



Airbnb's New Travelers Assurance Plan
Global Marketing & Business Intelligence
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Problem Statement

The rise of Airbnb and other peer-to-peer short-term rental services within the sharing economy represents a transformative innovation within the tourism accommodation industry and has significantly disrupted the hotel industry.

However, the company is struggling to attract new customers in Southeast Asian markets (Thailand) due to concerns related to protection and security, qualities strongly associated with established hotel chains.



Opportunity Statement

We recommend that Airbnb should reposition itself in Thailand with an emphasis on safety. This would entail Airbnb launching marketing campaigns that are pertinent to the Southeast Asian market.



Company Profile

Headquarters:

San Francisco, CA

Founded:

August 2008 by Brian Chesky, Joe Gebbia, and Nathan Blecharczyk

Operations:

4,500,000 listings in 81,000 cities,
191 countries

Financial Information:

Market value - \$38 billion (2018),
Profit - \$93million (FY 2017)

Revenue Source: Service fees from bookings (travelers), Processing fees from guest payments (hosts)

Competitive Advantage: C2C host network, price, digital sharing economy



Travel to Southeast Asia

INTERNATIONAL TOURIST ARRIVALS 2017 SOUTHEAST ASIAN COUNTRIES

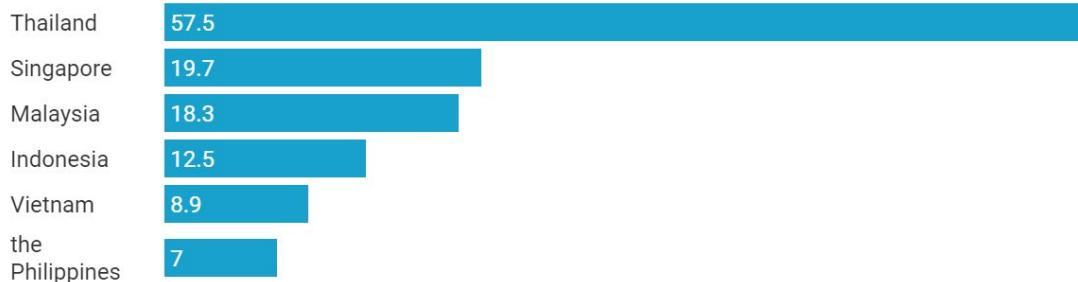
Countries	Nbr of Arrivals
 Thailand	35,381,210
 Malaysia	25,948,459
 Singapore	17,422,826
 Indonesia	14,039,799
 Vietnam	12,922,151
 Philippines	6,620,908
 Cambodia	5,602,157
 Laos	3,860,000
 Myanmar	3,440,000
 Brunei	238,150
 Timor Leste	66,000

Source: reuters, tourism.gov.my, gtb.com.sg, detik.com, Laotianimes.com, knoema.com, mmbiztoday.com, thescop.co, Phnompenil.post, tourism.gov.ph, vietnamtourism.com.vn

Tourist numbers in Southeast Asia increased by 10% in the first four months of 2018, the largest such growth of any region in the world.

(United Nations World Tourism Organisation)

International tourist receipts 2017 (US\$ billion)



Customer Segmentation Framework

- Process of market being divided into groups that are internally similar in a meaningful way
- Strategic tool for tourism marketers; actionable insights on targeting, positioning, and competitive analysis
- Factors to consider:
 - Size
 - Actionable
 - Profit Potential



Customer Segmentation



Travelers

This segment involves customers in their **mid 20's to mid 30s** who **enjoy traveling** but are **unfamiliar to the location** they are visiting. They are **cost-conscious** and prefer not to spend all of their money in a hotel room. They are focused on **visiting popular tourist sites** but also concerned with **staying safe** as they travel throughout the area.



Hosts

These include **homeowners** who are willing to rent out their places. They want to **utilize unoccupied space** as a **secondary source of income** or may want to **meet interesting people**. They are **cautious** to the people they rent out to and desire **open communication** and **respect for their property** from their guests.

Safety Concerns

57% of millennials say safety ranks as high importance

2018 Future of U.S. Millennial Travel study

Hotels have advantage over Airbnb with respect to safety

- Trained staff
- Surveillance systems
- Security guards
- Emergency response plans

Quote from a frequent traveler:

“Traveling solo, I’m always concerned about security and safety. I want to relax and sleep well knowing assistance is a phone call away.”



Safety Concerns

Travelers	Hosts
Living conditions might be unsafe or unacceptable	Theft
Victim to Airbnb scam	Liability (injuries, damaged property)
Difference between expectations and reality	Risk of renting to squatters
Untrustworthy hosts	Untrustworthy travelers

