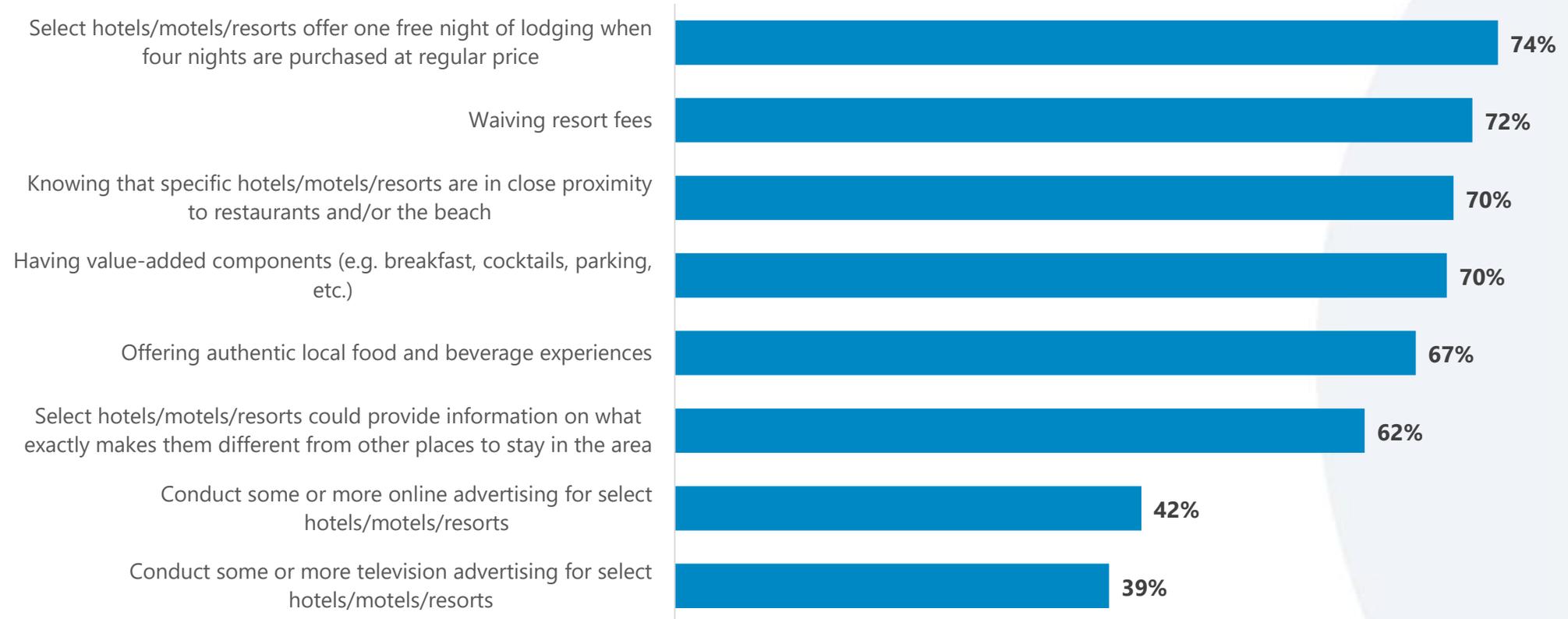
% Agree/Strongly Agree with Reasons for Not Using Traditional Lodging in the Florida Keys



Q39: Please rate how much you agree or disagree with the following reasons for not being likely to use traditional lodging accommodations in the Florida Keys.

To inspire consideration, traditional hoteliers should consider offering 1 free night with 4 paid nights, waving resort fees or differentiating themselves through more precise proximity messaging.

% Make Me More/Much More Likely to Choose Traditional Lodging



Q40: Please rate the impact of the following actions traditional lodging properties could take to persuade you to choose them.

Those most likely to rent a vacation home in the Florida Keys are younger, earn lower incomes and are more likely to identify as straight/heterosexual than those who are likely to choose traditional lodging in the Florida Keys.

	Target Travelers	Vacation Home Renters	Vacation Home Considerers	Likely to Rent Vacation Home in FL Keys	Likely to Rent Traditional Lodging in FL Keys
Respondent Age	45	43	50	39	41
Children in the Home	52%	54%	43%	60%	59%
No Children	48%	46%	57%	40%	41%
Males	34%	35%	32%	26%	35%
Females	66%	65%	68%	74%	65%
HH Income	\$77.5k	\$78.9k	\$73.4k	\$73.3k	\$75.7k
Caucasian/White	78%	76%	84%	74%	77%
African American/Black	11%	12%	8%	14%	12%
Other Ethnicity	21%	23%	16%	20%	24%
Straight/Heterosexual	91%	90%	92%	93%	87%
LGBTQ+	8%	8%	7%	6%	10%
Prefer not to answer	1%	2%	1%	1%	3%

Those who say they aren't likely to visit the Florida Keys indicate they prefer other destinations, or they've already experienced everything they want.

