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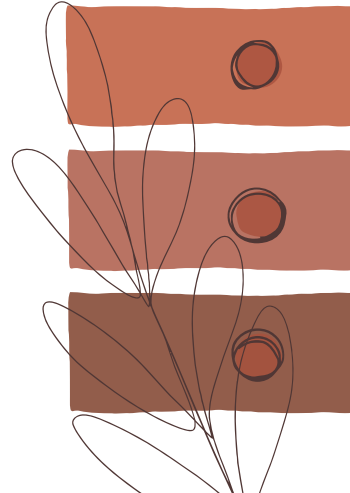
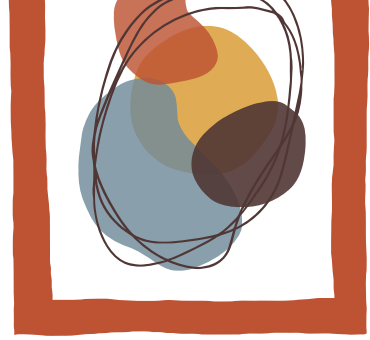


TABLE OF CONTENTS

1

Ethical Marketing

5

Airbnb vs Hyatt
Marketing Strategies

2

Social Responsibility

6

Recommendation

3

Service Liability
Estimates

7

Would we want to be
Marketing Managers?

4

Who's Responsible?

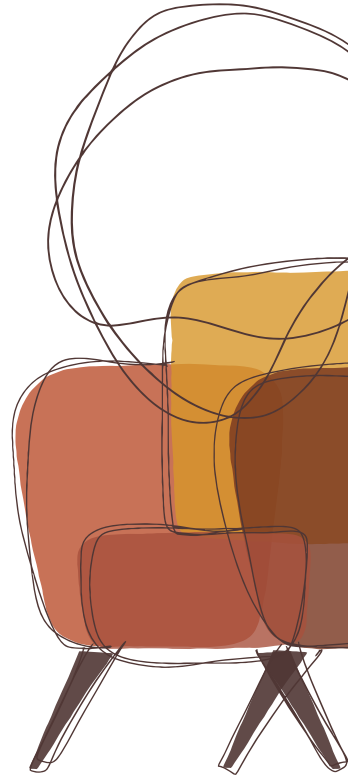
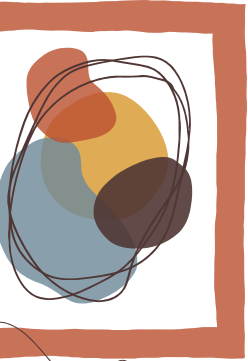


Ethical Marketing



Business Ethics Definition

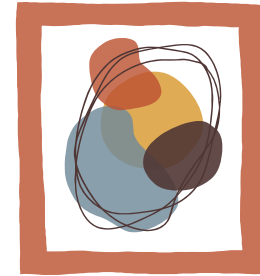
Implementing appropriate business policies, principles and practices with regard to arguably controversial subjects.



Airbnb is NOT Ethical

Tried silencing the victims

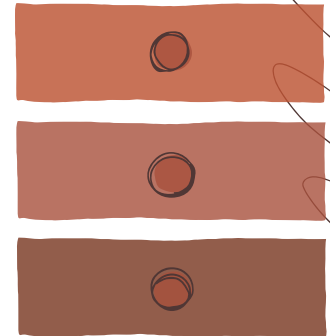
- #RansackGate to remove the post
- Had Victim from NY sign NDA in exchange for \$7 M



