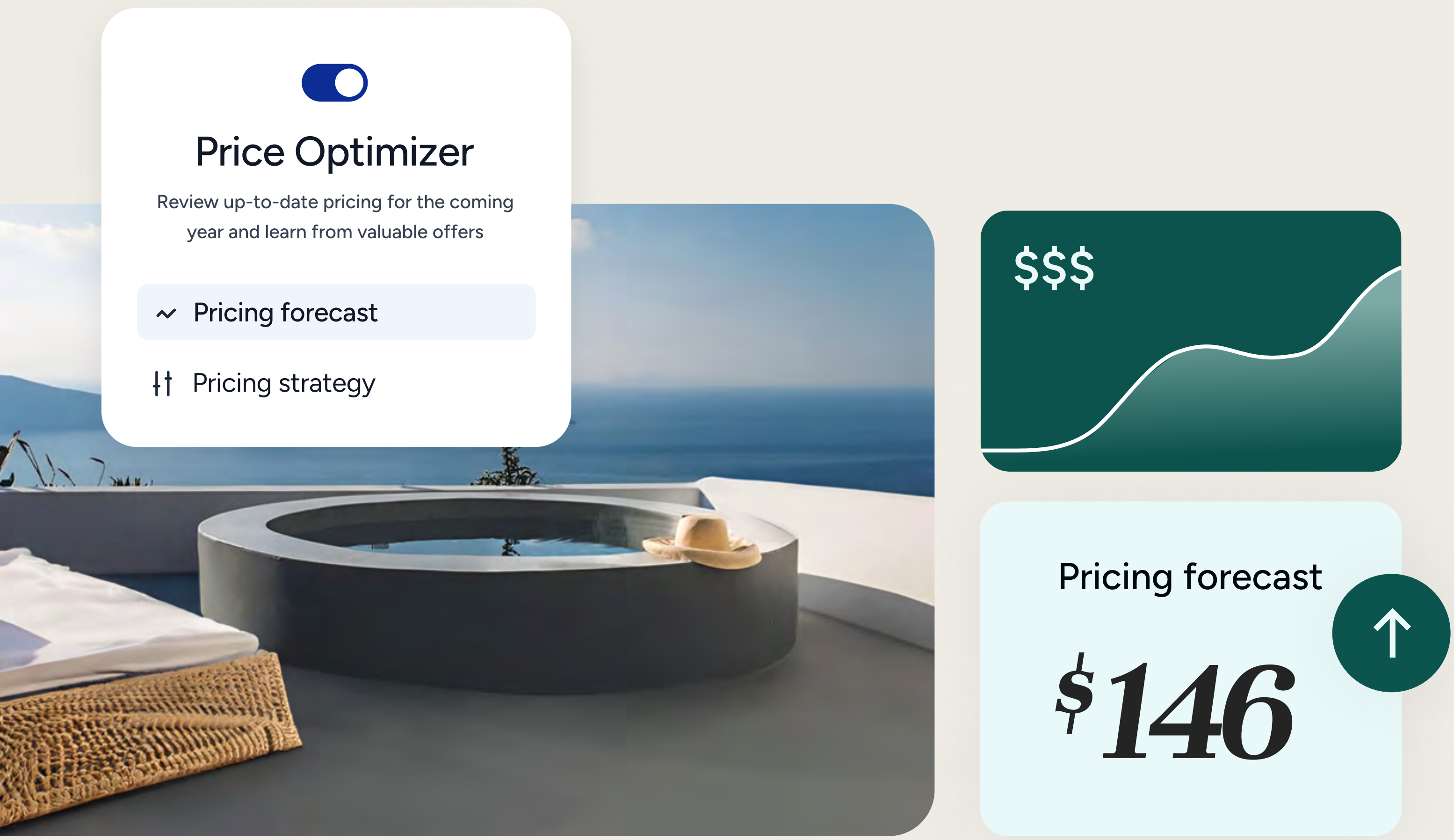
Guesty

Check-in to growth

Maximizing your STR revenue



Introduction

Today's short-term rental (STR) market is more dynamic and competitive than ever. As both supply and demand fluctuate, often unpredictably, ambitious property managers must go beyond the ABCs of hospitality to gain an advantage. Yet the industry's acute susceptibility to macroeconomic shifts leaves very little room to maneuver. This means that simply listing a property is no longer enough. Today's most successful STR businesses are agile and quick to respond to rapidly changing market realities. They focus on expanding their revenue streams through a combination of strategic pricing, diverse distribution, and savvy upselling techniques.