PREFER OTHER DESTINATIONS – 19%

"already have a few vacation spots in mind and this is not one of them within my allotted time off."

BEEN THERE, DONE THAT – 18%

"I have been before and while it's lovely there are other places I want to see more before going back there again."

TOO FAR AWAY – 15%

"Extremely far from where I live in Oregon. California makes more sense for us."

TOO EXPENSIVE – 9%

"Financially not an option for my family right now."

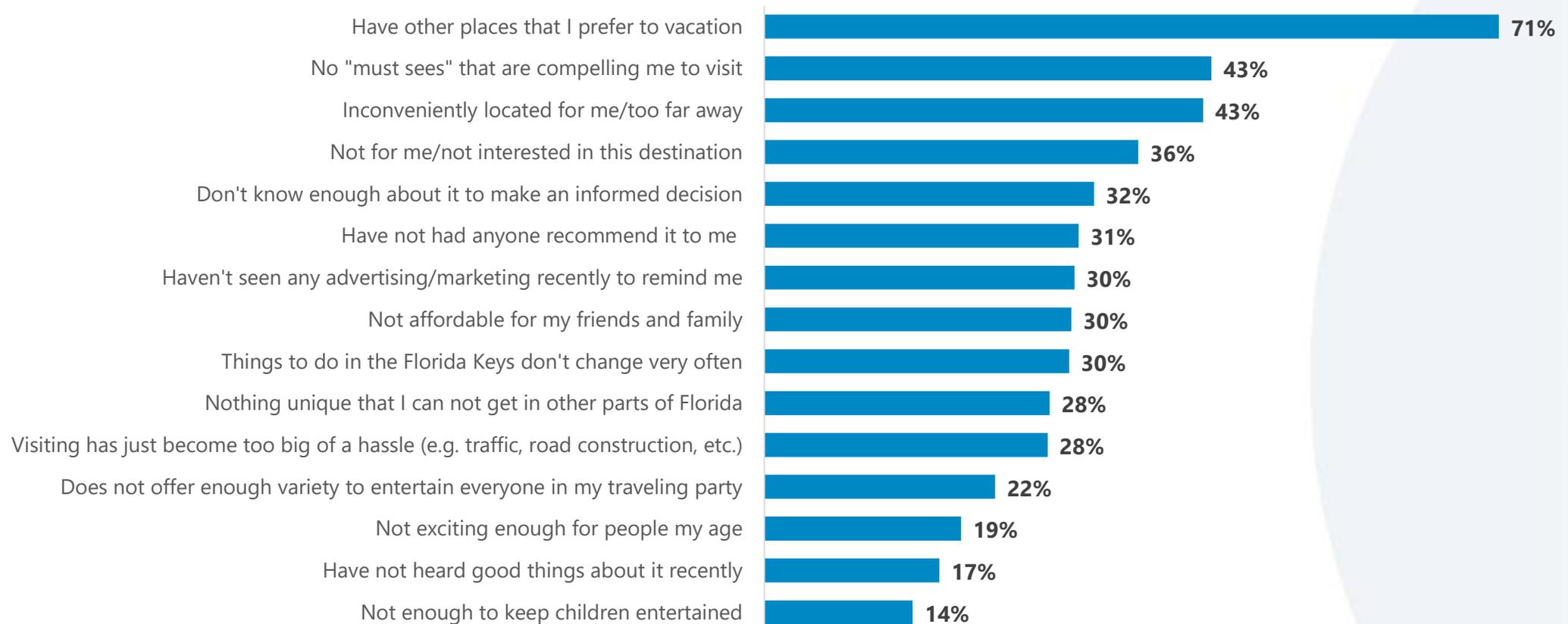
DON'T KNOW ENOUGH – 7%

"I am not sure I have anything there I want to see."

Q41: You indicated previously that you are not likely to visit the Florida Keys. Why not? Please be specific.

Barriers to visiting the Florida Keys include preference for other destinations and no “must sees” compelling me to visit.