Too little too late

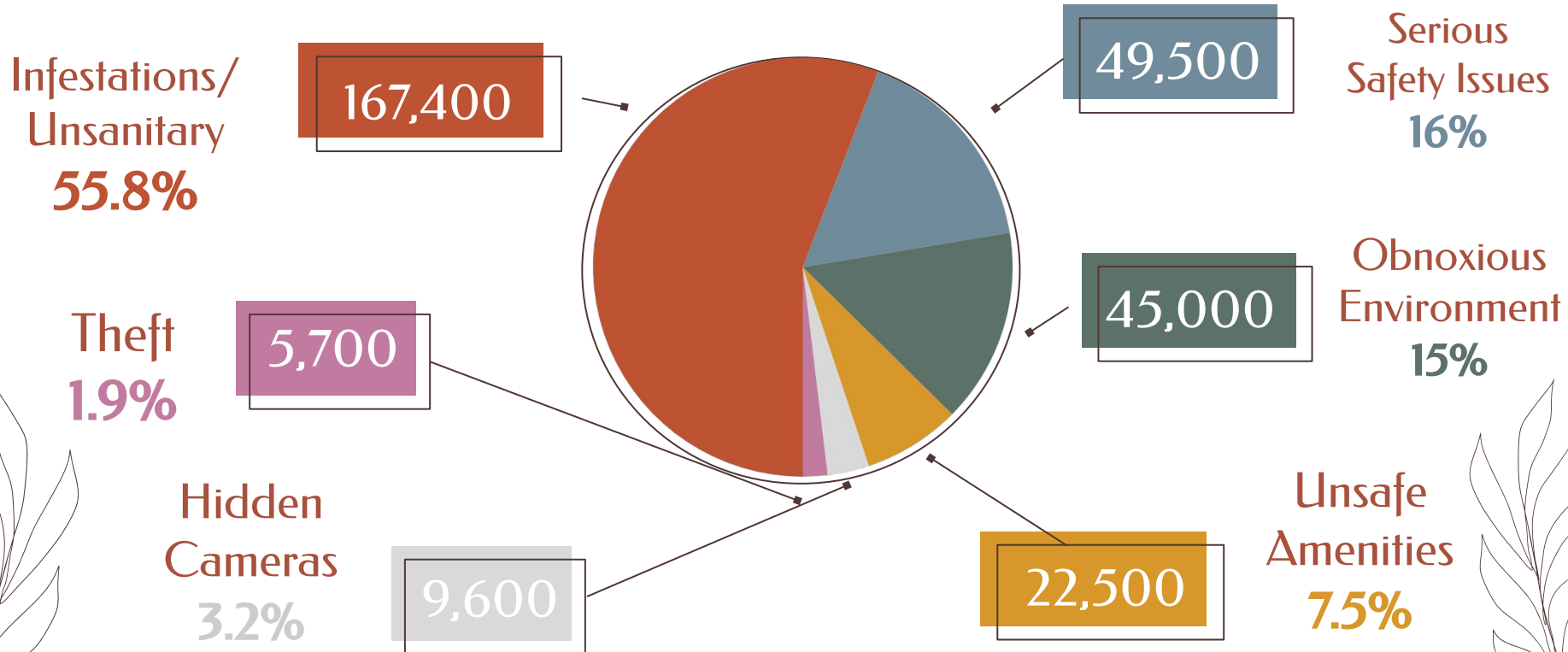
Airbnb's response to #RansackGate:

- Was a public apology from Chesky
- \$50,000 damage guarantee for host (since increased to \$1 million)
- 24-hour customer-support hotline
- Trust-and-safety department



Unsafe Conditions of Airbnb Reported by Guests 2021

(total of 300,000 bookings reported as unsafe conditions)





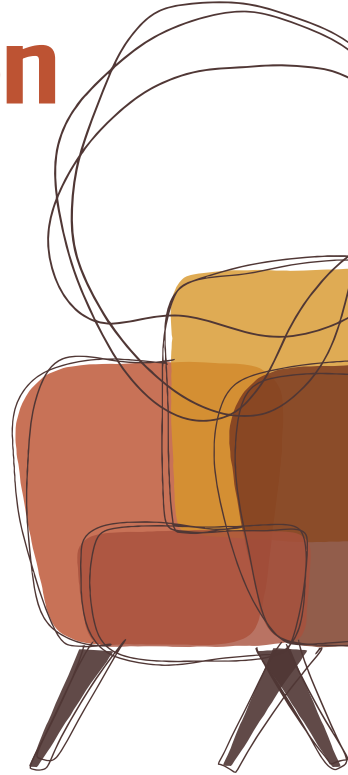
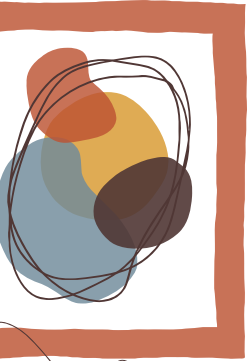
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Social Responsibility



Social Responsibility Definition

Environmentally, Economically,
Philanthropically, & Ethically impacting
the world in a positive manner



