



"Driving Revenue Growth for Airbnb"

-by Kshitij Kumar

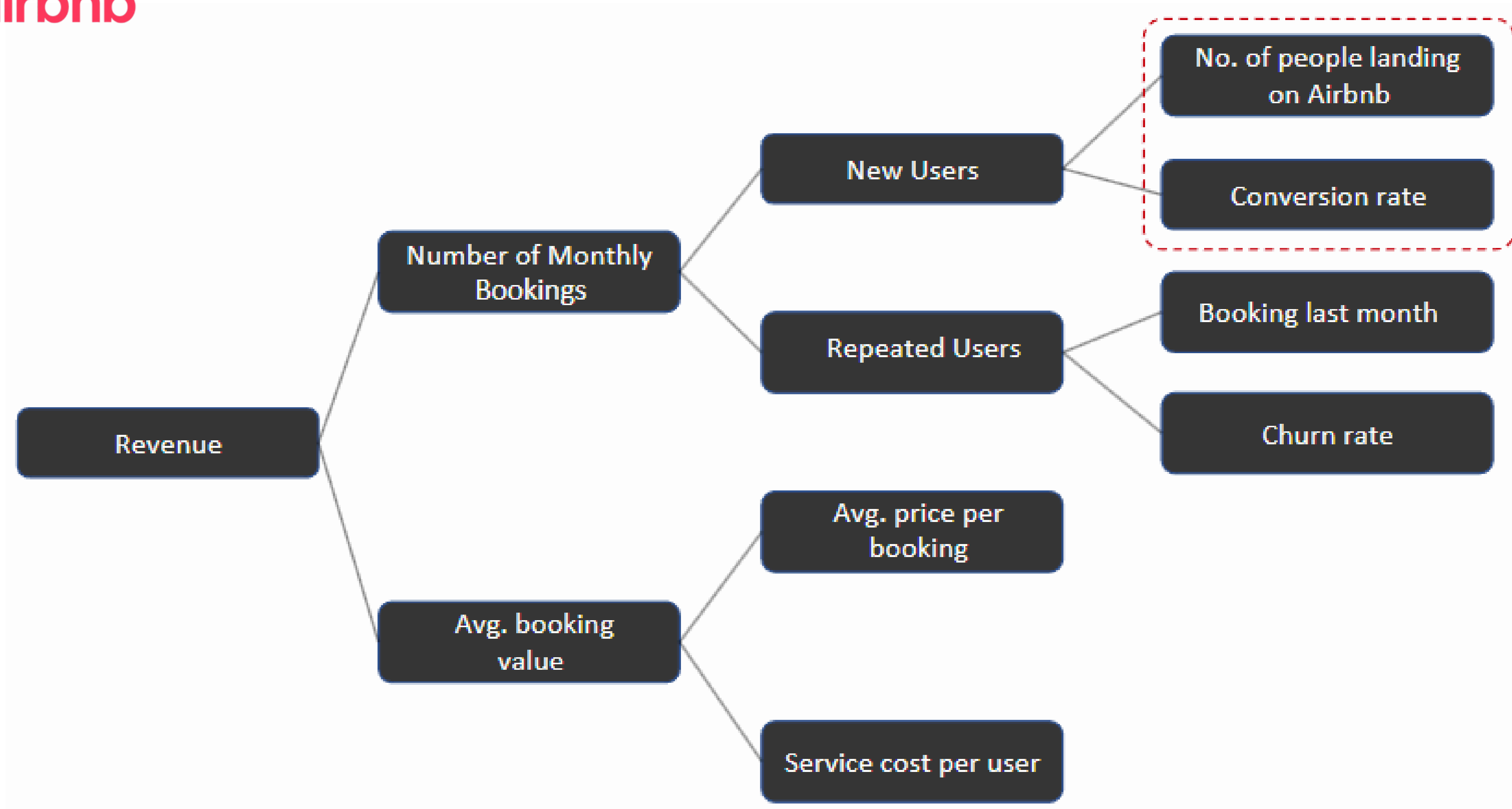


## PROBLEM STATEMENT

Airbnb's revenue growth is slowing due to declining new user acquisition and conversion rates. To drive growth, we must identify and optimize key friction points in the user journey—particularly for first-time bookers—while balancing trust, discovery, and pricing.

