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How to Uncover Hidden Bookings Left on the Table - formatted transcript.

This episode is brought to you by Point Central, the leaders in smart home automation, and Breezeway, the best in class property care and automations platform.

This week Matt sits down with Amber Carpenter of DemandIQ to talk about a significant source of revenue we've all been missing. What started as a capstone project for Amber's master's degree has become must-use tech for the entire vacation rental industry.

Links and resources mentioned in this episode:

DemandIQ
KeyData
Track
Navis
Hubspot
Salesforce
Newman-Dailey Resorts

Matt Landau I'm Matt Landau and this is Unlocked Season Six: Magic Zones. Today's episode is brought to you by Point Central, the leaders in smart home automation and Breezeway, a property care and operations platform. Amber Carpenter is the chief geek at DemandIQ and what I like to think of as a full circle vacation rental professional. Over the last 20 years, Amber has gained experience in each of the most important facets of our industry. And our topic for discussion today sits at the core of every single one of them. Unconstrained demand is one of those concepts you've likely heard little about, but once you do, you almost can't see things any other way. And we view this all through the fresh, powerful, focused lens of avocados and jicama. As a note, Amber is a busy parent and we've chosen to leave the background noise in some places to remind every listener that in our industry real noise happens and not all superheros wear capes. Let's hit it!

You have what sounds like a little cold. You have what sounds like five children, several dogs, a husband, and you're in the process of graduating?

Amber Carpenter Yes. Finally, next month.

Matt Landau Where are you graduating? What are you studying?

Amber Carpenter I started my Master's of Science and Technology Leadership at Brown about two years ago now. So I'm about to be finished next month.

Matt Landau Wow. So 40 days left, if I'm not mistaken, t minus 40. And it's not like you have anything else to do on your daily schedule, right?

Amber Carpenter No, not at all. It's, a lot of fun. It's been fantastic to have that experience during COVID actually.

Matt Landau Keeps you busy. Keeps you thinking, keeps you occupied.

Amber Carpenter Yes. Digging deep, really expanding kind of how I look at everything.

Matt Landau Well, I want to talk about how you look at everything. And as you pointed out, before we hit record, this is actually the first time we've had a real conversation, and it's being recorded. So this is going to be everything that I have ever dreamed of. And more, because you're a chief geek, I like to consider myself a chief geek too. But I didn't know that was an actual title.

Amber Carpenter You know, that's one of those self imposed restrictions. I think we can all make our own titles.

Matt Landau For vacation rental professionals out there, one of my absolute favorite limited edition marketing techniques is to give yourself your own completely unique title in your business. That's like the moment someone reads it. They're like, okay, this is not a normal commodity business. Right.

Amber Carpenter It's probably a more accurate title though, right?

Matt Landau Yeah, totally. I totally agree. If you come up with something that really defines me, I've read a couple of them that are like, okay, I kind of want to stay with this person. But Amber, you are really a nerd. You are a geek, you are a data person and remind me of your track in the industry. Where have you been over the last few years?

Amber Carpenter So 20 years ago, I started as the executive assistant to Jeanne Dailey at Newman Daily Resorts in Destin.

Matt Landau Oh, how about that.

Amber Carpenter So I started on the operations and frontline of the business. And I was just, you know, if you are a fan of Malcolm Gladwell, and you talk about kind of how you come about, or you get introduced to such an incredible opportunity. Jeannie had me work every single aspect of the business within the first year of working there. So I've worked in housekeeping. I've cleaned homes during hurricanes, jumped in pools to get lawn furniture out, you know, done

all those aspects, front desks, run a condo complex. All of those things, she made me do all of it. And then at the end, she let me dig into the marketing and our website. So that's where I started. And that's where I got to really put on my geek hat is 20 years ago, we had a first resort, you know, the dot software. And then kind of a journey. From there, I ran a seascape resort. I was the head of operations there, but then brought all of my geeky web development skills and partnership with me. So I had a business partner at the time, Joe Scarborough, who helped me build out one of the first booking engines in the industry, which we ended up selling in 2009. When I was still running the resort, what was that called? That was called resolution. We sold it to instant software at the time. Which then very quickly became a homeaway . It's a crazy roller coaster ride. That's how Carl Shepard became one of my mentors. Then I was the VP of e commerce for Wyndham, when they got into the business, they recruited me to go over there. And I spent three and a half years of my life on an airplane all over the world going into all of our different vacation rental destinations and understanding Vacation Rentals at a global level. And then I was the CMO of St. Joe. I don't know if anyone's familiar with St. Joe on the call, but we're listening. But basically the largest landowner in the state of Florida, a luxury developer, we had several 100 vacation rentals, as well as to boutique hotels. And so I really got my hands dirty in the hotel business and understood how hotels work, in comparison to vacation rentals. And I then took a year off actually in speed dating companies, and just was a consultant. And then I was the VP of product at Navis. And about about three years after that I decided to take a step back in my career and go back to school.

> **Matt Landau** Wow. And that kind of brings us up today with DemandIQ that brings us into the conversation and today is going to be all about this thing that you've called unconstrained demand. Is that how you phrased it?

Amber Carpenter Yes, it is unconstrained demand.

> **Matt Landau** I've never heard that phrase before. That's because is there some music going on in the background? Amber?

Amber Carpenter Yes. Can you hold on one second? Because I think they're playing video games. Okay.

> **Matt Landau** One of the one of the commonalities of our interviews with vacation rental professionals is that the phone calls, always get interrupted by some request for like maintenance, or a booking or something like that. So you're in good company.