Airbnb NOT Socially Responsible

Philanthropically

- Volunteer in Local Communities/Open Home Program

Environmentally

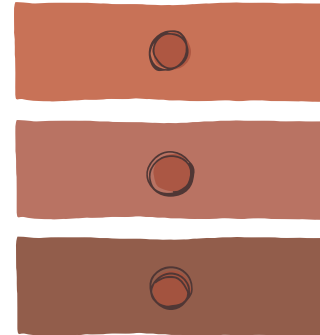
- Net Zero Company by 2030

Economically

- San Francisco and New York Example

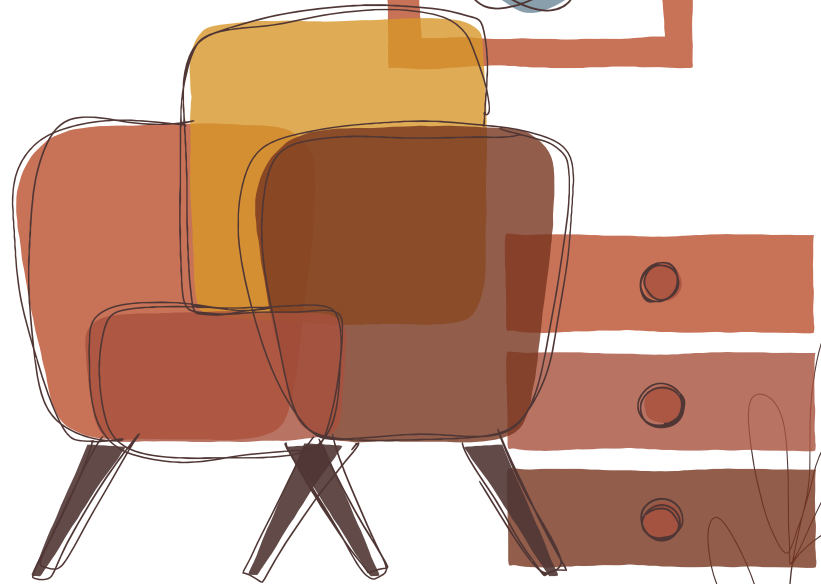
Ethically

- Violation of their Code of Ethics



3

Service Liability Estimates



Estimated Total Overall \$ Dollar Costs Associated With Service Liability Issues

Year	Revenue (Millions)	\$ Cost of Service Liability Issues (Millions)	Percentage of Revenue
2008	\$ 1.0	\$ 0.01	1.34%
2009	\$ 0.9	\$ 0.01	1.34%
2010	\$ 8.4	\$ 0.11	1.34%
2011	\$ 52	\$ 0.70	1.34%
2012	\$ 189	\$ 2.54	1.34%
2013	\$ 250	\$ 3.36	1.34%
2014	\$ 400	\$ 5.37	1.34%
2015	\$ 900	\$ 12.09	1.34%
2016	\$ 1,700	\$ 22.84	1.34%
2017	\$ 2,600	\$ 50.00	1.92%
2018	\$ 3,600	\$ 50.00	1.39%
2019	\$ 4,800	\$ 50.00	1.04%
2020	\$ 3,300	\$ 50.00	1.52%
2021	\$ 5,900	\$ 50.00	0.85%
2022	\$ 6,497.00	\$ 87.06	1.34%
Total	\$ 30,197.25	\$ 384.08	-

Conservative	Neutral	Liberal
\$ 345.67	\$ 384.08	\$ 422.49

4

Who's Responsible?

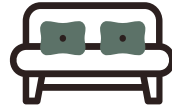


Aspects of Responsibility



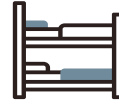
Airbnb

Deceitful marketing
& lack of policies



Hosts

Accomplice in the safety
issues or be the issue
themselves



Renters

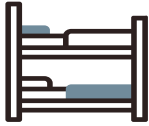
Few times can be the issue



5

Airbnb vs Hyatt Marketing Strategies

Definitions of B2B, B2C, and C2C



Business-to-Business

Transaction between
businesses



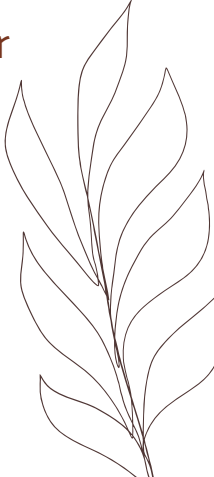
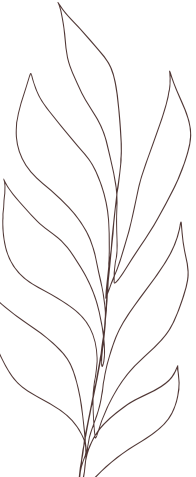
Consumer-to-Consumer