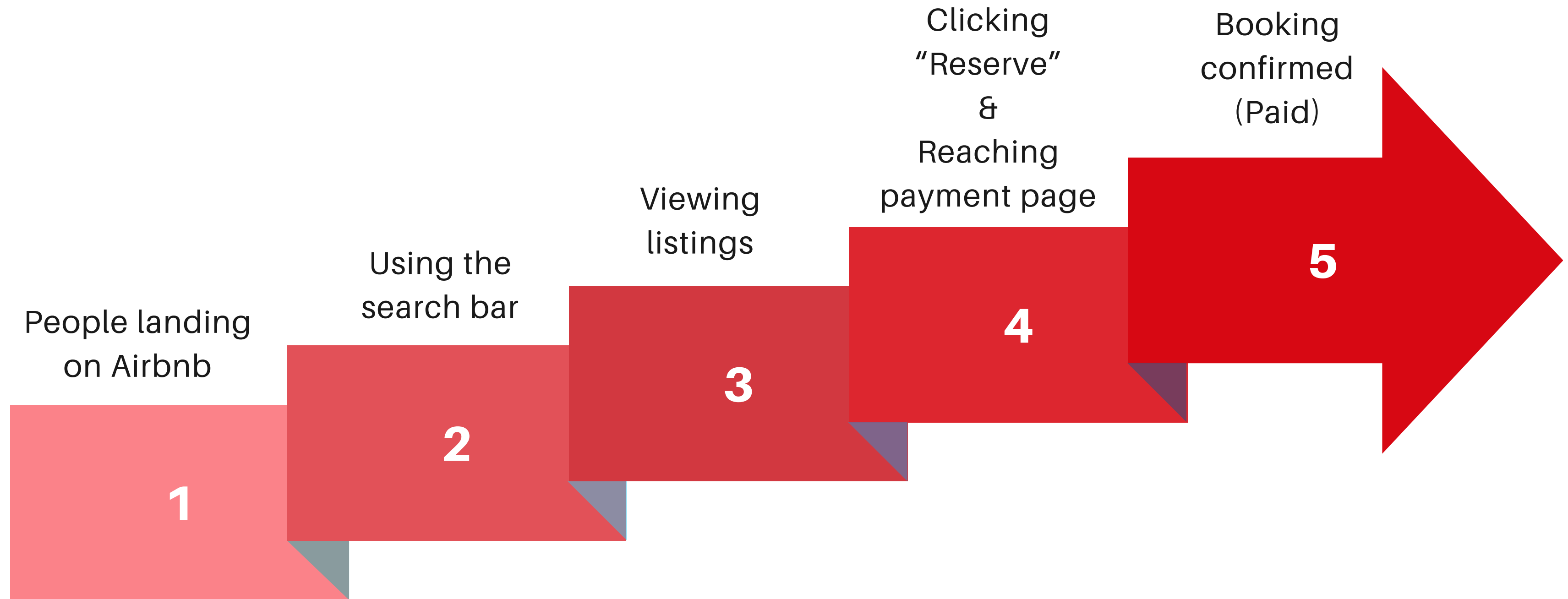


## REVENUE MODEL OF AIRBNB





## AIRBNB (GUEST-SIDE FOCUS)



# Customer Journey Map for New Customer

## PERSONA : ARYAN

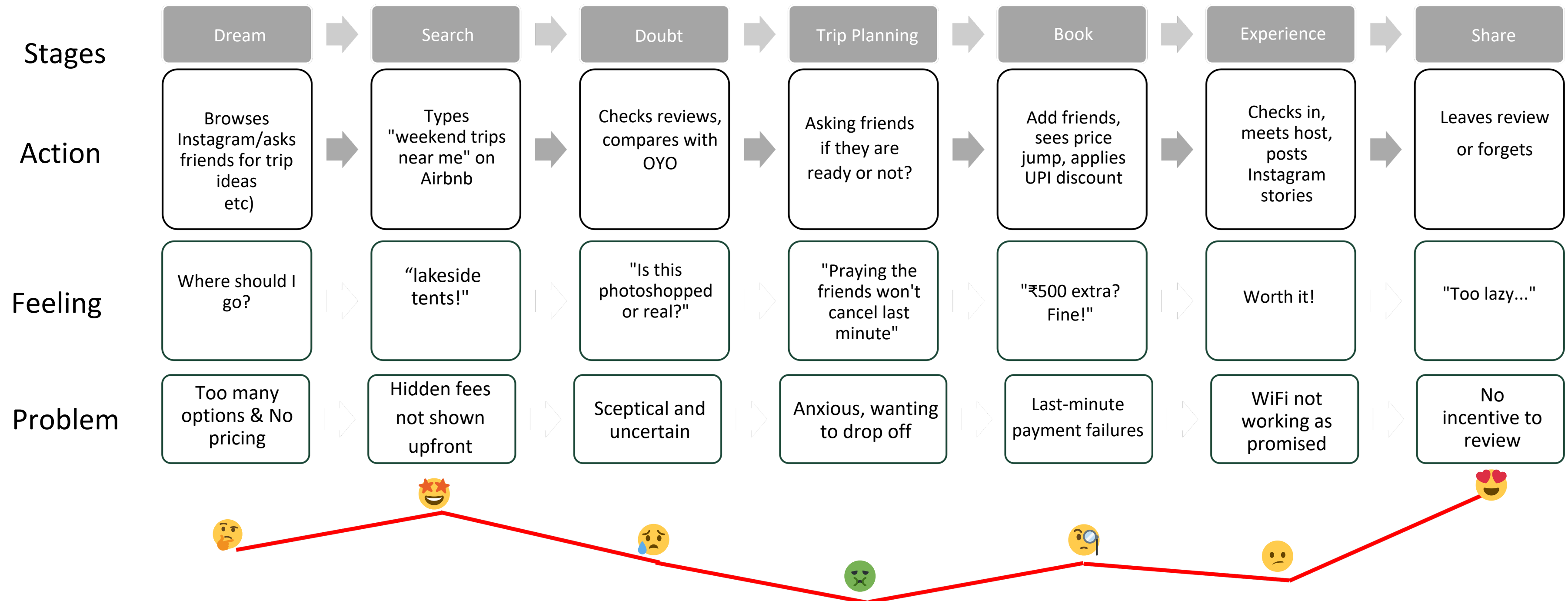
A 27-year-old Bangalore techie earning ₹70K/month, Aryan craves offbeat weekend getaways (treks, bike trips) but hates tourist traps. He books last-minute with friends, compares prices obsessively on makemytrip, and prioritizes WiFi/self-check-in for convenience. Though drawn to Airbnb's "Experiences," he worries about fake listings ("Is that forest cabin real?"). A casual ₹500 cashback or "Verified Adventure Stays" badge would seal his booking. His mantra: "Travel smart, not fancy."

