



NEW LISTING, NO REVIEWS.

# ESCAPING THE COLD-START TRAP

*Why you need to know the hidden rules  
behind how Airbnb, Vrbo & Co create  
trust.*

NOVEMBER, 2021

# TABLE OF CONTENTS

- 1 **What** is the Cold-Start Problem for Vacation Rentals?
- 2 Guest Reviews and Host Status as **Trust Signals**
- 3 **Data**: Higher review scores, more reviews -> More bookings
- 4 When can you get a review score badge? (know the **rules of the game**)
- 5 How to break the vicious circle in **the first 40 days**
- 6 Why property managers and multi-property owners have an **advantage**
- 7 **Vrbo's Fast Start**
- 8 **Airbnb**: Upranking, New Listing Promotion, Ask a SuperHost

# GET THE PRESENTATION



rentalscaleup.com/**SSW-CS**



# THIBAUT MASSON RENTAL SCALE-UP



- **OWNER (ST BARTHS, BALI)**
- **5 YEARS AT BOOKING.COM HEADQUARTERS (TECH FOR VACATION RENTALS)**
- **INDUSTRY ANALYST ON RENTALSACLEUP.COM**
- **FREE NEWSLETTER:  
[RENTALSACLEUP.COM/NEWSLETTER](https://rentalscaleup.com/newsletter)**



*No reviews*



Entire rental unit in Gérardmer

### Chalet Vosgien - Nice apartment near the lake

4 guests · 1 bedroom · 2 beds · 1 bath

Free parking · Kitchen · Wifi

Mar 12 - 19

**\$61** / night

\$421 total



*No trust*



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*The cold start effect:  
When new listings don't  
have a rating score and  
thus get no bookings.*







# LOWER TRUST

*With no reviews, the listing inspires less trust from travelers using the likes of Airbnb, Booking, Expedia, or Vrbo. They do not know what to expect at the property.*

A person wearing a dark hoodie is shown from the chest up, their face obscured by a digital network overlay. The overlay consists of a complex web of white lines connecting various nodes, some of which are glowing white circles. The background is a dark teal color with faint, semi-transparent binary code (0s and 1s) and other digital symbols scattered throughout. The overall aesthetic is futuristic and tech-oriented.

# LOWER VISIBILITY

*Ranking and sorting algorithms favor properties with a rating score, and even more so, with high rating scores. A high rating also attracts more users to click on a listing.*



# VICIOUS CIRCLE

*Lower reviews and rating scores mean less visibility, less trust, fewer clicks, and ultimately fewer bookings. Fewer bookings mean fewer review ratings.*



## LONG TIME

*It can take months for a small host to break this vicious circle. As a result, a new host may never fulfill their revenue potential or give up on a new platform altogether.*

# REVIEWS AS TRUST SIGNALS



*Trust signals are elements that are often displayed on websites and at physical points-of-sale in brick-and-mortar businesses to help customers feel more secure in their decision to patronize a specific business or buy a specific product or service.*



*Spot the signals*



SUPERHOST

Entire chalet in Gérardmer

### Chalet cocooning

COLD START

4 guests · 2 bedrooms · 2 beds · 1 bath

Free parking · Kitchen · Wifi · Indoor fireplace

★ 4.95 (38 reviews)

**\$105 / night**

\$735 total



Entire rental unit in Gérardmer

### Chalet Vosgien - Nice apartment near the lake

4 guests · 1 bedroom · 2 beds · 1 bath

Free parking · Kitchen · Wifi

Mar 12 – 19

**\$61 / night**

\$421 total



SUPERHOST

Entire rental unit in Gérardmer

### Refurbished in 2020 near lake & ski slopes - 10min

4 guests · 1 bedroom · 2 beds · 1 bath

Free parking · Kitchen · Wifi

Mar 12 – 19

★ 4.88 (56 reviews)

