



COVID-19 & Consumer Sentiment

BUSI 488-003

Group Kappa

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How can we improve consumer sentiment around VRBO's refund policy?

1. News Coverage of VRBO
 2. Methodology & Assumptions
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HOTELS

Vacation rentals are taking a page from the hotel playbook and tacking on extra fees

Christopher Elliott Special to USA TODAY

Published 7:00 a.m. ET Aug. 14, 2020 | Updated 2:43 p.m. ET Aug. 16, 2020

When Karen Payton searched online for a vacation rental in Hawaii, she expected to find pictures of gorgeous homes by the beach, and maybe a deal or two. Instead, she discovered

Here's how safe it is to book a vacation rental right now

Julianne Ross

Updated 5:42 PM EDT, Thu July 9, 2020

THE WALL STREET JOURNAL.

BUSINESS

Americans Are Ready to Travel. But Where Can They Go?

Domestic travel rebound is expected to outpace international recovery as barriers to cross-border trips persist

Is it Safe to Rent an Airbnb, Vrbo, or Vacation Home Right Now? Here's What Experts Say

It depends on the precautions you take and how comfortable you feel, but going on vacation during a pandemic isn't risk-free.

By **Korin Miller** | May 18, 2020



HOTELS

Travelers are flocking to Airbnb, Vrbo more than hotels during COVID-19 pandemic. But why?

David Oliver USA TODAY

Published 7:00 a.m. ET Aug. 26, 2020 | Updated 8:37 p.m. ET Aug. 26, 2020

Sean Malin and his friends, like many Americans this summer, were desperate to get the heck out of (quarantine) Dodge despite the coronavirus pandemic.

"We *needed* to vacation somewhere," Malin, 28, told USA TODAY.

Our Methodology & Assumptions

How we processed the data:

- Sentiment analysis of VRBO tweets from March 2020 & March 2021.
- Word cloud comparison of +/- VRBO tweets.
- Sentiment analysis of Airbnb & Hotels.com tweets from March 2020 & March 2021.
- Word cloud comparison of +/- Airbnb & Hotels.com tweets.

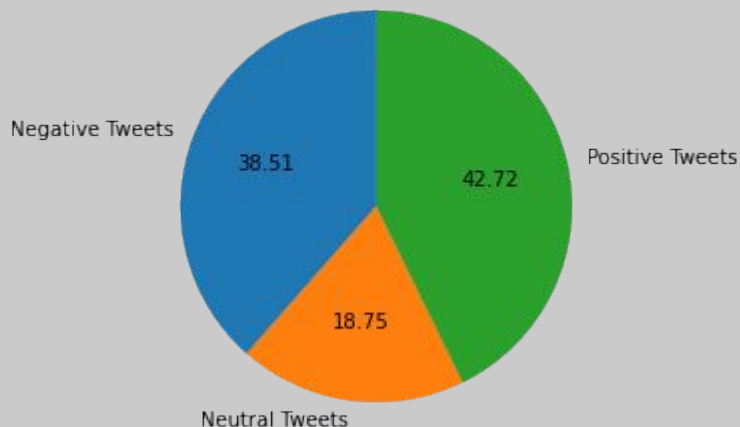
Assumptions we made:

- We achieved a good representation of all VRBO tweets by scraping from just March 2020 and March 2021.
- Tweets are a good representation of total consumer sentiment surrounding VRBO during the pandemic

How has consumer sentiment changed through COVID-19?

