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Strategic Analysis of (Airbnb)

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Introduction

This report presents an analysis by considering American based company Airbnb as case study. Report considers different models to evaluate internal and external factors which can affect the strategical planning of the organization. Unlike other organizations, Airbnb also faced different issues such as Covid-19 impact over business, legal and regulatory challenges, trust and reputation issues, intense competition as well as data security and privacy concerns. So, different theories, models, and frameworks are considered in this analysis such as PESTEL Analysis, SWOT analysis, VRIO Analysis, Porter's five forces etc. so that its vulnerabilities against different factors can be identified, past strategies can be evaluated and areas of development can be identified. So, overall, the study is going to focus on issues of Airbnb, its vulnerabilities against different factors and focus on the key strategies of the company.

Airbnb is an American-based company which operates an online marketplace for short and long-term experiences and home stays. The total revenue of Airbnb has reached almost 8.4 billion U.S. dollars in 2022 which is 40% growth as compared to 2021 (Annual Report, 2023). Also, the net income of Airbnb reached $ 1893 m (Marketline, 2023a). In fact, 2022 year for Airbnb came with a net income of $1.9 billion whereas in 2021 there was a net loss of $352 billion (Shareholder letter, 2022). The company has decided to create partnerships with numerous governments and aims to increase tourism growth rates for raising the revenue of the company. The company has committed to $ 1 million for boosting community-led projects in Africa and also the CEO has announced initiatives for driving tourism to Puerto Rico. As per the case study in Airbnb, more than $1 billion in revenue has been generated in 2018 and the company has been in a strong financial position and reported a profit amount of almost $100 million and $2.6 billion in revenue. $1.9 million in revenue in quarter 4 and $319 million net income have been the most profitable for the company and the company has achieved a cash flow of the company has been $455 million which has been the highest in 4th quarter (Shareholder letter, 2022).

Airbnb has committed to the operating goal of a net zero company for the corporate operation of the company and the company has focused on reducing corporate greenhouse gas of the company. Airbnb in 2021 has announced to become a net zero company by focusing on carbon and other greenhouse gas emission reduction by 2030 (Annual report, 2021). The company has also focused on CSR as the employees have received four hours of paid time off every month for

volunteering in the communities which have been local. In 2022, Airbnb was awarded almost $6 million in grants for 20 environmental sustainability and programs of conservation in 19 countries (Airbnb Newsroom, 2023). As per the case study, the initiative of Airbnb with Puerto Rio has aimed at ethical positioning and assisted the company in affiliating with Visit England. It has been an effective CSR act and makes the company more attractive to the market segment of millennial. Sharing economy of the company has been responsible for supporting the sustainable development of Airbnb and it attracts more customers to participate in the shared economy through sustainable development (Juying, 2022).

Background

Airbnb in 2017 was in a strong financial position and 2018 was also a successful year for the company due to its affiliation growth. The company has faced excessive growth and millennial have become responsible for driving enhancing growth for the Airbnb market. Millennial is an effective market segment for the company and in 2016 millennial who booked the company had grown almost 120% from the previous years. Bookings in the April-June period have raised 25% from previous years to almost 103.7 million and 24% growth from 2019 (Annual Report, 2022). Higher prices have been responsible for enhancing the growth revenue of the company and half of the company reservations have been for a week or longer. On the other side, there has been potential impact of challenging macroeconomic conditions such as inflation, rise in the interest rates, fluctuation in the foreign currency and a decrease in the potential spending of consumer (Annual Report, 2023). Below figure demonstrates the revenue growth of organization.

