

Case Study: Airbnb

July 8, 2015



airbnb

How do you **Disrupt an Industry?**

- Completely **reimagine** the business model of an industry
- Completely change the way that you conduct marketing
- Airbnb did both, and today is worth about **\$25 billion**

What is Airbnb?

- Airbnb is a **peer-to-peer** nightly room rental network
- People can put their spare bedrooms or entire apartments online and rent them out



WELCOME HOME

Rent unique places to stay from local hosts in 190+ countries.

[How It Works](#)

Explore the world

See where people are traveling, all around the world.





An Urban Sanctuary in Portland

★★★★★ 67



Private Room
Hosted by Aura Spring

Book It



An Urban Sanctuary in Portland

Private Room - 6 reviews - Portland



Anne
Accepted



An Urban Sanctuary in Portland

Private Room

Arrives
Sat, Aug 30, 2014
3:00 PM

Departs
Mon, Sep 1, 2014
11:00 AM



Invite your friends



Earn 1000 travel credit

Invite Now

airbnb

Hi, Ana M. | Account | Log Out | My Itinerary | My Trips | \$ 0.00

Get your app

We back to search

Enchanting view & interior decor

Apartment - Entire home/apt - Boulevard Montreuil, Paris, Seine-France 75013, France

Photos Maps Street View Calendar



Check-in Amenities House Rules

Price

\$144 (per night)

Check in: Check out:

Who:

Book it!

Travis J

Response Rate: 95%

Contact Me

Similar Listings

6 Photos \$100/night

Appooped!

Marketplaces

- One area of metrics we didn't talk a lot about is around marketplaces
- Marketplaces are incredible **difficult to build** because you don't just have one side of a transaction, but both sides
- On Airbnb, you need people to rent and people to provide rooms – at the same time!

Network Features

Airbnb has to do an incredible amount to make its marketplace function

Scheduling



\$47

Per Night



Bibimbap

bibimbapguesthouse singleroom

Jongno-gu, Seoul, South Korea ★★★★★ (8)



Private room



2 Guests



1 Bed

About This Listing

Our guesthouse is traditional house, which is over 100years old. It is located near Gyeongbok palace, ChangDeok Palace(UNESCO World heritage site), Insa-dong, Mydongdong, and Dongdaemun etc.You will have convenient travel for siteseeing

Contact Host

The Space

Bed type: Real Bed

Property type: Bed & Breakfast

Accommodates: 2

Bathrooms: 1

Beds: 1

Check In: 1:00 PM

Check In

Check Out

Guests

07/15/2015

07/18/2015

1


< July 2015 >

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Clear Dates 1 night minimum stay
Updated 1 day ago

Share: ...

Payments / Instant Book

\$47		Per Night
Check In	Check Out	Guests
<input type="text" value="07/15/2015"/>	<input type="text" value="07/18/2015"/>	<input type="text" value="1"/>
\$47 × 3 nights		\$142
Service fee 		\$18
Total		\$160
⚡ Instant Book		

Insurance

AirBnb Guests Completely Destroy Rented House in "Drug-Induced Orgy"



Jay Hathaway

Filed to: SHARING ECONOMY 5/07/15 1:10pm

80,305 🔥 22 ★ ⌵



AirBnb has agreed to compensate the owners of a Calgary home that was **thoroughly destroyed** in a **"drug-induced orgy"** while four people were renting it through the online service.

Insurance



Host Protection Insurance

Accidents are rare, but they can happen. And we do our best to help protect you when they do.



A New Level of Protection

Effective January 15, 2015, if a guest is injured in a listing or elsewhere on the building property during a stay, the Host Protection Insurance program provides coverage for Airbnb hosts and, where applicable, their landlords under a general commercial liability policy.



Coverage for US Hosts

Up to \$1 million worth of insurance protection in the U.S. Whether you rent or own, if you're hosting at a listing in the U.S., the Host Protection Insurance program is designed to cover you against claims arising during Airbnb stays.

Reputation Systems

8 Reviews ★★★★★

Summary

Accuracy
Communication
Cleanliness



Location
Check In
Value



Jane

Great location and hosts! Very friendly. The place was clean and exactly as advertised.

June 2015



Paul

The host was very welcoming. When we stopped at a nearby shop trying to find the location, he came in the rain to walk us there and he walked us to a delicious nearby Korean BBQ restaurant. He was helpful and an interesting person to talk to. The bathrooms were modern but

...and the host was very helpful. The host was very helpful.