% Agree/Strongly Agree with Reasons for Not Visiting the Florida Keys



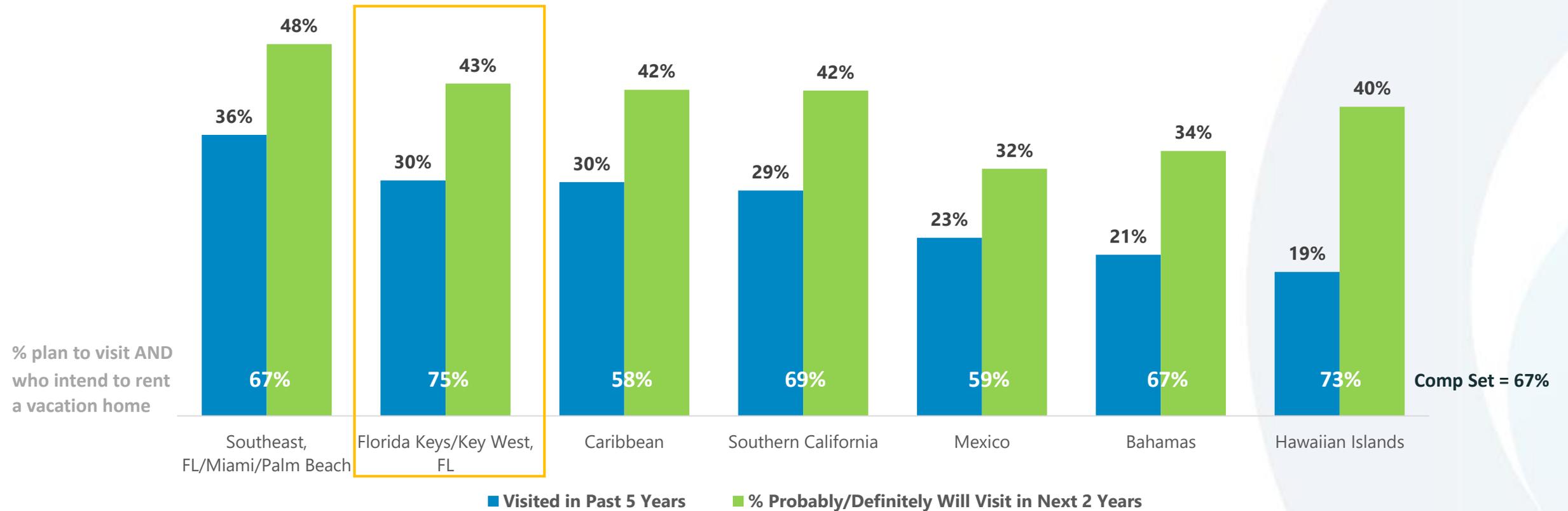
Q42: Please rate how much you agree or disagree with the following reasons for not wanting to visit the Florida Keys.

Florida Keys Vacation Home Rental Research

Florida Keys Considerations



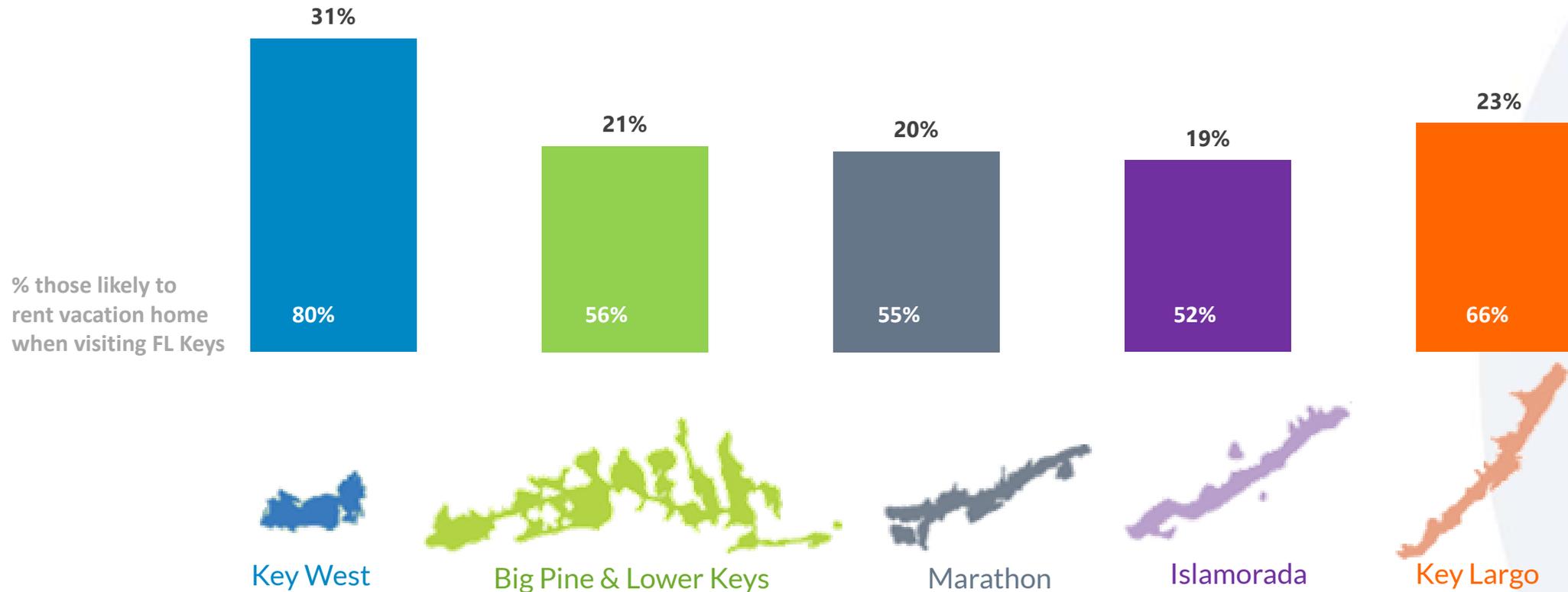
Florida Keys ranks second for past visitation and future intent to visit among the competitive set. Only Southeast Florida/Miami/Palm Beach ranks higher.