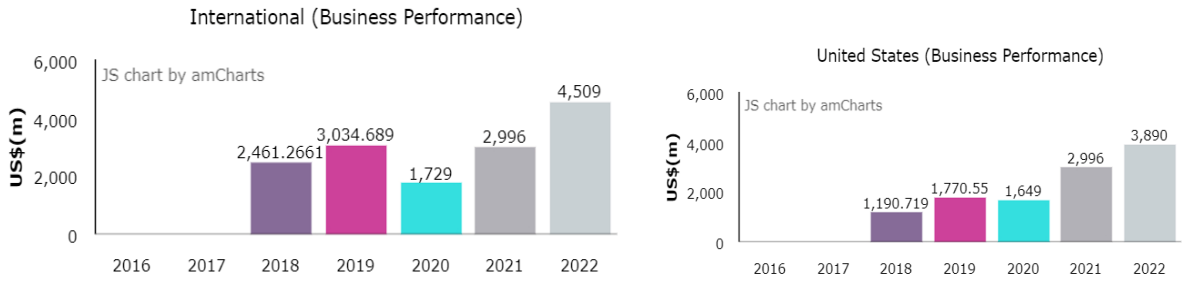

Fig. 00: Revenue growth of Airbnb year wise international and for United states (Marketline, 2023c)

Airbnb for its success has focused on providing a variety of accommodations such as apartments, villas, castles and tree houses around the world and the millennial segment has become one of the effective driving factors for the online lodging market. According to the case study, low-cost

marketing and repeat business in Guilin and devised affiliation with VisitArhus with the exchanging information related motivation. The company has also focused on giving back to the community and focused on low-income hosts who provided homes in Airbnb as it has been their only revenue stream. Airbnb in just 11 years has grown from nothing to a $30 bn firm and as per critics rise of the company has come at a huge urban life cost (Sherwood, 2019). The company is aiming for breaking down cultural walls and stereotypes by people and different belief systems mixing and booking young and respectful individuals with homeowners who have preconceived ideas.

Airbnb strategy on the other hand is responsible for making negative economic and social impacts. The company has been accused of decreasing growth in local cities and more people have rented their homes. Airbnb has been blamed for overcrowding in some areas, decreasing local employment rates and inflating house prices which have been responsible for affecting the overall reputation of the company. Airbnb has focused on reducing corporate greenhouse gas emissions and the use of high-quality, nature-based solutions for addressing residual emissions. The company has focused on partnerships with different organisations and governments around the world and focused on enhancing tourism growth rates and persuading homeowners for giving up their houses as the company's accommodation helped in revenue enhancement of the company. EU authorities have reflected that online home sharing-giant Airbnb has to be more transparent about pricing. The company has opened different neighbourhoods for more tourists and sometimes has proved unpopular with existing residents.

Mission and objectives

The main mission of Airbnb is to grow its cooperation with destination management organisations and governments. The company has also decided to improve its financial position which can be helpful for the development of business and it has also focused on partnership with destination management organisations which gives its financial success.

Key objectives are mentioned below:

- To create an online platform for short-term home rental services across the world
- To highlight the emergence of affiliation of Airbnb with destination management organisations and governments
- To evaluate different types of affiliation of Airbnb and its benefits of it in different strategic aspects

- To analyse the positive and negative economic and social impact created by the strategy of Airbnb

Macro environment analysis

The macro or external environment analysis has been effective in understanding the factors which have become responsible for the changes in financial positions (Johnson, et al., 2017). PESTLE analysis has been effective in reflecting the impact of the factors which makes a significant impact on the company's business.

PESTLE analysis:

PESTLE analysis is emphasize over six major factors which are political, economical, social, technological, ecological and legal. Thus it includes factors related to economics of market as well as nonmarket factors (Whittington, et al., 2020). Market factors or environment mainly consists of suppliers, consumers, and competitors whereas nonmarket environment involves interactions with Ngo's, national politicians, different department of government, regulators, activists etc. (Whittington, et al., 2020) PESTEL analysis could be very much effective if it is done through a direct discussion with managers, consumers, suppliers, government officials (Whittington, et al., 2020). However, below tabulation reflects the analysis through company annual reports, media articles and consultant reports.

