

AirBnB Case Analysis

Analyze the case of AirBnB presented in class by answering the questions in-line below. Your analysis here directly translates into the class's debrief success. Use this structure for our case discussions:

Emails

- o What is the problem/issue Brian Chesky, CEO of AirBnB faces?
 - **The issue is that it would appear as if two users had very different experiences onboarding to the app, highlighting potential bias in the algorithm used to verify fraudulent accounts.**
- o What should Chesky consider while addressing this issue?
 - **Chesky first needs to understand where the problem originated. Was this user required to verify themselves with a Facebook, Google, Passport, etc. or was it optional to use the platform?**
 - **Was this an unintentional bias in their fraud prevention algorithm?**
- o What would you recommend Chesky do at this time?
 - **This is an issue that is sensitive, and has a massive historical context it is important not to discount their experience**
 - **He should apologize, take accountability, explain that this obviously was not AirBnb's intention but can understand why this situation would elicit this type of reaction**

Academic Research

- o What should Chesky consider while addressing this new attention to the issue?
 - **Airbnb will suggest prices based on similar properties, what factors are being used to determine this?**
 - **While their pricing model may not directly take into account race, in NYC especially there is a lot of defacto segregation, you have black neighborhoods, colombian neighborhoods, russian neighborhoods, italian neighborhoods etc. All with different socio economic issues. So, while it may have not been directly race related, it could be indirectly because of how deep this issue runs.**
- o What would you recommend Chesky do at this time?
 - **Investigate the pricing model**
 - **Understand the other different factors that contribute to why black hosts are charging less**

Overall

- o What did Chesky do that he shouldn't have?
 - **He completely brushed off the criticism and became defensive. He tried to discredit the reports in the second example and completely ignored the first case.**
 - **He took no steps to address the issue and deflected**
- o What did he *not* do that he should have done?
 - **He should have addressed the issue immediately, taken accountability, explained that it was not intentional, and they are publicly working towards solving this issue**
- o Where have you been presented with different types of evidence and needed to decide whether or not to act on it?
 - **I would not have needed any other data or evidence when deciding to act or not. Maybe more data would inform my action plan, but ignoring the experience of your users (especially in the context of racial based housing discrimination) is a great way to alienate your POC users**