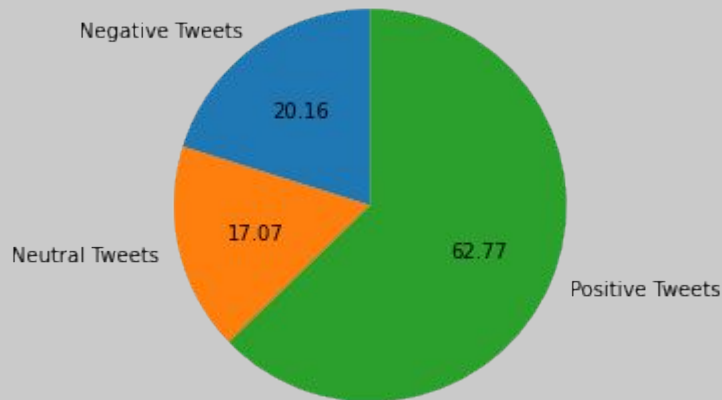
March 2020

Proportion of Tweet Sentiments for VRBO: March 2020

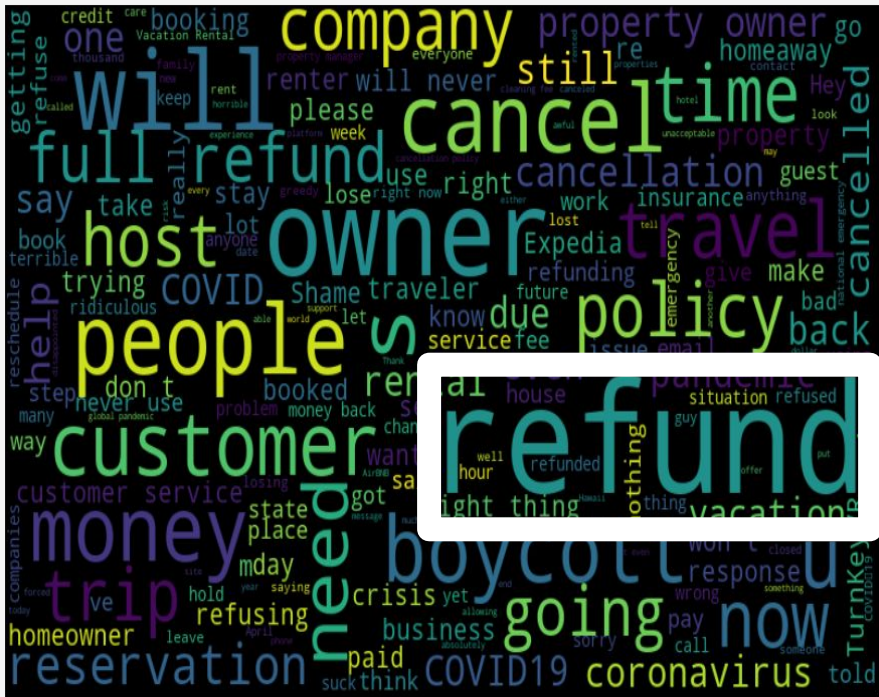


March 2021

Proportion of Tweet Sentiments for VRBO: March 2021



Understanding the Tweets:



Negative Tweets from March 2020

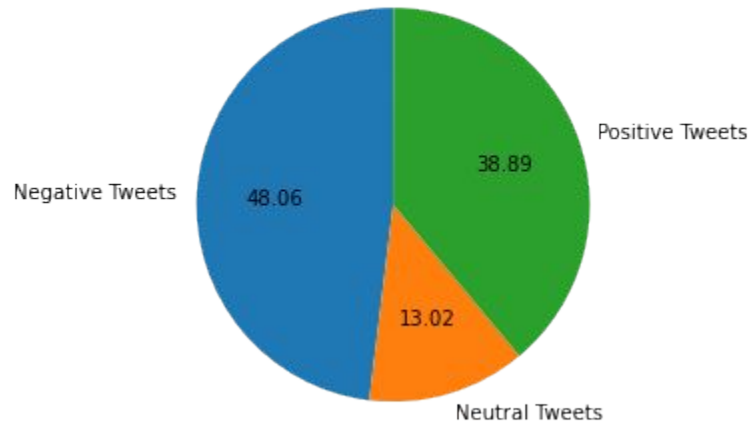


Negative Tweets from March 2021

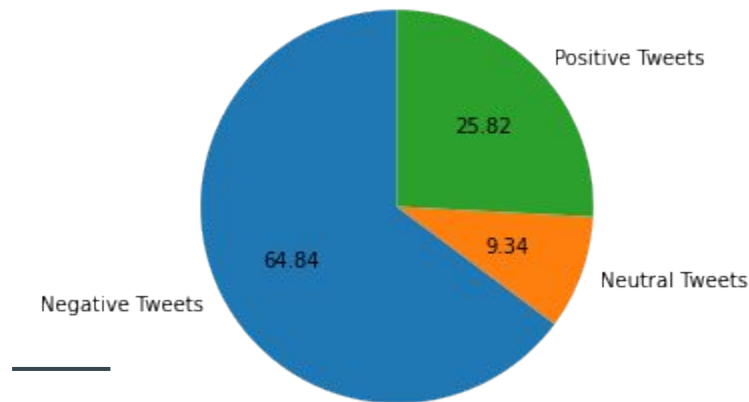
Further Investigations into 'Refund'

- ❑ @vrbo Why is Airbnb giving refunds but you are not? I am out \$1500 because of covid-19 cancellation and you will not help.
- ❑ Hey @vrbo remember that time you allowed your home owner to not refund me even though there was a stay at home ORDER giving to all California residents?