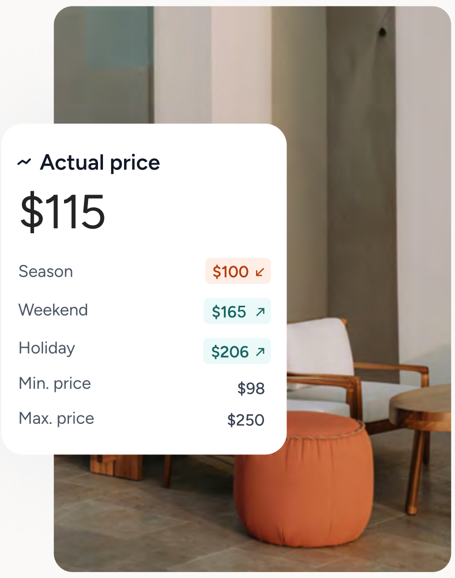
Whether you're running a business with 10 listings or hundreds, this ebook will provide you with insights, practical tips, and innovative approaches to help you stay ahead of the competition and fulfill your property's earning potential.

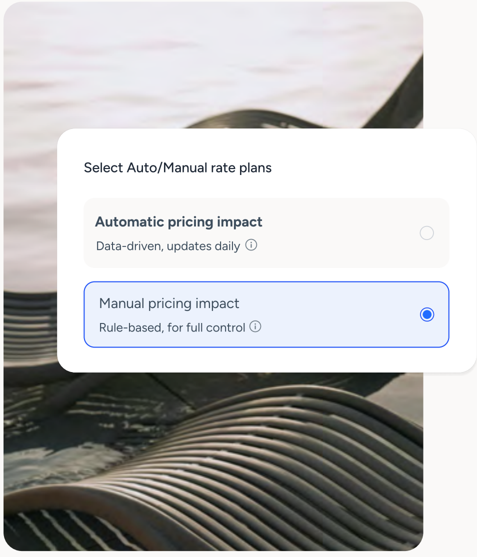
Apply reactive pricing

The STR business has always been seasonal, but increased competition has seen rigid peak and off-season rate plans evolve into elaborate pricing strategies that take into account local events, seasonal trends, and competitor activities. Today, the key to achieving maximum profitability and sustained success is the agility with which you apply market insights to your pricing.

Tailored rate strategies

The first step is creating a tailored rate strategy—flexible pricing rules that can be adjusted based on market conditions, recurring events, and trends. A basic example of this would be pricing a beachfront property higher during summer months and weekends, while offering discounts during the off-season. For a more refined approach, property managers should have intricate rules in place that account for various factors such as specific days of the week, holidays, and vacancy gaps. However, be sure to align your strategy with your primary goal: revenue versus occupancy. Higher rates typically lead to better margins, while lower rates can support increased revenue by boosting occupancy and filling more gaps in your calendar.





