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**HOW TO SURVIVE IN A VUCA WORLD: THE STRATEGY OF
AIRBNB**

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RESUMEN:

El creciente dinamismo e incertidumbre del entorno competitivo en el que operan las empresas, especialmente las que operan a nivel global, hace necesario que las empresas sean capaces de redefinir continuamente su estrategia corporativa con el fin aprovechar nuevas oportunidades, así como frenar amenazas. Este proyecto se centra en Airbnb como ejemplo de empresa que ha sabido adaptarse con éxito a un entorno cambiante. En concreto, se analizan los cambios en la industria del alojamiento desde el nacimiento de Airbnb, las oportunidades surgidas y las decisiones estratégicas tomadas por la empresa para adaptarse y crecer. Utilizando teoría sobre estrategia corporativa y haciendo una investigación bibliográfica, se examinan los cambios externos y las decisiones de Airbnb. El análisis destaca la importancia de comprender la industria y el mercado, así como los cambios ocurridos, para redirigir la estrategia corporativa y mantener el éxito en un entorno global turbulento como el actual.

ABSTRACT:

The increasing dynamism and uncertainty of the competitive environment in which companies operate, especially those operating globally, make it necessary for businesses to continually redefine their corporate strategy to envision new opportunities and diminish threats. This project focuses on Airbnb as an example of a company that has successfully adapted to a changing environment. Specifically, it analyzes the changes in the accommodation industry since Airbnb's beginnings, the opportunities that have arisen, and the strategic decisions made by the company to adapt and grow. By utilizing corporate strategy theory and conducting bibliographic research, the external changes and corporate decisions of Airbnb are analyzed. Said analysis highlights the importance of understanding the industry and the market, as well as the changes that have occurred, to redirect corporate strategy and maintain success in a turbulent global environment like the one we face today.

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INTRODUCTION

Nowadays we live in a period characterized by many complexities and uncertainties, which affects most global companies and companies in general. Globalization, the flexibilization of labor markets and digitalization have contributed to this phenomenon. These environments, known as VUCA environments, require that companies redefine and constantly readapt their strategies to grow and sustain their success on the long run.

I chose to study the case of Airbnb, as it is a company that started operations on the year of the breakout of the financial crisis and has managed not only to survive, but also grow to be a globally successful company. Therefore, I believe it is a good example of how implementing corporate strategy the right way can make firms successful on the long run.

With the rise of new technologies such as the internet, information technologies and online platforms, companies like Airbnb have arisen as a result. In less than two decades, the firm has grown from being two friends struggling to pay rent and offering the spare space in their apartment with air mattresses to be one of the biggest online platforms where millions of homes and other premises are listed and millions of people around the globe sleep in an Airbnb every night.

Analyzing companies like Airbnb is important to understand how companies – despite the changing conditions and ambiguities in markets that are taking place nowadays – can not only adapt to these conditions, but even be born and grow in turbulent and uncertain periods of time. Airbnb was born in 2008, during one of the biggest crises that have taken place in terms of its global impact and scale.

In the first chapter, I focus on explaining the relevance of strategy as a link between the firm and the environment. I define what a strategy consists in, the different types of strategies companies can choose, and the key role of strategy when competing in today's volatile, uncertain, complex and ambiguous (VUCA) environments.

In chapter 2, I analyze how Airbnb successfully managed to adapt its strategy and grow. More specifically, I review the changes that have taken place in the accommodation industry, where Airbnb operates since its creation in 2008, and the opportunities and threats that they have brought to the incumbent companies. I provide a summary of the rise of Airbnb as well as an overview of its business model, as well as an analysis of the decisions taken by the company as a result of the opportunities and threats aforementioned, to survive and grow.

In chapter 3, I summarize some lessons that can be learnt from the Airbnb success case, and offer a discussion how firms turn threats into opportunities to sustain their competitive advantage.

This study employs theoretical information about business strategy and VUCA environments and for Airbnb's business model, as well as bibliographic research of the different changes that have taken place in the industry and the decisions taken by Airbnb.

1. THE RELEVANCE OF STRATEGY AS A LINK BETWEEN THE FIRM AND THE ENVIRONMENT

The term *strategy* has its origin in the English word *stratagem*, defined as “*a plan or scheme, especially one used to outwit an opponent or achieve an end*”. It was first used in the late 15th century, originally making reference to a military ploy. It comes from Latin *stratēgēma* and Greek *stratēgein*, meaning ‘be a general’; originating from *stratēgos*, meaning ‘general’; from *stratos*, meaning ‘army’ + *agein*, meaning ‘to lead’ (*Stratagem, N. Meanings, Etymology and More* | *Oxford English Dictionary*, n.d.).

The term *strategy* itself refers to “*a plan of action designed to achieve a long-term or overall aim*” (*Strategy, N. Meanings, Etymology and More* | *Oxford English Dictionary*, n.d.), which goes in line with the business conception of strategy, consisting in the overall plan for deploying resources to establish a favorable position. Michael Porter defines strategy as “*the creation of a unique and valuable position, involving a different set of activities*”. Strategy requires that there is not a single optimal position; as, in part, strategy “*is about being different*” (Porter, 1996).

We have just mentioned that strategy partly involves being different from the others. This is because there is not only one conception of strategy. In business, there are 3 levels of strategy: Corporate strategy, Business Strategy – also known as Competitive Strategy – and Functional strategy.

Corporate strategy:

The first decision a firm must make to formulate its strategy is to decide which market it wants to serve, in other words: what industry it wants to operate or compete in “*deliberately choosing a different set of activities to deliver a unique mix of value*” (Porter 1996). The concept involves decisions of diversification, vertical integration of the value chain, and internationalization. Corporate strategy, in simple terms, answers the question of where the company wants to operate: what activities of the value chain will be internalized, in which market products it will operate, and in which geographical markets.

Business strategy:

This level of strategy answers the question of *how* the company wants to operate in each industry it serves. After having decided what corporate strategy the firm wants to pursue, the firm must choose a business strategy. The main goal of this level of strategy is to obtain a competitive advantage in each market. To obtain a competitive advantage, the firm must create more value than its competitors, and for this it must choose whether to position itself either by a) Incurring in lower costs than the rest of the companies by selling the same product or service with the same or lower perceived benefit by the consumer. We must note that said lower cost must be higher than the reduction of perceived benefits. This is known as **cost advantage**. Or b) by selling its offering with an increased perceived benefit incurring in the same or higher costs than competitors. This increased benefit must be higher than the increase in costs. This is known as **differentiation advantage** (*Economics of Strategy*, 2013b).

Functional strategy:

Once the firm has answered the question how to compete in each market, it must develop different functional strategies for each department working on different markets to follow. To carry out a functional strategy, we must put both corporate and business strategies into practice. Functional strategy oversees the plan setting out objectives for specific functional areas. Functional strategies can either enlist qualitative goals such as customer satisfaction or quantitative goals such as number of sales in a specific period (Abbas et Al., 2013).

As we can observe, strategy does not consist of a specific programme or set of rules to strictly follow, it is more about giving harmony to the decisions and operations that take place in organizations (Grant and Jordan, 2012).

Mission, vision and values:

One might think that a firm's ultimate goal is to make profit, but it has been demonstrated that most profitable firms are those that do not directly pursue profits, but the sources of profit, such as making great products. To properly understand the goal of a business, we must first think about a company's mission, vision and values.

The **mission** statement of a firm is the basic statement that communicates the purpose of the firm, and it addresses the question "Why do we exist?". The **vision** statement describes a company in terms of how it wants to sustain a successful position in the market over time, and it addresses the question "What do we want to be?". Lastly, the statement of goals or **values** of the company represents the ideas that the company believes in, as well as how its members will behave (Grant and Jordan, 2012).

The vision, mission and values should be consistent over time in order to have a coherent strategy to achieve objectives on the long run, which consist mainly of growing and expanding operations as a company. The shorter-term objectives imply adapting to the constant changes in the industry (competitor firms) and the company's environment as a whole, which comprises customers and suppliers as well (Grant and Jordan, 2012). In short, short term objectives are all about surviving to the changing environment conditions and long term objectives imply company growth.

In order to grow, firms can make three types of corporate decisions: growing through vertical integration, growing through diversification, or through internationalization.

Vertical integration:

A firm can grow by deciding to undertake within the firm an activity of the value chain that was previously outsourced or externalized to a third party. The more activities the firm is producing without delegating them to other entities, the more vertically integrated it is (Grant and Jordan, 2012). [i.e.: McDonald's is a representative example of this, as it carries out all activities from logistics, operations, marketing and sales, and its service (Mulyo, 2023).]

Diversification:

It means that a firm is making the decision of expanding its field of operations into another product, service line or stage of production. There are 2 ways of classifying diversification regarding its scope we have: related and unrelated diversification depending on the level of synergies that can be actually exploited among businesses.

Related diversification means that a company is expanding its production scope to a product line that is similar to the already existing one [i.e.: Apple has a history of related diversification decisions since it was born, each time launching new products related to its up-to-then operations with products such as the first personal computer, Macintosh; the first ever smartphone, the iPhone; the iPad and iPod (Gao, 2021)]. Whereas unrelated diversification means that the new product line is different from the one being currently produced [i.e.: The multinational toothpaste company, Colgate, launched a line of pre-made foods called Colgate Kitchen, which failed due to the abysmal difference in product lines (Jalees et al., 2010)].

Vertical diversification consists in a firm being in charge of consecutive stages of the production process – which is similar to vertical integration –, whereas horizontal diversification is about adding products or services that are related to the existing ones, but are targeted to different customer profiles or segments [i.e.: Dunkin' Donuts has been expanding its catalog to start selling different products such as many types of coffee, tea, sandwiches for breakfast and lunch, smoothies and hot chocolate] (Grant and Jordan 2012).