Political	● Political stability index [-2.5 weak, 2.5 strong] and latest value from 2021 has been 0 (Global economy, 2021) ● Political conflicts make a negative impact on business and politics and brand values have mixed in business
Economical	● In 2018, Airbnb has estimated a direct impact on the USA by generating over $34 Billion. (Airbnb, 2023c) ● Home sharing makes a positive impact on the local economy
Social	● On average, 2 million people approximately rest their heads on Airbnb properties each night and since 2008 it has been half a billion (Sherwood, 2019) ● Communities building helped in the empowerment and engagement of people.

Technological	● AI has been responsible for the travel industry transformation. ● Technology and high-speed internet in the travel industry helped travellers for booking their own flights and hotels online (Suzzane, 2016)
Legal	● International Travel Act of 1961 strengthen domestic and foreign commerce of the USA by giving for USA Travel Service establishment (International Travel act, 2022) ● Strong partnerships of the travel companies with policymakers
Environmental	● Home sharing gives environmental benefits ● The travel industry embraces initiative and business practices of sustainability as it has been good for the planet and business (US travel, 2023)

Table 1: PESTLE analysis

In the US, Airbnb has been a successful company as different external factors supported the company and it also focused on strategies to deal with these factors. The political conditions have not been good in the USA which has been responsible for giving some difficulties to the company. There have been political conflicts present which affected the business of Airbnb and its growth in the local market. Home sharing has been responsible for making a positive impact in the economy of the US. In 2018, Airbnb was able to generate almost $34 Billion in revenue as a direct impact (Airbnb, 2019a). Airbnb through the strategy of community building has been able to help people's empowerment and engagement and those helped in attracting people to the company. People focused on Airbnb due to its different strategies of development and growth and the company got success in the market.

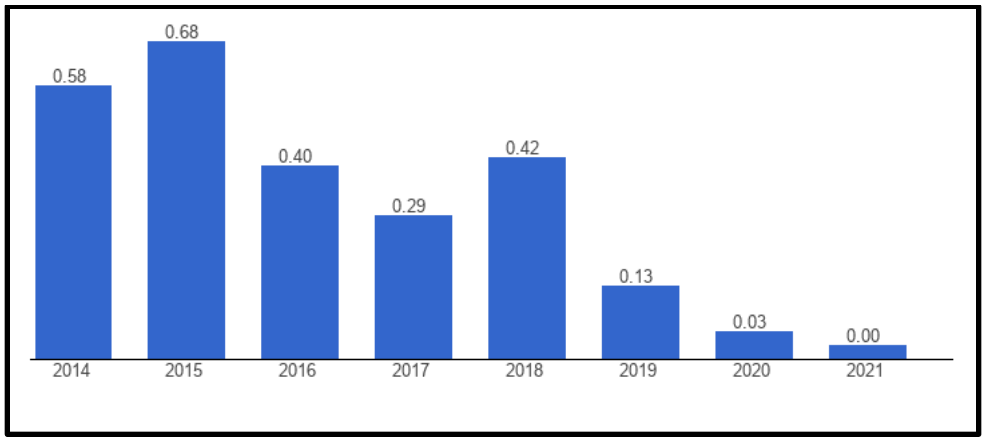

Figure 1: Recent value of political stability of the US

Source: (USA:Politicalstability, 2021)

In the present US market, Travel companies focused on AI use which has been responsible for the transformation of the travel industry of the US. Travellers through the use of technology and high-speed internet have become able to book their own flights and hotels online (Suzzane, 2016). Different laws and acts of tourism and travel in the US have been supportive of the companies which helped travel companies to establish their business without any difficulty. Airbnb through the partnership strengthening with the policymakers has been able to grow their business and it also gives the company financial stability. Sustainability initiatives have been taken by travel companies in the US which are responsible for giving environmental benefits to the country. Sustainability-related business practices and initiatives have been taken by travel companies which have been responsible for developing the business in the US. Therefore, political, economic, social, legal and other factors make a significant impact on the business of Airbnb.

Micro Environment Analysis

Microenvironment analysis has been effective in monitoring different microenvironment elements of Airbnb such as customers, competitors and others. The industry life cycle has been responsible for evaluating different stages of the company and Porter's five forces analysis has been responsible for reflecting the competitors of the company.