Amber Carpenter With kids, it could be anything within about 45 minutes, it'll be I'm starving. And it'll sound like they've never been fed in their life.

> **Matt Landau** And does your husband say the same kinds of things?

Amber Carpenter No, he's incredibly helpful, because he's also in the business. He's the Vice President of client success at Navitus.

Matt Landau So Haha, so he gets it? Yes,

Amber Carpenter we're very much tag teaming. Who is on a conference call? Who needs to take the puppy and get somebody quiet somewhere?

Matt Landau I love that. Okay, so I want to just dive right into that, because we have a lot of information to cover today about this theme of um, constrained demand. And yeah, let's start off by just talking very simply about what is demand itself in the way that most vacation rental professionals define it?

Amber Carpenter Well, demand in general, I think part of the reason why this is such a new concept is in our industry, but also in hotels, its hospitality, and lodging, really, globally, is because we've really only had booking data. So we've only been able to make decisions based on totally constrained completely as constrained as it gets demand.

Matt Landau And by the way, only recently, like only up until recently, have we had that kind of information, right?

Amber Carpenter Correct, which was a game changer. Um, but unconstrained demand, which is truly like holistically what demand is, is the willingness of a consumer that wants a certain product or service, it's when somebody is willing to buy something, or to make a purchase. It's literally as if you were to think of it as when somebody walks in the store front of a store, like they walk in the door. They have a willingness, like they have a reason to want to do business with you. But they haven't bought anything yet. They may not have narrowed it down to what they're buying.

Matt Landau: So like this morning, I walked into the little Latino produce Mark and I was looking to buy avocados, yes. But there were no avocados there. Right. And I'm guessing that's going to take us into our next sort of step, which is the booking data that we have at our disposal that demonstrates what people actually inquired about or actually booked about is really only a fraction of the broader unconstrained demand, correct?

Amber Carpenter Yes, but I love your avocado example. Did you end up buying anything else by chance?

Matt Landau No, I didn't buy anything at that. at that store. I went to a separate store. I went to the big supermarket and bought them,

Amber Carpenter
right. So at that store, which would be interesting is that if we were to look at that experience as a consumer, but through the lens of what's happening in Vacation Rentals today with the data

that we have, you wouldn't have shown up, it would be like you didn't exist like the demand for that avocado that you clearly had in that store didn't exist.

Matt Landau Yeah, I didn't tell anyone about it. They didn't know that.

Amber Carpenter No, you walked in the door though, right? I

Matt Landau walked in the door.

Amber Carpenter You basically had a query of I want an avocado. You made no purchase correctly and therefore in the world of vacation rentals today, your level of demand would not have been captured. The fact that you wanted an avocado but it didn't they didn't have any doesn't negate the fact that you want it and avocado. Right.

Matt Landau Thank you, Amber, I can just see you cheering for me this morning as I'm going from the store. This has not changed the fact that Matt still wants the avocado.

Amber Carpenter Yes. And we're going to get to this. But as we keep talking, I want you to imagine that they had a pile of modificado in the back. But they just hadn't put them out on the shelves yet.

Matt Landau Oh, that would Okay, that's making me already a little bit anxious. They've got this actual store. And in our case, it's a vacation rental website. Right? That's like the main equivalent of the shop. Yes. Okay. And they've got this place where they're trying to measure the demand, but they're only showing a fraction of that demand and the inquiries and, and the actual bookings. But actually, there's web traffic to that website. That's maybe the majority of it is not converting, right. It's not actually purchasing. So what's this a search engine analogy that you've been using?

Amber Carpenter Well, it's to, I often talk about it as walking as a consumer walking into a store. But also, if you were to really think about your website, through the lens of how Google looks at their own website, think of your website as a search engine instead of just as a store, right. So if we were to take that next step in the evolution, then people are literally going into your store, they have unconstrained demand, whether it's for vacation rental or an avocado, they have a willingness to make a purchase, they have something they need, or they want. And demand is truly capturing what is that need or want, regardless of whether you have it in inventory, or they actually make the purchase?

Matt Landau Hmm. So the search engines are in a lot of cases, not even selling the things, they're just kind of facilitating the demand and helping somebody who's interested in buying something, find the actual product. So for viewing our websites like that, my guess is that a number of times people are searching for a particular product on our website, whether it's a kind of property or particular dates, and they don't find it?

Amber Carpenter Yes, even when it's in stock, I think, you know, even when I we put this platform together to really start being able to measure and capture that I didn't ever anticipate that the data would show that over 50%, no matter the size of the vacation rental manager, whether it was a 30 property company or a 3000 property company. And no matter if they had analysts on board, or they didn't, or revenue managers or they didn't. It's a pattern. And the number one search result or number of search results that people return for over 50% of their queries of their searches on their website is zero properties, even when we know that they have properties available.

Matt Landau What so why would why would that not be showing any results?

Amber Carpenter Because they're basing their booking rules on historical patterns of how people traveled in the past. So maybe seven night minimums, or you know, it's a lot of it, it's seven night minimums, or certain minimum nights when demand is looking for four nights or five nights, but it's not a couple people, it's the vast majority of people. And so it's a really interesting phenomenon that we're seeing over and over again. And a lot of times, they're just sitting empty, like they don't ever get that conversion like that one needle in the haystack person who wants the seven nights doesn't magically appear. And so since they could never meet, they never knew about all those people, right that were looking for four or five nights, they were never capturing the data. Tell them about that unconstrained demand. They were making decisions based on you know, that would have culminated in saying there was no demand for this. I'm sorry, owner, we just couldn't book this for you because no one was looking for that. It's COVID. I'm sorry.