Internationalization:

It refers to the decision of a company to enter new geographical markets, usually referring to new countries. For this, the company must decide a) the what activity it wants to internationalize, b) which country it wants to internationalize in, and c) how it is going to enter the market (whether it should outsource to a local supplier, build a Joint-Venture with a local company, or associate with another company (Grant and Jordan, 2012). Nevertheless, as can be seen in the figure below (Figure 1-1), when deciding to internationalize to a new geographical market, firms can use different modes of entry depending on the level of commitment and risk they want to have over the activity to be internationalized.

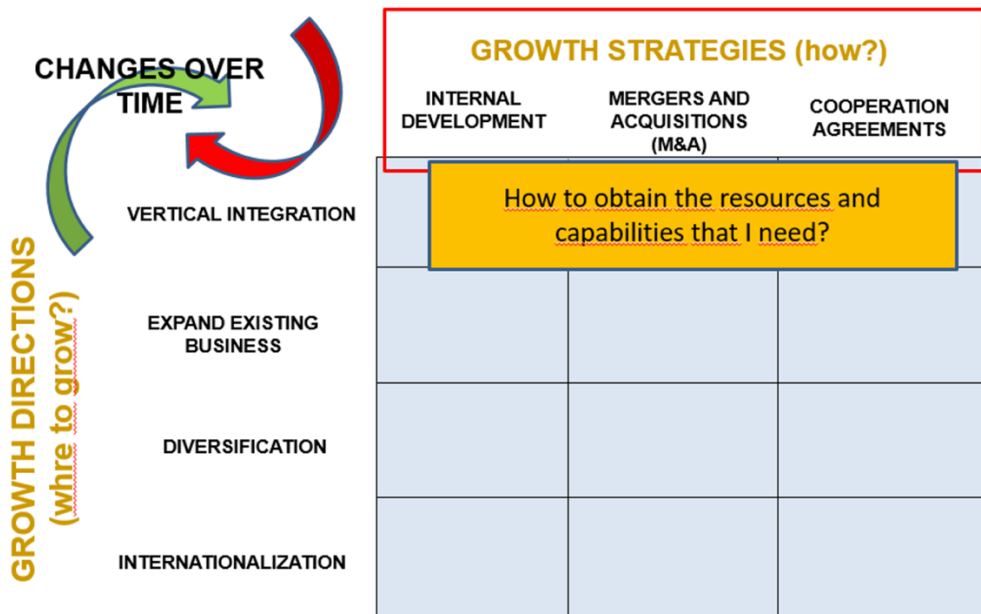
Figure 1-1: Internationalization modes of entry.



Source. Strategic Management course slides, adapted from Ventura (2008).

In the same vein, it is important to note that each time a firm decides to grow, either through vertical integration, diversification, or internationalization, it has to also assess which is the best governance mode (i.e. How to do it? How will the firm obtain the resources and capabilities that are needed?) as the Figure 1-2 shows. Overall, the strategy to be adopted will be mainly dependent on the firms' internal resources and capabilities.

Figure 1-2: Growth Strategies



Source. Strategic Management course slides, adapted from Ventura (2008).

In conclusion, in order to create more value and sustain competitive advantage, firms have to undertake and continually redefine their corporate strategic decisions with the aim to

exploit potential opportunities that may emerge from changes in the environment, as well as try to minimize possible threats.

1.1. SUSTAINABILITY OF COMPETITIVE ADVANTAGE IN VUCA ENVIRONMENTS

Creating and carrying out a strategy has always been of importance. Nevertheless, now, increasingly more than ever, it has been more crucial to do so. Nowadays the business environment in every industry has been more unstable and volatile due to the rapid changes in technology arising from the new period we live in, which is the Telecommunications and Information Technology era. These new environments emerging from the current conditions are known as the V.U.C.A. (Volatile, Uncertain, Complex and Ambiguous) world.

1.1.1. Elements of the VUCA world

Let us elaborate on each of the components according to Minciu et. al. (2019) of the VUCA acronym to better understand what the reality of the current business environments is:

Volatility: Quick changes in the environment that are difficult to deal with, in spite of information in the hands of managers of a firm.

Uncertainty: Lack of knowledge concerning the possible complications of a given event, in spite of the analysis performed beforehand of the cause-effect relationship between decisions and consequences.

Complexity: A complex web of interconnected and interdependent data requiring to be carefully managed for the company to function as a harmonious and cohesive system.

Ambiguity: Lack of information concerning the "rules of the game", because there is no previous situation that is similar to the one in question, therefore managers do not know what decision to take and what expectations to have of the possible outcomes and consequences of said decision.

It has been these V.U.C.A. environments the reason for it being continuously more difficult to make effective strategies in present times. Strategy, according to its decision making, can be divided into three types: Intended strategy, Emergent strategy and Realized strategy.

The Intended strategy conceives strategy as a design, that is, it arises from the bargaining and commitment among individuals within the organization in the decision making process. The Realized strategy conceives strategy rather as a process, the strategy that is in effect implemented; as the conditions and environment of the firm can change, as well as unexpected events take place occasionally. All of this can change the direction of the strategy that the firm had in mind. The result of these two strategies combined is what is known as the Emergent strategy, the set of plans, negotiations, decisions and reactions to

the environment that firms must do in order to adapt, learn and grow. (Grant and Jordan 2012).

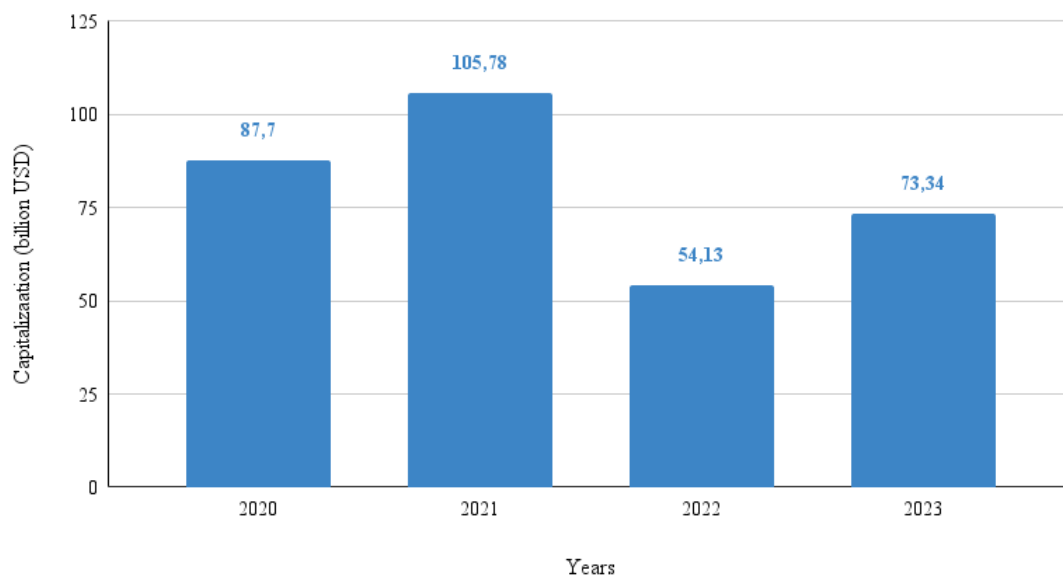
As a matter of fact, most of the emergent strategy encompasses the realized strategy – 70% to 90% according to Mintzberg – the remaining part of the strategy is realized. This leads us to realize how important the understanding and adaptation to the environment is in order to sustain our competitiveness in the market. This is why managers must recognize opportunities and threats in the industry they are operating in and respond rapidly and soundly, because the conditions and circumstances of the company are stronger determinants of its future than its planning and vision statement.

2. ANALYSIS OF HOW AIRBNB SUCCESSFULLY MANAGED TO ADAPT ITS STRATEGY AND GROW

For this project we will analyze the strategy Airbnb has developed during the years from 2008 until today to illustrate how it has managed to grow to become the 92.47 billion dollar industry that it is as of 2024 (*Airbnb Inc*, n.d.). We will focus on the economic downturns that have occurred since its founding, as well as changes in the accommodation market, which Airbnb has utilized to its advantage in an effort to keep growing through the years. The following graph shows the market capitalization of Airbnb since 2020 (*Financial Times*, 2020), the year the firm went public for the first time and started selling shares of stock (*Yahoo Finance*, 2020).

Figure 2-1: Market Capitalization from 2020 until 2023.¹

Market capitalization of Airbnb worldwide from 2020 to 2023



Source: Own creation using data from Statista.

Airbnb was founded in San Francisco, and in its beginnings Chesky and Gebbia saw the excess of demand for hotel rooms when conferences were taking place. This led to them renting out space in their apartment for people to stay the night, which gave them the idea of this new business model. But the strategy of Airbnb to grow as a company has involved many efforts outside of the core business activities of renting out spare space from people's homes or spare homes; in the beginning, especially, Chesky and Gebbia carried out many actions even outside of the business model.

One of the ways Chesky and Gebbia got money to keep the business going was by selling limited edition Republican and Democrat cereal boxes during the 2008 elections, with which they earned \$30.000 (*Business Casual*, 2019). It was in this pivotal moment that they got the attention of bigger companies to invest. None of the companies who got in

¹ The data for 2023 was as of April 2023.

contact with Chesky and Gebbia in 2008 invested in Airbnb in the end. “*The investors that rejected us were smart people, and I am sure we didn’t look very impressive at the time*” (Chesky, 2015).

What follows is an analysis of the accommodation industry and the main changes that Airbnb has ridden to keep growing, the opportunities and threats it has originated, as well as an analysis of its business model.

2.1. THE ACCOMMODATION INDUSTRY²

2.1.1. Technological changes

2.1.1.1. The dot-com bubble:

Even Though Airbnb was launched in the late 2000s, let us preface this section by throwing some light on the context which allowed online booking and buying websites as a business model. The end of the 20th century and the 21st century have experienced changes in consumer behavior, especially with the birth of the internet and the subsequent rise of new technologies and information technologies. This period has brought interconnectedness between people, as well as people and companies, where consumers have found it easier to compare, book, and purchase products and services online.