Q23: Which of the following beach destinations have you visited in the past 5 years?
 Q24: How likely are you to visit each of the following destinations in the next 2 years?

Those likely to visit the Florida Keys indicate they are most interested in visiting Key West or Key Largo.

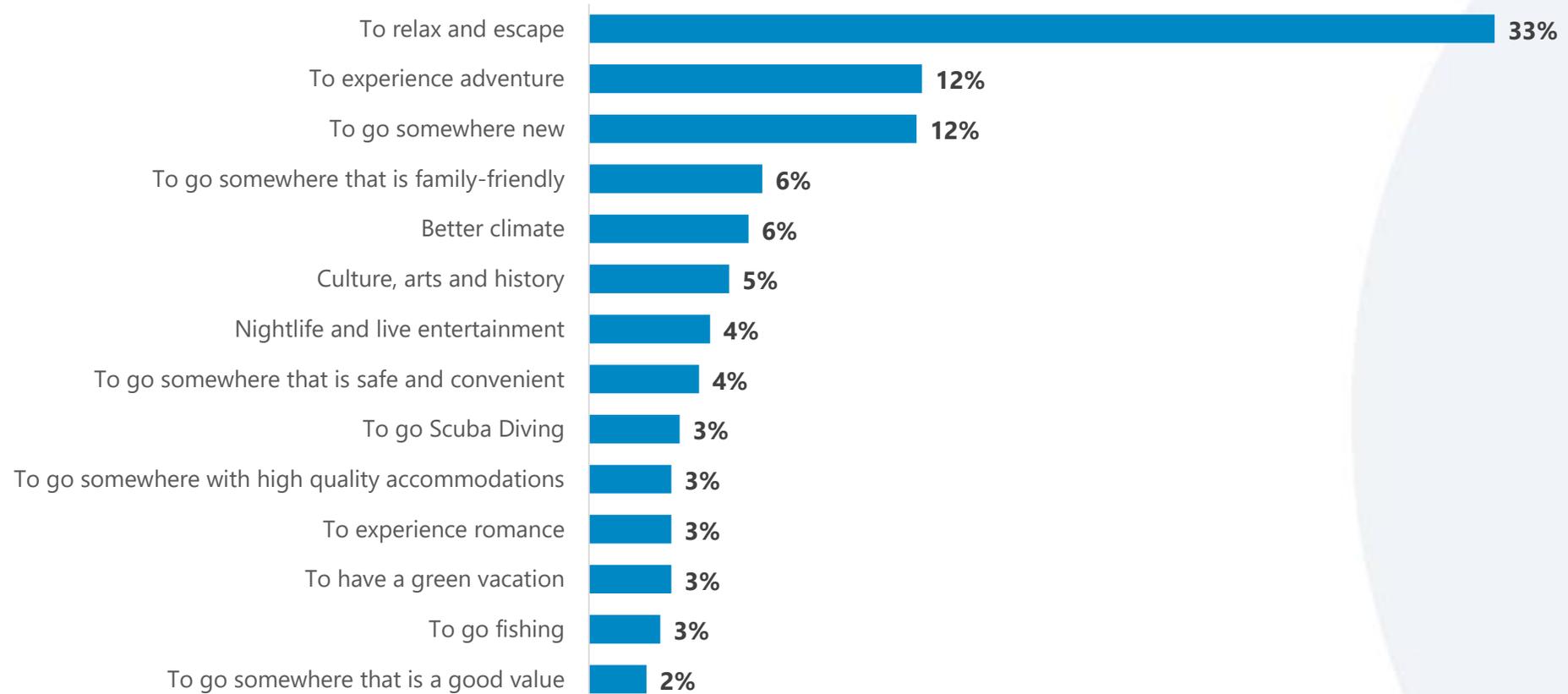
%Definitely/Probably Will Visit in the Next 2 Years



Q25: How likely are you to visit each of the following travel areas in and around the Florida Keys in the next 2 years?
Q31: Which type of lodging would you be most likely to select for a stay in the Florida Keys?