Matt Landau Wow. So when in reality, it's not the property that there wasn't demand for, it was the particular rules, the particular confines that the manager or owner set?

Amber Carpenter Correct. You know, I'm often marketing is focusing on how we merchandise a property, from photos to description to attributes, you know, maybe a matterport you know, we talk about that all the time from a marketing aspect. But your booking roles are not a just revenue management role completely. That's not just for an analyst. That is part of how your merchandising, that's whether you're deciding to leave that property in the warehouse or put it out on the shelf.

Matt Landau   Most people have, let's say Google Analytics installed on their website. So if they dive deep enough into that data To set, will they begin to see these kinds of patterns? Like how do you know that you're leaving all this demand on the table?

Amber Carpenter Traditional analytics will not really give you that view, it's going to give you high level data, like how long they stayed on a page and bounce rate, depending on the structure of your website and your URL strings. So like what is up in your browser sometimes can capture some of the data that you're having to look at it in deep dives of pageviews of certain pages that show those URL strings that show like an arrival date, maybe. But there's actually nothing that makes it easy to capture this without using a third party plugin.

Matt Landau And my guess is that that's why you built your company.

Amber Carpenter Two reasons, I had to have a capstone project to get my master's degree. Oh, really? Yes. It's actually my capstone project.

Matt Landau Yes, that is so cool. I don't think I've heard of that in our industry yet.

Amber Carpenter Yes. Actually, I don't think I've told anybody this story. A few people know it, but I never got my bachelor's degree. So the way I got into an Ivy League school for my Masters was by presenting this incredibly complex yet so important business case to build, to build this actually to build this capstone project. So I actually presented this as the problem I wanted to solve with my capstone. And I had some incredible experiences based on my 20 year history in the industry. I had some incredible mentors, who lobbied on my behalf for the school to ignore the fact that I didn't have a bachelor's degree. And I got an Ivy League masters based on building this solution for the industry to be able to capture this data.

Matt Landau Oh, my gosh, I'm so proud of you. It's exciting. That is so cool. So you came up with the solution to actually do this. And my guess is that when somebody is able to really get a better understanding of what that unconstrained demand looks like, they're able to make some adjustments. So give us an example of a booking rule that upon coming to this epiphany, let's say that people actually don't want the seven days day, check in on Sunday, and check out on Sunday, they want three days in the middle of the week. And there's tons of those people. How do you give me an example of an adjustment, a tweak like that, that made a real difference.

Amber Carpenter So the first beta, we actually the first company that I convinced to go on this journey with me when it didn't need the technology didn't even I hadn't even built anything yet. I was in a ski destination. And it was at the very beginning of COVID, when we didn't really know that it was going to last this long. So we turned on the data. And even though I didn't know what was going to say, I knew the type of data it would return. But I didn't know what it would return. Right? It was so eye opening, especially with a ski destination, it was very clear that they were still driving the seven night booking role. They actually had over 80% of their queries on their website. So 80% of the arrival dates, and departure dates that would be put into their website, we're getting zero results, even though they were sitting empty. Wow. So they had plenty of properties to sell. And they're a brilliant company. So again, like when you're hearing this, remember that these are some of the most brilliant players in the industry that were doing everything they could with the data that they had. And so not only that, but they started to make those tweaks very quickly. That was the other piece that I was just so excited about is that once I got this data in the hands of each of our beta clients, it was so intuitive for them to know what to do with it, you know, after maybe showing them one or two things, right? That they started to adjust their booking rules based on if people are looking for, you know, March 1 for five nights, then I should show up for March 1 for five nights, even if I have to give them a seven night rate, right. And they were starting to convert and it totally changed how they were, you know,

handling their revenue management and their marketing at the same time. And it really puts a revenue manager and marketing and operations all on the same page. Because now you have the full picture of data, right? You have that demand data you have what people are booking. And you can see where the delta is okay, guys, like nobody's like I don't need to reduce my rates like this is the other Aha. Without this data, if something's not booking the knee jerk reaction is to lower the rate . We're showing that ski company, you don't need to lower your rates, you're just not showing up, stop lowering your rate. That's not the problem, it was very, very clear and Bhaiji, you're just not showing up, you mean that the results for the properties that people were searching into their booking engine, were not showing up, correct. Like people were looking for five nights, like a long weekend to go skiing. But they were only showing if somebody was coming for seven nights, right? And so don't don't lower your rate, in fact, go make five nights the same price as seven and let go of this old rule that you've had in place. Love that. And they started doing that. And they started, we started to see the opposite happened, where now they had excess demand, right? Like, you could see that all these queries, and all this demand existed, but the people were getting zero search results, but now it was because they were booked. And that actually led them to a completely different set of decisions to make of, Oh, I need more three bedrooms, I have more demand for three bedrooms than I ever knew.

> **Matt Landau** So how does someone like a property management software provide that kind of search information to the user?

Amber Carpenter No.

> **Matt Landau** Why not?

