

Product Fundamentals Project

Airbnb 

Felipe Tavares Chaves
Oct/2021



Product Project Brief

Create a world where anyone can belong anywhere

- Company name: Airbnb
- Context: Airbnb is an online marketplace connecting travelers with local hosts. Air Bed and Breakfast was founded in 2008 by Brian Chesky, Nathan Blecharczyk and Joe Gebbia.
- Product name:
 - Core: Accessible, authentic, and immersive experiences.
 - Actual: Rentals marketplace.
 - Augmented: Searching/Booking, Airbnb Luxe, Review, Super-host.



Competition Type & Competitors

Contemporary disruption on customer resources unfold an opportunity in a heavily competitive market

| Competition Type | Competitors |
|---|---|
| Narrow Products that are nearly indistinguishable from yours, with the same core and actual product. | Vrbo, Hotels.com, booking.com |
| Form: Similar actual products that compete for wallet share, but aren't perfect substitutes. | Hyatt, Four Season, Ritz-Carlton, Marriot, Hilton |
| Need: Similar core products that meet the same need for the user (may be different actual products). | Disney Travel Agents, KAYAK, Expedia |
| Resource: Products that compete for the same customer resource (i.e. money, time, attention, appetite). | Time, work-life flexibility, health and sanitary restrictions |



Audience

They are looking for more home-like and local experience.

| Criteria | Notes |
|---|--|
| Size How many people have that need? | \$3.4 Trillion Total Addressable Market (TAM): (\$1.8 trillion in short term stays; \$210 billion in long term stays; \$1.4 trillion in experiences) (Source: 1 , 2) |
| Identifiable How would you identify/tell whether an individual has that need? | The guests: People who looking for an affordable alternative option to hotel, more home-like and local experience. |
| Accessible What channels you use to market to individuals with that need? | Digital marketing: “A February 2019 survey revealed that 48 percent of U.S. adults aged 18 to 29 years were online “almost constantly” and that most of Millennials’ online minutes were via mobile . U.S.” (source) |
| Predictable Behaviors What buying or usage behaviors do people that have this need exhibit? | Mostly they are budget - minded travelers, belong to tech savvy generation. |



Strategic Recommendation

Simple, world-class, communities

| Recommendation | Action |
|---------------------------------------|---|
| Simplify guests discovery | <ul style="list-style-type: none">- Build personalized search architecture where guests can add preferences to improve search recommendation results and reduce the time to find the perfect place to stay. |
| Deliver world-class service | <ul style="list-style-type: none">- Add new options of add-on services when people are checking. E.g., additional cleaning services or breakfast every morning.- Guests loyalty programs |
| Feed strong community of hosts | <ul style="list-style-type: none">- Build community center where hosts support and learn from each other- Create incentive programs for hosts |
| Step up local economies. | <ul style="list-style-type: none">- Work in partnership with local policymakers, NGO's and local travel agencies to strengthen the local economy and relationships. |



Thank you

STEPPS FRAMEWORK

Company Analysis

| STEPPS | Strategies | Grade |
|---|--|-------|
| Social Currency: Make others look good | <ul style="list-style-type: none">• Make people feel like insiders• Game mechanics• Find inner remark ability | B |
| Triggers: Top of mind tip of tongue | <ul style="list-style-type: none">• Who will you trigger?• When do you want your audience to be triggered?• What will you use as your trigger?• How will you create this trigger? | B |
| Emotion: When people care, they share | <ul style="list-style-type: none">• Use the “three why’s” to determine your emotional core• Leverage existing high-arousal moments• Create new high-arousal moments | A |
| Public: Easy to see, easy to imitate | <ul style="list-style-type: none">• Make the product or service advertise itself• Make the packaging or delivery process more visible• Create behavioral residue• Surfacing information | C |
| Practical Value: News you can use | <ul style="list-style-type: none">• Package your knowledge and expertise• Use the Rule of 100 when pricing• Use reference point | B |
| Stories: Vessels that carry your brand | <ul style="list-style-type: none">• Determina your kernel• Build a Trojan horse• Leverage existing stories | A |



STEPPS FRAMEWORK

Company Analysis

| STEPPS | Crurrent Grade | New Ideas Using STEPPS Strategies <small>What STEPPS strategy do you want to improve or incorporate?</small> |
|---|----------------|--|
| Social Currency: Make others look good | B | Improve hosts gamification and make them feel like insiders, as part of the company and business. |
| Triggers: Top of mind tip of tongue | B | Showcase the benefits for enjoy community center experience. |
| Emotion: When people care, they share | A | |
| Public: Easy to see, easy to imitate | C | Create behavioral residue and focus on surfacing information about a experiences where anyone can belong anywhere. Find unique ways for the customer to share their content and bring the private to public. |
| Pratical Value: News you can use | B | Sharing useful information about community and what other guests have enjoy in while they enjoyed their experience. |
| Stories: Vessels that carry your brand | A | |



STEPPS PRIORITIZATION

| | | | | |
|--------|--------|---|---|---|
| EFFORT | HIGH | | Public: Create behavioral residue and focus on surfacing information about experiences where anyone can belong anywhere. Find unique ways for the customer to share their content and bring the experience from private to public. | Social Currency: Improve hosts gamification and make them feel like insiders, as part of the company and business. |
| | MEDIUM | | Trigger: Showcase the benefits for enjoy community center experience. | |
| | LOW | Practical Value: Sharing useful information about community and what other guests have enjoy in while they enjoyed their experience. | | |
| | | LOW | MEDIUM | HIGH |
| | | IMPACT | | |

Strategic Recommendation

- **Public:** Find unique ways for customers to share their content and bring the community experience from private to public. Create a list of sharable activities for people to do around the community they stay in.
- **Social Currency:** Hosts are the cornerstone of guest's experiences, built-in-product gamification experiences where hosts can feel like an insider. Promote top hosts in the community, highlight their expertises, and make them proud to create a world where everyone feels they belong.
- **Trigger:** Showcase the benefits of community center experience and the underline benefits for travels experiences.
- **Practical Value:** Center every experience around the community and promote the easily accessible unforgettable experience.

