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MCO 494: Crisis Communication

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## **Module 2: Client Assessment**

### **SWOT Analysis**

A SWOT analysis of Airbnb produced some interesting challenges and posed questions about the rental brokerage company. Airbnb has a large market share by being first on the scene, having a catchy and memorable name, and by building a reputation for itself. Some of the strengths that secures its success include affordability and cost effectiveness for travelers. Hotels and other lodging have limited capacity and could become extremely expensive for groups larger than four persons. Airbnb allows homeowners, with the space to handle large groups, to offer their customized lodgings based on the needs of the customer. These needs include an additional strength to Airbnb, location. With a variety of lodgings in 190 countries, Airbnb is as distant and local as a customer wants to be. Looking for an affordable place to stay during a festival or convention? Airbnb will probably be there. It is not only the location that is a strength to Airbnb. Hotels are monotonous. All the rooms look the same. The only thing different may be the number and size of the beds. With Airbnb you get a unique edifice, whether just a room or the entire home. It will different than a hotel room. You can choose your home away from home.

Airbnb also has weaknesses. While the joy of Airbnb is being introduced to new locations, there is also a culture shock that could dismantle a transaction which should

be enjoyable. The guarantee of the monotonous hotel room is that the property manager and staff will provide a clean, safe space for consumers to stay. With Airbnb, it is the responsibility of the homeowner/property owner to provide adequate and advertised lodgings. However, it cannot be guaranteed. This lack of quality control could pose a threat even to Airbnb's reputation. In reversal, the way a lessee leaves the property could subtract value from the homeowner's profits. Hotels have a first responder to unsanitary conditions, which is housekeeping and maintenance. Airbnb homeowners are left with finding solutions when a tenant trashes their home. This could also lead to Airbnb's reputation taking a hit when homeowners decide to negate or cancel a contracted reservation because of a bigoted stereotype or racial discrimination.

The Fair Housing Act was established to prevent segregation and discrimination in housing. However, some homeowners are violating this act and other anti-discrimination legalities to avoid ethnic minorities from renting out their property. This goes against Airbnb's beliefs, but they receive the majority of the backlash from past incidents. Having to rely on consumers to govern themselves and provide equality could result in the loss of market share to Airbnb as competitors begin to appear.

Some of the opportunities for Airbnb include:

- Additional International expansion
- Communications between the hosts and guests
- Alliances with businesses that provide lodging and have unused real estate

These opportunities could expand Airbnb into additional international locations, providing lodgings for consumers who wander off the beaten paths and nations that were not previous accessible, except to expensive hotels. There are also opportunities

for Airbnb to enhance the communications between hosts and guests. Hosts and guests would be able to communicate faster through messaging in the app or being able to call at a moment's notice. This would improve conditions for both the guest and host, especially in emergency situations. Airbnb could benefit more by joining forces with companies that provide lodging or are have unused real estate available. For example, a resort community with empty units could offer up the unused units for certain time frames. Apartment complexes that are between tenants or have units that are not rented could stage a unit and rent it out Airbnb business travelers.

The threats facing Airbnb are often created by hosts and guests. Racism and bigotry can cause loss of profits due to cancellations and bad reviews. Although the homeowner may be source of the threat, Airbnb's lack of active resolution could signal their complacency with the bigoted offense and tarnish their reputation. Another threat that poses an issue to Airbnb is voyeurism, or molka in South Korean culture. This threat is the utilization of hidden cameras located throughout the house, hosted on the internet with pay-per-view settings. Renters looking for a location to stay would unknowing provide watching material even during some of the most intimate situations, such as bathing, dressing, or intimate relations. Lastly, competitors will always be threat to Airbnb as slighted users turn to other companies like VRBO and Tripping.com

<b><u>SWOT Analysis</u></b>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Affordability and cost effectiveness for travelers.</li> <li>• Variety of locations in 190 countries</li> <li>• Unique rooms and houses.</li> </ul>	<ul style="list-style-type: none"> <li>• Ineffective and unable to control the quality of the accommodations.</li> <li>• Relying on homeowners to provide fairness and equality to renters.</li> </ul>

	<ul style="list-style-type: none"> <li>• Absence of hospitality staff to provide greeting, customer service, and sanitation.</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Additional International expansion</li> <li>• Alliances with businesses that provide lodging and have unused real estate.</li> <li>• Communications between the hosts and guests</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Racism, bigotry, and other behaviors of homeowners/guests</li> <li>• New and emerging competition: VRBO, Tripping.com</li> <li>• Molka / Voyeurism (hidden cameras)</li> </ul>

**GOST Model**

For the GOST model for Airbnb, goals can vary, but always the main goal is the make profits. Airbnb’s goals should include: increase revenue by attracting extra bookings, design better listings for homeowners, and increase the satisfaction for the guest and the homeowner. Through better listings the guests will know exactly what they are getting into when they rent. This will increase the satisfaction of the both parties. Lastly, increase the revenue because guests will be willing to repeatedly book through Airbnb.

The objectives for Airbnb should be to become a single source for users to make reservations for lodging and activities. This could be accomplished by the tactics of networking with publications and local businesses. Airbnb should integrate with social media, like Instagram and its “Story” feature to directly link to the website or open the Airbnb app that is congruent with the story posted. With the integration of social media, its app, and becoming a one-stop shop, Airbnb can engage users and create awareness of activities, emergencies, and other situations that may arise.

