AIRBNB ACCOMODATION

CIS 8010: Process Innovation

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SERVICE OVERVIEW

- **Provider: Airbnb, Inc.**

- **Operation: Global Accommodation Network**

- **Accessibility: Website, Mobile App**

- **Customization: Personalized Searches**

Airbnb Annual Listings

Dec 31 2023	
Revenue	US$9.917b /y
Earnings	US$4.792b /y
Free Cash Flow	US$3.884b /y
Cash From Op	US$3.884b /y

BUSINESS CANVAS

Key Partners
- Hosts (People who rent their space)
- Guests (People who book spaces)
- Photographers (Freelance)
- Investors
- Payment Processors

Key Activities
- Product Development & Management
- Building Host network and Managing hosts
- Building travelers network and managing guests

Key Resources
- Local Hosts
- Skilled Employees
- Technology

Value Propositions

Hosts
- Hosts can earn money by renting their space.
- Airbnb offers insurance to house owners.
- Free photo shoots for property listings through photographers.

Guests
- Guests can book a homestay instead of hotel.
- Prices are often less as compared to hotels.

Customer Relationships
- Customer Service
- Social Media
- Promostional Offers
- Home Insurance

Channels
- Website
- Mobile App for Android
- Mobile App for iOS

Customer Segments

Hosts
- People who own a house and want to earn extra money.
- People who want to meet new people.

Guests
- People who love to travel.
- People who want to stay comfortably at a cheap price.

Cost Structure
- Technological Set up & running costs
- Salaries to permanent employees
- Payments to freelance photographers

Revenue Streams
- Commission from Hosts upon every booking
- Commission from Guests upon every booking

SWOT ANALYSIS

S | STRENGTHS

- Strong brand recognition
- Diverse accommodation options
- User-friendly platform
- Community-driven model
- Innovative features

O | OPPORTUNITIES

- Expansion into new markets
- Partnerships and collaborations
- Investment in technology
- Sustainable and responsible tourism
- Expansion into new services
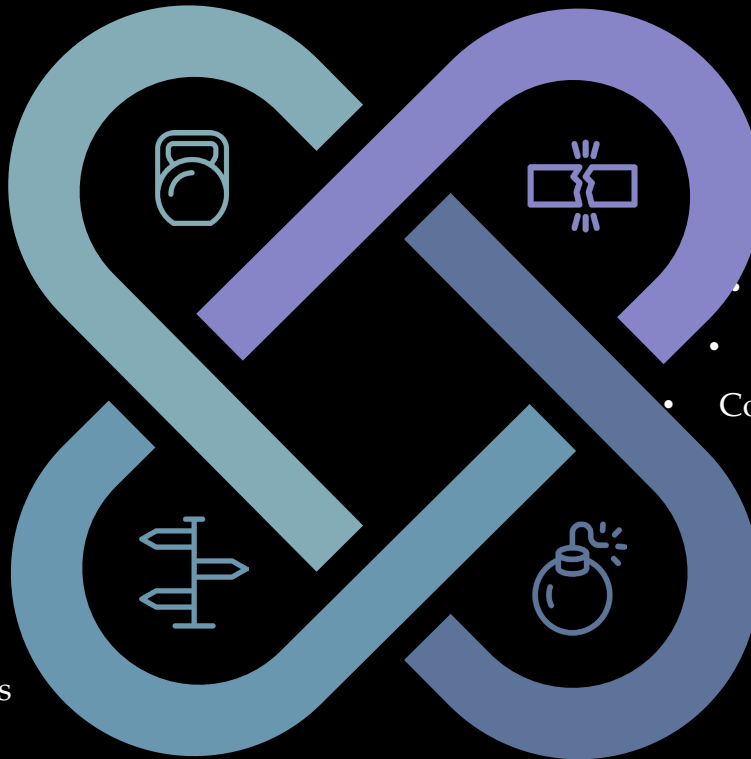
WEAKNESSES | W