Airbnb was launched almost a decade after the end of a period where the launching of startups online through websites was becoming more popular: the internet boom, also known as the dot-com bubble - which started in the mid 1990s and saw an end in 2002, characterized by the increases in the valuation of shares of stock in Internet service and technology companies (Duignan, 2022). And with this came the subsequent rise of platforms that provide value by creating an artificial market by matching supply and demand on their website, such as Ebay, Amazon or Booking.com, which were established around that time. The latter was established in 1996, but was not offering stays in apartments, cabins or guest houses. The company was listing hotel rooms from different hotels and hotel chains for customers to book online, making it the first and dominating accommodation industry company online. Booking.com has been expanding its supply to offer home sharing in 2019 for Airbnb structurally changed the industry.

2.1.1.2. Mobile booking:

A trend that has been proliferating for the past decade is mobile booking, not only in the peer-to-peer online accommodation sector, but also in traditional accommodation. It has been declining in the past few years, yet it is still predominant. In a survey made by *Seilbahnen International* magazine and researchers from *Mindtake* it was found that in 2019, desktop devices and computers were used for booking by 64% of Austrians, but by 2023 this figure declined to 55%. Similarly, in Germany the booking through desktop devices decreased from 74% in 2019 to 61%. This can be due to the aftermath of the Covid-19 pandemic. (Janisch, 2023) Concerning one of the leading online booking platforms, Booking.com, 80% of travelers make use of mobile apps for trip research, and

² Part of the information of this section has been taken from online news sources as well as hotel chain websites, therefore said information may be biased.

50% of the accommodation searches and bookings in the company are conducted through mobile devices (*Booking.com Partner Hub*, n. d.).

There are roughly 156 million people in the US who interact proactively with digital content that is travel-related, 90% of people who visit websites are using their smartphones or tablets when doing so. Two thirds of the people in the UK visiting websites use mobile devices, and 25% have even stopped using their computers altogether, searching exclusively online.

Even 48% of property owners in Europe allegedly planned to use social media in a higher proportion for marketing purposes, whilst 7% planned to use traditional printed advertising. One fifth of independent hotels believe their earnings online come from mobile phones and tablets, which comes to prove that the hotels who reject using mobile bookings will miss out on the revenue opportunities that come as a result of this trend. (Elphick, 2023)

2.1.1.3. Personalization of experiences and big data:

In recent years, the use of databases, data analytics and technology to give personalized experiences has been on the rise in many industries, and accommodation is not an exception. This involves collecting and analyzing data to gain insights from consumers' preferences, wants and needs. This allows hotels, hostels, motels and peer-to-peer facilities to offer services adapting to consumers' preferences. These activities are done in an effort to enhance customers' experience as a whole. (Al-Rahallah, 2023) There are 3 main activities:

Data gathering and analysis: This data is obtained from guest reservations, loyalty programs and other interactions. This data is later analyzed to be able to offer personalized experiences.

Personalized room preferences: The types of room-related preferences include the room type, the bedding preferences, room temperature and special requests (such as extra pillows, cribs for babies and allergy-free bedding).

Personalized recommendations: The data analysis is used to personalize guests' experiences, making their stay more pleasant and enjoyable. There are many specialized recommendations, such as activity suggestions, special occasion parties and celebrations and trip recommendations. This enhances the experience and increases the probability of getting guests to repeat bookings and give positive reviews.

These decisions have enabled the accommodation industry to make more informed decisions, improve customer experiences, and operate at a more efficient level, thereby contributing to increase their competitiveness and profitability.

2.1.2. Changes in customer preferences³

Many trends have emerged from the pandemic, as well as with the rise of new technologies concerned with researching consumer behavior. However, in this project we will be covering the ones that concern the consumption of services, which is where the accommodation industry is categorized.

1. **Smart consumer:** Consumers spend more and pay more attention to details about the product or service and the characteristics of said product or service. They have a preference for less expensive items and usually purchase basic consumer goods, items that fulfill their basic needs. Choices of what and where to buy are increasingly based on convenience.
This leads to less frequent travel and more micro-travel: From the COVID-19 crisis, people are traveling less frequently, and when they do they usually look for stays outside of the city they live in. There has been an increase in the so-called micro-travel, as people are traveling to places that are not far away from their residence. People employed at caravan and holiday parks have seen a growth in bookings compared to major city-based hotels. As a result, individuals go on shorter, more rural-like trips near their place of residence.
Regarding prices, according to a study done by Frontiers, guests staying in less expensive rooms were more worried about the convenience of the surrounding areas to explore, rather than the rented facility itself. The advantage that this brings is that hosts have to spend less resources in giving an extraordinary experience inside the facility and thus, can focus on more basic matters such as tidiness and cleanliness. Clients giving more importance to lower prices also results in lower costs for hosts. (Ding et al., 2023)
2. **Consumers return to firms they trust:** In times of economic instability, individuals tend to return to brands and companies they already know and trust rather than taking the risk of going to a place where their experience will be worse. The hotel and accommodation sector is no exception. Hotels should put more emphasis on attracting people who are already clients. The advantage of this is that hotels already have data from past customers to reach back to them and provide information on future discounts, offers and new services they provide and. This is also cost effective, as hotel chains don't have to incur more expenses to find new potential customers and attract them. (Dong, 2022)
3. **Booking windows are shrinking:** This has been taking place more increasingly since 2018. People are booking less far in advance for reasons that include the risk of their plans being interrupted by potential or future travel restrictions. They usually book approximately 5 or 7 days prior to the trip. Thus, hotels must be able to change their pricing strategy to change prices more often, this way they will adapt quickly to changing behaviors and market conditions (Isabeau, 2022).
4. **Consumer emotions:** Firms are increasingly paying attention to consumer emotions. Feelings and emotions are what mostly determines consumer decisions, and it is important for firms to listen to what or how consumers are feeling to adapt

³ Throughout the project the terms 'Changes in customer preferences' and 'Changes in consumer needs' will be used interchangeably.

to their wants and needs. And in order to do so, they try to give clients experiences in an effort to get a deeper engagement from customers.

As a result of customers giving more importance to experiences, hotels are increasingly adding experiences to their supply of services, offering clients to purchase additional amenities - such as spa sessions, golf activities and others - as part of their stay. These activities make hotels more attractive for consumers to stay and they gain a competitive edge on other hotels or hotel chains. (Marechal, 2022)

In accordance with the study mentioned before, it was found that guests who rented entire facilities and not shared property were more concerned about the experience the place could provide them, as opposed to the areas to visit in that location. (Ding et al., 2023)

2.1.3. Changes in the Accommodation Industry since 2008

2.1.3.1. The 2008 global crisis:

An important event that made the rise of Airbnb possible was the economic downturn that took place in 2008, when the so-called *stable* housing market underwent a big crash after banks had given mortgages to individuals that were not going to be able to pay said mortgages, and issued securities backed by these unsustainable mortgages. Indeed, these home buyers could not pay off the mortgages eventually, which made mortgage-backed securities' owners lose their investments, and banks to lose their money as well as keep a massive amount of real estate they could not even sell. This is where Airbnb played a critical role, as many mortgage borrowers who had difficulties in repaying said mortgage could list their spare bedrooms or spaces to help them repay their mortgage.

However, the landscape was not looking so good for the more traditional hospitality and accommodation industry. In 2007, American hotels obtained a revenue of \$66 per room available to travelers (Borko, 2018). This metric takes into account the number of available rooms booked and the average daily rate.⁴

However, during the economic downturn of 2008, US hotel financial performance experienced a substantial decline, the industry revenue dropped by 18% to \$54 per available room. However, the US hotel industry has since witnessed a recovery, with a 5.7% compound annual growth in revenue per available room since the lowest point in 2009. In 2018, the industry commands \$84 in sales for each room it operates, reflecting a significant improvement from the lowest points of the recession (Borko, 2018).

With regard to the less traditional accommodation sector, Airbnb and the Vacation Rental Tech Startups, the 2008 crisis didn't seem to affect the companies that operate in the sector as badly. What is more, they have only experienced growth since the crisis up until 2020.

Airbnb was founded at the end of 2008, when the housing bubble had already bursted. The company has experienced significant growth since the beginning. Although vacation

⁴ The hotel industry often calculates RevPAR (revenue per available room) to observe a hotel's financial performance. It does not measure a hotel's profitability, but can be used to compare against competitors, track over time, or assess where the hotel can immediately improve operationally. (Chen, 2023)

rentals existed prior to Airbnb - such as Vrbo - we cannot deny that Airbnb has had a profound impact on the industry. The influence of Airbnb has become so pronounced that companies like Booking Holdings and Expedia Group are now competing to provide online bookable vacation rentals as direct competitors of Airbnb. Nowadays, a new generation of startups has entered the vacation rental market.

2.1.3.2. The effects of COVID-19:

In 2020, the accommodation industry, especially companies like Airbnb - which have an international platform and list hotel rooms and homes globally - faced a double-edged challenge as the COVID-19 pandemic significantly impacted their operations. The travel and accommodation industry – already wrestling with the devastating effects of the travel restrictions as a result of the pandemic as well as lockdowns – observed unprecedented disruptions. Understanding the repercussions of this event on Airbnb's trajectory requires exploring the weights of public health, economic forces, and regulatory frameworks that played an important role during this pivotal year.

The COVID-19 crisis brought about many unprecedented challenges across most sectors of the world economy, and the accommodation industry found itself to be one of the most affected sectors due to the health regulations and international travel restrictions in most countries. This segment digs into the immediate consequences that occurred in the sector, as well as the trends that emerged as a result.

As per usual, financial gains are the main reason for hosting on peer-to-peer platforms, and for many individuals this is their main source of income. And many of these became “professionals” in this subsector of the industry, meaning that they listed their own property sometimes, as well as the property of others.