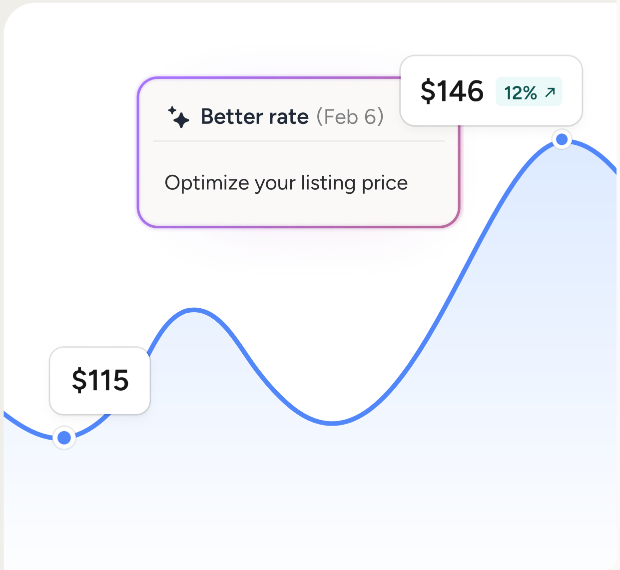
Multiple rate plans

Similarly, it's important to create multiple pricing plans tailored to different scenarios (long-term stays, last-minute bookings, or special promotions, to name a few). This approach maximizes revenue during peak times while maintaining a steady flow of bookings year-round. For instance, consider implementing a rate plan that offers a 10% discount for bookings made 60 days in advance or a special rate for stays longer than 14 days. Whenever you set pricing rules, make sure they can be easily tweaked to ensure that pricing remains competitive and attractive to various guest segments. Tailored rates not only attract a wider audience and increase bookings, but also enhance guest satisfaction by offering competitive, value-for-money options.

Save time with AI-powered dynamic pricing

Unlike rules-based rate strategies or plans, dynamic pricing strategies leverage machine learning to adjust and optimize rental rates daily in response to continuously changing market conditions, including competitors' actions, seasonal fluctuations, and your property's performance relative to similar listings.

By enabling you to instantly respond to market shifts, AI-powered dynamic pricing helps you remain a step ahead of competition, achieve maximal occupancy, and optimize your property's financial outcomes.



Diversify your distribution

In an increasingly crowded online market dominated by major players, expanding your property's visibility is crucial. While this may seem daunting and require investment, there are effective strategies to increase your exposure. Below, we explore two key approaches to boost your online presence and strengthen your brand, helping you to stand out.

Maximize multi-channel exposure

Promoting your listing across various booking channels broadens your audience reach. This strategy, however, tends to put additional pressure on resources, requiring careful interchannel alignment and management to maintain consistency and a positive customer experience. Key considerations include:

Preventing double bookings

Consider introducing a centralized calendar system to synchronize bookings.

Aligning pricing and promotions across channels

Try matching each channel with a tailored pricing strategy, including custom mark-ups, to account for internal cost structure

Adapting to higher communication volume:

Try implementing automated responses for efficiency.

Take advantage of your own branded website

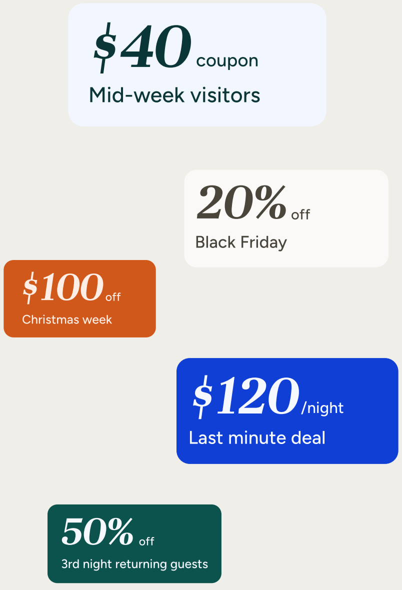
For growing portfolios, launching a direct booking website is a strategic next step—not only does it offer further exposure, it helps generate new revenue by:

- **Serving as a marketing platform to enhance your personal brand** and drive more visitors to your properties. Use data analytics to gather user information (that would otherwise be unobtainable), which will enable you to better target key demographics and personalize audience outreach.
- **Saving on booking channel commissions.** Many OTAs also charge guests a service fee, which means you'll likely need to lower your overall price to stay competitive. Having your own booking website allows you to bypass these additional fees, maximizing profits.
- **Generating new revenue** by promoting your own upsell opportunities directly from your website (more on that in the next section).

