

Erica J Myers

MCO 494: Crisis Communication

Professor Dr. Fran Matera

October 16, 2020

Module 1: Assignment / Client Selection

Airbnb, Inc. is an online property rental market company, which is primarily used to arrange lodging during excursions. While the company does not own any of the properties, its main purpose serves as a type of brokerage system when users book a rental. In return, Airbnb receives a commission for the bookings. In August of 2020, Airbnb filed for an IPO, targeting for December 2020. The company's worth is estimated around \$31 billion.

The decision to select Airbnb, Inc. was due to the reports of complacency with property owners/landlords denying usage of or unexpected cancellations of reservations from minority renters. However, additional research has also unearthed additional controversies with the service. These crises include regulatory violations, scams, locations in turmoil, and affordability. It is the belief that Airbnb has suffered paracrises from a result of social media and reputational crises. While the offenses did not cease the operations of Airbnb, they did cause a decline in sales and profits due to property lessors violating the Fair Housing Act. The company's crisis management had to implement and revise policies and procedures to smooth over the discrimination accusations. As the textbook states, "Effective crisis management can protect lives, health, and the environment; reduce the time it takes to complete the crisis life cycle; prevent loss of sales; limit reputation damage; preclude the development of public policy issues (i.e., laws and regulations); and save money." (Coombs, 2018, p. 17) The curiosity of Airbnb's handling of these and future crises interests me.