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Airbnb Report

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Airbnb Case Analysis

Airbnb is an online global hospitality service where people can rent a space in someone’s home for an extended amount of time. The host provides pictures of their home to assure their guests of a quality stay. In turn, the guest can message the host through the Airbnb website or app. The host determines prices, house rules and check-in times while the guest(s) is expected to comply. Essentially, the simple concept is similar to that of a hotel. Based out of San Francisco, California, Airbnb’s services are offered to guests in 191+ countries and 65,000 cities. CEO Brian Chesky, Joe Gebbia and Nathan Blecharcyck established the brand in 2008. The private company currently has 2,600 employees, 200,000,000 guests and 3,000,000 host listings (About Airbnb, n.d.). The company hired the public relations firm, Singer Associates, Inc., in 2016 to develop media and community relations strategies. Airbnb’s main target audience is millennials, because the is open to sharing resources like home-sharing to save money. Airbnb also attracts the older demographic who wants to travel for less money.

People are drawn to Airbnb’s services, because it’s relatively cheaper than hotels. However, the company receives negative publicity due to safety concerns. Several incidents have been reported about hosts falsely advertising their homes, guests stealing, hosts and guests involving the other party in illegal activities, etc. Stories of sexual violence, drugs, human trafficking and insanitary houses circle the world wide web keeping Airbnb on the agenda in a negative light.

One incident in particular involved 35-year-old EJ returning to her San Francisco apartment on June 26, 2011, to find it ransacked by an Airbnb guest (EJ, June 2011).

On June 29, 2011, EJ turned to her blog to make the public aware of her devastation (EJ, June 2011). Her lengthy, detailed post was crafted in a way to paint the picture for her audience. EJ’s message was conveyed using a calm tone and descriptive adjectives about her current quality of life. Her professional writing ability also gave her a sense of credibility. The first two paragraphs describe her mental and physical exhaustion before revealing the actual issue at hand. Her strong introduction grabbed her audience’s attention and made them feel sorry for her early on in the post. In the fourth paragraph, she spoke highly of Airbnb’s customer service team, who offered to help her “recover emotionally and financially.” She also added, “I do believe that maybe 97% of [airbnb.com](http://airbnb.com)' s users are good and honest people. Unfortunately, I got the other 3%” (EJ, June 2011). In following paragraphs, she detailed the order of events after returning to her apartment and admitted her own faults of being too trusting. She said, “they stole my spirit” (EJ, June 2011). Lastly, the last paragraphs of her blog post reinforced her state of life by saying, “I've had to miss several days of work and essentially put my life on hold. I haven't slept or eaten properly in days, and I'm exhausted” (EJ, June 2011). Her powerful message was strategically constructed in a way to communicate that she is the victim. The 452 comments below the blog post suggests this.

In another blog entry posted on July 28, EJ stated that customer service had not contacted her further after her initial blog post on June 29. Instead, Airbnb CEO Chesky personally called her to offer his sympathies and voice his concern about her blog post. According to EJ, the CEO encouraged her to remove the blog post and/or write another blog entry that ended on a positive note. Airbnb did not reach out to her after that message.

Airbnb’s CEO released a statement on Hacker News that stated he is working with authorities and EJ to resolve the issue. He also said that the police have a suspect in custody and will continue to work toward achieving justice for EJ. He also added sentences like, “We've created a marketplace built on trust, transparency and authenticity within our community, and we hold the safety of our community members as our highest priority (Chesky, n.d,).” This communicates to his audience that he cares and wants the public to trust the brand. According to the Excellence Theory, information, instead of persuasion, is the most ethical approach to successfully creating an understanding between the organization and its audience. The CEO’s message offered a small amount of information on the issue. However, the second paragraph was crafted to persuade his audience to believe that Airbnb’s brand is built upon the foundation of trust and loyalty to their consumers. Due to the gravity of the issue and its media attention, this message should have been scripted better and in a timely manner. This late response communicated their lack of sympathy for what had happened to a consumer. The CEO should have better prepared and understood that EJ’s fan-base was much larger than his in the context of this crisis. She was the clear victim. His message backfired when EJ turned back to her blog to indirectly comment about the CEO’s message.