**\$94 / night**

\$657 total



# WHY RATINGS & REVIEWS ARE WORTH THE EFFORT



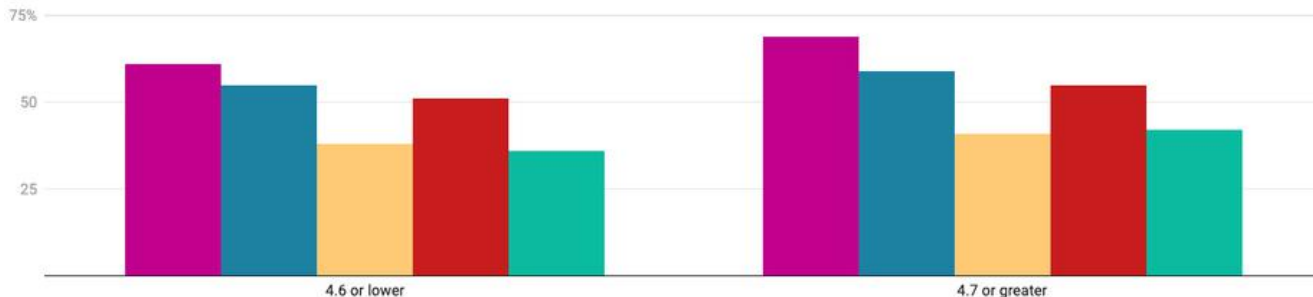


# CORRELATION BETWEEN HIGHER RATING & HIGHER OCCUPANCY

*HIGH RATING = HIGH OCCUPANCY*

## Occupancy by review score

US FR ES GB IT



Average % occupancy for properties grouped by review score (rating). Rating 4.6 or lower achieved 48% average occupancy, while those properties with 4.7 or higher averaged 53%

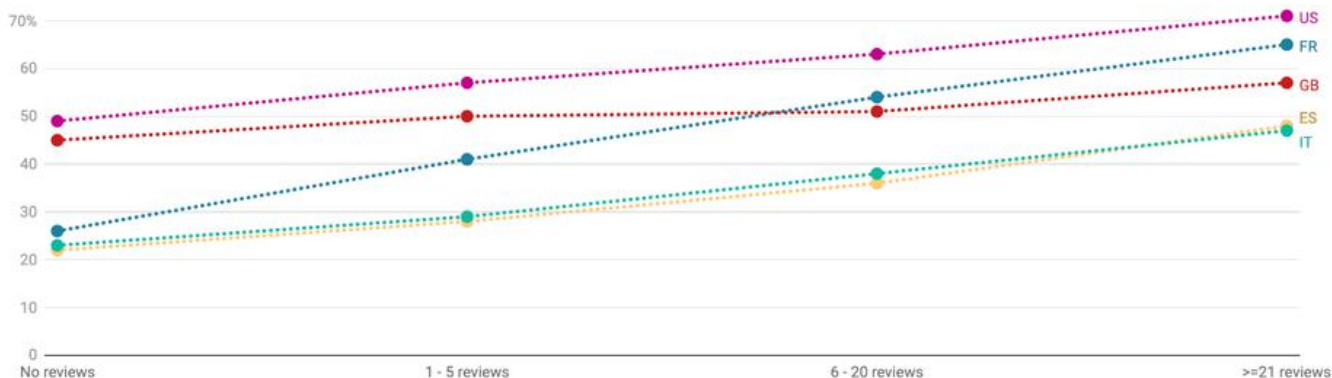
Source: [seetransparent.com](https://seetransparent.com) • Get the data • Created with [Datawrapper](https://datawrapper.com)



# CORRELATION BETWEEN HIGHER REVIEW COUNT & HIGHER OCCUPANCY

*MORE REVIEWS = HIGHER OCCUPANCY*

**Occupancy by number of reviews**



YOUR GOAL IS  
CLEAR: GET A  
REVIEW SCORE  
BADGE FAST (AND  
A GOOD ONE)



*An OTA like Airbnb or Booking.com will only display a review score badge once a property gains 3 reviews.*

*So, if a property has 0, 1, or 2 reviews, it still has no review rating to show to create visibility and trust.*

*Airbnb Rating Score*



Entire apartment in French Riviera

Premier location with sea views from the balcony.


3 guests · 1 bedroom · 2 beds · 1.5 baths


Wifi · Kitchen · Washer

★ 4.67 (21)

Airbnb: A host needs to receive star ratings from at least 3 guests before the rating will display on their listing. At the top of a listing page, the number of stars displayed is an aggregate of the primary scores guests have given for that listing.

## Booking Review Score




**Romney Park Luxury Apartments** ★★★★★ 

**Genius**

[Green Point, Cape Town](#) · [Show on map](#) · 2.4 km from centre  
· Beach nearby

Last booked for your dates 9 hours ago on our site

**Luxury Apartment** – 

Entire apartment · 1 bedroom · 1 living room · 1 bathroom · 60m<sup>2</sup>  
1 extra-large double bed

**Breakfast included**

**Only 2 left at this price on our site**

**Superb**  
666 reviews **9.1**

2 nights, 2 adults  
~~€ 134~~ **€ 118**  
Includes taxes and charges

[See availability >](#)

On Booking.com, until 2020, it took 5 reviews to get a public review score. It is now 3 reviews. Imagine an average cancellation rate of 30% on Booking.com, and only 60% of guests leave a review. To get **3 reviews** and earn your badge, you'd need **5 stays**, and **at least 8 bookings!**