Amber Carpenter Um, well, that's a completely different podcast. Now, you know, I think because when I've shown this to people, different technology providers, and you know, really good friends of mine in the industry, every single responses, we've been trying to build that for three years, you know, and by the way, that's the same on the hotel side, this is not one of those situations where we're lagging behind hotels, this data, and this data set does not exist even in the hotel world. Okay. And so, honestly, I think it's because engineers were overthinking it. Like what do you think of how many pieces of data that you have to capture? How do you make sure that it's a unique search, that it's the same person versus, you know, just one person searching 20 times? It's a complicated problem. And I found a really interesting path forward for it that I think made it possible. But lots of companies have been trying to bring this to market for a long time.

> **Matt Landau** What is it that you did that was interesting,

Amber Carpenter I'm not an engineer, so I don't reinvent wheels. And I don't have this need to. And I love engineers, by the way, because I've been building things my whole career. But I just looked at it from the point of view as I need this data, and I'm not going to give up until I get it

and I want to graduate. So I need an A, I also have to get an A. So there was no giving up for me. And I had no money, right. So like I was a college student, and I'm paying quite a bit for this degree. So I just think it was the combination of grit and not having endless amounts of money to spend that God made me get really creative with how I solved it.

> **Matt Landau** Hmm, I love that. But so if someone's listening to this, if they have, let's say, three properties, and they have a website, and they're using a property management software, they're already I would say in in a relatively elite side of the professional spectrum, compared to maybe just the hobbyist who's using Airbnb. But if these tools don't really exist, or is there literally no other way to get any kind of indicator on this unconstrained demand that one might not be supplying?

Amber Carpenter You know, not really for that three property size, the only way to get a peek at it is if you were to have used other products in the industry that help you, you could get a snapshot, it's really a depending on how your business works, it might be a small snapshot, but if you're capturing leads in your call center, and there are tools in the industry to do that...

> **Matt Landau** Such as...shoutouts

Amber Carpenter Such as Track, Navis. But also there are some sophisticated players that are even using HubSpot and Salesforce, so you know, there are ways to try to train your staff to take a lead and and really nurture it, whether or not you have the perfect system, even if it was to write it down on a piece of paper. So there are ways to get some level of snapshot of it. You know, if you were to go that route, but then also, instead of just using that data to follow up, you were really using somebody to analyze that data and you had great reporting of that data. You could get a piece of this for sure.

> **Matt Landau** And don't you think it would also be fair, if you've got three properties, and they're all very booked up? The natural and semi obvious next step would be to acquire another property that fits that exact same product point, right?

Amber Carpenter Well, that's what a lot of people do, but it would be interesting. And I'm going to go back to that beta client for a little bit. You might not know that people are putting in if you only Grow your inventory based on what's booking really well, then you have no idea. And you're missing the point of what were people looking for that I didn't have, that I already have demand for. Right. So if you if you have this data set, and you look at it that way, when you bring on like it, it's telling you, you need a, this is a perfect example from some of the betas. A lot of people, especially during COVID, for whatever reason, they think it's space, like even if it's only for people traveling, they want something bigger because they've been cooped up. But there's a lot of queries going on for much larger units, even if the occupancy is lower, again, hard to see if you're only looking at the booked data. But in that instance, if you're only looking at Well, my two bedrooms are booking Great. So I need more two bedrooms, what if what if you had a tremendous amount of searches for four bedrooms that never converted? Because they were constrained? Right? You should go get a four bedroom. And by the way, you probably don't

have to increase your marketing or do something like pull a rabbit out of a hat like you might think you do, because the demand is already there on your website.

   Matt Landau So another potential way that somebody with maybe not the ability to, like not 100 properties, let's say would be to use some of these market data tools. And I know DemandIQ is now officially when this episode airs as part of the KeyData Dashboard, right? Yes, super excited. Very exciting. Congratulations. Thank you. First capstone project to be turned into an acquisition in the industry. Tell us about the role of those kinds of market data tools, and maybe not even KeyDaya, like Airdna, for instance, which is a report that pretty much anybody can produce for 20 or 50 bucks. I don't know how much it costs, to give you a snapshot of the existing supply and demand in any given market. How do we take advantage or be wary of those?

Amber Carpenter So let me start by saying I think getting any of that data is such a step forward for our industry, whether it's and there is a difference between KeyData's data and like air DNA, or some of the other tools that use scraped data.

   Matt Landau Explain that real quick the difference?

Amber Carpenter Yeah, sure. It's the big differences is that with scraped data, they are literally using bots or a little search engines, bots, or little search engines, by the way, to go out and scrape the calendars and like do some queries on their on those websites to see what the rates would have been or as close to as possible. And then they're combining that up into a report to say this property over here is 80%, full 80% occupied. What's missing are the nuances. And that works really well in the hotel space, because they don't have as many nuances to their bookings. But it doesn't work that well in our space. Because that 80% could include owner stays, maintenance blocks, etc. and their bots cannot tell the difference between a night that's blocked for revenue producing reservation versus a non revenue producing recipe reservation. So the data well is like you need to take it, it's good data like it's data that you should look at and use, it's a great tool you need to be it's not gospel, you need to know that it's not exact. It's not an exact science.

   Matt Landau And then so what is KeyData's?

Amber Carpenter KeyData is actually partnering with individual property managers, destination marketing organizations, etc. and pulling in the actual data from the PMS. And so they are not using scraped data, although they also have their own product similar to air DNA. But for their reporting, it's showing actual like, they're able to get down to the nuances in that detail and know if that booking was a revenue producing, booking or not, so they are actually going to the source of the data instead of scraping. Which makes their reporting much more accurate, and also why I thought it was the perfect partner to help me really bring DemandIQ to the next level. Because I wanted to be able to bring that raw first party demand data and marry it with raw first party booking data.