## SCENARIO

After a hectic workweek, Rohan and his three friends craved a quick escape from Bangalore. On a chill Friday evening, they opened Airbnb and typed: "weekend camping near Bangalore under ₹2,000. A dreamy lakeside campsite in Ramanagara popped up! Cozy tents, bonfire vibes, killer sunset pics reviews like "Perfect for squads!" sealed the deal. Worried about weather and safety?

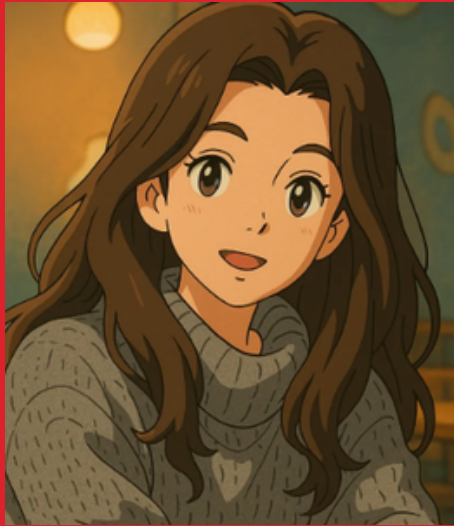
## GOALS

- Make last-minute getaways easy and stress-free.
- Promote affordable group travel options.
- Build trust through reviews, Superhost badges, and safety features.
- Encourage quick bookings with limited-time offers.
- Highlight unique local experiences near cities.



INSIGHT - A fragile trust exists between expectation and reality, with users bracing for potential letdowns

## PERSONA BASED INSIGHTS



### AYESHA (User)

Age: 27

Location: Bangalore

Profession: Remote UX Designer

Travel Patterns:

- Books 5–7 day solo workcations
- Filters for “entire place,” fast Wi-Fi, and desk space
- Often books in hill stations or beach towns
- Reviews and host responsiveness are crucial

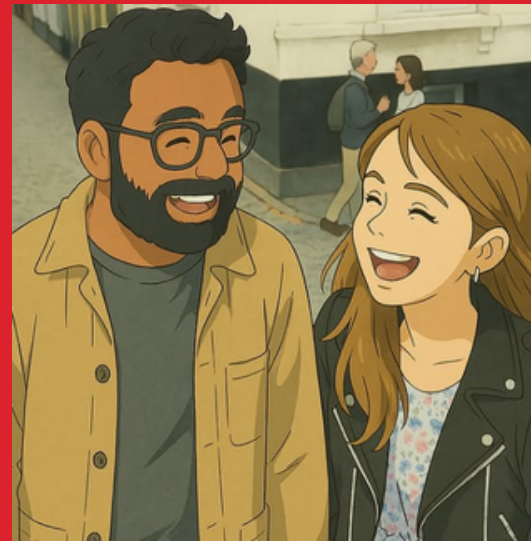
Mindset:

- Wants to feel independent but safe
- Looks for Airbnb “vibe” over hotels
- Gets overwhelmed with too many listings
- Worries about bad Wi-Fi and poor communication

Insight:

Ayesha is ready to pay for a good space but needs trust and clarity on essentials like Wi-Fi, privacy, and noise level.

She drops off when listings don’t feel reliable or work-ready.



