

2016: A year of upgrades built around you

Our commitment to you

While 2016 may be ushering in some changes, what isn't changing is our commitment to you. The key concepts that are at the heart of HomeAway will remain the same as we work to deliver more exposure to your properties and more bookings to you! We've been working hard to develop innovative new ways to deliver better value to you— and we have confidence that these changes will benefit your business.

We will communicate these changes to you through a series of emails, landing page updates and webinars.

For more information about recent changes, please visit:
<http://homeaway.com/lp/building-for-the-future/?ut=ipm>

The Service Fee

In February 2016, HomeAway introduced a Service Fee on their North American brands: HomeAway, VRBO and VacationRentals.com. HomeAway has always been proud to be a cost effective solution for renting your home; while also providing the level of marketing and service travelers expect. As there were several questions regarding the reason behind the Service Fee, we wanted to assure our owners and property managers that we are working hard to create a competitive marketplace, including among other things, incremental marketing activities and new traveler services. With the introduction of this fee, we have been able to

- Increase Marketing Spend
- Launch a new Brand Campaign
- Increase Advertising and Paid Search Spend
- Provide more confidence for travelers with our Book with Confidence Guarantee™

We are committed to bringing you more value by increasing traveler traffic to your listings and more exposure to your properties, all while ensuring our owners and property managers' control who stays at their properties.

We have confidence that the changes we have made over the past few months will create a robust marketplace for the rental of your property.

Service Fee: Commonly asked questions

What is the service fee?

The new service fee is charged to travelers who book or pay through HomeAway, VRBO, and VacationRentals.com. The fee is percentage- based on total rental price and is added to all listings that offer HomeAway payments or an alternative payment method. The service fee averages 6% and doesn't exceed 9% of total rental price, with a cap at \$399.00. It is paid by credit card or eCheck during the checkout process and does not come out of the owners or managers income.

Why are you charging travelers in addition to the subscription fees paid by owners and property managers?

The vacation rental market is growing, and while this is great news, along with growth comes increased competition. Many of our competitors spend significantly more than HomeAway on marketing and advertising. Therefore, to increase your visibility and long-term booking success, we're increasing our marketing significantly.

What benefits does this fee bring to travelers?





In addition to increasing our marketing spend to increase visibility and bring more travelers to your properties, we're incrementally investing in providing an environment where travelers can search, book, and pay with peace of mind including through our Book with Confidence Guarantee™.

Why do my travelers have to pay a service fee to HomeAway when I manage the property during their stay?

The goal is to continue to create a marketplace that brings more travelers to the sites through increased marketing and awareness - and to help keep them coming back through a positive booking experience with us. The service fee also helps contribute to the service HomeAway provides to your guests as they find and book a vacation rental online, as well as the tools and support HomeAway provides during the booking process and during their stay (ex: 24/7 customer support, mobile app).

How did you decide on the amount to charge?

We put a ton of thought and research into the amount of the fee – including the competitive landscape. The price curve HomeAway decided on is such that our fees are lower than our competition:

 HomeAway®  VRBO® <small>Part of the HomeAway Family</small>	Variable, between 4 - 9% and capped at \$399
	Variable, typically range between 6 - 12%
 FLIPKEY® <small>by TripAdvisor</small>	Variable, 5% - 15% of the total booking value

Has HomeAway seen a decline in overall bookings as a result of the fee, in comparison to a year ago?

No. In the weeks since the introduction of the service fee, the combination of additional visits to our sites, thanks to the new funds for marketing from the service fee and ongoing efforts to drive booking conversion rates, we continue to see healthy levels of booking.

Can I ask travelers to contact me offline to avoid the service fee?

We strongly suggest that you do not ask travelers to contact you offline. Travelers pay the service fee when bookings go through the HomeAway/VRBO/VacationRentals.com check out – and processing bookings online optimizes the owner or manager's placement in search results determined by "Best Match". Having and using Online Booking is important to determining the order that your listing appears, so avoiding the fee is not good for your business in the long term. When you take your bookings offline (i.e. avoid the fee), we're unable to provide you credit for your bookings and reward you for turning a traveler into a booked guests.

What about repeat guests who come to HomeAway just to find me?

We understand there are customers that use our sites to book and find you each year. The service fee is important to attracting new travelers & bookings and we can't deliver you more bookings if we are just appealing to the current customer base.