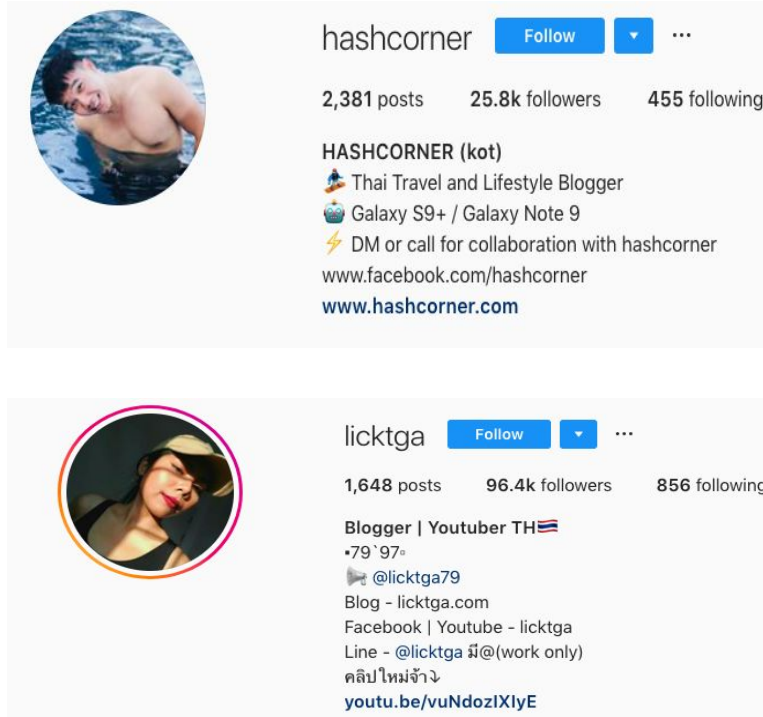
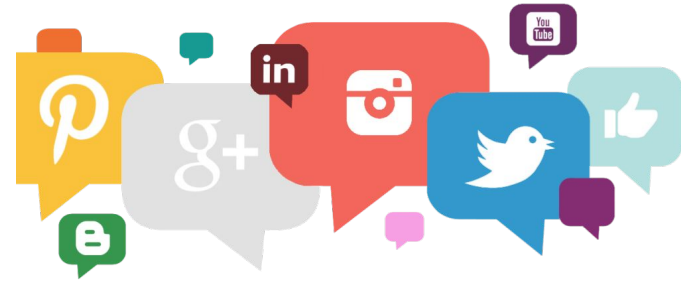


#OneLessStranger Campaign

- In 2015, Airbnb launched the “One Less Stranger” campaign in an effort to create a sense of belonging among strangers.
 - Reflects Airbnb’s business model and reinforces sense of community
 - Over 3 million people engaged, created content, or were talking about the campaign
- Alleviate concerns of staying in a stranger’s home
 - “**Stranger**” is not a particularly great word to be used though as it has a negative connotation in Southeast Asia

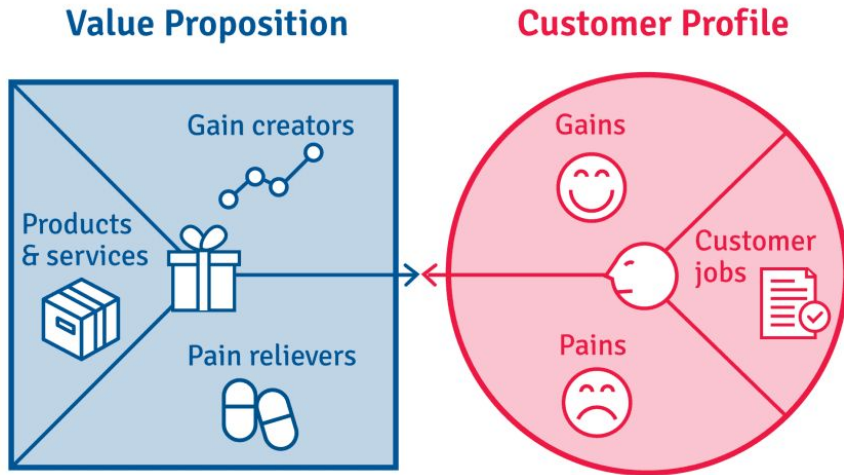


Brand Ambassadors Strategy



- Retains engagement aspect but enhances local experience as Ambassador's are more credible
- Partnering with social media influencers that are from the targeted country (i.e. Thailand) adds to the authenticity of promoting the country as a destination location
- Look for influencers with higher rate of engagement, so viewers know they can get their questions answered
- Influencers can post testimonials of other customers that have used Airbnb in the profiled country

Customer Value Proposition



Current Customer Value Proposition:

A community-based, two-sided online platform that facilitates the process of booking private living spaces for travelers. On the one side it enables owners to list their space and earn rental money. On the other side it provides travelers easy access to renting private homes. AirBnB also offers travelers with the opportunity to gain access to a wide variety cultural and social experiences within the local community they are visiting.

Updated Customer Value Proposition:

“To give people the feeling of comfort and security in an unknown environment, while providing that same comfort and security to the unknown.”

AIRBNB PRESENTS

Thailand Survival Guide

HERE ARE 8 WAYS TO IMPROVE
YOUR TRIP



1.) MONEY

Thai currency is Baht.
Notes come in 20, 50,
100, 500, and 1000 Baht.

ATM's will charge 150
Baht per withdrawal.

2.) SIM CARDS

SIM cards and top-ups are
available throughout
Thailand.

Major national operators
include: DTAC, True, AIS



3.) TRAVEL WARNINGS

Theft is a huge problem, keep
your valuables safe. Credit
card fraud is on the increase,
and drink spiking is common.
Always be on the lookout.

4.) TRANSPORTATION

No car, no problem! Get around
town with Tuk Tuk, trains, buses,
taxis, and motorbikes.



THAILAND ON A SNAPSHOT



5.) FAMILY TIPS

Tap water is not safe to drink! Consider taking a stroller. Taxis don't have car seats and high chairs are rare!

6.) FEMALE SAFETY

Be vigilant, drink spiking is common. Dress modestly and nudity is NOT welcome. Women are not allowed to touch monks.



7.) PASSPORT

If you lose your passport: call the police and travel insurance within 24hrs, report it to the government, prepare documents to get a new one.



8.) MEDICAL EMERGENCY

Call 1554 for Ambulance and Rescue or 1669 for a Medical Emergency.



Summary Recap

- Customer segmentation focusing on Southeast Asian market specifically
- Launch marketing initiatives that help alleviate safety concerns
- Increase accessibility to Airbnb safety resources
- Maintain and strengthen competitive advantage, elevate customer experience



Thank you



Questions?

Appendix

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