- Regulatory challenges
- Quality control concerns
- Dependency on host retention
- Vulnerability to external factors
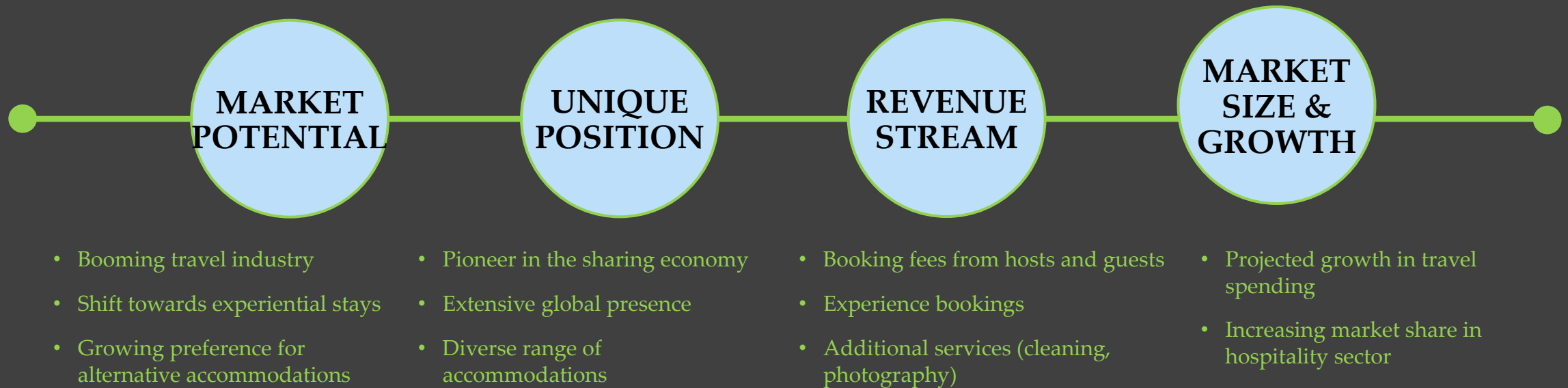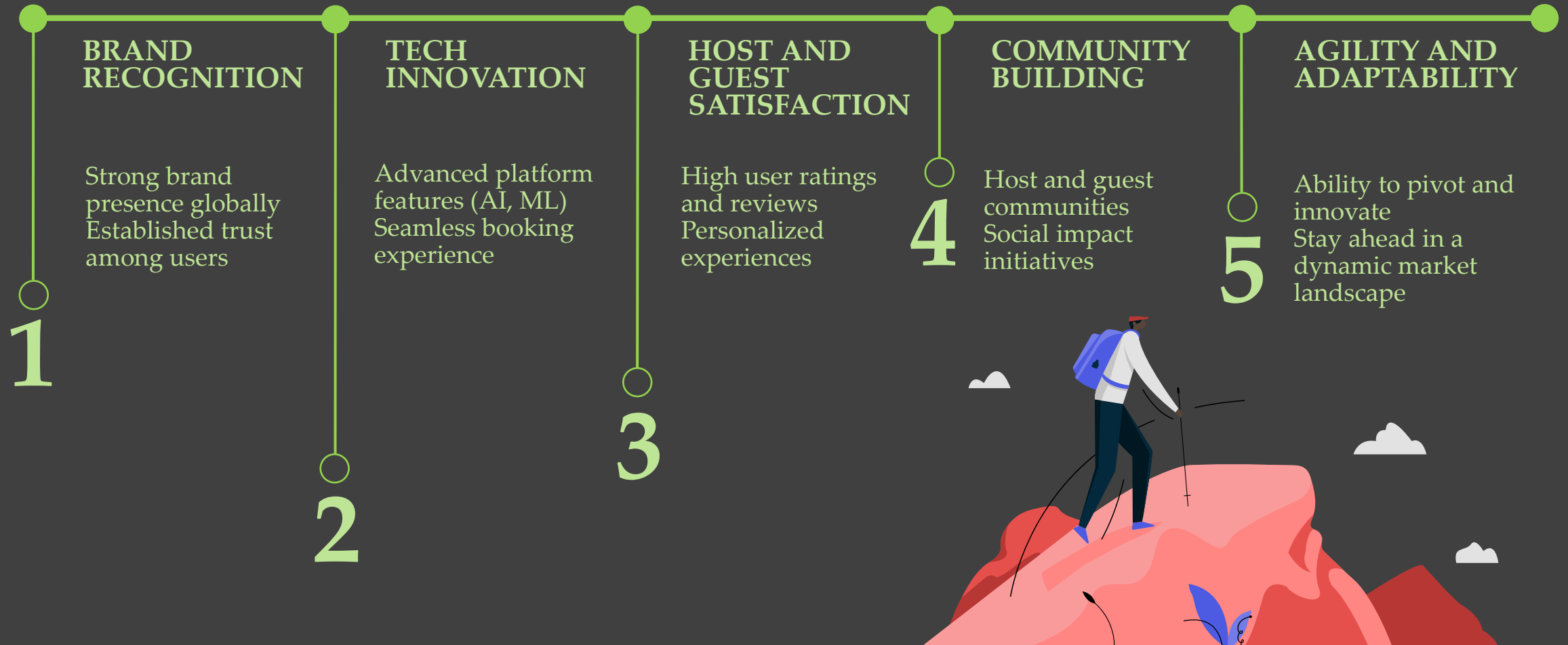- Competition from similar industry