So let's get into the actual pricing part of the conversation because typically what most managers are using, and a lot of savvy, smaller RBO's are using basically paste reports. And I know this is not your favorite way of gauging decisions.

Amber Carpenter
You know, it was in the past, but during COVID, and we didn't talk about this, but I also am a minority owner and a vocational company. So I eat my own dog food. I did, I've loved the pace report for 20 years of my career, but during COVID, I forced myself to like hide it, it's no longer even in my browser favorites, because it's just, it's just mind boggling and tells you the wrong thing. We're not pacing the same way because that demand has changed. The way people travel, where they're traveling from who your customer is, all of that has changed. So the pace report really isn't relevant. Right now, it doesn't matter if you're not booking July 4. And you've always booked July 4 by now, it just doesn't matter. It's not, it's not relevant.

> **Matt Landau**   I spoke with someone yesterday, who's in Europe and 100% of their American travelers are officially gone, because we can't fly there. And they have an entirely new set of guests and therefore like a data report, trick tracking back a pace report is not going to be so helpful to them.

Amber Carpenter Yes, and that you've never seen the products, but actually not only can you see what date somebody is putting in and the length of stay and the features that they're using to source or to filter, you actually can see that city that that traffic is coming from. So I had no idea when I applied to brown in early 2019. That and with this project in mind that I would launch it during COVID. And it would be this, it would be more relevant than I could have ever fathom in my lifetime, right? Because now it's empowering you with live data to make decisions right now based on who's looking where they're from, and what they want. I'm envisioning, like, when you first started off on this journey, it was a gap like I'm envisioning somebody trying to jump from one building to another, and you are going to be the bridge. But now that gap is huge. And your bridge is all the more powerful and relevant in order to get to the other side. Yes, it's why I sold so early. I mean, I was in beta. And to be honest with you, the demand was so high, no pun intended. For the product, I didn't need to sell it in any way. I sold it because it's so important to get this to as many property managers as quickly as possible. Because it's a game changer right now for them. That KeyData is really going to help do that in a way that I couldn't do on my own as a college student with a capstone project.

> **Matt Landau** And how is this different from the artificial intelligence of some of these tools, making decisions for you? What's the human element here that's still necessary?

Amber Carpenter Another one that's kind of a whole podcast. So let me break that down. So for one, for one thing, just know I'm actually trained in AI and machine learning now with this degree, so One thing people don't realize is all of those models today are trained, you have to input data. And it's really important to put in the right data to get the right output, right. Until now, the only data that could be input for models, which are fantastic models, and a fantastic step forward has been historical booking data. So all of these machine learning or AI enabled, say,

price, you know, price suggestion, tools, etc, are based on some form of past booking data, because it's the only data that existed at the time to build any sort of modeling.

Matt Landau And they're robots. Like, that's what they go off.

Amber Carpenter Yes, they have to have something you know, those are, we call it AI and machine learning, which are really beautiful words for a rules based engine that keeps learning from itself, right. But there's still a human input rule. And with a data set that existed at the time, so when you're thinking about that all of the suggestions are based on past booking data, kind of like your pace report. And so you have to be really careful, because it's not that they're bad suggestions. It's that COVID has made them irrelevant suggestions. So again, going back to why would you lower your rate for a date, because it used to be booked by now. But no one's even looking at it. Like, right, like, so that's that that is another aha moment that you have, when you see nobody's even looking for July 4 yet. So why would I decrease the rate? That's also why sometimes you do everything you can, you're lowering the rate, you're sending out an email blast, you know, you're doing whatever it is you can do to maybe push a certain time period, but it never budges. And you think that you just missed the mark, but really there, there wasn't a demand for it yet, you might have missed the demand window, instead of the booking window. It's like the whole second half of the equation, I'm thinking about the analogy of like health, you know, you can exercise really, really well. But if you're not eating healthy, yes, your exercise is not really gonna materialize, and probably vice versa. How does this apply to the marketing side of the vacation rental business and the revenue management side? So a marketer, honestly, it's the marketers that get just as if not more excited than the revenue managers for this data, because in the past, revenue managers would say, I need you to go send an email blast out for July 4, because it's not booking. And marketing would pretty much just have to go do it because the data was showing it's not booking, right? So this data actually empowers marketers to go, Well, look, I understand your concern, because, you know, maybe that's what the pace report is saying. But we have a ton of demand. It's just not converting. So we have a conversion issue, not a demand issue. And then they have a much better conversation with revenue management. So revenue management can say, Oh, you're right, let's increase the nightly rate, drop our minimum booking rule to you know, minimum length of stay to five nights. And marketing doesn't actually have to send an email blast about it, there's queries going on that just magically start to convert now, because they're seeing search results.

Matt Landau So the marketers are like, see, we have been doing a good job of driving relevant people. It's just that we weren't converting it properly, or we didn't have the product packaged properly.

Amber Carpenter Right? When you think of what really motivates but the truth, what are you supposed to judge your marketer on? Like, what is it that their job truly is, it's not actually to drive bookings, because everybody has a hand in that marketers are there to drive relevant demand. So this is the first tool that gives them a way to say I'm doing a great job, and you just haven't been able to see it. Wow. And then revenue managers. On the other hand, it's the inverse as well, where revenue managers are like, Hey, we're two weeks out, and there's no

bookings, we have no demand, we're on the same page, there's no demand. And this is where as a team, they can go, okay, we can spin up some additional marketing, but we've been driving ourselves crazy. Let's go to the channels, the third parties, because we can see we have no demand, and really invigorate those and see if we can get bookings from those third party channels or from other exterior marketers. It just makes an actionable outcome.