In another lengthy post, EJ again started off her message by painting herself as the victim and allowing her audience to step in her shoes by vividly describing her state of mind. She first acknowledges that her story has gone viral and that there is lots of room for scrutiny and disbelief toward her story due to the fact that she has not responded. Her reasoning behind not commenting publicly was due to “fear” for her safety, jeopardizing the criminal investigation and upsetting Airbnb’s leadership. However, she states, “And I was-but no longer am-scared of Airbnb’s reaction, the pressure and the veiled threat I have received from the m since I initially blogged this story” (EJ, July 2011). She then leads into clarifying some falsehoods she ran across on the internet, which communicates to her followers that she is a trusted source. Lastly and most importantly, she picks apart the CEO’s message by contradicting his claims. She said that the company had very little contact with her since June 30, did not inform her of having a suspect in custody and had little involvement in securing her safety after the incident. She said, “My safety was secured by my own efforts. I arranged alternate accommodations, in the safety of a friend’s home. I arranged and paid for my own transportation while dislocated (with Airbnb's assurances that this expense would be compensated - which it has not been). I contacted the police, and insisted on a visit from CSI to dust for prints. I called a locksmith and had my locks changed” (EJ, July 2011). This communicates that the company did little to assist her in her time of need. She concluded her side of the story by reiterating her low quality of life and, lastly, thanking her followers for their support and genuine concern. Essentially, she made Airbnb’s message not seem authentic or accurate and portrayed them as an unethical, selfish, untrustworthy brand. Her large fan base should have suggested to Chesky not to argue with someone that buys their ink by the barrel. His initial message should have catered to this. Because of cognitive dissonance and her strategically crafted message, her audience once again saw her as the victim and Airbnb remained on the public agenda in a negative light. This provoked Chesky to take a different approach to his crisis communication strategy.

Four days after EJ’s blog post, Chesky turned to Airbnb’s blog to make another attempt to shed some light on Airbnb. He used phrases like, “tragically vandalized” and “We felt paralyzed…” to emphasize his deep concern (Chesky, August 2011). In this lengthy post, he addressed the incident, acknowledged the grief it has caused EJ, admitted fault and apologized for the context of his original message. He stated, “When we learned of this our hearts sank. We felt paralyzed, and over the last four weeks, we have really screwed things up. Earlier this week, I wrote a blog post trying to explain the situation, but it didn’t reflect my true feelings” (Chesky, August 2011). This message could be considered as the “big spill,” because he included inside information about the company’s crisis management actions, stated that they have let EJ down and said what they should have done initially. “In the last few days we have had a crash course in crisis management. I hope this can be a valuable lesson to other businesses about what *not to do* in a time of crisis, and why you should always uphold your values and trust your instincts. With regards to EJ, we let her down, and for that we are very sorry. We should have responded faster, communicated more sensitively, and taken more decisive action to make sure she felt safe and secure…To EJ, and all the other hosts who have had bad experiences, we know you deserve better from us” (Chesky, August 2011). These few sentences speak volumes to Airbnb’s audience and has the potential to change the public’s attitude, if not opinions. The CEO stated their faults, apologized and offered advice to other businesses about crisis management. Within the next few paragraphs of his post, Chesky detailed a series of policy implementations that communicated change. The new policies included:

* **$50,000 Airbnb Guarantee**- to protect consumers’ personal property from being damaged by the renter.
* **24-hour Customer Hotline-** customer support staff to provide support services via email and phone calls. He also stated, “Since last month we have more than doubled our Customer Support team from forty-two to eighty-eight people, and will be bringing on a 10-year veteran from eBay as our Director of Customer Support next week.”
* **Dedicated Trust and Safety Department-** to scan all media outlets and their website portals for any suspicious activity and “implement security features based on community feedback.”
* **Contact the CEO-** offers his email to encourage his consumers to contact him if they cannot reach customer support personnel.

Chesky further mentioned, “several other safety-related features to strengthen the trust and confidence of Airbnb’s community”:

- Safety Tips- to encourage hosts and guests to make suggestions.

* Verified Profiles- to allow a guest to have a better understanding of the host in order for the guest to form a personal relationship with them before making a decision to stay in their home.
* Customized Trust Settings- to allow hosts to set specific identification and profile requirements before making a reservation at their home.
* Product Suggestions Poll- to encourage consumers to actively participate in improving Airbnb’s safety.