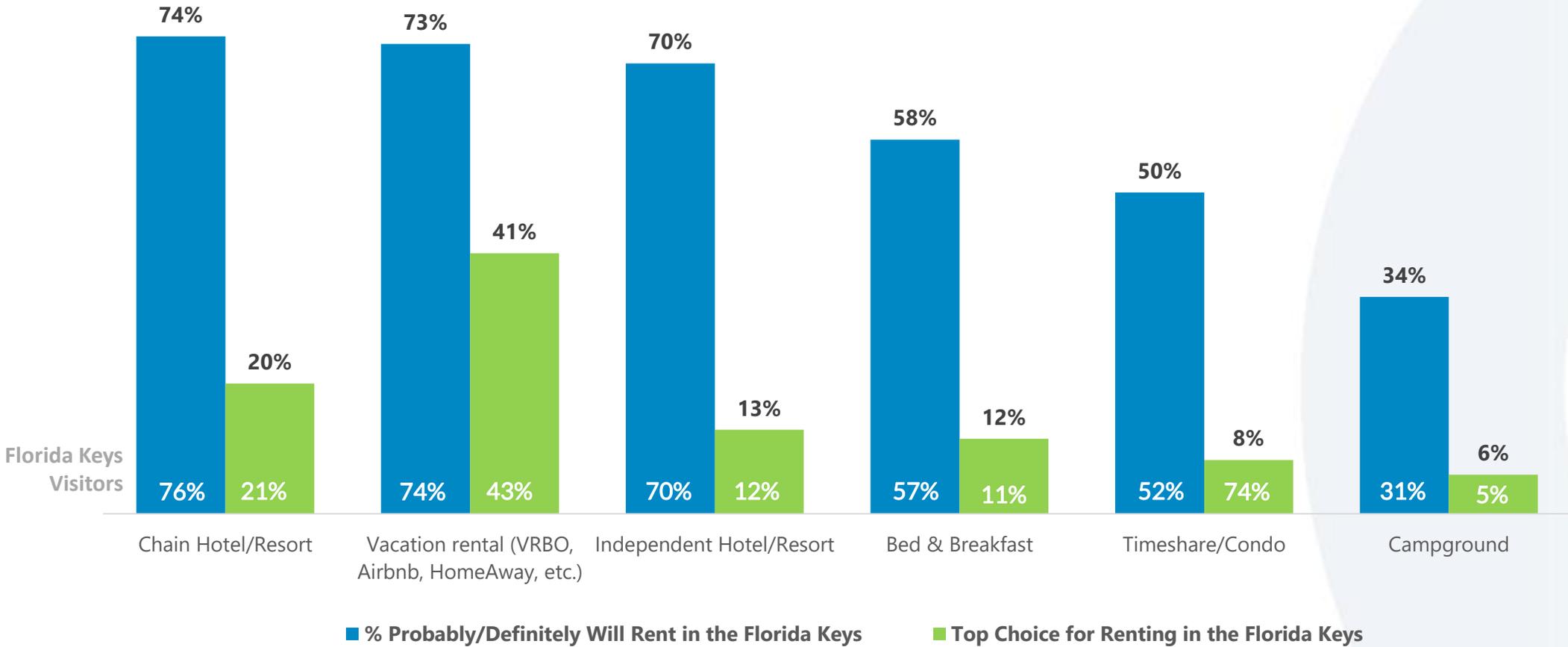
Target Travelers say they are most likely to visit the Florida Keys to relax and escape far more than any other reason.

Why Would You Like to Visit Florida – Choose 1



Q29: Which one of the following experiences BEST describes why you would like to visit the Florida Keys?

Target Travelers most likely to visit the Florida Keys indicate they are near equal in their consideration of vacation home rentals (73%), chain hotels (74%) and independent hotels (70%), but their top choice would be a vacation rental.



Q30: How likely would you be to rent from each of the following types of lodging in the Florida Keys?
 Q31: Which type of lodging would you be most likely to select for a stay in the Florida Keys?

Target Travelers plan their accommodations in a myriad of ways, including online research, considering pet accommodations, safety, proximity to restaurants and more.

"Depends on the number of persons who are vacationing, If just me and my spouse we generally get a hotel, extended family requires a larger housing unit so we tend to rent a home."

