
Integrated Marketing Campaign-Service

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Airbnb: An Experience

**A SERIES OF STEPS TO INCREASE THE AMOUNT OF BOOKED
EXPERIENCES IN THE LOS ANGELES AREA**

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I. EXECUTIVE SUMMARY

Company Description:

Airbnb is a company motivated by helping travelers to have an affordable trip that they can remember for life. Airbnb's service mix is geared around bookings. Bookings allow a host to list their home, an event, or a fully planned out vacation for money.



Campaign Objectives:

Primary: Increase the total amount of experiences booked from middle class 20-30 year olds in the Los Angeles County and Orange County by 25% in between the dates of May 17th, 2021, to June 30th, 2021

Secondary: Increase experience retention rate of 20-30-year olds in the Los Angeles County and Orange County by 25% in between the dates of May 17th, 2021, to June 30th, 2021

Tertiary: Increase the Market share from 30-40-year-old Los Angeles County and Orange County middle class residents by 10% in between the dates of May 17th, 2021, to June 30th, 2021

Campaign Target Market:

- Primary: Middle class 20-30-year olds who are on a trip in the Los Angeles area
- Secondary: Middle class 30-40-year olds who live in the Los Angeles area

Campaign Activities:

Phases	Activities
1: Prep	We will begin development of the Odyssey Excursion system and Biography Discount system on September 1st, 2020. We will begin development of the Advanced Experiences system on November 1st, 2020. We will begin development of the Lodging Discounts system on January 1st, 2021. We will also host a press conference to announce the activities, which will be on February 20th, 2021
2: Launch	On May 17th, 2021, we will unlock our modifications made to the app and website. We will also begin advertising the changes made to our app and our website within the Los Angeles County and Orange County. We will begin advertising our service to people within the L.A area via our app, billboards, bus stops, buses, LAX airport, and benches in L.A.

Campaign Budget:

Technology Improvements	\$975,570
Campaign	\$443,070
Budget Total:	\$1,418,590
Expected Revenue:	\$1,700,000
ROI:	20%

Key Metrics:

- Funnel Analysis
- Quality of the Customer's Journey Through the Funnel
- Promotional Effectiveness

II. DESCRIPTION OF THE SERVICE

Airbnb, Inc. operates an online community marketplace for people to list, discover, and book lodgings, events, and vacations in any location around the world. Users can list, discover, and book from the airbnb website, or from a mobile phone utilizing the Airbnb app. The company allows its users to share their lives with other users. They allow people to rent out their extra space and showcase it to an audience in order to make money. It also publishes an online travel magazine under the brand name Airbnbmag. Airbnb, Inc. was formerly known as AirBed & Breakfast, Inc. The company was founded in 2008 and is based in San Francisco, California, with offices across North America, Europe, and Asia.

Airbnb's service mix is designed to accommodate as many of the aspects and dynamics of the customer's vacation as possible. Within Airbnb's service mix are 'experiences,' which offers those who book this service, an "immersive" travel experience, which includes city tours, peer reviews and recommendations, as well as meets with locals. Experiences were not in the initial service mix and were an expansion that took place in November of 2016.

SWOT Analysis:

Strengths: Airbnb has a firm grip over the lodging market, outshining the nearest competitor, Marriott International, by almost 2 million rooms/listing. Experiences are also held on the same platforms as the room bookings which gives customers utilizing the lodging aspect of Airbnb the opportunity to browse Experiences, with only the push of a button. Airbnb's Experiences qualify under multiple entertainment sub industries because of the extremely wide width of the experience product line, which is only limited by the creativity of the hosts.

Weaknesses: Because Airbnb has just entered the entertainment industry, it is a weak competitor against competing options like movie theaters, concerts, etc. Furthermore, much of the experience market comes from the lodging market due to shared platform between all the Airbnb services.

Opportunities: Airbnb's primary market for both services are travelers. All lodging customers know of Experiences, due to the fact that they are both so interconnected on the Airbnb website and app. Many customers lack incentive to switch from utilizing their previous forms of entertainment to utilizing Experiences. An opportunity arises to capitalize on the lodging market through incentivizing Experiences.

Threats: Threats to Airbnb mostly exist towards Experiences, with the threats being other entertainment industries such as, but not limited to: Television; Consumer electronics; Social media; Museums; Amusement parks; Concerts, Comedy clubs; Airshows; Nightclubs; Parties; Sports; etc. Any other option for entertainment is a threat to Airbnb's Experiences.

Main Takeaway: Airbnb's main weakness is the lack of traction with Experiences. An opportunity arises to gain traction through incentivizing Experiences.