A strategy for Airbnb in the GOST model will be services similar to hotels and resorts. These strategies would provide quality control by verifying the sanitation and safety through in-person inspections. Highly rated properties could be featured and verified, which leads to the second strategy of providing a tiered-product/service. For example, a celebrity will not rent out their mansion or unused summer home for \$59 a night because of the value of the property. However, homeowners with “status”, they are given the privilege of offering their property within higher price range.

Tactics to improve service could include insurance coverage for homeowners and renters. Currently Airbnb provides coverage for extensive damage caused by tenants, but in addition to that, renters with unsavory status should either be obligated to purchase insurance to cover their stay or banned from the service. Airbnb, as a tactic, should sell the local experience. Networking with local publications and local businesses, Airbnb could stay up-to-date with local activities that may interest users, through promoting the location. These tactics could prove to be beneficial to Airbnb.

<b>GOST Model</b>	
<b>Goals</b>	<b>Objectives</b>
<ul style="list-style-type: none"> <li>• Designing better listings for homeowners</li> <li>• Increase satisfaction of guests/homeowners</li> <li>• Increase income with additional bookings</li> </ul>	<ul style="list-style-type: none"> <li>• Become a single place for user to makes reservations for lodging and activities</li> <li>• Integrating with social media to direct to website or app.</li> <li>• Engage users and create awareness</li> </ul>
<b>Strategy</b>	<b>Tactics</b>
<ul style="list-style-type: none"> <li>• Inspect quality homes personally to verify</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance</li> <li>• Sell the local experience</li> </ul>

<ul style="list-style-type: none"> <li>• Create tiers of product/service with pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Promote the location</li> <li>• Network with publications and local businesses</li> </ul>
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**PESO Model**

Airbnb’s marketing can thrive on the PESO model. It is already a technology-based disruptor of the hotel industry. Paid marketing, such as utilizing promoted social media, optimizing their paid SEO keywords, and even purchasing into lead generation services for properties, could keep Airbnb’s reign supreme.

The company has earned a good reputation with influencers, including celebrity figures who have rented out their homes. Continuation of influencers that rent out their properties could prove valuable as users fight with their wallets for a chance at how the other half lives. In addition influential tenants could bring up the Airbnb market value with posts favorable to the Airbnb model and rentals. Other earned marketing would include press releases and media kits for broadcasting companies to feature on broadcasts. Even having the media stay on a rented property to give first hand exclusives. Of course there is always the referral marketing, networking Airbnb with travel sites, like Orbitz, to refer Airbnb properties to be booked.

Some of the shared marketing includes a lot of Social media. When people get into something good, they immediately let others know on social media. Facebooks posts, Twitter blurbs with hashtags, and especially Instagram posts with their 30 hashtag limit, could boost Airbnb through the proverbial “word of mouth” marketing that is social media. However, some social media, like YouTube is not only shared, but also owned.

Owned media includes video. YouTube is social media of videos. Airbnb could really market themselves well with featured housing and locations in vlog-like videos and testimonials. It could even create its own “broadcast” by offering owners and renters to share their experiences with each other. These videos could also be used as visual podcasts. Owned media, in my opinion, is the best media because the company can control the information. An email campaign, a newsletter, webinars can be scheduled and presented at the company’s convenience and read/watched/interacted by the consumer at their leisure. The information is under the control of Airbnb and distributed with Airbnb’s marketing in mind.

<b>PESO Model</b>	
<b>Paid</b>	<b>Earned</b>
<ul style="list-style-type: none"> <li>• Sponsored posts on Facebook</li> <li>• Boosted posts on Instagram</li> </ul>	<ul style="list-style-type: none"> <li>• Influencers</li> <li>• Media kits</li> </ul>

<ul style="list-style-type: none"> <li>• Lead Generation services</li> <li>• Paid SEO keywords</li> <li>• TV/Radio ads/broadcasts</li> </ul>	<ul style="list-style-type: none"> <li>• Press Releases</li> <li>• Referral marketing</li> </ul>
<b>Shared</b>	<b>Owned</b>
<ul style="list-style-type: none"> <li>• Facebook</li> <li>• Twitter</li> <li>• Instagram</li> <li>• Snapchat</li> <li>• YouTube</li> <li>• LinkedIn</li> </ul>	<ul style="list-style-type: none"> <li>• Podcasts</li> <li>• Video</li> <li>• Email Campaign</li> <li>• Newsletter</li> <li>• Webinars</li> <li>• Infographics</li> </ul>

**Problem/Challenge Statement**

Airbnb provides a solution for homeowners to monetize their property, while providing affordable experiences for renters, and combatting intrusive government legislation and taxation on the rights of property owners.

<b>User</b>	<b>Need</b>	<b>Insight</b>
Homeowner	Homeowner has space in their home that is not utilized.	The property owner could rent out the extra space in the property, or rent out the entire property while away, and make extra money.
Traveler	Traveler needs affordable lodging in specific locale.	The traveler can rent out the extra space in a home or the entire property for an affordable rate.