"How I decide which type of lodging I most likely use is I plan ahead and also I look on websites and apps to find places."

"I like to look for good prices, safe locations, and locations that are convenient in terms of distance from fun activities."

"I look at various hotel sites to compare prices. Then I go look at Airbnb and HomeAway, etc. and compare those to the hotel prices I have gathered. Then I look at my vacation budget to see if any fit in it, and if not I call my cousins to see who's available."

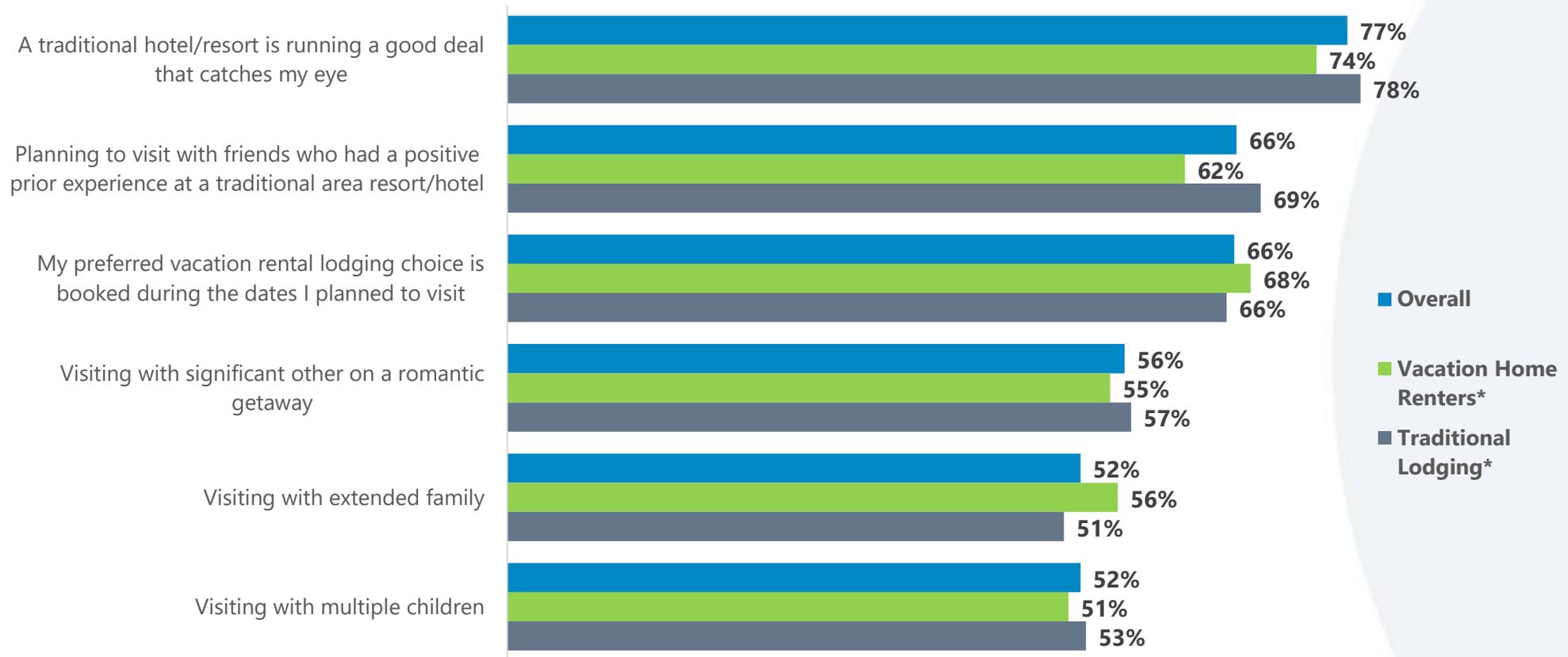
"I research the options and choose one with large rooms, swimming pool and close proximity to activities and dining options."

"If it takes pet, has free parking and a breakfast. Like it to have good ratings, clean and a good value for my money. Employees need to be neat in appearance and friendly; they actually like their job. Safety is very important!"

"Like to stay in a place that has local flavor and where I can meet and get know local people, since they are the best source of recommendations for restaurants and things to do."

Target Travelers say they would be more likely to choose traditional lodging accommodations over vacation rentals if they were offered deals, had friends with positive past experiences and/or a lack of availability.