III. CAMPAIGN OBJECTIVES

- Primary: Increase the total amount of experiences booked from middle class 20-30-year olds in the Los Angeles County and Orange County by 25% in between the dates of May 17th, 2021, to June 30th, 2021
- Secondary: Increase experience retention rate of 20-30-year olds in the Los Angeles County and Orange County by 25% in between the dates of May 17th, 2021, to June 30th, 2021
- Tertiary: Increase the Los Angeles area Market share from 30-40-year-old middle-class residents within the Los Angeles County and Orange County by 30% in between the dates of May 17th, 2021, to June 30th, 2021

IV. CAMPAIGN TARGET MARKET

Primary:

Middle class millennials on a trip

Demographic Data:

- 20-30 years old
- \$60,000-\$90,000 annual income
- Spend an average of \$2,186 on entertainment

Geographic Data:

- On a trip within the L.A. area.
- Utilizes bus systems or has a rental car to travel to different places within the L.A. area

Psychographic/Behavioristic Data:

- Desiring of entertainment or activities to do not only on vacation, but in general
- Active
- Moderately involved with technology and social media
- Sociable

Secondary:

Middle class generation X residents

Demographic Data:

- 30-40 years old.
- \$60,000-\$90,000 annual income.
- Spend an average of \$3,230 on entertainment.

Geographic Data:

- Residents within the L.A. area.
- Less than a 25 minute commute to work.
- Has a car to drive to locations.

Psychographic/Behavioristic Data:

- Extroverted, friendly, and sociable
- Many separate friend groups
- Cares deeply about what friend groups care about
- Looking to do more stuff with friends
- Active
- Looking for more entertainment
- Moderately involved with technology and social media

V. CAMPAIGN ACTIVITIES AND SCHEDULE

<i>Activities</i>	
Focus	Description
Primary:	Introduce a free to use progression system, called the "Odyssey Excursion," where if you book certain experiences, then you can gain discounts/rewards/special events/specialized free merchandise based on your Biography.
Secondary:	Modify app to gather information about what types of experiences people choose to do. Also gather customer input of why they are going on their trip. Then, gather all of the customer's information into a "Biography." This Biography then develops an idea of what experiences the customer is most likely to enjoy.
Tertiary:	Create the option for hosts to create Advanced experiences
Tertiary:	Create a sales promotion event so that when you book lodging, you also receive a discount on experiences

<i>Schedule:</i>	
Phase	Stage
1: The development of new technology and systems	1: Advanced Experiences Development
	2: Biography Discounts Development
	3: Odyssey Excursion Development
	4: Lodging Discounts Development
	5: Testing
	6: Publicity
2: The enactment of the technology and systems into a testing environment	1: Unlock All Activities
	2: Advertising
	3: Finale

Key Information:

Phase 1: Modifications and Preparations

Stage 1: Advanced Experiences

- On September 1st, 2020, we will hire one app developer and one web developer to modify the app and website so as to allow hosts of experiences in L.A. to combine their experiences in order to attract more customers and provide a better experience.
- These new experiences will be called “Advanced Experiences” and will cost more money to the user, but in return for the additional money, the customer receives a superior experience to that of what the two standard experiences offer.
- 2 weeks prior to the campaign official launch, L.A. hosts will be able to contact each other to set up the experience.
- In order for the hosts to list their Combined Experiences, they need to have had an experience listed prior to their combination.
- There are only going to be 12 spots for combined experiences.
- The hosts will send an application, which will then be reviewed by our airbnb staff, and then either approved or denied.
- We will track the overall amount of money made by the Advanced Experiences compared to what the two separate experiences made on average over their existence.

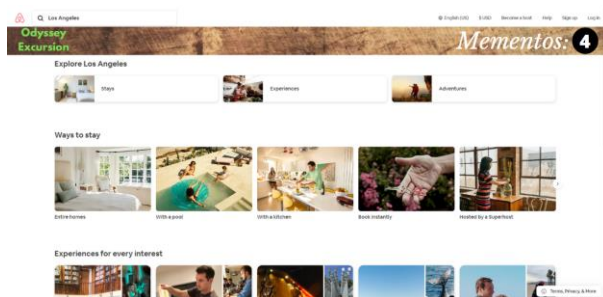
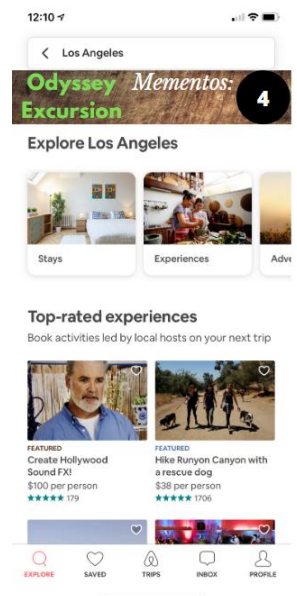
Stage 2: Biography Discounts