THREATS | T

- Regulatory crackdowns
- Economic instability
- Security and safety concerns
- Competitive pressures
- Technological disruption

BUSINESS OPPORTUNITY OVERVIEW

MARKET POTENTIAL

UNIQUE POSITION

REVENUE STREAM

MARKET SIZE & GROWTH

- Booming travel industry
- Shift towards experiential stays
- Growing preference for alternative accommodations

- Pioneer in the sharing economy
- Extensive global presence
- Diverse range of accommodations

- Booking fees from hosts and guests
- Experience bookings
- Additional services (cleaning, photography)

- Projected growth in travel spending
- Increasing market share in hospitality sector

COMPETITIVE ADVANTAGE

BRAND RECOGNITION

Strong brand presence globally
Established trust among users

1

TECH INNOVATION

Advanced platform features (AI, ML)
Seamless booking experience

2

HOST AND GUEST SATISFACTION

High user ratings and reviews
Personalized experiences

3

COMMUNITY BUILDING

Host and guest communities
Social impact initiatives

4

AGILITY AND ADAPTABILITY

Ability to pivot and innovate
Stay ahead in a dynamic market landscape

5

CURRENT STATE OF AIRBNB

Service Challenges	Control Disparities	Pricing Discrepancies	Competitive Risks
• Slow response times	• Maintenance inconsistency	• Pricing unpredictability	• Host Policy Strain
• Unresolved issues	• Misleading descriptions	• Lack of clarity in fees	• Legal Impact
• Language barriers	• Inaccurate photos	• Limited pricing flexibility	• Competitor & Saturation
• Scam incidents	• Unreliable amenities	• Host's dissatisfaction on fees	• Loyalty Loss

AIRBNB SERVICE PROCESS OVERVIEW

ACCOUNT CREATION

Interface: Customer starts account.

Process: Managed in Account Department.

Touchpoints: ID verification challenges.

Roles: Staff verify; IT assists.

MAIN BOOKING

Interface: Booking follows account.

Process: Handled by Booking Department.

Touchpoints: Housing data discrepancies.

Roles: Dept manages; IT facilitates.

PAYMENT PROCESSING

Interface: Payment post-booking.

Process: Managed by Payment Department.

Touchpoints: Payment detail issues.

Roles: Staff verify; IT handles.

POST-STAY PROCESSES

Interface: Post-payment processes.

Process: Reviews collection, receipt generation.

Touchpoints: Review, receipt challenges.

Roles: Staff collect; IT finalizes.