Many people based in tourist destinations have a large percentage of bookings from individuals coming from abroad who could no longer book after the pandemic started. Many canceled their bookings at the beginning and, soon after, booking requests stopped being received by hosts. This happened similarly in the traditional accommodation industry (i.e. hotels). Some hosts even canceled or closed their property out of fear of virus spread or the platforms collapsing. As we could imagine, the ones who were most affected were professional hosts, whose main source of income came from bookings. And when it comes to long term rentals on these platforms, many guests had trouble paying the monthly rent, and many property owners had difficulty paying employees (i.e. cleaners..), this problem was also visible in the traditional accommodation sector. (Farmaki et al., 2020)

As a result of the pandemic, 3 trends emerged in the traditional accommodation sector, and it is crucial that not only hoteliers, but also online booking platforms take them into consideration if they wish to survive the crisis and keep their businesses growing (*3 Hotel Trends Resulting From the Covid-19 Crisis – Hotello*, n.d.).

Staycation Trend: Also known as "Holistay,". It has evolved due to changing behaviors of staycationers who now prefer short domestic trips over international travel. This trend is particularly popular among seniors and families looking for relaxation, family activities, and people who wish to explore local cities or regions. Staycationers are keen on immersive experiences such as nature hikes,

cultural tours and culinary events.

Coronacation Trend: The term is a blend of "corona" and "vacation," represents the increasing demand for staycations despite the risk of virus transmission. This trend has gained momentum due to affordable flight and accommodation supply, enabling some hotels to continue operations and avoid closure. Staycationers now prioritize stays with safety measures and local consumption. Hoteliers and home rental hosts should adapt by complying with flexible policies, offering contactless solutions for payment and enhanced safety measures to attract more reservations.

Coronasafe Trend: The "coronasafe" trend emphasizes the need for hoteliers to be "sanitary agile" and ensure a safe environment for travelers and staff. Enhanced measures include mask obligation, disinfectants, plexiglass installations, social distancing markers, disinfection of the facility, and the adoption of innovative solutions like check-in kiosks and QR codes.

2.1.3.3. Emergence of working online:

Regarding peer-to-peer accommodation, Airbnb has experienced many changes in guest behavior, especially after the pandemic struck. Guests started wanting to get outside of their homes due to having had to spend weeks and months, depending on their location of residence, quarantining. Thus, Airbnb clients started going to rural homes for a few days or for a weekend near their places of residence (Chesky, 2020). They have started to book longer stays as well, considering that they are working remotely, this means one can work from anywhere as long as there is a stable internet connection.

Working remotely has created a new segment of hotel clientele: "local remote workers". These are individuals who are able to work from anywhere, from cafés to hotels, as the emergence of working online has given them the flexibility to do so. Even meetings have increasingly taken place via Zoom, Microsoft Teams, Google Hangouts and Skype. Hotels are adapting their rooms in order to give clients a work ambience. Rooms have been adapted to foster productivity, by providing guests with more comfortable desks, integrated sockets for charging, high-speed Wi-Fi. Some hotels have introduced longer term packages for remote workers to book longer stays to work. Luxury Vegas hotels started this by offering "executive deals" and "work-at-a-hotel" packages. Hotels have started hosting conventions and work meetings, where attendees can be clients from the hotel or external guests, which means they are offered different packages when served food and drink. Some spaces have also been adapted to have informal and formal work and collaboration meetings (Garrate, 2022).

In a research by Skift (Parsons, 2023), a news company that focuses on researching the travel industry, the managers and CEOs of some of the leading companies in the accommodation sector were interviewed to shed light on how remote working has affected their respective companies:

Starwood Capital Group: According to Joe Pettigrew, chief commercial officer and hotel asset management of Starwood Capital Group, Yotel (one of their brands) is attracting many remote workers, despite their small rooms. This is a new niche they are focusing on. In the afternoons, the hotel is full of people working remotely who stay for 5 to 7 nights.

UndertheDoormat Group: CEO and founder Merilee Karr has noticed that preference for short term rentals has gone up by 11% (STR Data) in comparison to the beginning of the COVID-19 pandemic. These short term rentals consist not only of family vacations, but also remote workers, and even remote workers and their families. These mixed family-work trips are proof of the flexibility that working online allows.

Mr & Mrs Smith: Founder and CEO of Luxury and boutique booking service, Tamara Lohan, says that even the most expensive facilities they own are rented for remote working. One of their most expensive facilities, Aman New York, is convenient for remote workers, as they have double-vaulted ceilings, and acoustics are managed in a way that conversations cannot be heard by third parties.

Booking.com: Booking.com's senior vice president and chief technology officer, Rob Francis, says that the company is looking into which future trends will emerge and that the company is also figuring out "what works best" considering that trips as we know them will change: "*We think the world of everybody in the office every day of the week is over*" (Francis, 2023).

Airbnb: Bookings on Airbnb have increased by 60% compared to before the pandemic. Catherine Powell, global head of hosting, thinks this might be because individuals are becoming more flexible. Even though work may not be 100% online, people are taking the time they spend remote working to go on trips. Sometimes they even add some days to spend holidays in the same location. Around 20% of stays were longer than 28 days and half, and 50% were stays of over a week.

Working from home has made hotels invest in facilities, personnel and workers in order to adapt to this new segment, but they have increased their offerings and service packages, which has made them more competitive, and has expanded their market and potential clientele.

2.1.4. Opportunities and threats

What follows are the opportunities and threats that have taken place in the Accommodation Sector as a result of the events previously mentioned in this section:

2.1.4.1. Technological changes:

With technological changes came a mass availability of data, as well as data intelligence, which allows companies in the accommodation sector to find it easier to know what each customer profile wants and needs, and can therefore cater more efficiently to said customer. Another opportunity that arises from the latest technological revolution is the fact that consumption has become easier, as now individuals can buy and, in this case, book stays using their phone in the bat of an eye. Online booking systems can also be improved so as to improve the overall customer experience by making it easy and fast to book a facility. Lastly, social media allows for the making of campaigns that can target all potential customers that are active on these social platforms.

On the other hand, the era of information technologies can bring some potential disadvantages and other aspects to look out for, such as the increased competition that can take place in the sector, whether that implies more online booking platforms arising or more hosts renting their apartments or other facilities in these platforms. Another threat is the vulnerability to attacks by third parties to the platforms, identity and data theft, potential ethical problems due to an inappropriate use of customer data. As good as the democratization of information sharing on the internet may be, an overreliance on customer reviews can also make it harder for companies to get new customers if many reviews are negative. We must as well mention that the fact that technology is advancing at such a rapid pace can also make it more stressful for accommodation companies to keep up with trends and stay up to date with service quality as well as customer wants and needs.

2.1.4.2. Changes in consumer needs:

With the past economic recessions as well as with recent trends, consumers are more heterogeneous in the way that they are now booking both short and long term stays in hotels and other facilities, this can be particularly beneficial for peer-to-peer platforms, as it is easier to offer a wider variety without being the company the one who has to make an investment in adapted real estate for new consumer wants and needs. In a similar manner, customers are increasingly putting the focus on experiences, so accommodation firms can adapt their premises to this niche; and in the case of online booking platforms, they can expand their offer to more experience-driven rentals. Some customers are also giving more importance to convenience rather than luxury, which can lower the costs of some accommodation companies differentiated by lower costs.

On the flip side; as it is easier to enter the accommodation market with the heterogeneity of preferences, and because customers are preferring to book convenience rentals, the industry is going to have more companies in it, which will in turn make companies work harder to attract customers. And even though we live in a time where there are many technological changes taking place, as we mentioned earlier, and data is easily spread across devices across the globe; it is still difficult to predict what consumers will want and prioritize next, so there is still a part that is uncertain.

2.1.4.3. 2008 financial crisis:

As we have seen, the fact that people could not afford renting hotel rooms, as well as people who needed an extra source of income due to the financial crisis, peer-to-peer websites found it easier to emerge in the accommodation industry.

The downside to this crisis is that as well as some people looked for less expensive alternatives for vacation stay, some people could simply not afford this. This reduced travel shrunk the sector, therefore firms found it more difficult to remain competitive and attract customers.

2.1.4.4. COVID-19 crisis:

An opportunity that arose from the COVID-19 pandemic was the focus on local tourism, given that there were lockdowns in most countries worldwide. Although we have to take into consideration that some countries had more internal restrictions than others, such as

Italy and Spain, who had the biggest number of COVID-19 cases (Hodgson, 2023). We will also discuss later how Airbnb has gained competitive advantage by using health and safety measures for every facility booked (*Health and Safety Requirements for Airbnb Stays - Airbnb Help Centre*, n.d.). As we have also seen, a trend for longer-term stays has arisen from the pandemic, which has been a significant opportunity to offer longer-term rentals for both hotels and peer-to-peer platforms; as well as stays for people who are working remotely yet at the same time want to be outside of their home.

As for the threats, the pandemic caused a mass cancellation of reservations in both hotels and other booking platforms, which caused a considerable financial strain due to the consequent refunds. Due to the lockdowns and mobility restrictions, there was a sharp decrease in the demand for hotel rooms, apartments and vacation rental homes, which created great uncertainty in the sector as to when mobility bans would be lifted and safety in general could be recovered. In the longer term, there were also mass layoffs and job uncertainty not only within the accommodation sector, but in the labor market in general, this caused people to be more conservative and spend less money on travel and vacation leisure.

2.1.4.5. Emergence of working online:

An opportunity for companies in the sector is the fact that many remote workers enjoy working outside of their home from time to time, this implies a chance for hotels and peer-to-peer booking sites to offer longer stays for this new segment of consumers. Companies can even adapt premises for these new customers for them to have a stable connection, as well as a work-friendly, office-like place to stay.

The emergence of working online has its downsides too, such as decreased business travel. More and more companies are hiring people as GIG workers, or traditional-contract workers where they work solely from home. There is less a need to travel for work, as meetings and group work can be held online. As well as remote work is an opportunity for accommodation firms to diversify their supply, individuals and companies who rent offices for workers become part of their competition. Lastly, overreliance of premises on a stable internet connection can be a threat, as they essentially become useless for people who need to have an internet connection at all times.

Table 2-1: Summary of Opportunities and Threats in the Accommodation Sector.