- On September 1st, 2020, we will also hire two app developers and two web developers to modify our app and website to gather data about the customer’s experience preferences, in order to better distribute experiences that they like.
- To begin, we will ask customers that have just opened the L.A. experience page and have not answered the questions at any point prior:
 - “Hello. Do you have time for three questions?”
 - If they say no, there will be a pop up saying: “Are you sure? This will help us help you better, and grant you access to the Odyssey Excursion system. Don’t worry though, you can always answer these questions later.”
 - If they select the option to leave the pop up, then it will be displayed as a side bar along the L.A. Experiences page.
 - If they say yes, “Are you planning on being in L.A. during the dates of May 17th to June 30th?”
 - If they say yes, “Are you on a trip?”
 - If the customer says yes, then we will ask them for the nature of their vacation. The options that the customers will have to choose from are:

- Business
 - Personal event
 - Family
 - Recreation
 - Other
- If they have not set up their account yet, we will ask “Would you like to finish setting up your account in order to get special discounts?” This will allow us to determine who has Biography discounts distributed to them currently and who does not.
 - We will have the developers modify the app so as to push out discounts for experiences, based on what they previously inputted for the nature of their trip as well as any past experiences that they have done. Based on which experiences each person books, alongside their earlier responses for the nature of their visit, we will begin to develop a Biography of each user.
 - If the customer is not on vacation, we will gather our information solely on what experiences they use. We will distribute discounts for experiences and combined experiences relative to each person's Biography.
 - If the customer is on vacation, there will be a discount for an experience distributed to customers every two days of their trip based on their Biography. The discount distributed every two days will only last for the following two days, up until the next discount has been distributed.

Stage 3: Odyssey Excursion

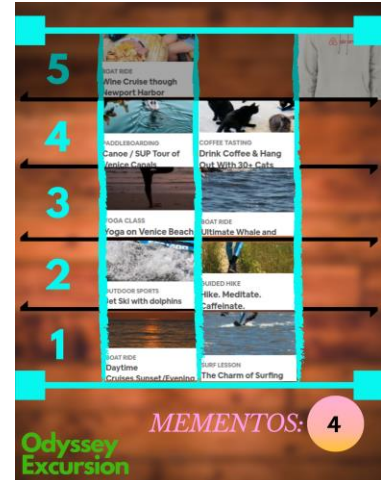
- On November 1st, 2020, we will also hire 2 app developers and 2 web developers to implement the “Odyssey Excursion” progression system into our app and website.
- The Odyssey Excursion system is a reward system that grants users discounts for both standard, and advanced experiences; merchandise; and reward points that have no expiration date, which can be used as currency for any booking or experience the customer wants.
- This system will be able to be accessed from entering any page relating to L.A. It will be a pull-down bar that will be out of the way for customers who don't want to use it, yet prominent enough to attract attention. (see appendix) If pulled down, the bar will transition into the image portraying the Odyssey Excursion system
- If the customer that pulls down the bar doesn't have an account, we will display the message: “to use the Odyssey Excursion discounts, you must first finish setting up your account.” This will allow us to store the user information.



- Features of the Odyssey Excursion program:
 - The Odyssey Excursion system involves tiers or ‘Mementos’ which the user can unlock in order to get one time rewards. Each excursion experience will be based on the users discount Biography.
 - If the customer does not have a discount Biography yet, it will input random events available on the L.A. experience page.
 - When a customer uses a discount from the Odyssey Excursion for an experience, the discount on that momento will no

longer be available for use. Each momento will have two experience discounts included.

- Every five mementos, one experience and one Airbnb merchandise set will be included. Every 10 mementos, one experience and \$20 to use on any booking will be included. Our discounted Experiences and merchandise will be based on our customer's Biography.
- If the customer books an experience that was included in the Odyssey Excursion, the customer will receive three momento levels.
- If the customer uses an experience that is not included in their Odyssey Excursion, they will only go up 1 momento level.
- Customers can also gain three momento levels via a referral program.
 - If someone who has used experiences before refers our experiences to someone who has never used experiences before, and the person who received the referral ends up booking an experience, both parties will receive three momento levels in order to engage them both deeper into the Odyssey Excursion program



Stage 4: Lodging Discounts

- On January 1st, 2021, we will hire one app developer and one web developer to modify our app and website to distribute a discount to anyone staying in an Airbnb home.
- These discounts are for any experience that the customer wishes to book.
- Using this discount will automatically give the customer four mementos in the Odyssey excursion program, so as to allow the customer to join into, and begin using the system more easily, while also providing an incentive to book another experience due to the merchandise at the fifth momento.