Industry life cycle

The industry life cycle consists of mainly proposes different stages which start from a small scale organization which is in the development stage followed by a growth and a period of shake-out.

The power of five forces actually varies with the stage of life cycle of industry (Whittington, et al., 2020). Below figure represents the process of industry life cycle.

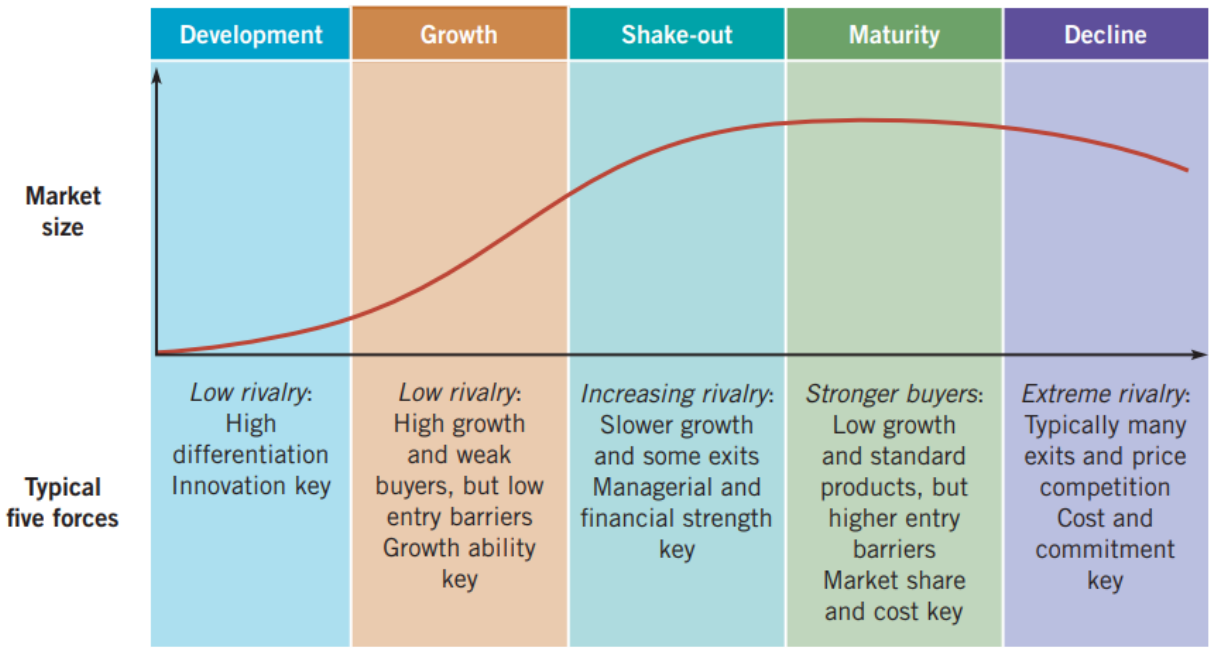

Fig. 00: The industry life cycle (Whittington, et al., 2020)

Introduction	***Growth***	***Maturity***	***Decline***
• Low recognition • Lack of customers	• Increasing customers • Expanded into many countries	• High profit • Partnership with DMO and marketing	• High competition • High prices

Table 2: Industry life cycle analysis

(Source: self-created)

Airbnb in the travel and tourism industry has achieved growth due to its effective strategies. In the beginning stage, the company has not many customers or guests as there has been low recognition presented. The company through better services, effective operations and innovation has been responsible for customer enhancement and expansion in various countries which helped in the business development. The company with its sustainable initiatives and partnership with

organisations and government has achieved maturity. Airbnb bookings made a record as almost 104 million nights and experiences were booked on the platform in the April through June period (BBC News, 2022). The profit and business of the company have increased which is responsible for developing the position of the company from its competitors.

In the industry, the company has focused on customer attraction and for that better offers and benefits have been provided by the company which helped in the business development of the company. The company has not come close to the decline stage whereas high competition and high prices created some situations.

