

Airbnb was born in 2007 when two Hosts welcomed three guests to their San Francisco home, and has since grown to over 5 million Hosts who have welcomed over 1.5 billion guest arrivals in almost every country across the globe. Every day, Hosts offer unique stays and experiences that make it possible for guests to connect with communities in a more authentic way.



Fast facts

7.7M+

active listings worldwide

as of December 31, 2023

100K+

cities and towns with active Airbnb listings

as of December 31, 2023

220+

countries and regions with Airbnb listings

as of December 31, 2023

1.5B+

Airbnb guest arrivals all-time

as of December 31, 2023

5M+

Hosts on Airbnb

as of December 31, 2023

\$250B+

earned by Hosts, all-time

as of December 31, 2023

\$14K

earned by the typical US Host in 2022

as of December 31, 2023

\$7B

total taxes collected and remitted globally

as of December 31, 2022

About Airbnb: What it is and how it works?

You can host anything, anywhere, so guests can enjoy everything, everywhere.

What's great about Airbnb?

- A community built for belonging.
- Unique stays, Experiences, Adventures, and more.
- Services you can trust.
- 24/7 support.
- Onward and Upward.

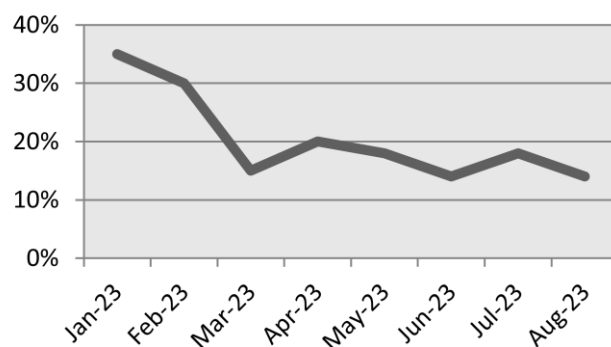
Source: https://www.airbnb.co.in/help/article/2503?locale=en&_set_bev_on_new_domain=1709055115_Nml1NDI2Mjk0NzJl

Problem Airbnb Dealing With:

Airbnb recently implemented a significant adjustment in its fee structure, shifting the burden of fees solely onto hosts, amounting to approximately 15%. This alteration has prompted hosts to raise the costs associated with their resorts to compensate for the increased fees they must bear. Consequently, guests are encountering escalated pricing for resort accommodations, leading to a **deterrent** effect on booking rates.

Only about 18% of people who start booking actually finish it. This means a lot of people are dropping out before they finish booking. With prices going up, this makes it even harder to convince people to book. Fixing this problem is important so that both hosts and guests can have a better experience with Airbnb..

Airbnb Booking Graphs



How do we know this is a real problem and worth solving?

This problem can be judged from several angles:

Ramifications of Airbnb's Fee Increase: The recent surge in Airbnb's fees, accounting for approximately 15% of host payouts, has triggered hosts to escalate costs for guests. Consequently, this fee hike has led to a noticeable decline in bookings, indicating out tangible consequences on the revenue streams.

Hosts' Budgetary Adjustments: In response to financial strains, hosts are resorting to conservative measures, such as limiting guest amenities or adding supplementary charges like cooking/cleaning fees, limited hot water, and additional usage fees. These revisions have triggered negative guest reviews, tarnishing hosts' reputations and further intensifying the downturn in booking rates.

Stringent Cancellation Policies: Faced with declining booking rates, some Airbnb hosts are adopting strict cancellation policies out of fear of running out of bookings. However, this cautionary approach discourages potential guests, leaving them uncertain to commit to bookings and contributing to the downward spiral of reservations.

These factors not only affects the financial viability of hosts but also undermines the overall guest experience and jeopardize the sustainability of the Airbnb ecosystem.

Source - <https://www.airbnb.co.in/help/article/1857#section-heading-2-0>

Success: How do we know if we've solved this problem?

We hypothesize that the recent increase in Airbnb's fee structure has led to a decrease in the checkout rate, affecting both hosts and the platform's revenue.

