

What Hotels Can Learn from Short-Term Rentals

By **Branigan Mulcahy** - April 28, 2021



Until recently, when travelers needed a place to stay away from home, their options were fairly limited. A business traveler stayed in a hotel room. A family could choose between a hotel room or, if they were headed to a coastal destination, they could splurge on a vacation rental property. Those who needed a longer stay – months at a time – might think outside the box and find a furnished apartment. Only backpackers on a budget stayed in hostels.

But over the past decade, a slew of options have opened up. Airbnb brought homesharing to the mainstream, and then companies like Sonder made finding and booking furnished apartments easier. Now, the lines have blurred to the point where travelers are considering all kinds of options for their trip, whether they're booking for leisure or business. Things have gotten even more interesting over the past year. As social distancing forced travelers to look for more space in remote locations, the idea of sharing lobby space and an elevator with hundreds of other people became much less appealing, and alternative accommodations were often better equipped and located to serve the destination leisure traveler.

Which option becomes most popular for travelers in the long run is not clear cut. But one thing that is clear is that there are advantages and disadvantages to each. Some travelers look for more space, private entrances, in-suite kitchens, and other amenities that only short-term rentals provide. Other travelers want the familiarity that comes with a hotel – they want to know what amenities will be there before they arrive.

There are best practices hotels and short-term rentals can learn from each other. In particular, short-term rentals can run with much smaller operating budgets, especially in the labor department, and hotel operators can benefit from emulating this new approach.

Arrival Experience

One main difference between short-term rentals and hotels is the experience upon arriving at the property.

At a hotel, there's a team of front-desk agents trained to provide a welcoming experience, but checking in is rarely very welcoming. Guests stand in a queue for what seems like an eternity before walking up to the desk to face a smattering of questions and then standing idle while the front desk clerk punches keys to assign a room and cut a key.

At an Airbnb, there's often a back and forth for days before arrival to determine how the guest will access their accommodations. Sometimes the guest will meet the host either onsite or offsite to exchange a key, other times there's a secret code required for access. Neither is particularly efficient.

Especially in the post-pandemic environment, it's critical that hotels cut down on the labor costs required to provide guests an excellent experience. Equally important is improving upon the sporadic nature of checking into a short-term rental and providing unique experiences similar to a boutique hotel.

Fortunately, technological advances make this possible today. Hotels don't need to staff an entire department to check-in their guests, but travelers aren't left figuring it out on their own, either. Digital check-in can be seamless, intuitive, and quick. And should the guest need assistance, a live person is just the click of a button away.

Guests today can choose how to check-in on their own terms. They can download an app and go through the entire process – verifying their identity, providing payment, and gaining access to the room – or they can visit a kiosk to perform the same functions and receive a physical keycard. Hotels can still provide high-touch assistance, like a live receptionist to help them through the process or answer any additional questions they may have about the property, amenities, or local attractions. Properties can incorporate upsell opportunities as well, including room upgrades and food-and-beverage ordering options.

Digital check-in allows hotels to reduce their operating expenses dramatically while ensuring the guest is “wowed” upon arrival. It helps hotels meet social-distancing requirements and reduce physical contact between staff and guests, keeping everyone involved safe.

Automation Revolution

When it comes to relying on automation to become more efficient, the hospitality industry is just at the tip of the iceberg. There will be more opportunities to operate a hotel at lower costs – the front-desk experience is just the beginning.

The digital revolution is here, and just as hoteliers can use technology to operate more efficiently, guests now want to use their own devices to interact with companies on their own terms. Hoteliers can solve both challenges by implementing digital check-in at their properties and stand out as the innovative, forward-thinking hotel that guests will rave about and return to frequently.

Branigan Mulcahy co-founded Virdee in May 2020 to help building owners provide visitors with seamless digital interactions by way of unified access, visitor authentication, and remote assistance. Before co-founding Virdee, he spent 10-plus years in the real estate and lodging space, most recently at The Guild, building boutique hotel experiences within well-located multifamily and commercial properties.