Porter's five forces analysis

Porter's five force is a strategical framework which is developed by Michael E. Porter for the assessment of competitive intensity and attractiveness of the industry. The main purpose is to develop an understanding over the dynamics of the industry and the threats and opportunities (Porter, 2008). Below diagram and table shows five force analysis for the Airbnb**.**

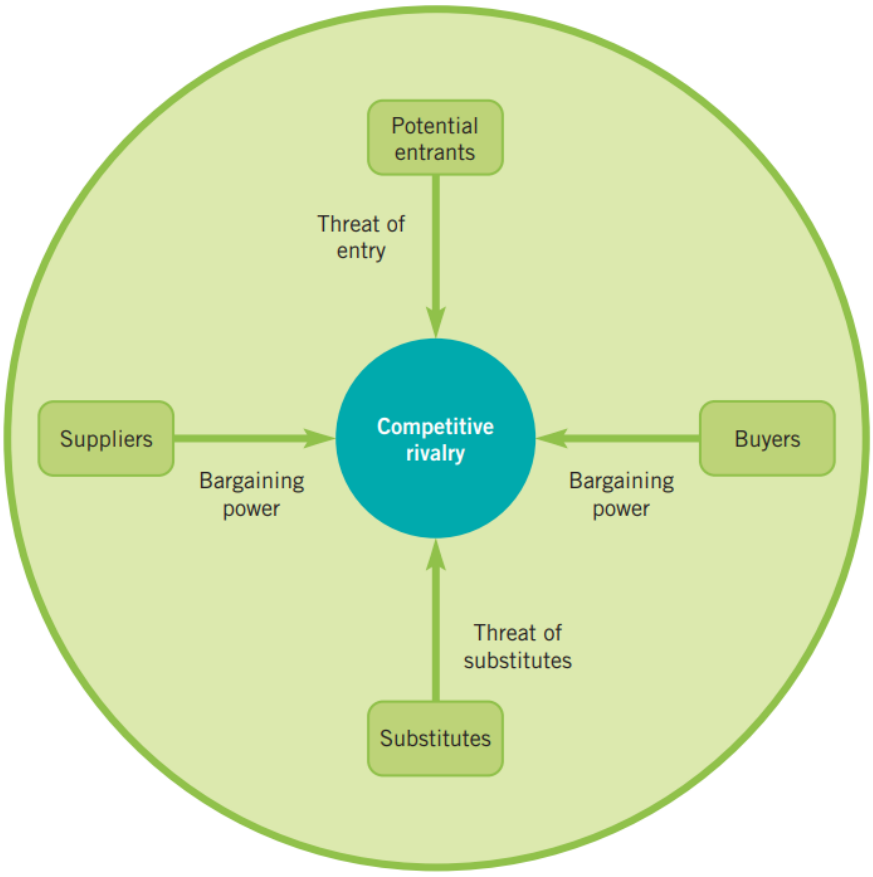

Fig. 00: Five competitive forces framework

Competition among industry *(High)*	***Bargaining power of buyers*** *(High)*	***Bargaining power of suppliers*** *(low)*	***Threats of substitutes*** *(High)*	***Threats of new entrants*** *(moderate)*
Different companies offering similar services	Airbnb relies on customers for using the platform and revenue generation	Relies on various suppliers for providing its services	Various alternative accommodation options have available	Barriers to entry into the US market are low

Table 3: Porter's five forces analysis

(Source: Self-created)

In the US market, there have been different competitors presented for Airbnb such as Vrbo, Flipkey, Booking.com, Expedia and others which give **intense competition** to the company by offering similar services. Traditional hotels and motels have also been responsible for giving tough competition to Airbnb for lodging customers. Buyers' bargaining power has been high for Airbnb as the company has relied on its customers for using its platforms and revenue generation. As stated by (Dimitrios, et al., 2020), hotel companies which operate in highly competitive environments target a lot of clientele from the international market. Customers who are known as guests have different alternative options in the US market and that makes their bargaining power high. In the US, there have been different suppliers available for providing its services so the company has not faced any threat from the suppliers. In the ***US market***, Airbnb faced high threats of substitutes due to different alternative accommodations options in the market. The company has also faced threats of new entrants as in the market there have not been any strong barriers for a new company to enter the market.