[+ More](#)

From Prescott, AZ · June 2015



Cyndi

Best experience ever! This place is 2 minute walk from the subway. Guesthouse is really clean and they provide breakfast for you. The host, Leo and his family is very accommodating and they provide luggage service. I would definitely recommend this place to others.

From Los Angeles, CA · June 2015

Reputation Systems



Hey, I'm Jane!

US · Member since June 2014

 Report this user







Reviews



Verified ID

Verified ID

-  Email Address Verified
-  Phone Number [REDACTED] 24
-  Reviewed
4 Reviews
-  Offline ID
Personal Info

Reviews (4)

Reviews From Hosts



Bibimbap

Jane is a best backpacker I have ever seen she look like enjoying free style travel moreover she introduce me to her friend I really want to meet her again ^^

From Seoul, South Korea - June 2015



Jane was really nice guest, and i was happy to host her stay, easy to communicate with and to arrange her stay

No wonder **1000 people**
work at the company!



Total Guests

35,000,000+



Cities

34,000+



Castles

600+



Countries

190+

Listings Worldwide

1,200,000+



Why is Airbnb
successful?

Community

Stories from the Airbnb Community



New York, United States

A busy New Yorker keeps pace with tradition



London, United Kingdom

Second Act: A new beginning



New York, United States

New Chapter: Breaking bread together...again



London, United Kingdom

Sowing the Seeds: Of love, and of vegetables



Los Angeles, United States

The Art of Receiving: A host transforms his home, his work—and his life



New York, United States

Full House: An invitation to friends, both old and new

A busy New Yorker keeps pace with tradition



In between marketing Carnegie Hall and marathoning, Michael enjoys connecting with guests who stay in his home.

Phones ringing off the hook... email in-box overflowing... Stressful doesn't quite cut it when describing Michael's job as marketing manager for Carnegie Hall. Nowadays, the iconic institution holds more than 800 performances a year.

Inspired by the desperate need for work-life balance and as a way to pay tribute to his late father, who died of cancer in 2003, Michael took up running. And not just any running, we're talking marathons—two to three per year.

Michael shared a photo of his father running in a Marine Corps marathon. It was shot at Mile 24, the pain purely visible on Dad's sweaty face. Every time he runs a marathon and reaches this point in the race and feels the pain, Michael sees it as a bonding moment between father and son.

Michael has found special ways to bond with guests who've rented the spare bedroom of his Queens home. Once upon a time, he literally took his work home with him: tickets to a show (executive box seats!) at Carnegie for a couple visiting from Italy. "They just went nuts," said Michael, "and it was just so neat because I felt this connection that I was their tour guide, that I was their mentor while they were in New York City."



New York, United States

Share:

Sharing Economy

- Airbnb invented the idea of the **sharing economy** – that people could use the property and assets they own and rent them out and share them with others
- An enormous part of Airbnb's branding is based around the idea of **community** – that this isn't a profitable venture

Sharing Economy

- Today, the sharing economy is a massive area of growth in the United States

MAKING THE SHARING ECONOMY WORK FOR YOU

DISCOVER WAYS TO
EARN.

FIND WORK

TOOLS TO SIMPLIFY
YOUR WORK.

MANAGE WORK



RATINGS FROM YOUR PEERS

Ratings and review on sharing
economy companies

SUPPORT YOU NEED



Insurance



Tax & Financial



Legal



Manage

Branding

- Airbnb has built its brand about being responsive to both its hosts and its renters
- Key themes include **exploration**

Seoul

Find a neighborhood

Get around with

Public Transit

Places to stay

[See all listings](#)

Known for

K-POP, K-drama, shopping, skyscrapers, changing fast, royal palaces, temples, night markets, Korean BBQ with soju, beauty products, all night drinking

Locals Love



Street markets, street food, street shows, weekend hikes, biking on the Han River, relaxing at Jjimjilbangs, Hongdae hangouts, karaoke, chicken with beer

Locals Complain About



Traffic during rush hour, subways during rush hour, rising property prices, everything changing too quickly, trends and fads, hot summers, cold winters

Featured Neighborhoods

Explore 24 Seoul neighborhoods. Which are right for you?