% Make Me More/Much More Likely to Choose Traditional Lodging

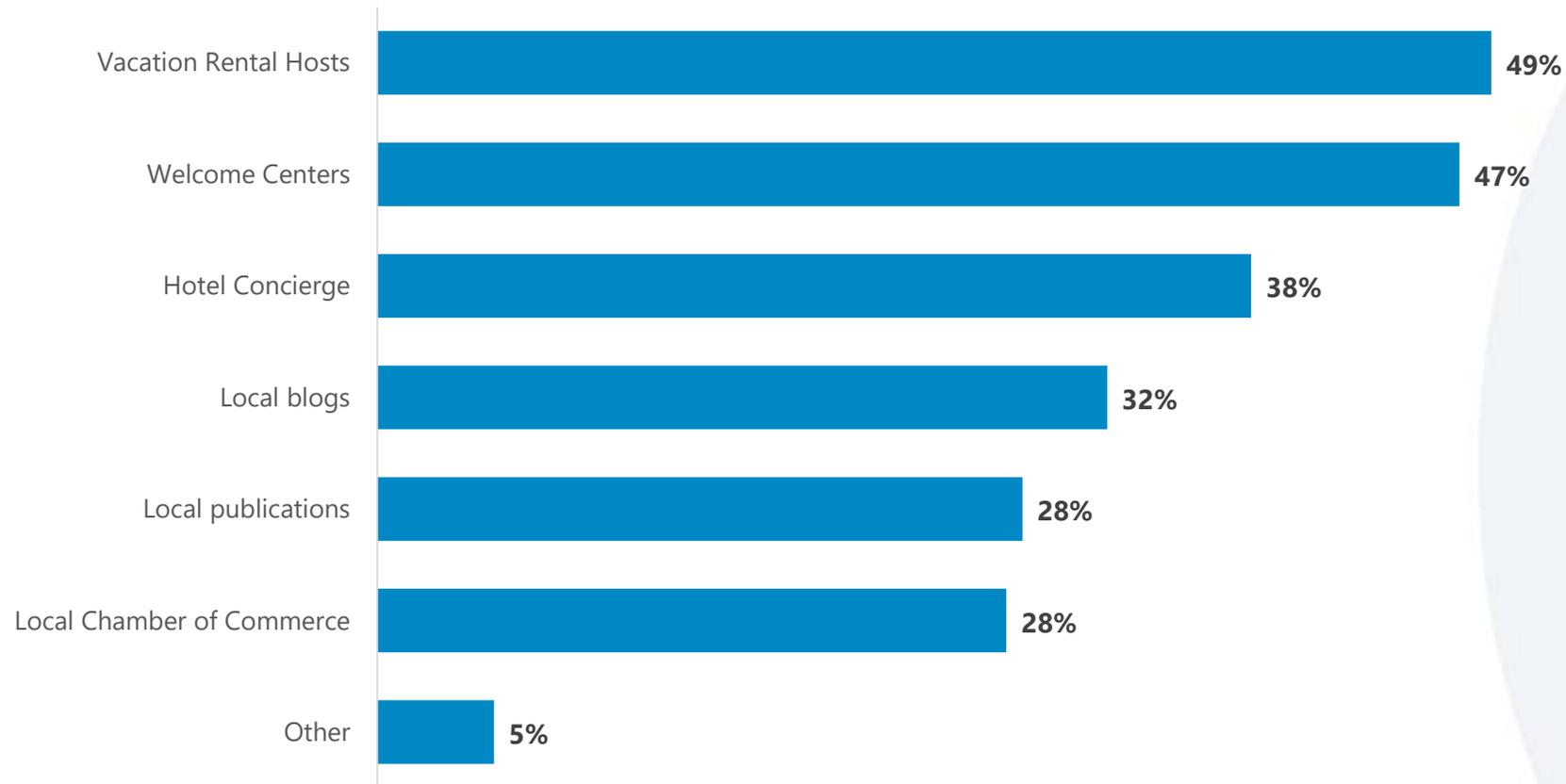


Q33: How might the following situations/offers impact your decision to choose traditional lodging in the Florida Keys?

*On most recent visit

The most popular in-market travel information sources in the Florida Keys are likely to be Vacation Rental Hosts and Welcome Centers.