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TARGET CUSTOMERS

Traveler Profile

- Seek personalized lodging experiences
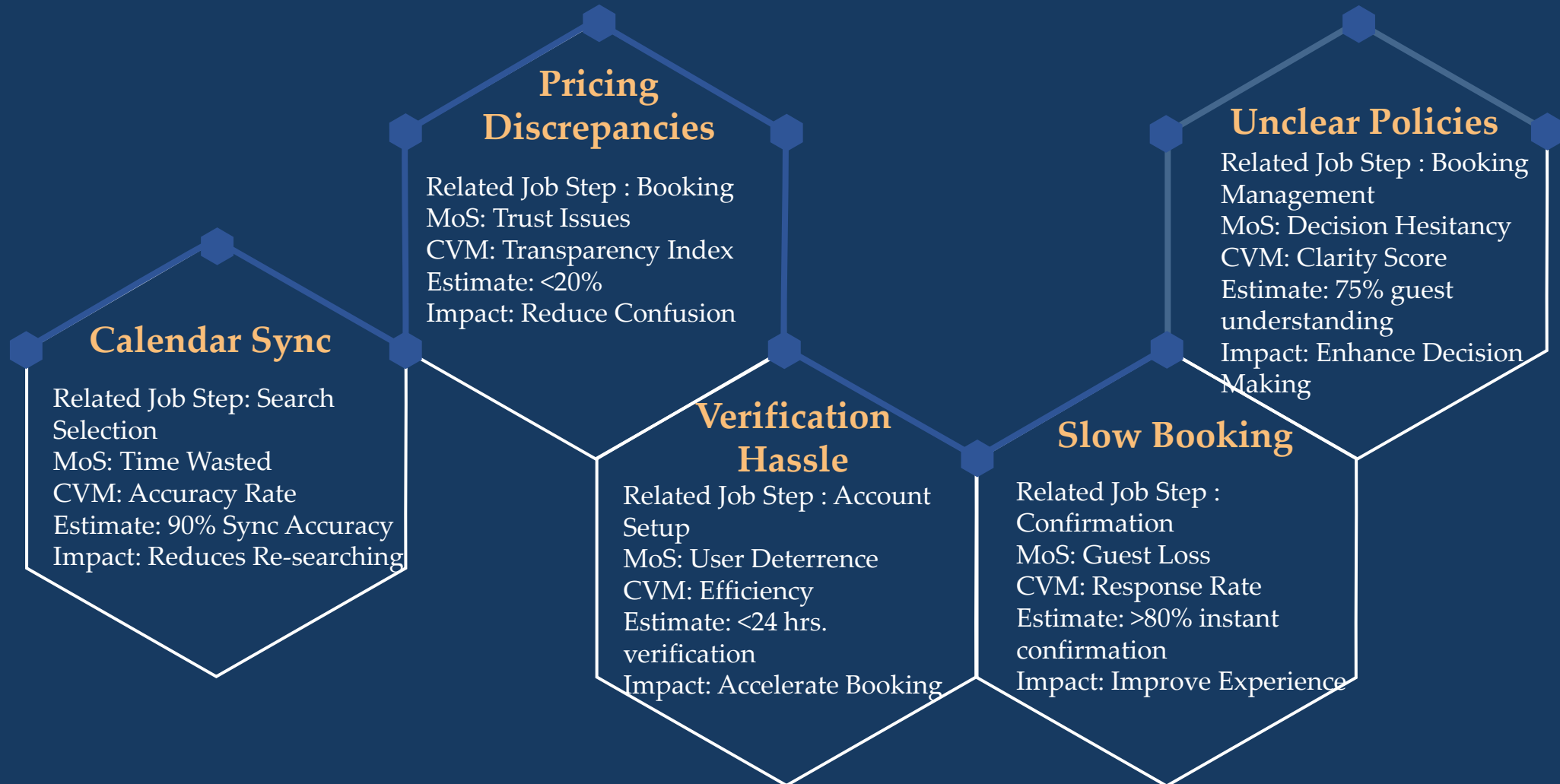- Value convenience and customization

"Job" to be done

- Book a place to stay during travel
- Seek a personalized and convenient experience
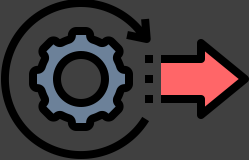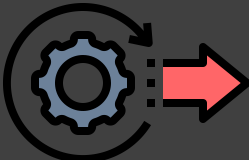- Utilize customizable search, booking, and check-in options

