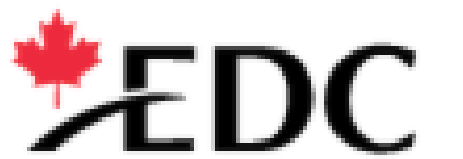


BUSINESS PIVOT CANVAS

Shift gears with your business—and drive growth in uncertain times



Business Name: Airbnb

Date Developed: 07/15/2020

Planning Horizon: 12 months

Product & Service

Short Term Stay

- Seen a decline due to the pandemic.
- Slower to come-back in certain tourism-oriented regions as businesses re-open.
- A key customer concern now is hygiene.
- Difficult to enforce proper disease control and quarantine measures with hosts and guests.

Online Experience

- Expect sharp growth due to pandemic quarantine and people look for safe group activities that can be done virtually.
- Trend: People spending more time on virtual events.
- Barrier: Generating product awareness and overcoming traditional travel assumptions, e.g. can be done virtually.

Customers

Short-term stay hosts

- Large number of hosts have temporarily closed stay offerings.
- Hosts need to address new guest expectations on flexible cancellation policies.
- Action: Need to re-vamp guest hygiene guidelines to address pandemic measures.

Short-term stay travelers

- Reduced or stopped all travel due to COVID19.
- Concern about hygiene may lead customers to choose hotel chains due to perceived higher cleanliness standards.

Online Experience providers

- Opportunity: Target local experience providers who are now looking for new income since travel industry has declined.

Online Experience participants

- Opportunity: Provide an online experience for people who're not physically traveling due to COVID-19 and are looking to get a "travel" like experience.

Markets

Short-term stay

- Regulation on social distancing will continue to restrict the number of guests for gathering.
- Currently facing competition from hotels for price and hygiene advantage.
- Some countries still restrict the reopening of short-term stay rental business.

Online Experience

- Expects steady growth as online activities are in favour.
- Take advantage of this increasing demand by diversifying hosting experience, such as easy & fun science online workshops, virtual summer camp, etc. to attract younger customers.
- Seen lack of awareness among senior customers, who have been spending more time at home and online due to pandemic concerns. Could offer more senior-friendly activities for them to experience more and connect with others.
- Competition would be that many activity- or experience- based businesses have moved online.

Channels

Online & Digital Channels

- Social media: high traffic and high customer acquisition.
- Third-party website ads: slow but steady conversion.
- TV ads: traditional viewership numbers are increasing due to quarantine.

Offline Channels

- Print media: some distribution has been temporarily suspended due to COVID-19, historically low conversion.
- Travel agencies: have temporarily closed their in-store businesses; some are able to operate online but generally have seen drop in customer demand.

Airbnb Platforms

- Our social media accounts are the most effective channel during the pandemic. *High priority channel*
- New opportunity to engage influencers and community ads for promoting online experience products.

Operations

Critical resources for boosting online experience

- Talent: IT Specialists, Customer Service, Digital Media Specialists, Digital Marketing Specialists, Legal counsel (they are costly talents but are essential to boosting the Online product offerings, which show more potential for profit).
- Infrastructure: need to invest more on cyber security, website bandwidth, database, etc. for accommodating more media-rich content on Airbnb website.
- Due to cash flow issue resulted by business disruptions, need to layoff some staff or temporarily idle some capacity to gain more liquidity and working capital. Help those laid off find new opportunities.

Revenue

Short Term Stay

- Expected decline in revenue over the next 6 months, due to travel disruption and recovery is slow in tourism-oriented regions.
- Currently X% below plan, Action: Need to re-forecast and update our financial planning based on current market trends.

Online Experience

- Market trend: virtual experiences booming.
- Opportunity to expand service offerings to new customer segments through virtual experience.
- Target is \$X MM USD in the next 6 months.

Partnerships

Experience hosts

- High growth part of the business as Airbnb adds more value to customers in the virtual activities market.

Influencers

- Action: Investigate strategic partnership available to promote online experiences.

Rental Hosts

- Significant disruption since COVID-19 due to travel restrictions.
- Still an integral part in the value chain for travel booking business.
- Travel restrictions may be temporary but in the meantime, may consider offering discounted fees & charges.
- Guide them on how to implement safety precautions with guests.

Social media marketers

- Trend: Booming industry since the pandemic.
- As we add more value to customers in the virtual activities market, social media marketers would become increasingly essential.

Costs

Costly resources

- As rental business has seen significant disruption during pandemic, there is a need to reduce certain capacity such as Customer Service or regional business development for rental services.

Costly resources

- Need to shift more capacity to the high growth business segment, such as Online Experience.
- Talent: temporarily layoff some staff or re-purpose talent.
- Real estate: reduce office use and move to remote working. Introduce or reinforce collaboration technologies to ensure productivity.
- Channels: reduce/ idle print media presence and focus more on social media.
- Cancellation policy: slowly draw back on extremely flexible cancellation policy as things begin to stabilize and predictability returns to travel plans.

Key Actions

Immediate Priority

Ensure safety & hygiene in rental business

Maintain Comms to customers

Develop online experience offerings

Build new customer segments acquisition plan

Medium Term Priority

Enhance marketing promotion of Online Experience

Search new partnership for promotion

Focus on developing Online Experience infrastructure for increased demand

Interim: ultra-flexible cancellation policy for travelers to encourage bookings