Summary of Opportunities and Threats in the Accommodation Sector.		
Industry changes	Opportunities	Threats
Technological changes	Easier to cater to customer segments. Mobile phones have made consumption easier. Possibility to advertise on social media platforms.	Increased competition due to the rise of peer-to-peer platforms. Vulnerability of attacks. Overreliance on reviews. Rapid technology change makes it more difficult to keep up.

Changes in customer preferences	Increased heterogeneity of customers and potential for diversification.	Increased number of competitors. Rapid change in preferences makes the future uncertain.
2008 crisis	Easy for peer-to-peer to emerge.	Reduced travel.
COVID-19	Health and safety measures and provide competitive advantage. Increased demand for longer-term stays.	Decreased bookings. Reduced travel due to unstable jobs.
Emergence of working online	Demand for longer stays by remote workers.	Decreased business travel. Landlords become competitors. Overreliance of premises on internet connection.

Source: Own creation

2.2. AIRBNB BUSINESS MODEL IN ITS ORIGINS

2.2.1. How has Airbnb exploited Opportunities?

We would not be depicting the rise of Airbnb fairly if we only talked about the business model and the innovative idea that was behind the now billionaire business. It is just as important to speak about the accommodation industry and how the housing crisis and economic shock of 2008 – which we discussed before – changed it forever.

Airbnb was founded in 2008, during a major moment not only in the housing market or the stock market in the United States, but also in the world. The founding of this company also marked a before and an after for the hotel industry and the accommodation industry as a whole. The trigger for this big idea was a local industrial design conference in San Francisco, for which so many attendants were going that Bryan Chesky and Joe Gebbia decided to put 3 air bed mattresses and rent space in their apartment for the conference goers to stay for a lower price per night (Business Casual, 2019).

However, this idea was not the reason why the company became so successful, the 2008 crisis was arguably the most important factor that made Airbnb’s business model sustainable. This economic downturn - as any other - impoverished people, which implies that they either will spend no money at all on leisure activities such as traveling, or will spend less. For guests, Airbnb offered lower prices than hotels for short term stays, and it gave the opportunity for people who wanted or needed to get an extra income or pay their mortgages to rent the free spaces or spare rooms in their homes.

2.2.2. Airbnb Business Model and CANVAS

To best illustrate how Airbnb provides value, as well as the type of customers it serves and its structure of revenue and costs, we must explain its business model using the Canvas method. Business Model Canvas (BMC) is a graphic model that is used to depict the business model of a firm. It comprises nine building blocks, and the method originally

involves adding *sticky notes* to each of the nine building blocks, each representing the elements involved in the business model (Fritscher & Pigneur, 2014).

The model highlights the key elements of a business model at a fixed point in time, and as Airbnb is a company that has changed its source of competitive advantage over time, its CANVAS model can change at a given point in time. What follows is a graphic representation of the CANVAS framework for representing Airbnb’s business model:

Table 2-2: CANVAS Business Model of Airbnb.

Airbnb CANVAS Business Model				
Key partners: Hosts. Cleaning service companies. Financial entities and institutions.	Key Activities: Website and application maintenance. Marketing efforts. Communication with hosts. Photography service for hosts. Compliance with regulations. Operational activities. After sales services.	Value proposition: Low costs. Variety of premises. Flexibility. Networking site. Home-like comfort. Creation of a market.	Customer Relationship: Trust building. Availability of feedback. Community building on social networks. After sales service.	Customer segments: Young people. Technology users. Parents with children. Business trip goers, remote workers, GIG workers. Individual hosts and companies listing large amounts of properties.
	Key resources: Capital. Human resources. Technological infrastructure. Reputation. Customer data. Host property.		Channel: Online (website or mobile application).	
Cost structure: Maintenance of website and application. Marketing efforts, advertising, attracting and retaining customers. Communication with hosts. Photography service for hosts. Compliance with regulations. Managerial and operational activities.			Revenue stream: Commissions from transactions. Advertising on social networks. Shares of stock.	

Source: Own Creation

2.2.2.1. Value propositions:

The value proposition of Airbnb in the beginning was based on the low costs it offered to customers compared to hotels and other vacation stay platforms, together with the facility rented, it provided an overall convenient service. Nevertheless, another element of value Airbnb offers is the variety of homes and premises available on the website, which have been expanding over time. In fact, Airbnb has expanded its business to also offering really exclusive and luxury accommodations. The flexibility of stay – which has been even more so since the COVID-19 crisis – is another important factor, as customers can stay at a home for days or weeks.

A pivotal item of value Airbnb offers is the creation of a market between individuals willing to stay at a home for vacation and individuals looking into getting income from renting their property. Airbnb's value creation and value capture are built upon its capacity to access, store, and provide information regarding lodging solutions to customers, while also performing the role of a global marketplace for providers to display their offers (Parente et al., 2018).

Airbnb's value is largely driven by the extent and frequency of the exchanges between room providers and bookers. The outcomes of these transactions depend on the actions of both the firm and its customers in what is known as a joint co-creation process (Liang et al., 2016). In addition, value creation activities have been increasingly pointed towards firms characterized with networking features that have the potential to provide different and optimal value to stakeholders (Zeng et al., 2019).

The shared economy and collaborative consumption models have also influenced the way people experience and consume tourism products. Transactions among consumers have made it possible for tourists to have a more *authentic* experience and feel the comfort of a household outside the home. In fact, for many travelers, a social experience with more domestic undertones can be a pivotal factor regarding the use of shared economy accommodation platforms, as this type of experience cannot easily be acquired in the more traditional tourism industry (Krouk & Almeida, 2021).

2.2.2.2. Customer Segments:

Airbnb has two big types of customers: guests and hosts.

The first segment of Airbnb is guests, it consists mostly on younger people, who make use of newer technologies to book stays on hotels and, now with the rise of peer-to-peer models, other properties such as homes. Most young customers are Millennials and more recently Generation Z. Individuals with children are another subsegment, due to the convenience of staying at a facility with a kitchen, more than one bedroom, and more space for the family overall. Another subsegment that has been recently rising is office workers, remote workers and GIG workers, who either travel as part of their work and need a more comfortable and convenient place to stay, or wish to work remotely at the same time as being out of their home and changing their work setting.

The second segment is hosts, comprising both individuals who wish to list their property (or properties) on Airbnb for guests to book and therefore earn an income, as well as other companies listing larger amounts of properties on the platforms for the same reasons.

2.2.2.3. Channel:

The way Airbnb provides services is exclusively online, making it possible for individuals to book stays both through the website or the app. The company also promotes itself on online Social Networks, either by making pieces of content on its own profiles, or by paying to show adverts on platforms like YouTube. More recently, Airbnb has been streaming adverts on Television, as the generations of potential customers are aging, therefore the platform has been able to promote in *mainstream* media.

2.2.2.4. Customer Relationship:

As Airbnb hosts are not exactly employees of the company, they can at times feel more isolated from other hosts and the company itself, which can produce feelings of distrust to the company. Therefore, Airbnb must build trust in both hosts and customers, so that even though the transactions take place without the need of other people to be present, the information available and the fulfillment of obligations by the company can build trust and safety in all parties involved .

Customer relationships are essential for Airbnb in the sense that the company depends on both suppliers of facilities and demanders of vacation stays all over the world, therefore its relationships with both sides have to be fluid and an easy communication of information has to be present at all times. Building a closely-knit community between hosts is important for Airbnb, so much so that they have a LinkedIn account dedicated to the community of Airbnb hosts. It is essential to build a community among and within partners and customers, as it can increase the fulfillment of the feeling of belonging to a group, which can give another reason to customers and hosts to choose or keep choosing Airbnb.

The availability of feedback from the company and other members of the community helps in giving credibility to the company, as well as to strengthen the attachment that customers and hosts can feel towards Airbnb. Lastly, having a good quality after-sales service and customer service strengthens relationships of hosts and customers with the company, as well as helps to build credibility and trust.

2.2.2.5. Revenue Stream:

As big of a company as Airbnb is as far as revenue is concerned, the company has very few forms of revenue. The main source of revenue comprises the commissions it gets from bookings on the platform. The company additionally gets commissions from online courses and online experiences, provided by Airbnb hosts (Pereira, 2024). A second source of revenue comes from advertising organically by posting its own content in online platforms like YouTube, Facebook, Instagram, X (Twitter) and LinkedIn. At the end of 2020 the company went public, making the sale of shares of stock yet another source of revenue, especially given the fact that its value has risen exponentially over the past few years, as we have seen in previous sections (*Yahoo Finance*, 2020).

2.2.2.6. Key Resources:

The key resources of Airbnb are a few, but all play an important role for the provision of services. The company does not in actuality need to own physical resources to carry out

its activity, given that the few physical premises it owned were sold, and as at December 31st 2023, the company does not own property whatsoever. However, a key resource is the property of hosts (Pereira, 2024). Airbnb needs, first and foremost, financial resources, given that it needs to advertise – in order to attract and retain customers, as we mentioned before –, carry out R&D activities, as well as to pay for activities such as platform maintenance and personnel salaries. Having to do with the latter, human capital is needed for the company to carry out its activity, such as the management department, the marketing department, the financial department and R&D department.

The company requires good quality infrastructure, that is: servers, databases, and software needed for website and app operations. Reputation is another asset that, as intangible as it is, is essential for community building – among and within hosts and customers, as previously stated – and customer retention, as well as for potential customers to choose Airbnb over competitors. Lastly, customer data is pivotal for the firm to know its customers as well as their wants and needs, to foresee trends in the behavior and changes in preferences, and to understand the segments they are serving in order to look for people within the segment to be able to target them properly when making marketing efforts for this purpose.

2.2.2.7. Key Activities:

As we could once again expect, the key activities include: The development and maintenance of the website and mobile application; Marketing efforts to attract and retain customers as well as hosts; Compliance with legal demands in different geographical areas and cities (e.g. The local government of Lisbon passed a law forcing Airbnb to provide a local accommodation license from hosts who want to list their properties on the platform) (Singh Garha & Botelho Azevedo, 2022); Communication with hosts; Photography services for hosts to upload improved images of their homes onto the platform for customers to book; and Managerial and operational activities. After sales activities include cancellations and Aircover policies, cleaning services outsourced to external companies, a rating system for customers, and messaging capabilities within the application (Curnes et al., 2023).