Hypothesis: Current Situation	Success Impact
In light of decreased checkout rates, let's examine a scenario where approximately 100 resorts are hosted each month. Assuming each resort owner earns Rs10,000 individually, these hosts collectively generate a business revenue of Rs10,00,000 (100 * Rs10,000/-). With Airbnb charging a 15% fee from hosts, the platform garners a monthly revenue of Rs1,50,000/-.	Implementing live chat for swift customer satisfaction could potentially elevate resort booking rates on Airbnb by a minimum of 10%. Given the revenue generated by resorts remains constant at Rs10,000 each, the hosts would amass a business worth Rs11,00,000 (110 * Rs10,000/-). This translates to a noteworthy monthly increase of Rs1,00,000 in revenue.

- Increase in Booking Rates:** The primary indicator of success would be a noticeable rise in the number of completed bookings following the implementation of live chat support. This would suggest that guests are more satisfied with their booking experience and are thus more likely to finalize their reservations.
- Revenue Growth:** Another key metric would be an increase in revenue generated from resort bookings. If the introduction of live chat leads to a higher booking rate as anticipated, we would expect to see a corresponding rise in monthly revenue, reflecting the positive impact on Airbnb's financial performance.
- Improved Guest Satisfaction:** Monitoring guest feedback and reviews would provide insights into whether the introduction of live chat has positively impacted guest satisfaction levels. A reduction in negative

reviews related to booking issues or customer support could indicate an improvement in overall guest experience.

By tracking these metrics, we can effectively assess whether the implemented solution has successfully addressed the problem of reduced checkout rates and contributed to Airbnb's overall success.

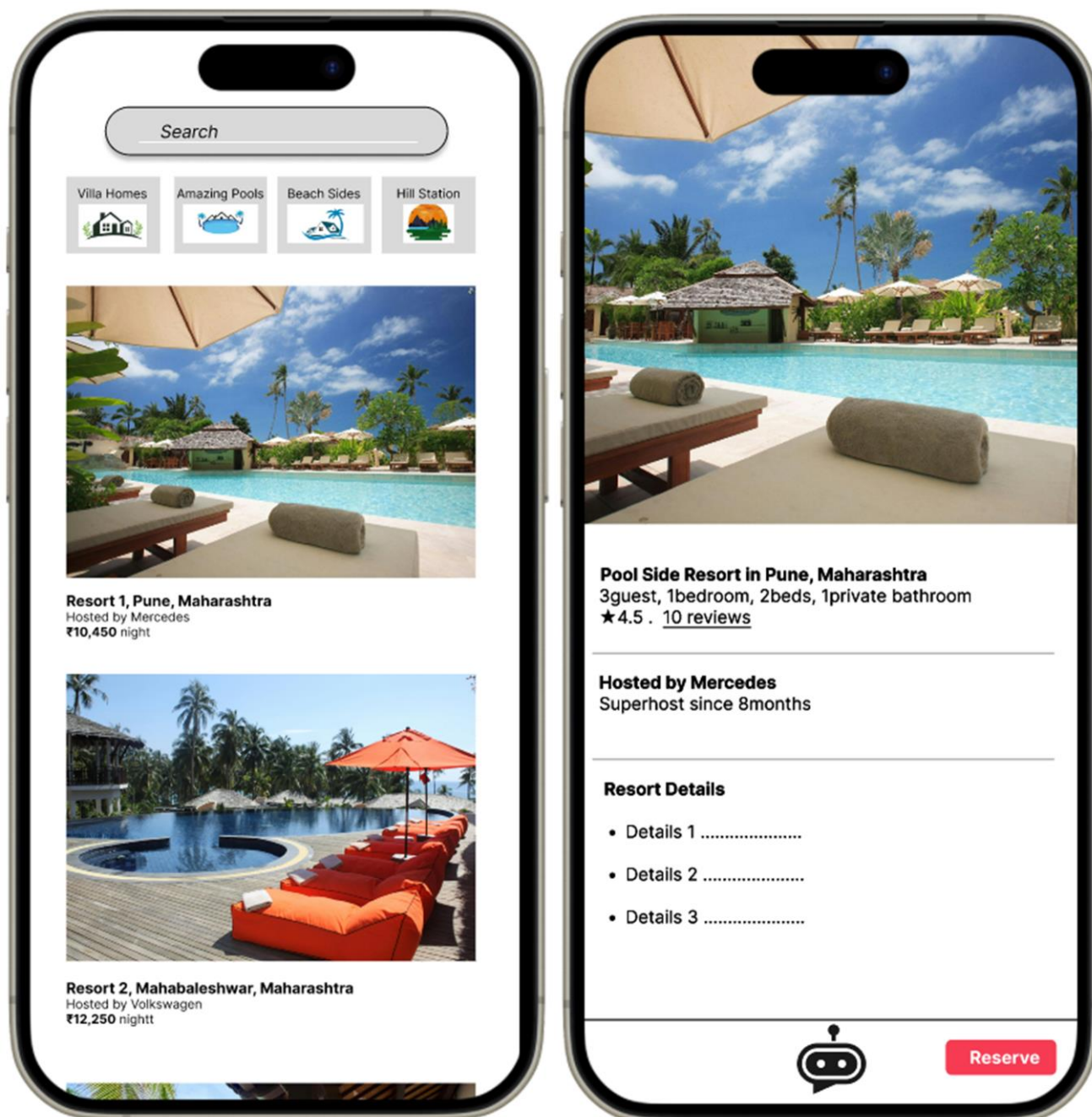
Target Audience for Success Rate?