Transaction between
customer and customer



Business-to-Consumer

Transaction between
business and customer



Airbnb's Marketing Strategy

Product

- Hostings and Rentals
- Supporting Services: Airbnb experiences
- Focuses on personalization
- Airbnb Corporate Housing and Airbnb Luxe

Price

- Low-cost service
- Flat fee of 3% for hosts & ~14% for guests
- Cleaning fee avg ~\$65 to \$105
- Additional costs can be added for more services
- \$137 per night (Global), \$208 per night (North America)

Place

- Digital Platform
- Mobile app and website

Promotion

- Advertising (Video Campaigns and User-Generated Content)
- Social Media Engagement
- Influencer Marketing and Referrals

Hyatt's Marketing Strategy

Product

- Hospitality services and Hotel Rooms
- Over Several Tiers
- Well-Trained Service Employees and Security Staff
- Banquet Halls, Gardens, Bars & Restaurants

Place

- Hotel Franchise System
- International Presence: 679 Hotel Properties Worldwide
- Located in 56 Countries

Price

- Premium Pricing Strategy
- Discounts for Groups or Extended Stays
- Average Price in 2022: \$280 Per Night

Promotion

- Several Tie-Ups with Travel Agencies
- Loyalty Program That Offers Free Stays (Member, Discoverist, Explorist, Globalist)
- Word-Of-Mouth Advertising

Airbnb & Hyatt (Pros and Cons Comparison)

Pros

- No property investment costs
- Access to the largest number & variety of rentable locations
- Fast-growing business
- Lower cost to renters

Cons

- Decentralized structure
- Larger surveillance expenses
- Consistently negative net income
- eCommerce Negates Other Market Segments
- Reliance on Advertisements

Pros

- Centralized structure
- Control of service leads to better homogeneity
- Additional supporting services available
- Franchising structure

Cons

- High utility and property expenses
- Vacant rooms are costly
- Less Personalization when compared to Airbnb
- Higher Priced Offering when compared to Airbnb