2.2.2.8. Key Partners:

As we could presume from the last sections, Airbnb's key partners encompass the hosts, who rent out their property to customers; cleaning services, which are provided to the Airbnb hosts by cleaning companies and are part of the service charged to vacation stayers; and financial institutions, such as banks, who participate in the transactions between customers and hosts (Pereira, 2024).

2.2.2.9. Cost Structure:

It is well known that Airbnb does not own any of the property listed in its website, therefore its costs are different from traditional accommodation companies such as hotels or hostels. Costs align almost completely with the main activities. The main costs Airbnb incurs are: personnel expenses, the continuous maintenance of its website and mobile application, legal compliance and R&D – which partly involves the further development of the website and application –, photography services for hosts, customer service, and communication with hosts. Another relevant expense comprises all the marketing and

promotion campaigns both on television and other *mainstream* media, online social platforms, and offline media, such as newspapers or billboards on the street; as well as all efforts to acquire and retain customers

2.3. STRATEGIC DECISIONS MADE TO SUSTAIN ITS COMPETITIVE ADVANTAGE AND GROW GLOBALLY

In order to understand how Airbnb has used and changed its business model to adapt to the trends that have originated the previously mentioned opportunities and threats in the accommodation industry, we must analyze the main strategic decisions it has taken over time, as well as classify them into three categories: Internationalization, Diversification and Vertical Integration. We will also dive into whether the firm has taken these decisions with its own resources, through cooperation agreements, or through M&A (Mergers and Acquisitions).

2.3.1. Internationalization

Airbnb started its internationalization strategy in 2011 by opening an international office in London, followed by another international office in Dublin in 2013 and a later expansion to Africa, Latin America and Asia. As at 2022, 54% of the revenue came from North America, 32% from Europe, the Middle East and Africa, and the remaining 14% came from Latin America and Asia Pacific. The company has stated that it wishes to expand to more emerging markets, as it sees big opportunities there (Curnes et al., 2023).

While giving importance to the expansion to international markets, Airbnb cannot ignore the growth in its local market, which is the US, as there has to continue to be a stable and growing demand and supply. It is also of importance that Airbnb keeps the guests' travel experience and cleaning services uniform. Airbnb itself claims to have a glocal strategy, which can be seen with its cleanliness standards, currency payment options, and localized sign up methods (Curnes et al., 2023). A glocal strategy is one that implies "*providing a global offer (brand, idea, product, service, etc), while taking local related issues into account*" (Dumitrescu & Vinerean, 2010).

Internationalization is important, as it is relatively easy for the company to expand its operations geographically without spending a lot of financial resources. Expanding into different markets causes an increase in Airbnb's revenue and cash flow without having to spend Capex (Capital Expenditure) funds, as it does not own the premises rented on the platform. Another advantage about internationalization is the possible synergies it offers, as an individual from the US may likely use Airbnb abroad and vice versa. Having an internationally known brand also makes said brand more likely to be the first company customers have in mind when they wish to book a facility (Curnes et al., 2023).

2.3.1.1. Opportunities

Technological changes:

The new technologies, together with the standardization of the booking of facilities, Airbnb has used its technological expertise to offer seamless cross-border booking experiences, in the sense that it is equally easy to book a room within the same nation's

borders, or a room at the other side of the Atlantic. In addition, there is more consumption, as it is easier to buy on one's phone, therefore more individuals from other regions can be interested; which in turn has made it easier to expand to new markets, such as China back in 2016 with the help of collaborative partnerships with local companies (Hartman, 2016).

Another opportunity stemming from the technological changes taking place has to do with the sharing economy firms. These firms can be seen as examples of platform capitalism, which consists of intermediary firms who rely on data analytics and market coordination to receive rent from transactions taking place in their own platforms (Parente et al., 2018), all which gave way to the rise of Airbnb.

Thanks to the opportunities for growth that new technologies offer, Airbnb took only 8 years to enter 190 countries. As a service multinational corporation (SMNC) it has relatively few physical assets, uses platform technologies, and scales by leveraging their FSAs (Flexible Spending Accounts) with the complementary resources of local partners (Banalieva & Dhanaraj, 2019).

Changes in consumer needs:

Tailoring offerings to diverse international markets can help Airbnb capture a broader customer base, and in recent years they have adapted their offer to different tastes by offering stays in different homes, such as Ryokans, Hanoks, Earth homes and Minsus among others.

Customers have become experience-driven to a larger extent than convenience or price-driven. Therefore, Airbnb's launch of Experiences in 2016 was relatively easy to do, given that these online events can be broadcasted by any host from anywhere in the world, and can be booked by anyone in the world, which facilitates the internationalization of this service line. Given that it is purely delivered online – it is resource-efficient – and the fact Airbnb is now considered a technological company, there is no need to obtain these resources through a collaboration with other companies, nor an acquisition of another company.

2008 crisis:

The fact that the financial crisis that took place in 2008 diminished travel enthusiasts' purchasing power made it easier for companies like Airbnb to gain market share by offering stays at lower prices compared to hotels all over the world.

COVID-19 crisis:

Health and safety measures implemented and standardized across countries during the COVID-19 pandemic gave the company credibility regarding its concern with the spread of the virus, which in turn gave them competitive advantage over other companies.

Emergence of working online:

Airbnb saw an opportunity in the recent trend of office workers, remote workers and GIG workers among others who would book longer stays in order to work at a place outside

of their home for a longer period of time. Thereby expanding into offering longer stays worldwide.

2.3.1.2. Threats

Changes in consumer needs:

The changing customer wants and needs makes it more difficult to spot what individuals and users want, but the availability of customer data makes it easier. For instance, AirDNA is a website where short-term rental data is turned into smart investment and hosting insights for anyone to access, and it has been gathering data since 2015 from the daily performance of millions of vacation rentals in 120,000 global markets to provide real-time market insights.

Individuals' trust is difficult to obtain, therefore Airbnb has grown its international presence by putting a focus on building trust between strangers through a detailed customer feedback system and encouraging users to develop a detailed, personalized profile. It replaces the need for personalized trust-building in a way that, in a short span of time, sharing a home with a stranger becomes comfortable (Monaghan et al., 2019).

People are increasingly becoming more aware of prices and giving importance to paying lower prices. Airbnb has pricing tools that help hosts set different prices in accordance to a guest's length of stay or based on the amount of days of the week. Hosts can offer a discount for stays longer than a week or a month, and customers can set up custom weekend pricing. This strategy meets the needs of the hosts and even exceeds the expectation of customers (Ji et al., 2021).

2008 crisis:

Airbnb's pricing strategy could also be applied to the 2008 crisis, given that customers were willing and could afford to pay less expensive stays. This helped Airbnb get through the difficult times of the recession, especially in its beginnings.

COVID-19 crisis:

The uncertainty regarding international travel restrictions and health regulations that came with the crisis impeded expansion plans. The economic downturn caused a sharp decline in consumption in travel and demand for vacation stays, as well as labor shortages due to the lower freedom of mobility. As we mentioned in the opportunities section, Airbnb offered cleaning services specialized to prevent the spread of the virus, as well as cut expenses by laying off employees due to the sharp decrease in revenue due to the lower amount of bookings.

The threat of a lower demand was decreased by those booking stays in remote places to quarantine or spend time long-term in said premises. According to 2021 Airbnb search data, two northwest Floridian beaches were among the most popular destinations for Airbnb users given that the pandemic made Airbnb users willing to stay in unique and remote lodgings with plenty of privacy and outdoor space (Jang & Kim, 2022).

2.3.2. Diversification

Up until 2016, Airbnb had only focused on vertical integration and internationalization (geographical diversification), but Airbnb's corporate strategy went from being an internationalization one to a product-market diversification one with the launch of the Experiences business line. This business line encompasses daily activities (events) hosted by local *guides*, sharing live videos of activities such as tasting wine, hiking, dancing, paragliding and cooking. It is expected that the revenue obtained from Experiences accounts for 1% of the total revenue, this is partly due to the fact that this market is relatively new and still developing. Airbnb is hoping to capture more value and to attract investors due to the fact that revenue is diversified, which can smoothen the differences in revenue from the seasons where there is more and less travel (Curnes et al., 2023).

As of currently, we could say that Airbnb is a single business firm, as most of its revenue comes from its main activity: matching hosts and guests. Airbnb might become a related diversification business if Experiences becomes more than one third of Airbnb's revenue. More specifically, it would be a Related-Constrained Diversification firm, as Experiences uses Airbnb's existing competencies (of acting as a broker) and resources (website and algorithms) (Curnes et al., 2023).

2.3.2.1. Opportunities

Technological changes:

The present increasing use of technology – not only for booking stays, but also for the consumption of entertaining and educational content – has enabled Airbnb to expand its supply to two new *product* lines: Experiences and Icons. We have previously mentioned that experiences consist in online events that can be booked by anyone. Icons is the newest Airbnb product line release, comprising the booking of places inspired by movies and famous artists (such as the *Up* movie house, and the last Blockbuster open in the US) at a relatively low price (Airbnb, 2024).

Airbnb also has information available about hosts and customers due to the fact that profiles can be highly customizable on the Airbnb platform, as well as all the info that is gathered from transactions and locations. This gives Airbnb enough information to know what people from different places want and can allow it to have a clearer picture of what markets to expand to and what new services it can offer. For example, Airbnb knew about the current preference for experiences and used this information to launch *Icons*.

Changes in consumer needs:

Airbnb has been working on expanding its offer of accommodation options to cater to different demographics and lifestyle choices. There has been a diversification into new accommodation types – because consumers have more heterogeneous wants and needs – such as boutique hotels or luxury villas, which can attract different customer segments. As we mentioned before, Airbnb has expanded its supply to cater to wants and needs from different parts of the world, as well as tailoring offerings to meet evolving consumer preferences, such as sustainable accommodations or unique experiences (i.e. *Experiences* and *Icons*).