# HOW TO BREAK THE VICIOUS CIRCLE IN THE FIRST 40 DAYS

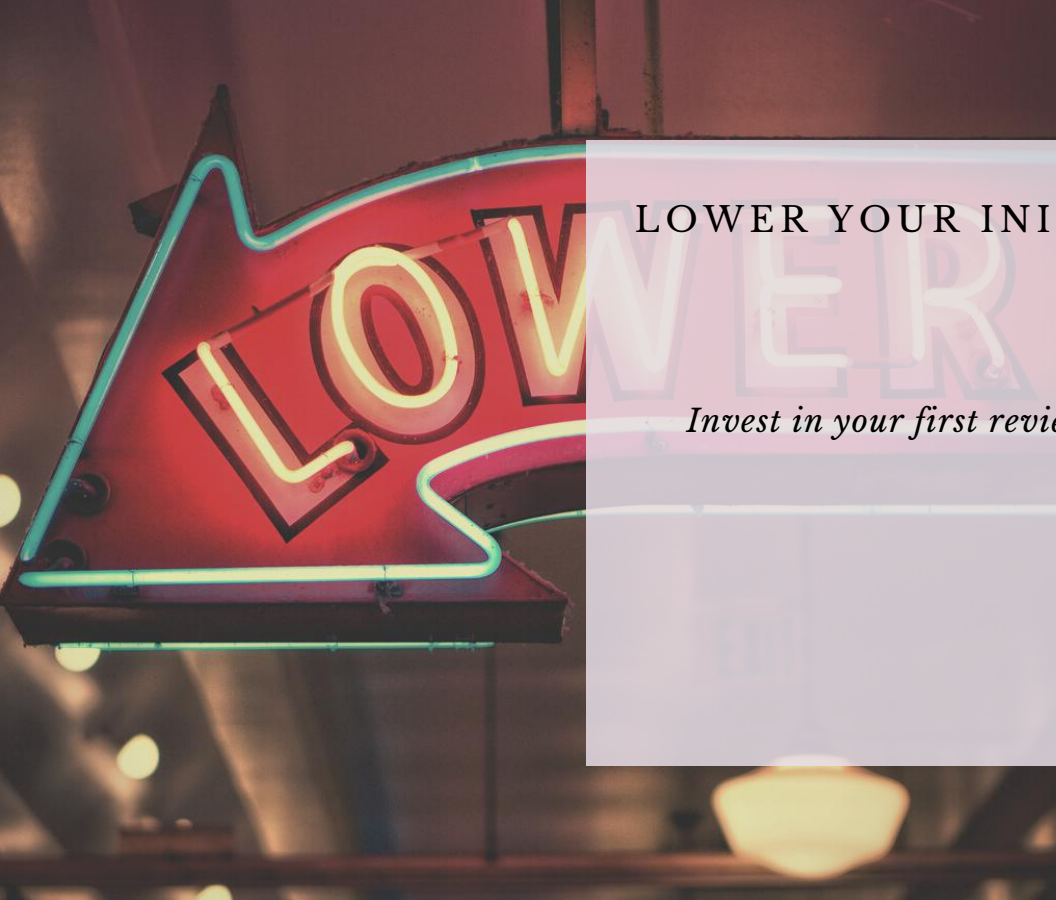


*Your goal: Get your review score badge first and with a high score.*

*Do everything you can to get 3 great reviews fast (which can mean more than 3 bookings, as not 100% of guests will leave a review).*

- At launch, open your calendar for only the next 40 days.*
- Use our plan.*
- When you have your 3 reviews and your badge, you can increase your price, be less flexible for the rest of the year.*





## LOWER YOUR INITIAL PRICES

*Invest in your first reviews by lowering your rates.*

*Airbnb messaging at listing time*

## Offer 20% off to your first 3 guests

Offering a discount will help you attract your first guests and get your first reviews.



Booking.com Extranet:

“Do you want to lower your price by 20% for your first guests?”

Get your first bookings quicker and reach the three reviews needed to display a guest review score.

You can raise your price at any time.”