BIG Problem:

- Lack of listing transparency
- Difficulty finding specific preferences

IDENTIFIABLE MOS AND CVM

Pricing Discrepancies

Related Job Step : Booking
MoS: Trust Issues
CVM: Transparency Index
Estimate: <20%
Impact: Reduce Confusion

Unclear Policies

Related Job Step : Booking
Management
MoS: Decision Hesitancy
CVM: Clarity Score
Estimate: 75% guest
understanding
Impact: Enhance Decision
Making

Calendar Sync

Related Job Step: Search
Selection
MoS: Time Wasted
CVM: Accuracy Rate
Estimate: 90% Sync Accuracy
Impact: Reduces Re-searching

Verification Hassle

Related Job Step : Account
Setup
MoS: User Deterrence
CVM: Efficiency
Estimate: <24 hrs.
verification
Impact: Accelerate Booking

Slow Booking

Related Job Step :
Confirmation
MoS: Guest Loss
CVM: Response Rate
Estimate: >80% instant
confirmation
Impact: Improve Experience

01 VLIFT PROCESS FOR PRICING DISCREPANCIES IMPROVEMENT

Dynamic Pricing Information	Instant Booking Prioritization	Simplified Booking Interface	Lean Processes Implementation	Improvement Rationalization
• Real-time price adjustments • Accurate total cost reflection	• Resource allocation for high-demand segments • Segment-specific instant booking features	• Streamlined booking steps • Automated customer preferences	• Wasteful step elimination • Error reduction through Six Sigma	• Instant booking performance monitoring • Customer feedback utilization

Reduced variance (< 10%)

Transparent pricing calculations

Dynamic pricing information integration

02 VLIFT PROCESS FOR INSTANT BOOKING ENHANCEMENT
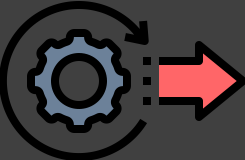
Upgrade Technology Infrastructure	Prioritize High-Demand Segments	Simplify Booking Interface	Implement Lean Processes	Continuous Improvement
• Efficient request handling • Real-time availability checks	• Resource allocation optimization • Segment-specific features implementation	• Minimized booking steps • Automated customer preferences	• Eliminate wasteful steps • Error reduction through Six Sigma	• Track instant booking performance • Act on customer feedback

Instant booking response rate ≥ 90%

Prioritized high-demand segments

Simplified booking interface and processes

03 VLIFT PROCESS FOR CALENDAR SYNC ENHANCEMENT

Address Service Gaps	Tailored Service Segmentation	Shift Customer Side Complexity	Remove Slack Rope	Proposed Improvement Rationalization
• Complex scenario handling • High accuracy rates assured	• Business user enhancements • Personal user simplification	• Background synchronization management • Smart error handling algorithms	• Streamlined process application • Six Sigma for quality improvement	• Set ambitious targets • Apply VLIFT strategies • Enhance value, satisfaction • Address gaps, competitive advantage

Increased accuracy rate (> 98%)

Real-time updates and alerts

Seamless integration with major calendar platforms

04 VLIFT PROCESS FOR VERIFICATION REQUIREMENTS ENHANCEMENT

Automate Verification Processes	Segment-Specific Protocols	Simplify User Submission	Lean Workflow Application	Improvement Rationalization
• AI-based automation tools • Real-time verification integration	• Tailored verification levels • Service type differentiation	• Streamlined document upload • Mobile device scanning	• Eliminate redundant steps • Six Sigma for variation reduction	• Monitor verification metrics • Adapt based on feedback and innovation

Average verification time < 1 hours

Automated processes implementation

Enhanced user convenience and satisfaction

05 VLIFT PROCESS FOR ENHANCING CANCELLATION POLICIES

Simplify Cancellation Policies	Tailor Policy Communication	Interactive Policy Guides	Streamline Exception Process	Continuous Improvement
• Clear language usage • Enhanced accessibility	• Segment-specific explanations • Flexible policies for loyal guests	• FAQ sections • Real-time assistance availability	• Efficient exception handling • Consistent communication across platforms	• Monitor understanding and satisfaction • Adjust policies based on feedback

90% Cancellation Policy Clarity Score

Simplified and accessible policies

Tailored communication for different guest segments

MAXIMIZING SERVICE THROUGH VLIFT STRATEGIES

VLIFT METHODOLOGY

- Enhances service value.
- Addresses customer dissatisfaction.
- Improves Airbnb experience.