We are building solutions to understand and address the needs of our primary audience: **the guests**.

By focusing on enhancing the guest experience, understanding the guests' needs, prioritizing guest satisfaction, we can foster loyalty and trust, encouraging guests to choose Airbnb for their accommodation needs time and again, also contribute to the success of hosts and the Airbnb platform as a whole.

Satisfied guests are more likely to leave positive reviews, recommend Airbnb to others, and ultimately drive higher booking rates, resulting in increased revenue for the platform.

Mock-Up Structure: On Look & Feel Along With Experimental Plan

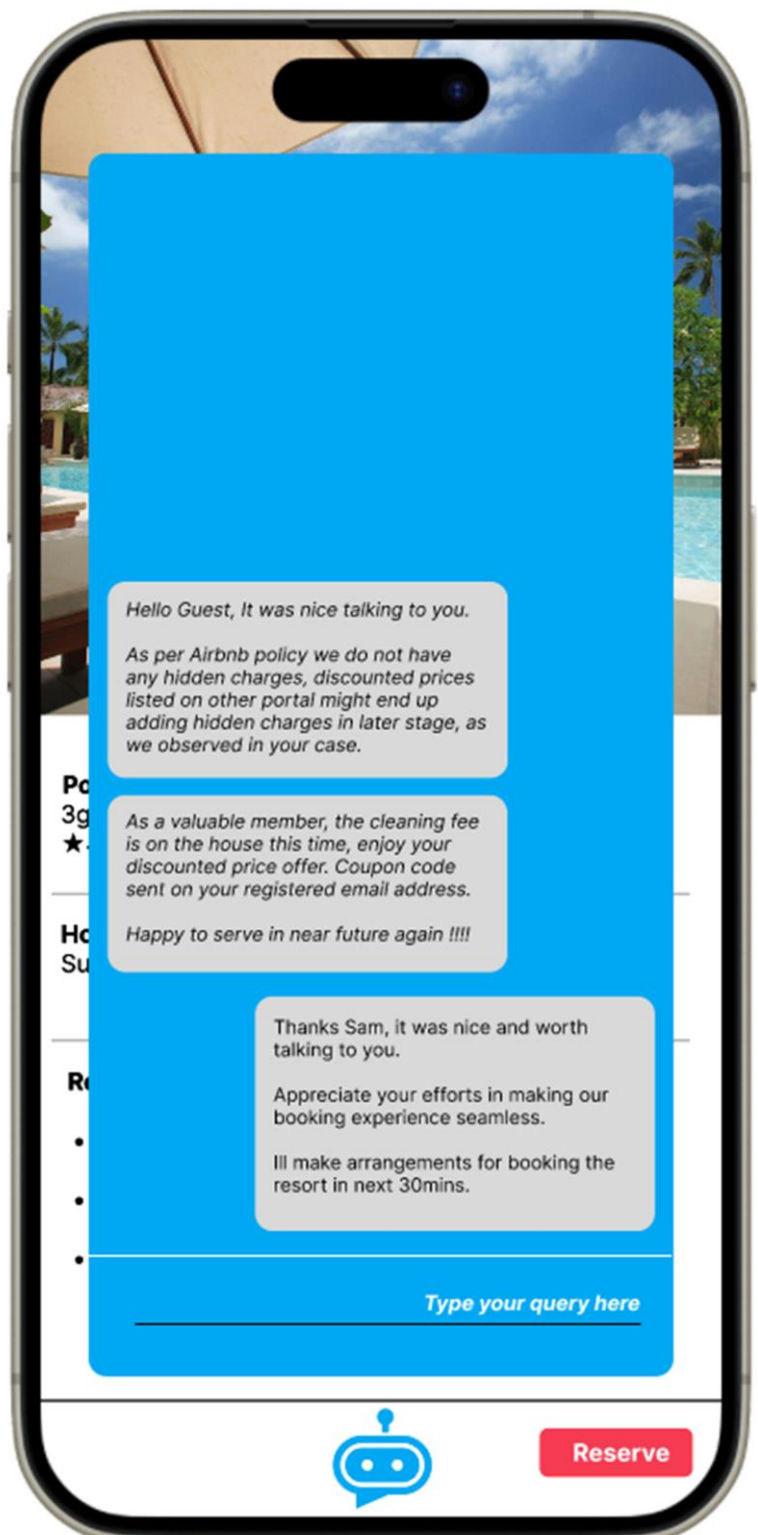
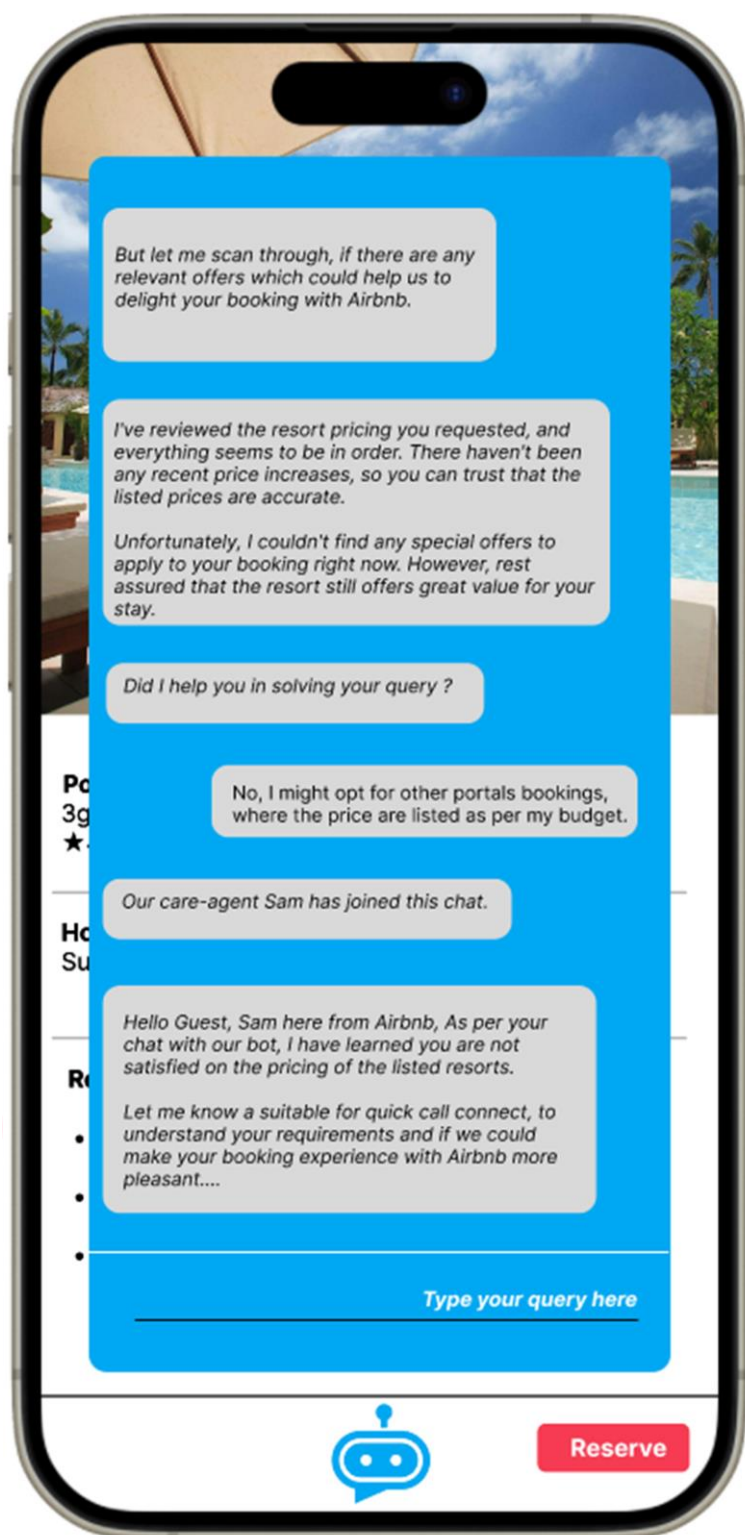