Internal analysis

The internal analysis has been responsible for highlighting the strengths and weaknesses of Airbnb related to its competencies, resources and competitive advantages. Value chain analysis, strategic resources and capabilities, VRIO analysis and SWOT analysis have been effective tools for the internal analysis of Airbnb.

Strategic resources and capabilities

Financial resources have been one of the effective strategic resources of Airbnb which ensured its success. The huge user base of the company has been also an effective resource for Airbnb. Registered users have increased from 2017 in Airbnb and in 2022; Airbnb has 45.6 million registered users (Statistica, 2023a). The network economies of the company have been an effective competitive advantage resource of the company. The strong branding strategies of Airbnb have been useful for the business development of the company in the US market. The company has the ability to retain and attract the best talents in the world and a strong employee and worker base are responsible for developing the competitive position of the company in the market. A large number of hosts and a number of guests have been responsible for developing the business of the company and in the competitive market, Airbnb earns a strong position. Airbnb has been an online marketplace for short-term holiday and travel rentals and in April 2023 almost 98.3 million unique global visitors visited Airbnb.com (Bianchi, 2023). Tightening security and vetting and working with influencers for brand exposure enhancement have been effective strategic resources for Airbnb.

Capabilities

Airbnb has been an online rental platform for short-term rental services across the world. The company mainly gives accommodations such as apartments, villas, castles, and tree houses in 191 countries which have been an effective capability of the company. The company gave chances to the guests for becoming closer to the local community as they stays in resident's homes or second properties. Airbnb for the wider community has been responsible for helping more tourist accommodation and new customers drive to business in residential areas which have been primary (Guttentang, 2018) Airbnb has also focused on partnership development with destination management organisations which has become responsible for the success of the company in 2016 and it is valued at $30 billion which makes the company the online loading leading player. Airbnb also has focused on offering people an easy, relatively stress-free way for earning some income from their properties. Airbnb has provided chapter rentals for the guests and in comparison to the hotels the company has been more character and homier.

Value chain analysis

Value chain analysis has been a strategic process in which firms have been responsible for evaluating internal activities for the identification of how each of these activities contributed to the competitive advantage of the firms.

Primary activities	***Secondary activities***
Inbound logistics	Firm infrastructure
Operations	Human resources
Outbound logistics	Technology development
Marketing and Sales	Procurement
Service	Others

Table 4: Value chain analysis

(Source: Self-created)

Primary activities

Inbound logistics of Airbnb have been associated with receiving, storing, and product input dissemination. This activity has also included material handling, physical product warehousing and architecture for receiving and storing information for digital media companies. In the company, there have been various operations such as Guest check-in services, on-demand dry cleaning services and fly-cleaners and temperature control services. Outbound logistics related to the operations of Airbnb has been to a lesser extent due to the accommodations, services, experiences and adventures which have been given to guests by hosts, not the company. The use of celebrities in marketing campaigns has widespread globally and environmental conservation has included it (Olmedo, et al., 2020) The marketing strategy of Airbnb integrated successful brand partnership principles and the company focused on celebrity endorsement and social influencers-related promotion as marketing strategies. The company also has its own community which gives benefits such as customer loyalty programs.

Airbnb has focused on high level customer service giving and it has been helpful for the competitive advantage of the company. Hosts and guests rate each other after staying completion and this has been responsible for encouraging hosts for service level improvement.

Secondary activities

Airbnb on the other hand also focused on its secondary activities and financing and planning have focused on the development of relations with investors. Fair recruitment programs have been focused by HRs and employee training has been provided to the employees for performance development. At Airbnb, there has been a promise by the company to treat the data of customers with respect and the information will not be shared with any third party (Airbnb Investor, 2023). The market research team has been established in the company which becomes responsible for analysing the competitors and setting the strategies better than others. Advertising of the hotels through social media and better customer services have focused which ensured a better competitive advantage for the company.

