

# **Business model canvas: Airbnb**

## **Key Partners**

- Payment processors
- Accommodation hosts
  - Small rental hosts
  - Apartment landlords
- Partners in tourism:
  - Tourism boards
  - Advertisers

## **Key Activities**

- Connect potential guests to hosts
- Ensure that handover of accomhappens smoothly
- Payment processing/transfers
- Vetting of hosts, handling of complaints

## **Key Resources**

- Hosts
- Partners (e.g. hotel chains) and their listings
- App users (guests)
- App infrastructure and search algorithm
- Database of listings, user details, transactions

# **Value Proposition**

- Offer hosts a way of generating income with minimal friction. They have access to more guests than they would by making a traditional posting and have the guarantee of guests being screened.
- Offer guests accommodation of a given price range with more amenities than a traditional hotel (e.g. full house) within a certain location (taking into account factors such as distance to public transport).
- For both: 24/7 customer service availability.
- For both: complaints can be handled by a third party rather than manually.

# **Customer Relationships**

 Handling of complaints (issues with safety and damages)

#### Channels

- App platform
- Website
- Coverage in local tourism advertisements/boards
- Word-of-mouth

## **Customer Segments**

- Guests:
- In general, guests come from a wide demographic but this can be narrowed down to certain age groups/incomes based on the price range and the destination.
- Can be segmented into families/groups/individuals
- Can be segmented by trip type (holiday, business, backpacking)
- Hosts:
  - Can be segmented by the number of properties hosting
- Can be segmented by type of accommodation on offer (rooms, entire house, etc.)

## **Cost Structure**

- "Cost of revenue":
  - Insurance premiums to be paid
  - Payment fees for handling transactions
- IT and computing costs:
  - Database hosting/upkeep
- App/website hosting
- Salaries of Airbnb employees
- Product development:
  - o Software engineering costs for changing/updating the infrastructure
- Advertisement costs. This could include the cost of discounts and promotions.

## **Revenue Streams**

- Earn commission on each transaction
  - From host fees, the commission ranges from 3–5%. This is taken from the rent paid by a guest.
    - If a host also offers experiences/tours, the commission is raised to 20%
  - From traveller fees, the commission ranges from 0-20%