Experimental Hypothesis Plan: Implementing live chat assistance is anticipated to boost our booking rate and, consequently, increase revenue generation. To evaluate this hypothesis, we will introduce one additional team member dedicated to handling live chat inquiries during a trial period.

However, our analysis suggests that a single employee may not be sufficient to address all live chat queries effectively. With an average handling time of approximately 10 minutes per query, and a minimum of 10 users in the queue, the wait time for users seeking assistance may be prolonged.

In order to enhance the user experience, we have also integrated an Airbnb AI chat bot. This bot is designed to promptly respond to common queries such as booking status, resort pricing details, payment status, refund issues, host contact information, and lodging complaints. As Airbnb continues to expand, we can further refine the AI bot's capabilities based on frequently asked questions (FAQs), potentially saving up to 5 minutes of the live user assistant's time.



Once the user queries surpass the expertise of the AI Bot, it seamlessly transitions the conversation to the live user assistant employee within the chat interface. The live user assistant then reviews the query and endeavours to address the user's concerns within the framework of Airbnb's defined policies.

This approach ensures that users receive timely and accurate assistance tailored to their specific needs. By seamlessly integrating human support with AI capabilities, we aim to provide a comprehensive and efficient customer service experience. Additionally, the live user assistant can leverage their expertise and discretion to handle queries that require nuanced understanding.

Product Road Map and Release Plan

	Sprint I		Sprint II	
	01-Jun	15-Jun	29-Jun	13-Jul
Analysis	Analysis around introducing new Live chat feature			
	Defining Epics -> Features -> Stories			
	Preparing backlogs			
Designing	UI / UX design of the new chat feature .			
	Data analysis of the FAQs by users till date.		Designing the algo's and NLP tools of AI chat boot	
Development (UI)			Screen designing to accommodate chat feature	
Development (Backedn)			API calls to fetch and process customer data	
Development (AI Bot)			Basic Setup of AI Bot Tech Stack	
Testing /UAT				
Release				

	Sprint III		Sprint IV	
	27-Jul	10-Aug	24-Aug	07-Sep
Analysis				
Designing				
	Flow design for AI bot to respond			
Development (UI)	Designing Chat Pill Components for User and AI Bot		UI and Backend data integration	
Development (Backedn)	API calls to fetch and process FAQs from historical data		Standby Sprint for Unanticipated Situations	
Development (AI Bot)	AI Pattern Analysing and Training based on data passed through it.		Dev Deployment & Verification	
Testing /UAT				
Release				

	Sprint V		Sprint VI		Sprint VII		Sprint VIII		Go Live
	21-Sep	05-Oct	19-Oct	02-Nov	16-Nov	30-Nov	14-Dec	28-Dec	11-Jan
Analysis									
Designing									
Development (UI)	Standby Sprint for Unanticipated Situations		<div>- Code Integrations</div> <div>- Code Dev Deployment</div> <div>- Deployment Pipeline Verification</div> <div>- AI Bot Training Set Verification</div>		<div>- UAT Testing</div> <div>- Bug fixes</div> <div>- Product Team Demo</div>		Standby By Sprint		Go Live
Development (Backedn)	Dev Environment Setup & Deployment (Deployment Pipeline Setup)								
Development (AI Bot)	Standby Sprint for Unanticipated Situations								
Testing /UAT									
Release					Live Care Agent Training		Care Agent Go-Live with dummy test user		

