

# Enshittification of Airbnb

Ben Lynch

The specific technology being examined for this project is the web based vacation rental company, Airbnb. This technology/company has been accused of Cory Doctorow's concept of 'enshittification'. Broadly speaking, enshittification describes a company's downfall. Doctorow's concept basically states that a company does well in the beginning and grows. They have a good concept, they treat their users/customers well (in this case, a guest), and treat their business customers well (in this case a host). Then the enshittification begins. They begin treating their users worse and worse to improve things for their business customers. Then they begin treating their business customers poorly to maximize the company's profits and satisfy shareholders etc... Then they go under because they have 'abused' all of the people who use the technology. Another aspect of this concept is the idea that users and business customers eventually become locked in before the company starts treating them poorly. Then, before they know it, it is too difficult and/or expensive to switch to another company, IF they have not already been bought out by the company that they're already using. Oftentimes, companies may undercut their competitors until they are successful, then they slowly become worse and worse, possibly becoming worse than their original competitors, while still dominating the market.

While I don't necessarily agree that us users are actually locked in (although the host's kind of are) what they did was make it such a good deal, much better than hotels even, for so long that we got it in our heads that Airbnb is the better deal and the way to go, all while they slowly made it worse and worse. The thing is, they did it so slowly that many people barely noticed, if they even did at all. Even today I kind of automatically think Airbnb or VRBO is the way to go, until I see the final costs of the stay and compare it to hotels. As for the host's, many of them don't actually live in their rentals but have bought them for the sole purpose of renting them out on Airbnb or VRBO. I think they're a little more locked in for this reason as their options are to stay with the company, try to turn it into a normal annual rental for a likely loss of profit, or sell the property altogether. While I don't feel bad for the hosts because they do have decent options that won't necessarily result in major loss overall, they are kind of locked in to using these two competitors if they want to stay in the vacation rental business earning the amount of money they currently do with that business.

Enshittification is an issue because we see more and more companies following this bad business model. This poor business model affects other businesses in the industry. Honestly though, I think it's more of an inconvenience or pain in the butt for people than it is anything else. Ultimately it makes everyone involved feel the negative effects in some way, even the business that went through enshittification itself when their business starts to eventually go under. I think this quote from Zickgraff really sums up the issue pretty well:

"Now that they've got all of us hooked, Airbnb's service itself is going into the toilet. In 2023, Airbnb is littered with ads for properties that have deceptive photos, a laundry list

of demands and rules from hosts, hidden cameras, and tacked-on fees. The cluttering has made the site nearly unusable, or at least untrustworthy, causing some on social media to declare an “Airbnbust.”

But at the end of the day, we aren’t really locked in and we can use hotels if we want. Or another company can come along and provide the service in a better way like Airbnb did in its early days.

Anyone who travels is potentially impacted by this issue. Most of the time hotels are an available option but sometimes they are not. Furthermore hotels are not always the best option if you have a large group of people you want to spend time with or have a family and want separate rooms for children without them being in a different room down the hall completely unsupervised. I recently had to book an airbnb because there were no hotel options for the immediate area we wanted to stay and I can attest to the claim that these companies are becoming enshittified. I used VRBO for this trip. While searching through the app it said the rental was \$129/night. When I went to checkout, the total was \$289... more than double the advertised price with a \$85 cleaning fee, \$30 service fee (15% of total including other fees), and \$37 lodging tax. Even without the tax it’s still almost double. And what’s worse were all the rules and instructions from the owner. On top of the \$85 cleaning fee they wanted us to remove all the linens, pile up the towels in the bathroom, take the trash out, and sweep... This wouldn’t normally bother me but don’t charge an \$85 cleaning fee for a \$129/night rental if you want the guests to do all that extra cleaning, or just lump it into your nightly rate. A hotel doesn’t ask you to do anything like that, in fact they actually clean your room for you daily, and they don’t charge an extra fee for it. For the record, here is a list of all the fees that you may encounter when booking a trip with Airbnb (provided by Airbnb.com):

**“Airbnb service fee:** Guest service fee charged by Airbnb—this provides 24/7 community support and helps everything run smoothly.

**Cleaning fee:** Charged by some Hosts to cover the cost of cleaning their space after the stay.

**Extra guest fee:** Charged by some Hosts for each additional guest beyond a set number.

**Pet fee:** Some Hosts allow pets to stay in their listings for an additional charge which may be separate from cleaning fees.

**Security deposit:** Hosts who manage their listings with API-connected software can set a security deposit using our offline fees feature. Learn more about security deposits.

**Value Added Tax (VAT, JCT, and GST):** Charged to guests who live in certain countries—find out more about VAT.

**Local taxes:** Charged based on the location of the Host's place—find out more about local taxes.”

As Ott mentions though, there are still some upsides to using these companies such as, family travel, curbing overtourism, and income opportunities for hosts. Vacation rentals help curb overtourism by making destinations more accessible. This gives tourists the option of literally staying anywhere instead of just locations that can support tourism with hotels, restaurants, etc. Before vacation rentals, it would be near impossible to stay in a cabin in the woods with five of your friends for a weekend but now it's possible. Additionally, they now have an option to display the total price when searching, which includes all the fees. This provides better pricing transparency. Also, hosts typically only pay 3% of their rate to Airbnb which isn't bad, although in some instances they may have to pay up to 15%. This leads me to believe that Airbnb is currently in its first phase of enshittification since the guests seem to be the ones seeing the brunt of the abuse as of now.

Even though these are positive aspects about vacation rentals in general, I can't see any upside of the route these companies have headed with the enshittification process. I don't see any upside to the enshittification process beyond making the rich even richer and/or possibly helping the economy and stock market. I think eventually it just makes things worse for everyone.

I think the only way this issue may be resolved is for a new company to come in and do it the way it should be done, like Airbnb and VRBO did before their enshittification. The only problem is that even the new company would have a hard time resisting enshittification. Eventually investors want to be paid and shareholders want their investments to grow. I think if enough companies that go through enshittification start to die, everyone might start to realize it is not a good business method for anyone. CEO's and shareholders seem to be the real root of this problem so maybe alternative business models may help, but I don't see any other way to resolve this issue if not.

## 2.1. What did you read / watch?

Airbnb.com: Pricing and fees. <https://www.airbnb.com/help/topic/1355>. This is the Airbnb page that describes their pricing and fees.

GodSaveThePoints.com: In Defense Of Airbnb (It's Not Awful). Gilbert Ott. 13 June 2022. <https://www.godsavethepoints.com/in-defense-of-airbnb-its-not-awful/>. A travel website. This article speaks about both the ups and downs of Airbnb.

Jacobin.com: Airbnb Was Supposed to Save Capitalism. Instead, It Just Devolved Into Garbage. Ryan Zickgraff. 6 January 2024. <https://jacobin.com/2024/01/airbnb-big-tech-hotels-travel-sharing-economy-capitalism>. This is an American Socialist magazine. This article talks about the enshittification of Airbnb.

Wikipedia: Enshittification. Last edited 28 August 2024. <https://en.wikipedia.org/wiki/Enshittification>. This generally explains enshittification and highlights some of the companies accused of the practice.