Hongdae

Rock on, Hongdae.

Fashion Forward - Creative -
Party Central - Indie Bands



Samcheongdong

The right destination for date night.

Hanoks - Nature - Hot Spot - Date Night




Gangnam

Only Gangnam does it Gangnam Style.

Offices - Bright Neon Lights -
Shiny And New - Meet Up Spot

[Find a neighborhood](#)



Hongdae

Pursue your artistic dreams and party until tomorrow in trend-setting Hongdae.

Nightlife

Artsy

Loved by Seoulites

Touristy

University Life

Famous for Food

Great Transit

Shopping

Watch trends take form in Hongdae, a fashion-forward and forward-thinking Seoul neighborhood. To the west of business-savvy Jongno, Hongdae's business consists of blankets at sidewalk markets and all-night dance clubs blanketed in bright lights. Wear what you like and say what you mean in Hongdae. Here, self-expression is paramount—it's written on walls, espoused in streets, and danced in front of gathered crowds. What you see today in Hongdae, you'll hear about tomorrow everywhere else.

 Tweet  Pin it  +1  Like 37

The community says:

Fashion Forward • Creative • Party Central • Youthful And Hopeful • Indie Bands • Live For Today • Bohemians • Rebels Against The Mainstream • Artsy • Tgif • Be Yourself



Local Seoul favorites like "The Frypan" trace their roots to Hongdae.



Restaurants that began as inexpensive student hangouts have gained notoriety beyond Hongdae's university population.

Popular Places to Stay



Airbnb.com
Verified Photo

\$72

Luxury double, 2min Hongdae Seoul
By Martin



Business Model

- Airbnb also completely re-envisioned the idea of a hotel





Traditional Hotels

- For Customers:
 - Same experience at every location
 - Professional, but sterile
 - Massive and impersonal
 - Have lots of amenities

Traditional Hotels

- As a Business:
 - **Expensive** – have to own real estate in expensive cities where people want to stay and pay workers
 - **Growth is challenging** – new demand requires constructing a new building
 - **Competition is severe** - hotels constantly compete against one another

Airbnb's Transformation

- For Customers:
 - **Economy of Abundance** - We can have whatever we want at many different prices
 - **Memories** – We can have unique experiences around the world that are very different than typical hotels

"Aircraft's" airplane in the Netherlands (\$496 a night)



Lycheng and Van Bo's 1-SQM "house" in Germany (\$14 a night)



Craig's lighthouse in New York (\$350 a night)



Giraffe's manor in Kenya (\$500 a night)



Airbnb's Transformation

- For Customers:
 - **Economy of Abundance** - We can have whatever we want at many different prices
 - **Memories** – We can have unique experiences around the world that are very different than typical hotels
 - **Aspirational** – Sharing aspect targets a different consumer who desires a more personal relationship

Airbnb's Transformation

- As a business:
 - **Immense Flexibility** – they can expand their supply of rooms simply by marketing
 - **Expense management** – if a room isn't rented, Airbnb loses nothing – all risk is held by the hosts
 - **Emphasize Technology** – Hotels are traditionally service businesses. Airbnb is a technology company

New Competition




onefinestay Search Our service Jobs Be a host Bookings +44 20 7167 2524 Enquiries Login

Arrival date
Select date

Departure date
Select date

Where
All locations

Guests
1 Search



Rue des Récollets III
Stay at Rue des Récollets III in Canal Saint-Martin - République, Paris
from \$223/night

Handmade hospitality for stays in the finest homes



Policy / Regulation

It's On: Airbnb Regulation Set To Hit San Francisco's Ballot This November

Posted yesterday by [Kim-Mai Cutler \(@kimmaicutler\)](#)



Next Story



CrunchBase

Airbnb

FOUNDED
2008

OVERVIEW

Airbnb is a community marketplace for people to list, discover and book unique spaces around the world through mobile phones or the internet. Whether an apartment for a night, a castle for a week, or a villa for a month, Airbnb connects people to unique travel experiences at any price point, with over 500,000 listings in 33,000 cities and 192 countries. With a growing community of users, Airbnb also ...

LOCATION

San Francisco, California

Final Thoughts

- Airbnb is a **movement company** - it has become the defining example of a new way to do business (the sharing economy)
- Therefore, it has not just built a great business, but has had tremendous influence on the rest of the startup ecosystem