Matt Landau: Can we dig a little bit deeper into that? So can you be a little bit more specific with the channels example?

Amber Carpenter Sure. So if you can see that you have no demand for a certain time period. And remember, we're measuring demand that comes in on your own website, right, the asset that you own the.com that you own? And if you've been doing everything you can to push that time period and it's not working. This is a great time to get on the same page and say, Okay, let's go to Airbnb. Let's go to VRMB Oh, let's you know, let's go to booking calm and say I have a Need period I need to push? Can we do a promotion together to see if I can make it happen?

Matt Landau And what did you say about what kind of period?

Amber Carpenter A need period? So like I have need period, okay, yep, I have a need period where I need to push these, you know, for example, I need to push this long weekend coming up, what can we do together to really make that happen, if you have an account manager, which some of that that might be extinct because of COVID, too. But you know, you could go to that channel and lower your rates, maybe change your length of stay, but do something on that channel, change your title to say, you know, something exciting, but see if those channels have that demand for you to start converting, because you know that your own does not. And that would be kind of like an A B test, you'd experiment with a new channel, and if they're able to drive more demand, and if your conversion team is doing a good enough job at capturing a catering to it, you continue doing more of it. And if for whatever reason, it's not you pull the plug on that test. Correct. And, and you know, the theme of this is, to your point earlier, we finally have a full formula. I know people at the door, and I know how many make a purchase, and I know what they want. And I know if they purchase it or not. So now I can have a complete equation, right? Like from an economic standpoint, we have the complete view. And so instead of it being like, okay, I'll try the channels, but I have trepidation about it, or I'm anxious about it, or I don't like the otas. Or instead of feeling that way, you're making informed decisions about why and where you're marketing your inventory on different channels, potentially, at different varying rates in an informed, non anxious way. It's like it becomes a production line.

Matt Landau So like, what percentage would you say, I keep using the phrase leaving it on the table? Because that's the best thing I can think of. But what percentage of use would you say of potential bookings do you think are being left on the table without that insight,

Amber Carpenter at least 50%. And honestly, I'm being conservative on, you know, it's probably closer to 70%. And it's, it's hard to see right now, because you might actually get that

conversion. But you might get it through Airbnb or VR, Bo, because they went to your website and got zero search results for their query and went to an otaa didn't get zero. And finally made a conversion, like they found the avocado that they wanted, but they found your avocado on the channels who presented it better and didn't have it in the warehouse.

Matt Landau And by presenting it better. Do you mean, they had different booking rules?

Amber Carpenter No, they just do their search, their websites are designed to do anything not to show you zero results. So they always suggest something, right? They just don't show zero.

Matt Landau So by showing you something, it may be a similar property by that same manager in a similar location. By showing you something they're able to capture that unconstrained demand in a way that somebody in, in our space is perhaps just missing it.

Amber Carpenter Well, for example, even if they show results, so like if you were to do a query on VRMB Oh, that comes back and it doesn't actually have something that's an exact match, they'll show you suggested results or properties that might be interesting or adjacent areas. And it makes you go look at that property because they're not showing you nothing, right, the bin is empty, it might have a note in it that says no, we don't have avocados. But have you tried, Hey, come on. I'm making it.

Matt Landau Right. I actually have tried to hit them. And that is a brilliant recommendation,

Amber Carpenter right? And so um, you're like, Oh, my gosh, I haven't had him a slaw. And so in forever, this will work. I don't need my avocados. And so what happens is that they fall in love with one of these suggested properties. And they're like, they go back to the family. And they're like, Hey, I couldn't find anything for what we talked about. But look at this. It's beautiful. It'll work, we can just, we can make it happen. And they ended up booking it. And so it's your property. It's the same inventory, it's pulling from your PMS, they just merchandised it way better than you are.

Matt Landau So now that you're mentioning this, I think I may have come up with my own little unconstrained demand solution. When I was managing my properties in the historic district of Panama. We had a very simple property management software that we were using. And when somebody did a search, it was going to present zero results. I asked the developer if we could have basically a catch-all kind of alternate property option that had gorgeous photos of properties that didn't exist already on the website. And and I had a little note that said These are some limited edition properties that we have access to that are not publicly available, fill out the form below. And we'll see if we can fit you into one of those spots. And I can't tell you how many people filled out that form and almost felt special that they were getting a separate option. Whereas in reality,

if we didn't have that form, they probably would have just gone somewhere else. Do you approve of that solution?

Amber Carpenter Absolutely. It's what I've used on my own websites for years, because I didn't . There's no one out there building custom websites that has this alternative option really built in? Well, yeah, I think that that's going to be the outcome. One of the outcomes of bringing this to market is that that's going to come to market. There's one other thing I will tell you that I learned that is a terrible user experience, even though we think it's phenomenal. And I was guilty of it.

> **Matt Landau** Listeners pay attention to what amber is about to say, this is a huge, actionable way to form your magic zone, your sweet spot, no matter where you're located, or what your goals are, your vacation rental business,

Amber Carpenter you need to be really discerning about how many filters you give your customers because even though in the call center, they're always like, you have to add an espresso machine, not coffee, but especially because they always ask about it. And then suddenly, it becomes a filter on your website, right?

> **Matt Landau** It rules them out, quit doing that.