VRIO Analysis:

This analysis assists in the evaluation that how and upto what extent firm has resources which are valuable, rare, inimitable and supported by the firm. So, this analysis can become strategic tool and can be used effectively to evaluate that whether firm has enough resources and capabilities to achieve sustainable competitive advantage (Whittington, et al., 2020). Below table shows the VRIO analysis for Airbnb.

Resources	**Value**	**Rare**	**Imitation**	**Organisation**	**Competitive advantage**
Global and local presence	Yes	Yes	Yes	Yes	Strong competitive advantage
Opportunities for brand extensions	Yes	No	Yes	Yes	Temporary competitive
Digital strategy implementation	Yes	No	Yes	Yes	Partly competitive
CSR and sustainable approaches	Yes	Yes	Yes	Yes	Sustainable competitive advantage
Flexibility of supply chain network	Yes	Yes	Yes	Yes	Strong competitive advantage

Table 5: VRIO analysis

(Source: Self-created)

Airbnb has a local and global presence which has been rare in the present time and competitors of the company have also focused on it. New niches have emerged in the market so there have been brand extension opportunities created and competitors have also focused on following it. After 11 years of its launch, the Airbnb site listed almost rooms of 6 billion, and there have available flats in almost 81,000 cities across worldwide (Sherwood, 2019) . Airbnb has focused on digital strategy implementation and through its digital resources customers are easily able to book hotels and competitors of the company have also focused on investment in digitalisation operations. CSR and sustainable approaches have also been focused on by the company which has been also followed by competitors and it gives the company a sustainable competitive advantage. Airbnb has a strong supply chain network and it has been a fully utilised resource of the company to keep the business running in the market.

SWOT analysis

SWOT analysis is a strategic planning tool whose purpose is to provide a generous summary of weakness and strength explored in the analysis of resources and capabilities. Also, opportunities and threats explored in the analysis of the environment (Lynch, 2018). Acronym SWOT stands for strength, weakness, opportunity and threats. With SWOT Analysis businesses can align their strengths with opportunities and can address weakness and develop strategies to mitigate threats (Ghazinoory, et al., 2011)

Strengths	***Weaknesses***
● Partnership with DMOs and government and involvement with non-profit organisations ● Broad service offering with a network spread in 10,000 cities and 220 countries with more than 4 million hosts and one billion guest arrivals all-time (Marketline, 2023b) ● Cost efficiency ratio as 78.5% (Marketline, 2023b) ● Involvement in the millennial segment	● Decrease local employment rates ● Major revenue generation dependency (46.3%) over US (Marketline, 2023b) ● The accusation of overcrowding and house prices inflation ● Different lawsuit allegation may damage the reputation (Marketline, 2023b)

Opportunities	*Threats*
● Low-cost marketing and repeat business ● New market expansion in Goa by memorandum of understanding with Department of tourism and partnership with Airasia Philippines (Marketline, 2023b) ● Forecast of revenue of budget hotels to reach US $ 28.24 billion. With an expected rate of room occupancy rate as 61.93% in US by 2025 (Marketline, 2023a)	● Competition from traditional hotels and markets ● Industry operation vulnerable to different diseases and pandemic (Marketline, 2023b) ● Home Sharing acceptance reduction.

Table 6: SWOT

(Source: Self-created)

Airbnb in the present time has focused on developing partnerships with DMOs and enhancement involvement with non-profit organisations. There have been almost 60% of millennial who have ever booked on Airbnb (Millenial report, 2016). The company has also focused on investment in the millennial segment and as they have an interest in the activities of Airbnb and the company experienced almost 120% enhancement during the time of its creation.