Some customer segments wish for lower prices, therefore Airbnb has incorporated Airbnb Plus: a more deluxe service branch that provides customers with the selected and highest quality homes in order to appeal to both customers on a lower and higher budget. Airbnb Luxe has a similar purpose, this one offering a variety of deluxe homes. Brand architecture or diversification is one of the key areas of growth and opportunity for Airbnb, as more services should be extended to gain more overall revenue. As far as Brand Equity is concerned, the logo *Bélo* (as Airbnb has named its most recent logo), is intended to be a symbol of “*belonging*” (Ji et al., 2021).

COVID-19 crisis:

We have mentioned before that Airbnb launched its Experiences line in 2016, however it gained more relevance during the COVID-19 pandemic, as their revenue fell sharply due to the travel restrictions. This recent product line has enabled Airbnb to keep making revenue (even if the amount of revenue makes up 1% of the total revenue) regardless of whether Airbnb users are traveling or not. This has, in a way, turned Airbnb into a content making platform.

As we mentioned in previous sections, the COVID-19 crisis has enabled Airbnb to offer long-term stays in facilities, as many people preferred to spend the lockdown away from their homes, whether in rural or urban areas. The shift towards domestic travel due to travel restrictions also created opportunities for Airbnb and local accommodation providers.

Nowadays, most Airbnb listings in different cities are entire homes, many of which are rented all year long, becoming *de facto* hotels. This has turned Airbnb from a home-sharing platform to a commercial platform for short-term rentals. Most of the flats listed on Airbnb are owned by multi-hosts (individuals or companies), which means they use the platform to rent out entire flats or blocks of flats to multiply their income from rents. (Singh Garha & Botelho Azevedo, 2022).

Airbnb has taken the pandemic as an opportunity to go back to its roots: it used to be active in CSR concerns: it supported black lives matter, advocated against homelessness, performed lobbying activities especially in its beginnings, was in support of same sex marriage, immigration, rose its voice regarding the Australian bushfire in 2020. The company was concerned with all of these matters, and over the years they would be less involved. However, with COVID-19 the company decided to go back to its roots and become more involved again (Von Briel & Dolničar, 2021).

Emergence of working online:

Similarly to the COVID-19 pandemic, the emergence of remote work has increased stays in hotels and in Airbnb (peer-to-peer accommodation) for longer, expanding the supply (offering work-friendly environments) of these types of firms. A new group of customers looking to book for work has arisen, making Airbnb and others begin to offer accommodations tailored to remote workers, such as co-living spaces or digital nomad hubs.

2.3.2.2. Threats

Changes in consumer needs:

It is difficult to predict and meet diverse consumer demands, which causes uncertainty (although the threat that these differences pose can be attenuated with the technological changes taking place). Some of these differences among groups are geographical. In a study performed by Sangeun Jang and Jungsuk Kimin in 2022 it was found that the impact of leisure and hospitality areas on Airbnb revenue is influenced by the level of social and environmental resilience in different types of counties (rural and urban). These relationships also vary across different counties and sub-clusters within said counties. Therefore, factors influencing Airbnb revenue are not uniform across all geographical areas (Jang & Kim, 2022).

COVID-19:

There has been a clear domestic focus since the breakout of the pandemic, which could have led to the opposite of diversification. The number of listings on Airbnb had declined considerably. However, the biggest decline took place in the number of casual hosts. Most of the multi-hosts waited for pandemic control to resume their business. Potential rental income has declined in many cities, which may have encouraged people to unlist their empty flats from Airbnb and pass them on to longer-term tenants (Singh Garha & Botelho Azevedo, 2022). Therefore we can say there was a change in the behavior of the hosts that could focus on a longer lease, which allowed them to ensure more stability (Krouk & Almeida, 2021).

2.3.3. Vertical Integration

Airbnb focuses on only internalizing the value chain part of the business activity (the reservations system and customer relationship management), which is one of the main characteristics of sharing economy firms (Parente et al., 2018). As a whole, Airbnb is in charge of every step, from developing the listings, facilitation contact between hosts and guests, to the after-sales services (as we have previously covered in the previous section).

2.3.3.1. Opportunities

Technological changes:

Vertical integration allows Airbnb to control its own technological ecosystem, which is its core asset, thus being able to focus on enhancing the efficiency and innovation of its business activities. Another advantage is that Airbnb does not own property, therefore costs are not so high as to have difficulties investing in its technological strength. For instance, Airbnb obtains insights based on the aspects that consumers consider the most important, and said insights are useful to improve the features of the websites and application. An improved match between the hosts and the guests can be achieved and therefore increases the profit of Airbnb as Airbnb charges a service fee when a booking is confirmed (Lee et al., 2019).

Airbnb has also been able to vertically integrate even further by providing hosts with insurance in the event that their property gets damaged by a guest. Having an insurance

contract is obligatory for all hosts listing properties on the platform, and now Airbnb offers an insurance service of its own (*Host Damage Protection - Airbnb Help Centre*, n.d.).

Most of Airbnb's activities are easier to carry out thanks to the new technologies. It is easier for the company to carry out social media or other campaigns by themselves with qualified personnel without spending much comparatively to advertising on traditional media.

Changes in consumer needs:

As we have mentioned before, Airbnb has become more experiences-oriented, and it has vertically integrated Experiences to its offer. Additionally, the company's orientation, as far as the main activity is concerned, is more experience-oriented – with premises listed being more experience-oriented – and this is all vertically integrated thanks to technology–.

COVID-19 crisis:

This part could easily apply to what we just covered in the last section: Both the changes in consumer needs and the COVID-19 pandemic have pushed the company into new markets and therefore there are currently *content creators* in airbnb that stream and make videos by offering events and classes on the platform through *Experiences*.

Emergence of working online:

Offering remote work-friendly accommodations is relatively easy, considering that the company only has to modify the type of offer available to consumers and does not have to invest in different real estate or more real estate to offer it to consumers, as it is hosts who offer their property. Therefore, Airbnb has tapped into a growing market segment with its own resources at a relatively low cost.

2.3.3.2. Threats

Technological changes:

Dependency on internal technology solutions may limit Airbnb's flexibility and innovation, as all the encounters between guests and hosts take place online as well as the search for information and the transactions. Although as we said before, Airbnb is becoming stronger technology-wise, as currently they identify as a tech company.

Usually, individuals are hesitant to host a stranger or to sleep in a stranger's home. To deal with this general online trust problem, Airbnb users are encouraged to share their Airbnb experiences by posting public reviews online after every stay. The purpose of this is to allow people to view other users' experiences and opinions before agreeing to any transaction (Lee et al., 2019).

Changes in consumer needs:

Overreliance on vertical integration may result in missed opportunities for partnerships and collaborations, but that does not mean that the company cannot do collaboration agreements for other activities. In May 2024, Airbnb launched its new product line: *Icons*. As we have previously introduced, the firm is renting premises like the Disney Pixar *Up* movie house, which is itself a collaboration with Disney to be able to list different premises that are movie or personality-themed.

Airbnb, as we know, has issues regarding obtaining and keeping its customers' trust. Several trust indicators have been implemented over the years: reputation system (ratings or review scores of experienced guests), impression formation (consisting of trust based on images, given that hosts display their personal photos and descriptions), and certification (what is known as the *Superhost* program, which yields price premium) (Ert & Fleischer, 2019). Furthermore, in February 2018 Airbnb announced a new certification badge for high-quality homes: *Airbnb plus*, to identify luxury homes and exceptional hosts. This program requires that the hosts and their apartments meet a quality checklist that guarantees certain amenities and facilitates having an increased standardization compared to the rest of listings. According to Airbnb, this certification is given by Airbnb staff members who visit the accommodations in person.

COVID-19 crisis:

In general, the maintenance of Airbnb's business model is relatively easy considering that the financial effects of the pandemic were covered by the hosts, as customers got a refund and Airbnb did not obtain permission from hosts prior to this. The company took short-term measures related to the cancellation policy, security and cleanliness, as well as long-term reservations (Krouk & Almeida, 2021).

2.3.4. Resources employed

As for the resources used in the different strategic decisions of Airbnb, we can say that there are three main ways in which these decisions were implemented: using Airbnb's own resources, through collaborations and cooperation agreements with other companies, and through Mergers and Acquisitions (M&A).

Own resources:

Most decisions covered up to this point were made using Airbnb's resources, given that the internationalization, diversification and vertical integration decisions of expanding the offer to different types of homes to more people across the world was done internally. The Experiences line was carried out also using the company's resources, as it is a technological company and has the capacity to expand its offer using technological resources.

Collaboration agreements:

These imply a contract between two companies where both benefit from said contract, without having to merge into a new company nor buying one another. One decision we can include as cooperation agreements has to do with the newest release of Airbnb, *Icons*.

As mentioned previously, collaboration agreements are made between companies like Blockbuster, Disney Pixar and celebrities such as Kevin Hart in order to provide experiences inspired by characters, public figures and other iconic brands and movies.

Other decisions include services such as cleaning, carried out by external companies having a contract with Airbnb to perform this service. Lastly, financial intermediaries also have agreements with Airbnb by law in order for transactions to be carried out within the application and the website. However, the latter does not involve any strategic decisions carried out as a result of changes in the environment.

Mergers and Acquisitions:

Although Airbnb has carried out many acquisitions throughout its life, none of these had to do with the strategies put into practice as a result of the current changes in the business environment covered in this project.

2.3.5. Differentiation

Airbnb uniquely leverages technology to economically empower millions of people around the world to monetise their spaces, and more recently passions and talents to become a form of hospitality entrepreneurs (Airbnb, 2020). Actually, many customers use more than 1 channel (not only Airbnb). They can also use VRBO and others to get guests to stay in their property (Giannoni et al., 2021).