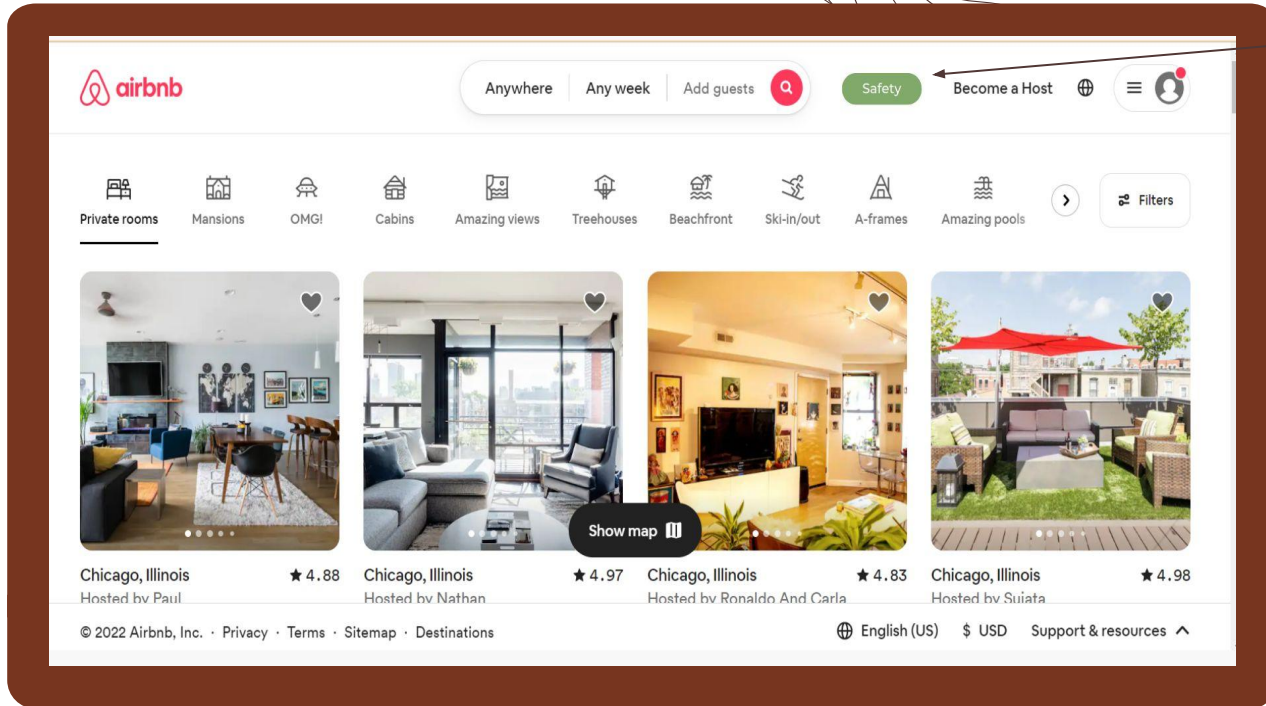


6

Recommendation Safety Campaign

Safety Awareness Tab Visual

Safety
Awareness
Tab

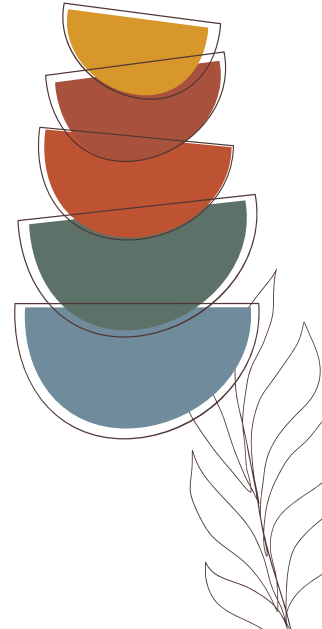
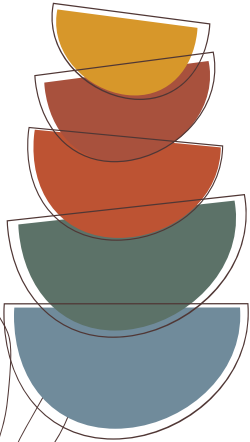


Tab Extension



Medium Estimate for Recommendation

Medium Estimated Five-Year Loss in Revenue (In Millions)		
Estimated Revenue in 2022	\$	8,663
Instant Loss of Customers		3.75%
Instant Loss in Revenue	\$	324.86
Estimated Service Liability Payout (2022)		\$116.08
Annual % Reduction in Service Liability		37.5%
Annual \$ Reduction in Service Liability	\$	43.53
5-Year Reduciton in Service Liability	\$	217.66
Cost of Implementation		\$0.15
Total Loss in Revenue Over 5 Years	\$	107.35



High, Medium and Low Estimates for our Recommendation

	Low	Medium	High
Loss in revenue (%)	2.5%	3.75%	5%
Annual % Reduction in Service Liability	25%	37.5%	50%
Total Loss of Revenue in 5 yrs	\$71.62 million	\$107.35 million	\$143.09 million

Challenges

1

Unseen

Users could choose not to read the Safety tab

2

Panic

Could scare users/renters, create negative perception

3

Bookings

Users awareness of safety issues could reduce bookings

4

One Solution

Only prevent some service liability issues

Opportunities

1

Lowens Liability

Exhibits the issues and
states solutions

2

Incentivizing

Incentivizing hosts to
practice safer rental spaces

3

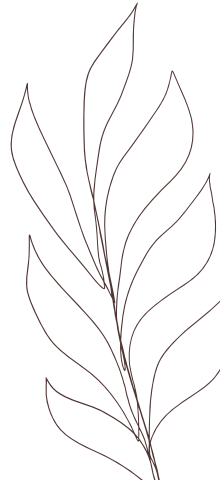
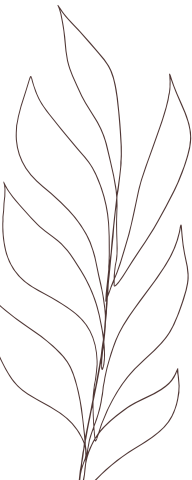
Resources