Lastly, he states the business is still evolving and thanks his consumers for their feedback.

While I believe this message strategy would have worked better in his favor if it were a part of the initial message, I think Chesky carefully chose his words and communicated an authentic tone. I also appreciated that the message was from CEO Brian Chesky, instead of a spokesperson. This message touched on the Excellence Theory, because the CEO went with information about Airbnb’s policy changes rather than persuasion in his initial message. It also emphasized the Contingency Theory as the CEO communicated both advocacy for the brand and accommodation to his consumers. Lastly, as Chesky stated, Airbnb’s management entered a crisis mode phase. I noticed that management created a situational crisis communication strategy in which helped them craft their final message in a delicate, sensitive manner. However, I think Airbnb’s team needs to create several potential disastrous scenarios and ways in which to mend these disasters before they go viral. As promised, Airbnb issued another press release that outlined other policies.

The following day after Chesky’s “big spill” post, EJ returned to her blog to respond. In her short post, EJ acknowledged Chesky’s “heartfelt” apology and commended Airbnb for their efforts to implement change. She then reiterates the fact that she was a victim of Airbnb’s poor service and thanks her followers for their continued support (EJ, August 2011).

Airbnb communicates to its consumers through its website, blog, magazine and social media platforms like Facebook, Instagram, Twitter. CEO Chesky attends various interviews with media groups to promote his growing community of people-to-people home sharing. Frequent press releases and annual reports are released to inform its publics of the company’s progress. The company responds to issues by creating campaigns that communicates their efforts in solving those issues.

In addition to the business’ communication strategy, Airbnb established the Community Compact Initiative where meetings are conducted in some of the cities where its services are present (About Airbnb, n.d.). Hosted by citizen leaders, the meetings inform the public of the home sharing business’ benefits. These meetings also help in making Airbnb personnel available to help city leaders form the best policy decisions that will ensure the safety of the community. Also a part of this initiative is Airbnb’s annual Home Sharing Activity Reports. This face-to-face interaction with a representative allows more citizens to trust Airbnb. Moreover, the brand launched another program, Airbnb Action, that consists of several home-sharing clubs in over 100 cities around the world. These clubs, too, promote Airbnb, allow its members to connect and support local initiatives and has the potential to change opinions (About Airbnb, n.d.). Both programs are a part of the brand’s community center and reflect Airbnb’s values of remaining committed to social responsibility. They’ve also launched a “We Accept” campaign to counteract the negativity they received about people discriminating (About Airbnb, n.d.). This campaign reflected their values. Airbnb launched the “Trips” campaign to enhance their customer’s traveling experience (About Airbnb, n.d.). Moreover, the company treats their employees well. According to its website, the business provides its “team players” with: comprehensive health plans, healthy food and snacks, a culture of learning, annual travel credit, paternity and maternity programs, supported paid volunteer time, and personal time off (About Airbnb, n.d.). By providing employees with personal programs and rewards, they will remain faithful and empowered to serve the organization. The brand is adaptable and connects well with all age groups, including millennials. They communicate a strong bond that anyone would like to be a part of. Their interns say they are pleased with their work because of the business’ transparent nature. Lastly, I think the brand does an excellent job of speaking with one clear voice and keeping all of its communication pieces consistent with its theme, allowing its consumers to identify the brand.

In an effort to mend these issues and promote a caring brand, Airbnb has implemented changes to its guidelines throughout the years. According to the website, the young business has set standards and expectations for both parties and has provided an area for complaints and requests for refunds (About Airbnb, n.d.). However, these supplementary services do little to enforce these rules or prevent negative incidents from happening. In public relations, we learn that being proactive is better than having to be reactive in a crisis. That said, I have come up with a few solutions to avoid unfavorable situations, all while communicating the brand’s value. I have prepared a full campaign as if I were in the public relations practitioners’ position in the time of this crisis. Because it is important to follow a plan when implementing change, I have used the R-O-P-E method in implementing a strategic campaign for Airbnb.

The first step is to research, which can be viewed in the above paragraphs. The second step is to create precise objectives that are S-M-A-R-T —specific, measurable, attainable, realistic and time-based. I also learned that a campaign should not have more than four objectives. That said, the following objectives I have created follow the guidelines suggested above.