Proportion of "Refund Tweet" Sentiments for Vrbo: March 2020



Proportion of "Refund Tweet" Sentiments for Vrbo: March 2021



Explanation for the Change in Sentiment around 'refund'

Vrbo CEO Jeff Hurst expands COVID-19 refund policy

📅 20th March 2020 👤 Miles Hurley 🏷️ cancellation, Coronavirus, Covid 19, Jeff Hurst, VRBO



US: In a letter sent to Vrbo users, CEO Jeff Hurst has unveiled the first update to the company's COVID-19 cancellation policy.

The group has previously been alerting users that the situation was not severe enough to mandate full refunds.

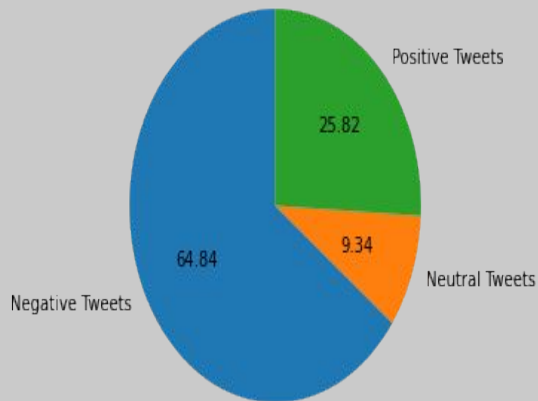
Vrbo now offers two options for a return of funds due to the virus. The first choice, which is the default, is that any cancellations can be made for full value credit on the platform, with flexible stay dates, for a rebooking later in time.

Findings suggest that the expanded refund policy, amended on March 20, 2020, was effective in boosting consumer sentiment around 'refund' during the effective time period of the expanded policy.

How does VRBO compare to Airbnb and Hotels.com?

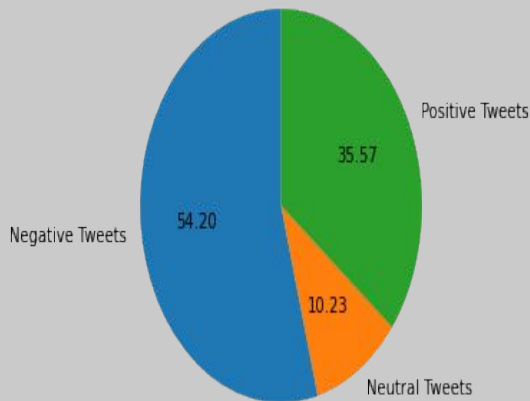
VRBO

Proportion of "Refund Tweet" Sentiments for Vrbo: March 2021



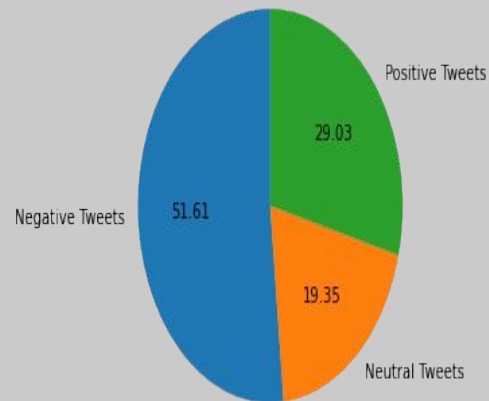
Airbnb

Proportion of "Refund Tweet" Sentiments for AirBnB: March 2021



Hotels.com

Proportion of "Refund Tweet" Sentiments for Hotels.com: March 2021



Conclusions & Recommendations

Summary of Findings:

- VRBO's overall consumer sentiment has improved since the beginning of the coronavirus crisis.
- VRBO has the highest percentage of negative sentiment related to 'refund' tweets than it's direct competitors.

How can VRBO improve consumer sentiment?

- To gain a competitive advantage via increased positive sentiment, VRBO should permanently expand the refund policy.
- VRBO should make a universal refund policy that provides the same refund experience for all users.

Limitations

- Drew conclusions from 2 months worth of data rather than over the 12 month period.
 - March 2020 had significantly more tweets than March 2021 for VRBO.
 - Computing power prevented us from scraping as many tweets as we could have, limiting our sample data.
 - Given more time, we would look into more individual words with to evaluate sentiment, both positive and negative.
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