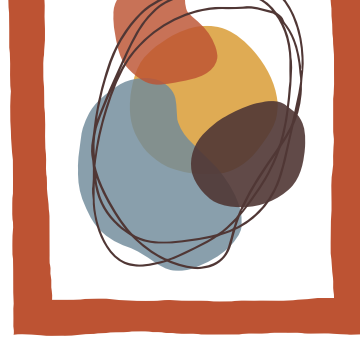
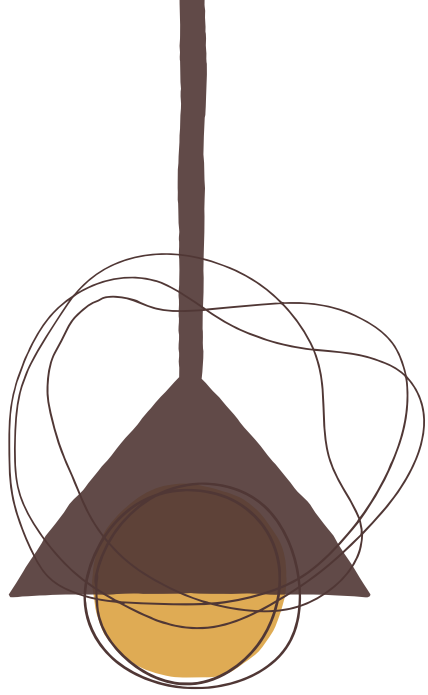
Provides resources to
encourage safety

4

Transparency

Increasing their ethical
practices by being
transparent



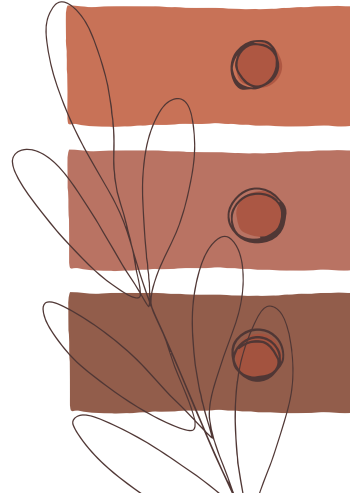


65/100

Keeps hosts in check

Decreases liability issues for Airbnb


Provides safety issues & solutions for guests to see





7

Would we want
to be Marketing
Managers for
Airbnb?





The Team would

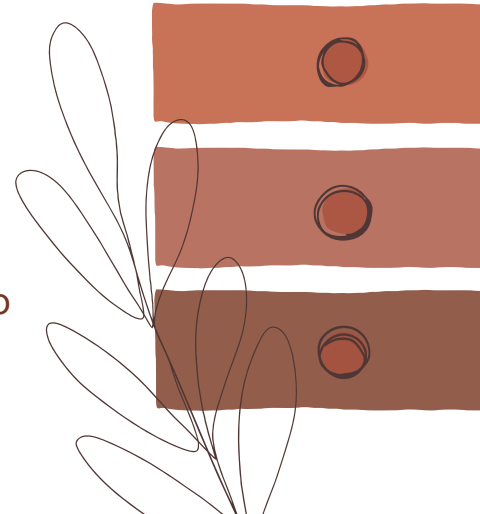
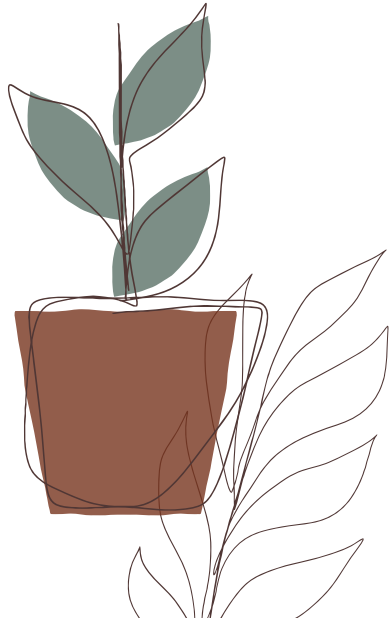
Choose **NOT** to
be

Marketing Managers



KEY FACTORS

- Multitude of unsafe incidents that greatly negatively impact customers
- Lack of transparency of Airbnb; which could greatly affect the rates of incidents
- Use of misleading marketing campaigns to dispel fears of strangers that could've prevented negative outcomes
- Use of NDAs & arbitration to silence victims
- Prioritization of individuals with social media prominence regardless of severity of service failure
- Airbnb's responses to service failures, and their solutions to correcting the problem by means of "throwing" money at the problem in order to come to a settlement



THANK YOU!

ANY QUESTIONS?