PRICING TRANSPARENCY

- < 5% Variance
- Real-time Calculators
- Clear Breakdowns Provided

INSTANT BOOKING RESPONSE RATE

- 90% Instant Booking
- Real-time Integration
- Peak Time Prioritization

CALENDAR SYNC

- 98% Accuracy
- Real-time Updates
- Major Platform Integration

VERIFICATION PROCESS EFFICIENCY

- Automated Verification using ML
- Within Hours Processing
- Streamlined Re-verification

UNCLEAR POLICIES

- 90% Guest Understanding
- Informed Decision
- Less Complains

ENHANCING CUSTOMER EXPERIENCE SUMMARY

INSTANT BOOKING IMPLEMENTATION

- CS: Delayed confirmations, booking uncertainties
- VLIFT Soln.: Infrastructure upgrade, instant confirmations
- CVI: Instant booking, reduced uncertainty
- PI: $3.5B revenue boost from volume.

VERIFICATION PROCESS ENHANCEMENT

- CS: Time-consuming verifications
- VLIFT Soln.: Automated with AI, segment protocols
- CVI: Convenience with faster verifications
- PI: $36M savings from disputes reduction.

02

04

01

03

05

CS – Current Struggle

CVI – Customer Value Increase

PI – Profitability Impact

PRICING TRANSPARENCY ENHANCEMENT

- CS: Hidden costs confusion
- VLIFT Soln.: Dynamic pricing, clear breakdown
- CVI: Confidence in pricing clarity
- PI: $740M revenue increase from conversion.

CALENDAR SYNCHRONIZATION IMPROVEMENT

- CS: Conflicts due to outdated calendars
- VLIFT Soln.: Real-time synchronization technology
- CVI: Trust in booking dates
- PI: $60M savings from disputes reduction.

UNCLEAR POLICIES RESOLUTION

- CS: Confusion over cancellation policies
- VLIFT Soln.: Simplified policies, enhanced visibility
- CVI: Clarity in booking decisions
- PI: $740M revenue increase from conversion.

AIRBNB FINANCE AND VLIFT IMPLEMENTATION

Airbnb 2023 Financial Highlights

- Revenue: $9,917 million
- Cost of Revenue: $1,703 million
- Operations and Support: $1,186 million
- Product Development: $1,722 million
- Sales and Marketing: $1,763 million
- General and Administrative: $2,025 million

VLIFT Impact Focus: Operations and Support

- Personnel-related expenses
- Customer support via phone, email
- Customer relations costs, refunds
- Host protection programs
- Allocated facilities and IT costs

VLIFT IMPLEMENTATION: TIME & RESOURCES

BUDGET CATEGORIES

Calendar Sync: $100K - $250K

Instant Booking: $150K - $300K

Pricing Transparency: $75K - $150K

Verification Efficiency: $200K - $400K

Total Estimated Budget Range:
- $525K - $1.1M
- Plus 10-20% contingency for unforeseen expenses.

TIMELINE

Overall Duration: 12-24 months

Development: 6-9 months

Integration & Testing: 4-6 months

Rollout & Optimization: 2-9 months

RESOURCE NEEDED

Project Management

Software Development Team

IT Infrastructure Specialists

UI/UX Designers

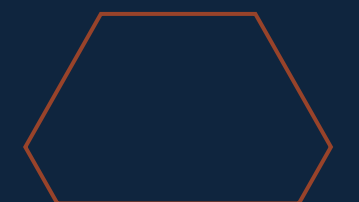Quality Assurance Team

Data Analysts & AI/ML Engineers

Legal & Compliance Advisors

Training & Support Staff

THANK YOU

Group 6

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- Bach Hong