What many people are unaware of is the fact that Airbnb was not the first guest home accommodation site in history, this was Vrbo. Vrbo started in 1995 launching as a website where the founder, David Clouse listed ski condos for rent in Breckenridge, Colorado (US). Shortly after, other homeowners from other places within the US paid Clouse to list their properties on the website. In 2006 more than 130,000 homes were listed for millions of travelers across the globe to visit. That same year more than 30 different types of homes were available for booking on VRBO. From converted airplanes to fire stations, lighthouses, school buses, shipping containers, adobes, barns, geodesic domes, tiny homes... all before Airbnb was even in the minds of the founders.

How does Airbnb fight this competition? What makes people choose Airbnb? Why did Vrbo not reach the level of success that Airbnb got? Why did it not get the first mover advantage firms usually benefit from? This is where the differentiation strategy comes into play.

Airbnb has been able to not only become successful worldwide as well as profitable over the years, but it also has gained brand presence to become the reference firm to refer to when speaking about peer-to-peer accommodation. The platform is more user-friendly compared to other online booking platforms, and is known for the community building within the platform, which most booking sites do not have. In addition, Airbnb provides a wider range of premises listed on the platform compared with VRBO and other companies, whose offer is narrower. Lastly, Airbnb has continuously expanded its activities into new lines, specifically Experiences and Icons, which give customers more services to choose from and keeps giving Airbnb a fresh corporate image in the minds of customers.

A study by the researchers of the Beijing Foreign Studies University found out that the factors that make customers choose Airbnb are primarily the expectancy of performance of the platform, hedonic motivations, the relationship between value provided and price, cross cultural experiences and social influence (M. Wang & Li, 2017).

As we already know, Airbnb started out as a less expensive alternative to book a stay when traveling, and as an option for people in need (or not) of an extra income to rent out their property. But more recently Airbnb has become less cheap in comparison with the competition and more driven to offer a different experience at a price that travelers are willing to pay for this tailored offer.

Airbnb has become known all over the world for its unique ability to cater to the needs of every traveler. Expectations change of what the perfect travel experience would be, therefore traditional hotel chains especially are putting a focus on finding ways to compete and offer any form of differentiation. Two of Airbnb’s greatest strengths are its user-friendly technology and easy-to-book experiences (Curnes et al., 2023).

2.4. SUMMARY OF STRATEGIC DECISIONS TAKEN

What follows is a table summarizing the decisions mentioned in the last section classified according to the changes in the business environment:

Table 2-3: Decisions taken by Airbnb to represent the Evolution of its Strategy.

Decisions taken by Airbnb (Evolution of Strategy)	
Technological changes	Turned into a Technological company. Seamless cross-border experience. Launch of Airbnb Experiences. Easier to enter into new geographical markets. Easier to diversify into new markets and vertically integrate activities. Easier to advertise in the era of social media. Use of customer data to adapt its offer to their wants and needs.
Changes in Customer Preferences	More experience-oriented (launch of Experiences and Icons). Expanded offer according to different tastes and geographical locations. Strategies to increase customer trust. Different price ranges (Airbnb Plus and Airbnb Luxe).
2008 crisis	Lower prices than hotels. Variety of properties for rent, rooms and other facilities.
COVID-19 crisis	Cleaning and disinfection services outsourced. More concerned with CSR matters.
Emergence of remote work	Expanded the offer to longer stays for workers. Work-friendly listings on Airbnb with Wifi and other amenities.

Source: Own creation

3. DISCUSSION ON HOW FIRMS TURN THREATS INTO OPPORTUNITIES TO SUSTAIN THEIR COMPETITIVE ADVANTAGE

3.1. LESSONS FROM AIRBNB'S STRATEGY

As we have been able to realize throughout this paper, Airbnb's business model – as well as the business models of many multinational firms – is not too difficult to understand. The value proposition and the kind of product or service offered may be more or less complex, yet business models tend to be rather-straightforwardly described in few bullet points.

What is difficult to understand and predict is the market. It is important to keep track of and understand what is taking place in the environment at all times because it affects the reactions taking place in the market, which are very uncertain. Nowadays with new technologies these reactions may have become easier to track and predict. Yet still, and especially when launching a new business or business line, market reactions are uncertain and companies always have to be sure before taking the next step.

New technologies make some tasks and problems more difficult to solve, given that many aspects of the market – not only in the accommodation sector – are changing increasingly fast (e.g. Artificial Intelligence and the Metaverse) but at the same time problem solving has become easier for any company due to the availability of information and customer data.

A big part of an effective strategy is branding. A positive and well-known image can do most of the work as far as expansion plans are concerned. As it has been discussed, Airbnb's US guests were more likely to use Airbnb in Europe, and vice versa. A good experience with a brand can encourage an individual to want to purchase a good or service by the same brand across borders. And because with networking technologies it is easier for the word to spread throughout, it is more important than ever to have a good reputation, given that negative reviews and experiences spread throughout easier and to more individuals than good ones. Working towards being the first option in people's minds is pivotal. Eventually it is about making individuals in the market choose your company over the competition.

Not only is adapting to the environment and market important, but also reinventing oneself and one's offer (as we have seen, Airbnb has recently become a technological company). Offering new and different things is pivotal in order to maintain a fresh image and not become obsolete. Therefore, investment in R&D is investing in the future of the company, as one area of business might fall obsolete over time, but the newer product lines can make the company survive. We have seen this with Facebook, now known as Meta, with Facebook declining as a platform in popularity, yet with the acquisition of WhatsApp and Instagram, this does not pose too big a problem. And more recently with the Metaverse, Facebook has reinvented itself in order to continue its relevance and will continue to do so. And Airbnb has done a similar job by diversifying its offer and turning into a technological company.

3.2. IDEAS FOR THE FUTURE

As we said before, branding is important, therefore companies have to genuinely care about customers and the rest of the groups of stakeholders, as companies depend on them to survive. Currently, Airbnb has been having problems due to the increases in cleaning fees, which have made Airbnb bookings much more expensive, as well as the deficient hygiene in Airbnb properties listed (Gyódi, 2021b). The company needs to keep track of those problems and take measures to solve them if they don't want said problems to affect their brand, especially since information and opinions spread easily and widely, and many public figures and content creators on social media platforms are already talking negatively about Airbnb with millions of views.

The Metaverse will be launched to the world and will potentially change the business models of many companies and their business lines as we know them. Airbnb offers homes to rent owning zero of them, they can start renting out spaces on the internet and providing experiences, hosting events in the metaverse, or create a metaverse space of its own. Airbnb can even recreate the existing listed homes for customers to go back to where they once stayed, or just to have fun with the virtual recreations – such as in Roblox videogames, where cities, virtual worlds and premises such as McDonald's restaurants are recreated –. Airbnb can even create a video game consisting in a virtual world where all properties are listed at Airbnb and have the same ranges of prices as in real life, and the player has the opportunity to obtain rent from premises, or become a tourist.

Companies like Google are working on improving their search engine algorithms and sophisticating them to the point where algorithms are not used anymore and companies start making use of Artificial Intelligence for any search on the site. AI will offer personalized options and give personalized recommendations to customers. Airbnb can do the same for its platform, using AI to offer customers preemies and experiences based on their preferences using AI or a system similar to a social media feed algorithm (Weiner, 2024).

Airbnb can also diversify to provide services for a new customer segment: the entertainment industry. Airbnb can offer a list of premises for production companies to film music videos, movies and other big projects in places listed on Airbnb.

3.3. FUTURE CHALLENGES IN VUCA ENVIRONMENTS

There are many ways in which markets can be disrupted due to VUCA environments, and Airbnb must foresee and take decisions to lessen the effects of said disruptions, or even exploit advantages that may come with these changes in environments, as we have seen before.

Wars break out every few years, which affects human lives and real estate property on a massive scale. Airbnb does not own any property as of 2024, therefore it can put more focus on virtual intangible property. As previously mentioned, the Metaverse and video game worlds are a great opportunity to offer experiences to the customer, maintaining the image of what Airbnb is and stands by, while not having tangible assets compromised or potentially damaged.

If travel is reduced because of the next war, or pandemic or because many people are working at home, Airbnb can expand into new lines – as we mentioned before – in order not to suffer from the effects of such events. To prepare for said events, Airbnb can develop contingency or *emergency* plans, prioritize the health and safety of both hosts and customers, and diversify its offerings to adapt to changing travel preferences over time.

Diversifying offerings can also prevent financial problems or uncertainty if there is economic downturn or instability. Airbnb can even rent out online spaces for people to carry out work meetings, or family and friend gatherings. Users could even purchase these spaces and rent them out to each other.

Another problem that may arise is market saturation. Airbnb may face more competition from both traditional accommodation firms – such as hotel chains offering experience-driven services – and alternative platforms. To set itself apart, Airbnb can keep focusing on differentiating itself through unique offerings, personalized bookings and experiences, and more targeted marketing campaigns, as it has been doing up to the present day.

CONCLUSION

As set out in the introduction, the aim of this project is to shed light on the main changes that have taken place in the accommodation industry since the creation of Airbnb and to analyze how Airbnb started operations during the 2008 financial crisis and managed to grow in the uncertain and unstable environments of today's economic reality.

Our analysis has revealed the importance of understanding the market we serve and the industry we operate in, as well as the changes taking place in order to change or redirect our business strategy. Strategies to adapt should not consist in avoiding and keeping the company away from the threats, but rather to focus on the opportunities that changes – even negative ones – in the market originate, as well as turning threats into new opportunities for the firm.

It is worth mentioning the relevance of differentiation strategies in order to have a sustainable growth on the long run as well as the importance of diversifying into new markets to anticipate or as a response to changes in the environment, which can make the difference between succeeding and going out of business.

While this research provides relevant insights, we must note the complexity of the changes taking place in the global economy as well as in the accommodation industry. This project does not cover all the environmental changes having taken place since 2008 nor all the strategic decisions taken by Airbnb since its beginnings. We must also note the dependence of this research on the availability of public information and the bias it may contain.

As Airbnb continues to grow and change its positioning, it will be interesting to observe and important to analyze its future strategic decisions as responses to future changes in the world economy as well as changes in the accommodation industry, or new industries it might operate in in the future.

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