Stage 5: Test

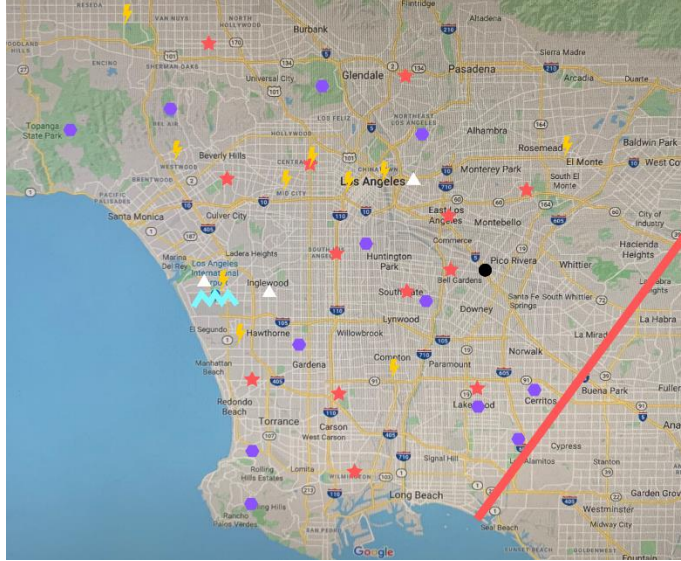
- On February 1st, 2021, we will conduct tests to ensure the Odyssey Excursion system, Biography Discount system, Advanced experiences system, and lodging discount system run smoothly.
- We will document our travel through the Odyssey Excursion systems on our journey through the user funnel, all the while documenting anomalies and anything of significance for the developers to address.
- We will also test the Biography discount system by inputting data saying that we purchased an experience. Then we will be measuring the processes that the discount Biography system takes to distribute experiences, and then making note of any areas of concern or areas of failure that need to be addressed by the developers.
- We will test the Advanced experiences system through traveling through the user funnel and recording anomalies and anything of significance for the developers to address.
- We will also test the lodging discount system by going through the user funnel for this activity and measuring anomalies or anything worth documenting for the developers to address.

Stage 6: Publicity

- On February 20th, 2021, We will distribute a press release discussing the Odyssey Excursion system and Advanced Experiences system.

Phase 2: Campaign Launch

Stage 1: Unlock all activities



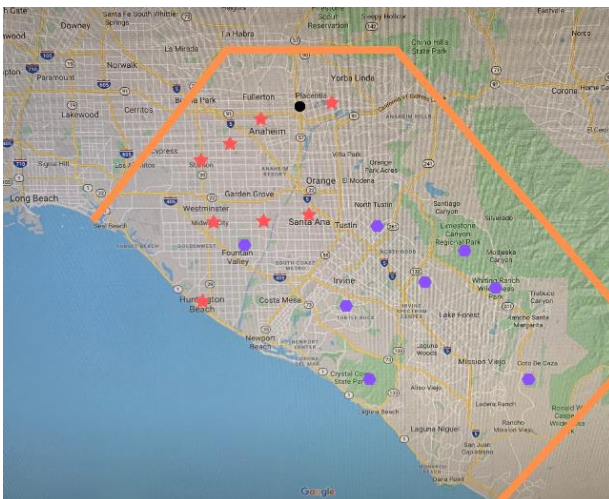
- On May 17th, 2021, we will unlock the modifications to the general public.
- We will also begin implementing the Biography Discount systems.
- Begin the advanced funnel metric and the prompt and response box metric

Stage 2: Advertising

- On May 17th, 2021, we will also begin advertising the Odyssey Excursion event as well as the Advanced Experiences in Los Angeles.
- Advertising:
 - Push notifications to 20-30 year old people in Airbnb homes in the L.A. area
 - On large/digital billboards around airport and the freeways leading into the L.A. area
 - On smaller billboards in the L.A. area
 - At bus stops around busy market areas in the L.A. area
 - On buses in L.A. area
 - In the LAX airport
 - On benches within parks around the L.A. area

Stage 3: Finale

- On June 30th, 2021, we will halt all of the activities of the campaign; however, If the metrics determine that the Biography Discount system and the Advanced Experiences system are successful, we will allow these activities to continue beyond the end of the campaign without any further interference.