Capitalize on coupons

Coupons can be used across channels to not only entice guests by offering a discount, but to build a loyal customer base. Exclusive discount coupons can be an especially effective tool for incentivizing guests to book directly with you, which not only increases your revenue but also strengthens your relationship with your customers.

Direct booking coupons should be customized to suit various promotional strategies. For instance, you can offer a 10% discount for first-time guests or a special rate for returning customers. These coupons can be promoted through your website, social media, or email campaigns, driving traffic to your direct booking platform.

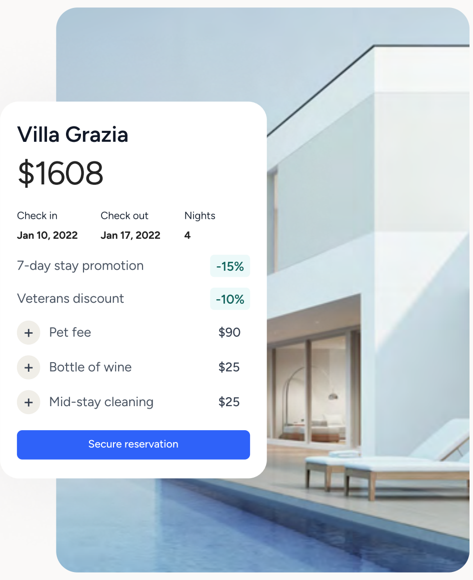


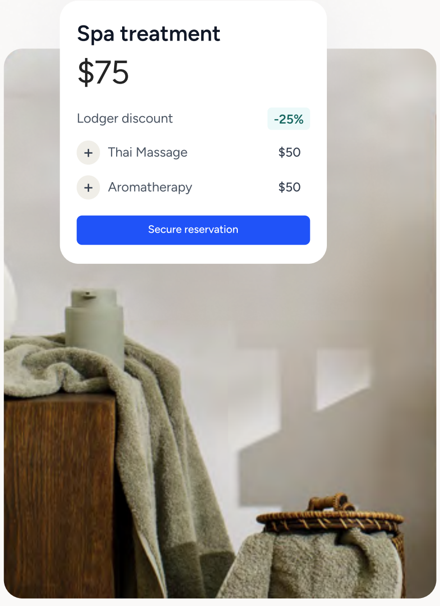
Unlock upsell opportunities

While many STR property managers focus on traditional revenue management strategies to boost income, they often underutilize tactics such as upselling or cross-selling. These not only have the potential to significantly increase revenue per guest (a guest's travel budget is not limited to rent) but, done right, they work to enhance your guests' overall experience, fostering customer loyalty and generating more five-star reviews.

Accommodation upgrades

The aim of upselling is to increase guest spending by offering enhanced options or upgrades within the same category or product line. For example, depending on your portfolio, you might be able to offer guests the opportunity to upgrade their accommodation from a standard unit to a premium one with more space and luxurious amenities for an additional fee. Similarly, you could provide early or late check-in options or mid-stay cleaning for an extra charge. This strategy will boost revenue, while demonstrating your attentiveness to guest needs. It fosters trust and confidence in your ability to provide an enjoyable holiday, giving your guests a positive impression of your operation.





Additional products and services

Property owners can also cross-sell complementary products or services that improve the overall guest experience but aren't typically part of the accommodation itself. Related or supplementary offerings can include services such as spa treatments, airport transfers, local tours, or restaurant reservations to enrich the guest experience. These curated options not only generate revenue beyond the nightly rate—they showcase your care, professionalism, and commitment to guest satisfaction.

The easier it is for guests to upgrade or purchase extras, the more likely they are to convert. Implement one-click options, ensure high visibility of opportunities, and simplify decision-making.

When should I offer an upsell?