### RAHUL & SNEHA (Users)

Age: 35 & 33

Location: Delhi

Profession: IT Manager & School Teacher

Family: 1 daughter (5 years old)

Travel Patterns:

- Book 1–2 vacations per year
- Always filter for “entire home,” kitchens, and family-safe listings
- Spend a lot of time comparing amenities and reviews
- Often abandon bookings due to surprise fees

Mindset:

- Want a safe, clean, kid-friendly stay
- Seek value over luxury
- Care a lot about reviews and refund policies
- Feel frustrated by inconsistent cleaning fees or hidden charges

Insight:

Rahul & Sneha want predictable, family-safe experiences.

They drop off when faced with pricing ambiguity or lack of family-relevant info.



### ARYAN (Not a User)

Age: 21

Location: Mumbai

Profession: Student, Trip Organizer

Travel Patterns:

- Plans group trips for 4–6 friends
- Very price-conscious
- Spends hours comparing listings and calculating per-person cost
- Often ends up booking hotels or hostels instead

Mindset:

- Wants cool, affordable places
- Struggles with final price confusion
- Anxious about paying upfront or being responsible for others
- Likes Airbnb but sees it as complicated

Insight:

Aryan loves the idea of Airbnb, but the group booking process is unclear.

He drops off when there’s uncertainty in splitting costs or lack of student-friendly options.



## Overall Insights

- Students and younger travelers (typically aged 18–25) have a strong desire to explore and are highly motivated by social experiences like group trips. However, they often face budget constraints, and the complexity of splitting costs, upfront payments, and lack of student-specific offers leads to friction.
- While Airbnb offers flexibility, many users feel overwhelmed by choice and unsure how to find listings that truly match their needs — such as work-ready homes, kid-safe spaces, or group-friendly stays. This leads to decision fatigue and lower booking rates.
- While exploring options on Airbnb, ratings and reviews play a crucial role in helping users make booking decisions. Many users rely heavily on previous guest feedback, host ratings, and overall listing quality to build trust especially when traveling to a new place or booking for the first time. A lack of reviews or unclear ratings often leads to hesitation or complete drop-off during the decision stage
- Middle-aged professionals and families (aged 30–45) generally have greater purchasing power, but their busy schedules and planning fatigue reduce the frequency of travel. For them, Airbnb can feel like an extra effort — filtering listings, evaluating trustworthiness, managing logistics for kids — all of which can outweigh the benefits

## Smart Booking Assistant (AI-Powered Personalization)

- Problem : Overwhelm from too many listings, drop-offs due to decision fatigue.
- Who it helps: Digital nomads (like Ayesha), Families, and First-timers.

An AI assistant guides users through the booking journey by asking a few preference questions (budget, group size, vibe, amenities). It returns a shortlist of 5–7 personalized stays — like Spotify Wrapped, but for travel.

This reduces the effort, builds confidence, and speeds up booking decisions.

Bonus: Could include a “Work-Ready” or “Kid-Safe” badge filter (verified by host + user reviews).

## SplitPay & Group Booking Mod

- Problem : Group booking friction, especially for students and young travelers.
- Who it helps: Aryan and his group (budget-sensitive planners).

Add a group booking mode where cost is auto-split and users can pay individually. The trip organizer can send invites, and each person sees their exact share.

SplitPay allows guests to book even if some friends haven't paid yet (Airbnb holds the reservation, but charges only when minimum payment is reached).

## Loyalty & Lite Membership Plan

- Problem : Low repeat bookings, lack of perceived value.
- Who it helps: Families, light users, middle-aged professionals.

Introduce an Airbnb Lite Membership — a low-cost, yearly subscription that offers:

- 5–10% off on select listings
- “Priority Host” support voucher
- Seasonal perks (early access to stays, holiday discounts)

Similar to Zomato Gold or Amazon Prime, this encourages occasional users to stick around and return.



## Wireframe & Prototypes

### ◆ **Smart Booking Assistant Flow**

1. Landing Page CTA: “Not sure where to book? Let us guide you.”
2. Input screen: Budget, group size, mood (e.g., chill, adventure, work).
3. Output: Curated 5–7 listing options + filters like “Work-Ready,” “Top Rated for Groups.”
4. Save shortlist or click “Reserve.”

### ◆ **SplitPay UI**

1. Booking Summary Page: Shows “Enable SplitPay” option.
2. Invite Friends: Users can input emails/numbers.
3. Cost Breakdown: Each user sees and pays their own share.
4. Status Tracker: “3 of 4 paid. We’ll confirm once everyone completes payment.”

### ◆ **Loyalty Plan Promotion**

1. Homepage Banner: “Try Airbnb Lite – Save on every stay”
2. Benefits Page: Visual tiles showing key perks
3. CTA Button: “Start Free Trial” or “₹299/year – Join Now”
4. Member Badge: “Lite Member” tag on booking card or profile



# Thank You



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