My objectives for Airbnb include:

Creating and communicating new policies, programs and crisis plans to ensure a pleasant and safe stay away from home.

2.Utilizing all social media platforms more effectively to encourage consumer interaction and feedback.

3.Establishing an alliance with a well-established brand like Go-Pro and a partnership with a non-profit foundation that houses the homeless, both of which support AirBNB’s values.

Forming a network of opinion leaders around the globe, because the Relationship Management Theory indicates the importance of having relationships with key influencers in public relations.

The next step is programming the strategy by implementing tactics that meet the needs of achieving the objectives. That said, I have also prepared a list of suggestions for Airbnb. However, because I do not know Airbnb’s financial position, these tactics may not be sensitive to the business’ budget. The following four points entail a plethora of ideas (and validations) that I believe compliment the four main objectives.

Policies, Programs and Plans:

Changing and communicating change when needed is vital to a company’s success. That said, new procedures and programs will translate a new sense of security and compassion to its audience.

*New Policies:*

- New hosts and guests must both complete formal training, certification and a lengthy questionnaire before renting can take place. These steps will have to be renewed every six months.

- Airbnb representatives would be held responsible for performing full background checks and social checks on potential consumers

- Airbnb Representative must Skype/Facetime the host at the time of their guests’ arrival to review guidelines, provide their contact information and remind both parties of the representative’s 24-hour assistance.

- Airbnb Representatives must be present in the community in order to make themselves available to their consumers.

*Programs:*

*- Buddy System Program:* This program would be designed for people that travel frequently to the same locations. If the host and guest duo got along and were comfortable with the arrangements, they could become “buddies” and continue the host and guest partnership. By forming these friendships, the consumers would feel safe in their own home and home away from home.

-*Community Safe Space-* Airbnb representatives would sleep at these safe spaces to be on-call for their clients’ needs. This area should be portrayed as a cheerful and welcoming place for their visitors.

*- College Campus Outreach-*Millennial interns would run this program on college campuses to educate their peers on the many benefits of Airbnb. They can stress the home-sharing business’ strengths, admit its weaknesses and review the main policies that would ensure a safe and successful Airbnb experience. The interns would also offer promotional items like pens, t-shirts and door prizes as incentives to attend the seminars. By creating that millennial connection, the college students’ need for affiliation would be satisfied, thus increasing the potential for engagement with the brand.

Social Media Efforts:

Millennials stay connected with friends and businesses on social media. In public relations, it is called their personal “need and read.” Forming that Business-to-Consumer relationship is crucial for a business’s success with millennials. That said, social media campaigns should be organized and hold a consistent voice for its followers to become acquainted with. The graphics posted must attract their attention long enough for their short-attention-spanned target audience to read the content. Throughout the recent years, social media has become a platform for people to write feedback and reviews on products and services. That said, Airbnb would be wise to allow skilled millennial interns to post to the business’ social media accounts while a manager manages its traction and negative feedback.

Some posts could include:

-*Promotional deals on Twitter and Instagram to create consumer interaction.*

*-Picture contests of people’s travels, polls, etc.*

-*Create the #WhatIfAirbnb hashtag to involve consumers in the new procedure process. Essentially, they would be able to share their experiences and suggestions with the brand.* Partnerships

* *Go-Pro Partnership*- This alliance would be beneficial, because the Go-Pro brand encourages travel, has a well-established reputation and is popular among millennials. Airbnb shares similar values and desires.
* *Non-profit Foundation-* Forming a partnership with a non-profit foundation is an excellent way to show your compassion for those less fortunate. What’s even better is forming that partnership with a foundation that holds similar goals and morals of the brand. Perhaps it would be in the best interests of Airbnb to form a partnership with the National Alliance to End Homelessness non-profit foundation or something similar.
* Network of Opinion Leaders
* Forming a network of opinion leaders amongst the millennial demographic would change public opinion, although doing so is a very challenging task. Millennial celebrities publicly stating their support and posting on social media about Airbnb would work in AirBNB’s favor.

The last step of the R-O-P-E method would be to evaluate the campaign’s success, make the proper adjustments to the plan, and continue setting time-based goals for the future. Qualitative and quantitative data should be used in measuring the tactics’ success. Without this step, a business has no way of knowing whether or not it is progressing in a positive direction.

Resources:

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