Amber Carpenter Yeah, the only filters that should be on your website are game changing filters, meaning that there's something that if you don't have it, they will not stay with you.

> **Matt Landau** Like a hot tub, like a...

Amber Carpenter Pool, a hot tub. But the small stuff. It's making you show way more zero search results than you should?

> **Matt Landau: Did** you catch it? part of creating a Magic Zones is identifying your guests non negotiables. Not the detailed preferences, the big game changing features, or amenities that make or break the decision on that property. use those as your top level filters. And don't worry about the minutiae, down below getting in the way.

Amber Carpenter I mean, how many times do we go to make a large purchase in our life, and we have this list of things we want. But maybe it's 20 things long, but actually, there's only three that are going to make me say I don't want to buy it.

> **Matt Landau** Hmm, you're not non negotiables.

Amber Carpenter You need to find out what your I don't want to buy features are. And that's the filter. Because a good salesperson, whether it's your website, or somebody on the phone can overcome these 17 other things. It happens all the time. I listen to a lot of calls. You know,

no, we don't have your special machine but cafe Lucha just opened up right down the street. And it's phenomenal. It's a great walk in the morning. But your website says Nope.

> **Matt Landau** Right? you've rolled your you've pigeonholed yourself by giving too many filter options.

Yes.

> **Matt Landau** So the opposite of this is the opposite of giving the user too many options, just a complete open net at the very beginning of the funnel. Like if I didn't want to use a property management software, and just had a very open, contact us form. Is that like the opposite end of this rigidity spectrum?

Amber Carpenter Yes. It's why VRBO was as good as it was because it had nothing to do with availability, really, it was just that I fell in love with this property, I want to go on a vacation. So I'm going to talk to the owner. And even if they didn't have my dates, I might have switched them. I mean, it's why the volume of inquiries was enormous. When before homeaway and vrbo. O was a transactional channel.

> **Matt Landau** And the other thing about that is, you know, you may be receiving inquiries about things unrelated to vacation rentals, like in our case, we'd have people saying, you know, we noticed you're the only nice place to stay in town. But do you have any recommendations for a tour or a restaurant or all these things, and it kind of gave us this role of community ambassador, and we were just like, kind of a lighthouse for all these different searches. And granted, it wasn't the most efficient way to get them information, but it generated leads, that's for sure.

Amber Carpenter Exactly this morning, you know, and I try to relate this to other things that we all do in our daily lives because it's I don't want this to feel like it's not tangible, because you don't have the data yet, perhaps you know, we only have so many beta clients, but so far, but if you had gone into that first market this morning, and they didn't have avocados, but the produce manager said you know what? My truck is coming in at one and I'm going to have amazing beautiful fresh avocados for you. Do you think you could come back at one or you know I could have someone deliver it to you for an extra dollar? What is a way for me to help you? what do you think that percentage of people that would say, oh, okay, I'll come back at one or I mean, did you need the avocado right that second? It's possible, but there's a whole group of people that would have come back at one paid the extra dollar, and then they would have captured your unconscious your demand, even though they had some constraint in the beginning.

> **Matt Landau** So we've been knocking this little market a lot, but I want to give them some props because they also do something else related to unconstrained demand in a way, with their avocados that are close to going bad. What they do is they package them in little plastic things. And they sell them at a discount, but they sell them up by the cash

register. And they're like a third of the price. And you gotta eat them that day or the next day. And that's completely fine with me. But I just love how from a business perspective, that product is about to go extinct. It's about to die. And I suppose the vacation rental version would be your, your nights are about to pass. And if you've got some way of gauging that people are interested in those, and you can package them and make them easy to access. You got yourself an avocado buyer.

Amber Carpenter Exactly. And honestly, I'm a geek, but I'm not that brilliant. I'm just super observant. And you know what made me find this gap that I wanted to bridge avocados, I know it could be But no, it's shoes because I'm a shoe freak. And so are my gorgeous heels. And so I learned from the retail industry because if I go find a shoe I fall in love with, that retailer is going to do anything in everything except knock on my daughter to make sure that they know when that shoe is in my size and available and that I need it and want it in my life. And so retail has had this down pat with unconstrained demand for decades, to be honest. And they've had the tools and the data to do it. And so here's a little nuance that's interesting that I'm ruminating on how to apply to our industry is if I go and I want this gorgeous stiletto in my favorite color of gray. And it's out of stock. They never say no, they button change to join the waitlist. This is super popular right now. Why don't we have a waitlist like no, it's not for these dates. But if you put your email here, we'll alert you if it becomes available, because there's a cancellation.

> **Matt Landau** I mean, it's along the lines of creating a loyalty club of people who have already indicated interest whether they wanted it and they couldn't get it or they stayed there before but making sure that they know when the thing is available. Again, whether it's a stiletto or a night at a limited edition vacation rental business. That's a pretty profitable activity to work on.

Amber Carpenter And basically you're changing it from, you know, on identifiable data that's super actionable, like even with demand data to Okay, I know this person has a purchase intent. And as soon as I it might not even have to be that property that waitlist solution can become. I'm just bringing on a house that's super similar, it's even more gorgeous. And I'm going to send it to everyone on the waitlist for this other house.

> **Matt Landau** That's sold out. That's something artists do as well, when they're creating new pieces. I mean, there's there's collectors who will wait years in order to have the chance to buy a select piece. Is that also kind of rooted, you must be a specialty niche in order to really capitalize on that kind of thing.

Amber Carpenter Do you mean niche products?