## RELAX YOUR BOOKING RESTRICTIONS

*Some settings can block guests interested from booking your property.*

*Opt to (judiciously) relax restrictions such as minimum stay and cancellation policy.*



## OFFER THE BEST EXPERIENCE EVER

*Sonder puts its best customer service team behind guests staying at newly listed properties.*

*1 bad review after you've got 120 great ones=>*

*Not much impact on your average rating. (1 out 121)*

*=> From 5.00 to 4.98*

*Getting 1 low review rating out of your first 3 =>*

*A lot of impact on your rating (5 - 5 - 2)*

*=> From 5.00 to 4.00*

PMS AND MULTI-  
PROPERTY  
OWNERS HAVE  
AN EDGE: SOME  
RULES



Some trust badges conferred by the platform are on an account level, not on a property level:  
Vrbo Premier Host, Airbnb Superhost

## *Vrbo Premier Host*

### Premier Host benefits

Benefits will apply to all properties in your account. The Boost program is still launching on a market by market basis. Priority 24/7 support isn't available yet in Australia, Brazil, Japan, New Zealand, or Singapore.

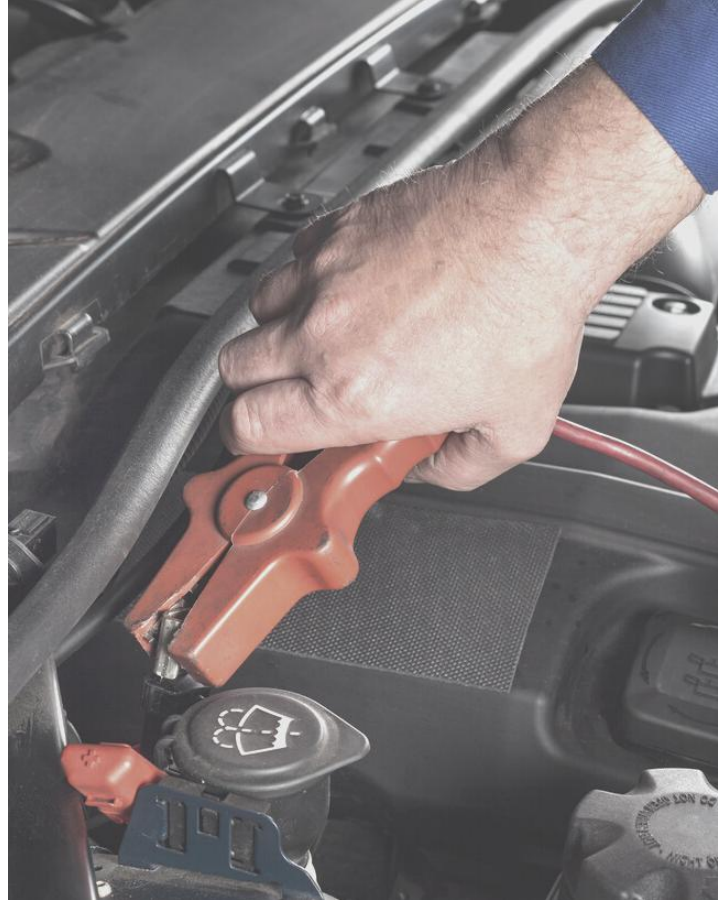
- Premier Host badge
- Premier Host filter
- Access to Boost program (improves search position)
- Priority support with expedited 24/7 access

### Program eligibility

Eligibility criteria are based on the combined performance for all listings in your account.

- 4.3 or higher average review rating
- 90% or higher booking acceptance rate
- 5% or lower owner-initiated cancellation rate
- Three or more Vrbo reviews
- Five bookings or 60 booked nights

COLD START IS  
REAL.  
EVEN AIRBNB AND  
VRBO NEED TO  
JUMPSTART  
LISTINGS.



## *VRBO FAST START*

- *A 'New to Vrbo' badge displayed for 90 days*
- *A review score based on reviews from other travel sites*
- *An elevated position in sort*
- *New hosts will receive dedicated, personal support*
- *No exclusivity*

*To qualify:*

- *Airbnb Superhost or host*
- *with a 4.5+ review rating*
- *Earned more than US\$3,000 in the last year*
- *Whole homes*



## *AIRBNB*

- *The New Listing ranking boost*
- 
- *The New Listing promotion*
  - *A 20% promotion for your first 3 guests for your new and unbooked listings.*
  - *Airbnb claims that you can get your first 3 bookings 30% faster when applying this discount*
  -
- *The Ask a Superhost program*
  - *SuperHosts are rewarded when hosts get their first booking, i.e. when they are on their way to breaking out of the Cold Start phase.*

A silhouette of a person in mid-air, jumping or performing a martial arts move, against a bright sunset sky. The person's arms are outstretched, and one leg is kicked forward. The background is a warm, golden-orange glow from the setting sun, with some dark, thin branches visible in the foreground.

SUMMARY:

THE COLD START IS A REAL ISSUE  
WORTH ADDRESSING BEFORE YOU  
START LISTING.

COME WITH A PLAN.

GET OUR FREE NEWSLETTER.

# GET THE PRESENTATION



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