Stationary Advertising Map Key

Large Billboards:



Small Billboards:



Digital Billboards:



Bus Stop Shelters:



LAX

Banners/Spectaculars:



Parks where Airbnb benches will be:



Airbnb Presents

Odyssey Excursion

Discounted Experiences

Your Travel, Today!

- *L.A.*
- *Premiere*
- *Fast*
- *Fun*
- *Friendly*

5

4

3

2

1

Movie Cruise through Hollywood

Movie Cruise through Hollywood

Movie Cruise through Hollywood

Movie Cruise through Hollywood

Movie Cruise through Hollywood

MEMENTOS: 4

Download our app in the app store, or go to our website: www.Airbnb.com

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VI. BUDGET

Proposed Budget				
Item	Quantity	Cost	Impressions	Total
Phase 1: Modifications and Preparations				
Technology Improvements				
App Developer	5	\$494,600		
Web Developer	5	\$425,840		
Activities Manager	1	\$55,130		
Phase 1 total (Cost): \$975,570				
Phase 2: Campaign Launch				
Campaign				
Campaign Director	1	\$68,314		
Graphic Designer	1	\$50,256		
Push Notifications	N/A	\$0		
Large Billboards	3	\$63,000	3,360,000	
Small Billboards	21	\$10,500	5,880,000	
Digital Billboards	2	\$39,000	2,800,000	
Bus Stop Shelter	10	\$5,000	4,200,000	
Buses (Kong Style)	12	\$12,000	6,720,000	
LAX Spectaculars	6	\$90,000	5,040,000	
LAX Banners	6	\$90,000	8,400,000	
Benches	60	\$15,000	16,800,000	
Phase 2 total (Impressions): 53,200,000				
Phase 2 total (Cost): \$443,070				
Budget Total: \$1,418,590				
Expected Revenue: \$1,701,000				
ROI: 20%				

Assumptions for Revenue

Average Price of Experiences:	\$60
Commission Rate	3%
Average Airbnb Revenue from Experiences	\$1.80
Excursions in 45 day Campaign	944,415
Daily Excursion Amount	20,987
<u>Additional Information:</u>	
Amount of Room listings in LA	40,125
Occupancy Rate	56%
Amount of Room Listings Occupied per Night	22,470

VII. KEY METRICS

The Funnel for Each System:

Odyssey Excursion funnel:

Amount of the target market that viewed L.A Experiences page	Customer looks at the L.A. Experience page	Customer confirms they are going to be in L.A. during campaign	Customer books an Odyssey Excursion	Customer books 2 or more Odyssey Excursions
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Biography Discount funnel:

Amount of Primary Target market that agreed to answer the questions	Customer agrees to answer the questions	A Biography discount is distributed to the customer	Customer books the Biography discount	Customer books 2+ Biography discounts
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Advanced Experiences funnel:

Amount of Primary Target Market that had an advanced experience displayed to them	Airbnb displays the advanced experiences to the customer	Customer clicks on advanced experience	Customer books the advanced experience	Customer books 2+ advanced experiences
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Lodging Discount funnel:

Amount of Primary Target Market that has received a lodging discount	Lodging discount is distributed to customer	Customer books an experience using the discount	Customer books 2+ experiences
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Purpose: To gauge where key product fall off points are; measure fluctuations in usage between days more effectively; measure what people do, when they do it, and how fast they do it; and measure a basic idea of the customers' perception of value (specifically their journey through the funnel, and how many make it to the end stage of each respective funnel).

Quality of Customer's Journey Through the Funnel

We will distribute prompts and response pop ups asking the user about their feelings and value perception toward the Odyssey Excursion system and Advanced Experiences. We will ask if the system they had used was helpful in encouraging them to purchase an experience. The user will have the option to decline filling out their response. These prompt and response pop ups will be distributed to random customers who have reached at least the initial stage of each funnel.

Purpose: To determine general reception of the activities and determine areas of improvement that are specified by the customer.

Promotional Effectiveness:

We will be estimating how many people came from each type of promotion. We will send out an optional survey to customers that have just purchased an experience, asking them to mark a check by which promotional efforts alerted them to the odyssey excursion system. We will have a list of all our promotional efforts, along with an option of 'randomly found,' and an option of 'other.' If the customer chooses 'other,' then they will also have the option of giving a brief description of how they heard about this experience.

Purpose: To understand the effectiveness of the advertising, so that we can learn what promotional efforts work and don't work with the systems. This will give any future project managers a better idea of how to roll these systems out effectively and earn the most revenue for the company.

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