> **Matt Landau** Yeah, like if it's just going to be a generic sneaker, people likely aren't going to be nearly as passionate about it. But if it's your limited edition stiletto, perhaps it's a much more focused and worthwhile group going after?

Amber Carpenter You know, I'm not I don't know, I would answer I don't know to that. Because I think that I've learned from managing the kind of commodities in our space, like condos that are decorated exactly the same thing. I've done that in my past two very nice luxury properties. And the consumer behaviors and willingness aren't that and trigger points. That's what I like to call them. Like, you know, tipping points is what Malcolm Gladwell calls them, the tipping points for consumers regardless of what it is they're buying is all that psychologically very similar. And so I think that money doesn't buy taste, right? And so I try not to impart I do my best for our humans and so I think if you try to remove as much bias as possible from the equation, then the tipping points for consumers are so similar regardless of what they're purchasing those emotional triggers that make it want to happen.

>   **Matt Landau** I love that. Amber I'm gonna kind of wrap up and and ask you something that we never asked on interviews, just because I think this is a unique enough of a product and educational enough of a conversation. How does somebody sign up for DemandIQ like in the coming months, is this open to everybody or do you need To have a specific amount of properties, how does that work? No, it's

Amber Carpenter is open to everybody, all you have to do is go to www.demandiq.io And there's a very brief form where you sign up to join beta, and we get a demo going for you. And it's a super easy process.

>   **Matt Landau** It's free. And then how do they pay for it?

Amber Carpenter I mean, you don't, it's free, because we all have a lot to learn with each other. And it's, it's my pay that goes forward to the industry. And when I sold to KeyData, they had a very, we have a shared vision to getting this data to as many people as possible as quickly as possible.

>   **Matt Landau** So KeyData for the obvious people thinking to themselves, wait a minute, how can it be free can't be free? KeyData is a paid service that is now including this as part of their functions. Is that correct?

Amber Carpenter Yes, you got it. And it's not totally integrated yet. Because the ink is fairly dry on the deal. And so you still have to go to the DemandIQ website to sign up. If for any reason when this airs, that's not the case. It's okay. Because we'll have redirected it and done all the geeky stuff in the background to make sure this still works for you. But we are we're, we're excited to roll it out and get this equation on the same page. It is so cool. And if I if I could impart anything on the listener right now, it would be that

>   **Matt Landau** recognizing there's a whole slew of interest demand in your property that never actually manifests itself never actually shows up on your inquiries on your bookings, the things that you immediately synonymous with success, recognizing that there's all that traffic, that interest that you've actually already done, the hard work of building up your marketing efforts have already succeeded with really recognizing that

and figuring out a way how to tap that how to at least, maybe manipulate what you're offering to better cater to that is almost like, you've already done the hard work. This is now just making more money out of it, right?

Yes, exactly.

Matt Landau Cool. I just wanted to try to summarize that for myself, for my own good. Amber, this has been incredibly enlightening for me, and I'm sure for all of our listeners. And I'd like to thank not just you, but your husband and your children and your dogs and your teachers at Brown, for guiding you in this direction. Such a cool contribution to the industry.

Amber Carpenter Well, thank you. I'm really excited and the word isn't proud. I just love this industry. And to be able to manifest my pay it forward into something so helpful and real is very rewarding.

Matt Landau
Well, I'll use the word proud. We're proud of you.

Matt Landau
Folks, today we're trying something completely new. Long gone is the normal outro, in which I beg you to write a review for the podcast, simply because nobody ever does that anyway. In its place is some deeper learning. After today's conversation with Amber, I found myself really chewing on some of the things that I think are worth a deeper dive. And I've decided to present them to you in the form of three discovery questions.

The first is what is your unconstrained demand? What does it look like at your vacation rental business?

Imagine if you left every night open on the booking software with absolutely no rules, chances are the bookings with great guests would exceed what you currently take in. And the reasons for that are fairly obvious. We are small batch businesses, we have inventory limitations. We're also lifestyle businesses, we can't just host every single guest that wants to book. But the more limitations we place on these bookings, the fewer they get. So you don't have to go all out on the no rules thing. But think of it like a sliding scale, the more hungry you are for bookings, the more you can loosen it up, and vice versa.

The second question is, what does a guest see on your website? When no properties are available? Is it just a blank screen? Or is it some kind of thoughtful message that communicates how embarrassed you are as a small business and unfortunately, you don't have anything available?

I'm thinking a 404 error website page, something that's authentic, that's unique, perhaps with a little video sharing your personality. That's a great way to keep those potential guests in your court, as opposed to seeing them off to your competitor.

Our third question, what does your alternate or ghost property look like?

I described what we did with my vacation rental properties using a simple property management software, we created a unit that had photos of a number of different units. And we basically explained when that property displayed, i.e. the times that none of the other properties were displayed, this is an alternate unit. We have special relationships with other owners around town. And depending on your availability, we may be able to make this work and it actually had an incredible impact. People said that they felt special. We were trying to look out for them. We were trying to fit their needs. It was also a fantastic way to build up referrals with other vacation rental owners and managers in town. Now's the time to implement everything that we learned with Amber because COVID has almost wiped our data slate completely clean. Our future booking breakdowns are going to be completely different from what they used to be.

I've shared these three questions on VRMB communities and would love to encourage you to head over and join part of the conversation. We'd like to think we have the world's most creative vacation rental professionals. all under one virtual roof. We are problem solving and pushing the envelope forward. together. That's community.vrmb.com.

For more help with your business, join the [Inner Circle](#) membership