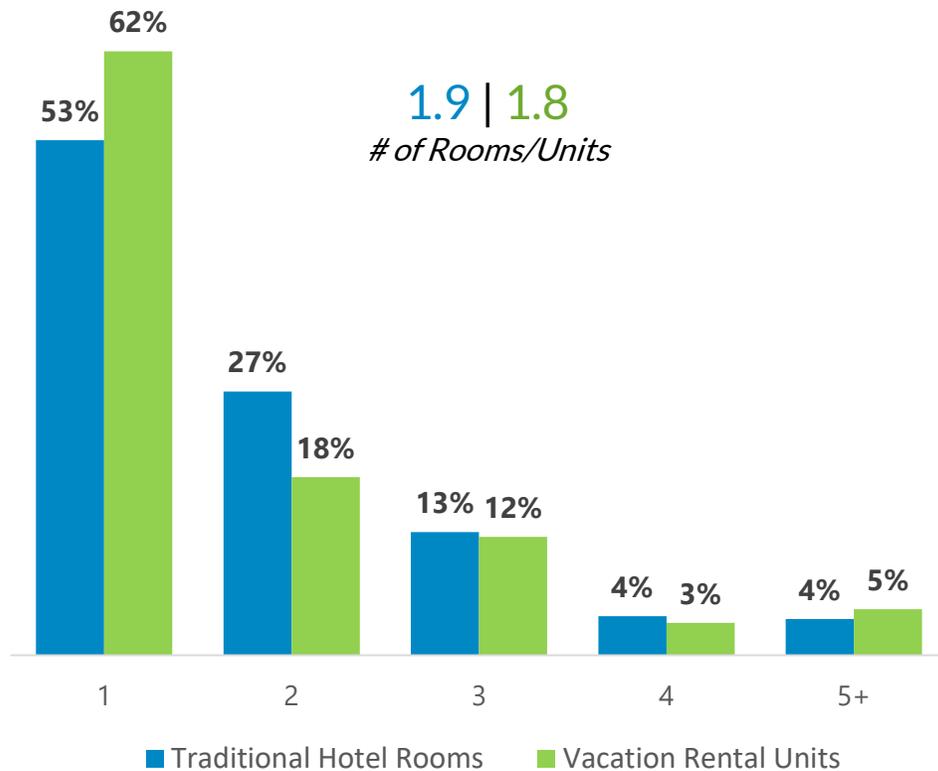
Local Florida Keys Resources Most Likely to Consult for Information



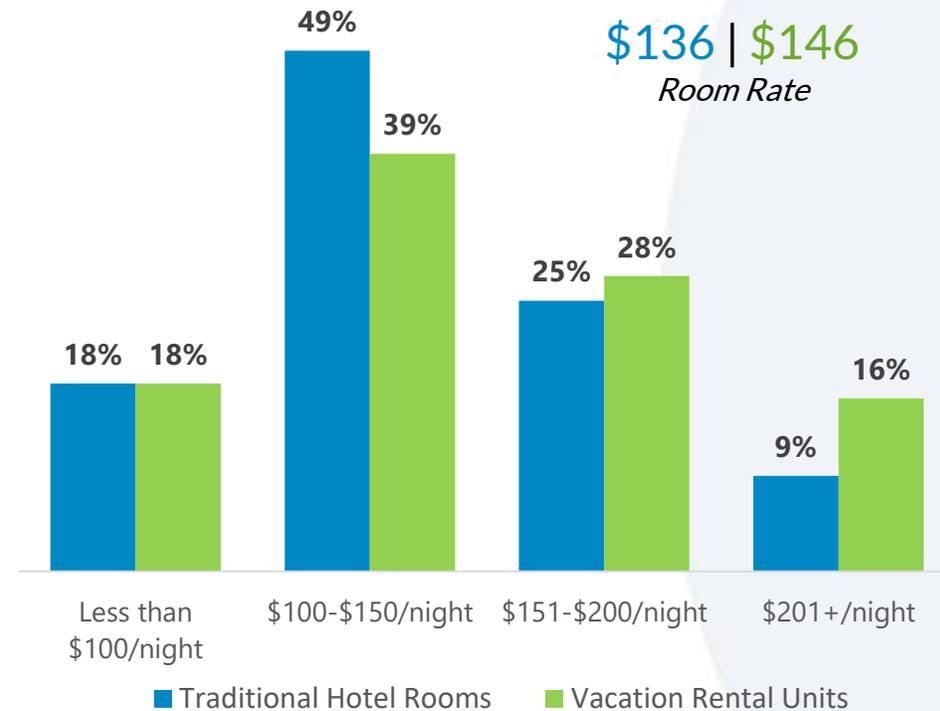
Q34: Which of the following local Florida Keys resources would you be likely to consult for information about the area?

Target Travelers are more likely to require just one vacation rental unit vs. 1-2 hotel rooms. And, they expect to pay about \$10 a night more on average for their vacation rental unit than a hotel room.

Number of Rooms/Units Needed



Price Expected to Pay/Room or Unit



Q36: How many separate hotel/motel rooms or individual vacation home rentals would you expect your party might need on a visit to the Florida Keys?

Q37: What price per night would you expect to pay for each of the following types of lodging when staying in the Florida Keys?

Thank You!



Reveal Your Customer's Full Experience

4650 S. National Ave, Suite C1
Springfield, MO 65810

417.877.7808

@H2RMktResearch