Initial booking

At this point, you should offer services or amenities that will make your listing more attractive, such as early check-in/late check-out, airport transfers, or access to exclusive amenities. Even if guests don't take you up on them now, they know they are available. **Highlighting additional services and amenities at this stage could reflect favorably on your brand and sow the seed of future purchases.**

Upon arrival

A vacation tends to be an isolated financial event, during which people splurge more willingly. Once it starts, guests may be more inclined to explore–and spend on additional offerings. **Focus upsell communication on accommodation - guests are now more likely to invest extra in anything that will make them feel at home.**

Pre-arrival

As guests begin to plan their travel in earnest, new requirements may emerge. They may decide to book an airport transfer, realize they need an early check-in, or want groceries to be waiting for them upon arrival. **Offerings that alleviate travel stress are more likely to sell at this stage.**

During the stay

Offer suggestions (in a non-intrusive manner) that you think guests may enjoy based on your interactions–such as a late checkout, a private chef, or a local experience. **Well-timed experiential offers, such as discounted local events, are likely to hit the spot at this stage.**

Track your finances

While implementing the strategies outlined above is important, overlooking the need to consistently monitor, analyze, and report on your revenue streams and expenditure can undermine even the most successful STR businesses. These fundamental practices are critical for ensuring long-term sustainability—even for properties that consistently achieve high occupancy rates. They allow you to get a real picture of your business's performance and identify trends and pivot as needed.

Effective STR financial management relies on robust accounting, reporting, and analytics to enable precise projections, and ensure that your pricing adequately covers operational costs, while maintaining a healthy profit margin.

Accounting

Use a dedicated accounting system to track all income and expenses, categorizing them for easy analysis and tax reporting.

Regularly reconcile your books with bank statements and booking platform payouts to ensure accuracy.

Maintain detailed records of all property improvements and maintenance costs.

Stay on top of tax obligations.

Reporting and analytics

- The first step is to establish clear KPIs (e.g., occupancy rates, per-property revenue, guest review scores, direct vs OTA reservations). These will enable you to measure your performance against clear benchmarks and promote more analytical decision making.
- Next, compare your historical performance. Reviewing lessons learned and seeing what worked and what didn't in terms of strategies, actions, promotions, etc. will provide valuable insights to support your decisions.
- To gain a comprehensive view of future earnings landscape, analyze yearly revenue breakdowns, segmented by booking channels, fees, geographical regions, and individual properties.
- Finally, conduct regular financial reviews to identify cost-saving opportunities and areas where revenue can be enhanced.

Be aware of these 5 hidden margin killers

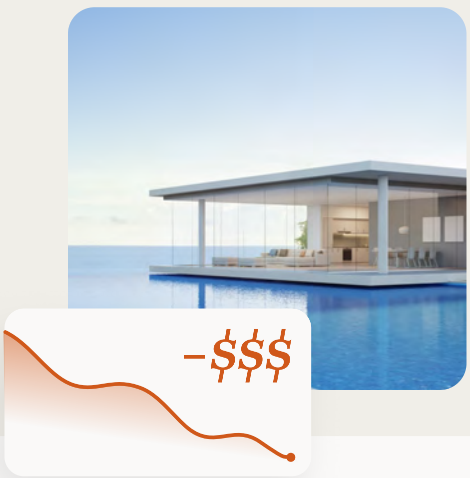
1.
Financial shortsightedness
Inadequate planning and forecasting hinders growth.

2.
Occupancy gaps
Vacancies that drain potential revenue.

3.
Maintenance surprises
Unexpected repair costs eroding margins.

4.
Unprotected assets
Guest damages without proper insurance coverage.

5.
Flexible policies fail
Revenue loss from lenient cancellation terms.



This data-driven approach will empower you to make informed decisions, continuously adjust your strategies, and ultimately—maximize profitability across your portfolio.

Conclusion

The constantly changing, increasingly competitive STR landscape presents both challenges and opportunities for growth. Implementing the strategies outlined here can significantly boost your revenue and enhance guest experiences. Reach out for an obligation-free consultation to learn how Guesty can help you achieve your goals and drive your business forward.