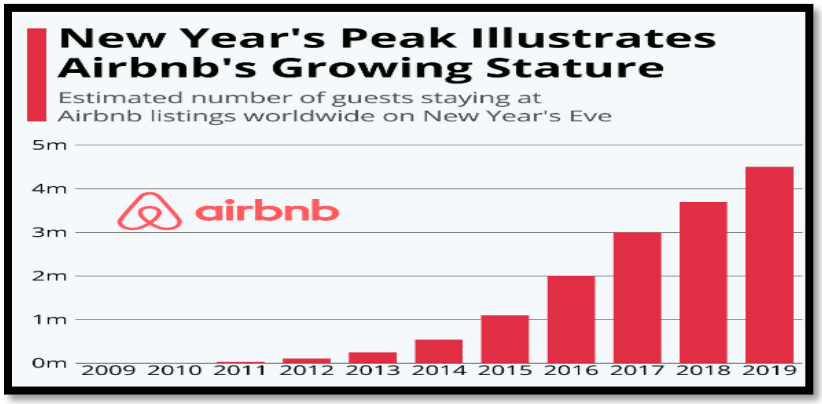

Figure 3: Growing structure of Airbnb at the peak of New Year's Eve

Source: (Erlichman, 2020)

The company's business has grown due to the occasion especially such as New Year's Eve gives the company better growth in business. In 2019, on New Year's Eve, the company has almost 4.5 million guests staying which has increased to almost 540, 000 from five years earlier. On the other hand, the comp (Richter, 2020) any has been responsible for decreasing the local employment rate and also faces allegations of overcrowding and inflation of house prices which become crucial weaknesses of the company. The company faced tremendous threats from the competitors such as traditional hotels and similar companies which affected the business of the company. In comparison to that the company gets mainly growth opportunities through low-cost marketing and repeat business and expansion in new markets also gives the company better growth opportunities.

Strategies for sustaining competitive advantage.

Cost leadership ● Cost reduction with smart affiliations for profit enhancement ● Discounts and coupons offerings for achieving sales target	**Differentiation** ● The simplistic, sleek online experience offered visually pleasing photos ● Heavy investment in marketing, advertising and endorsement of celebrities
Cost Focus ● Costs have been inherently low as an intermediary. ● low-cost focus strategy and offering services in the lowest possible prices	**Differentiation focus** ● Affiliation with government, DMOs and non-profit organisations ● Focus on psychological expectation fulfilment of customers and money value maximisation

Table 7: Porter's Generic Strategy (Barney & Hesterly, 2018)

(Source: Self-created)

Airbnb has focused on different strategies for the competitive advantage in the market and those strategies helped in the success of the company. As a cost leadership strategy, the company has focused on the reduction of cost and it also focused on smart affiliations for the enhancement of products. Airbnb has focused on giving different types of discounts to the customers such as weekly or monthly discounts, early bird discounts and price drops. Host in weekly discount offers discounts on the nightly prices for staying 7 days or more and on some chosen dates hosts

dropped their prices (Annual Report, 2022) The company also offered discounts and coupons to the customers which have been responsible for helping the company to achieve sales targets.

Differentiation strategies have also been focused on by Airbnb for enhancing its competitive advantage in the market. The company offers a simplistic and sleek online experience which attracts customers and it also emphasises photos which are visually pleasing. Beyoncé and Mariah Carey have been helpful in turning Airbnb has become a luxury brand for it (VanderMey, 2019). The company also focused on different marketing activities such as heavy market investment, advertising and celebrity endorsement. These strategies have been effective for making the company different from its competitors which helped in the growth of the company.

The cost-focus strategy has not been incorporated properly by Airbnb as it has not been suitable for the company to enhance its competitive advantage. The company mainly focused on lowering the costs as an intermediary which has become responsible for developing the competitive position of the company more than its competitors. Transaction focus is defined as one of the most economical approaches which have a successful strategy and it is known as Transaction Cost Economies (Clegg, et al., 2019). Airbnb mainly focused on low-cost focus strategies and set the prices of the products and services as low as possible for attracting customers towards the company.

Airbnb has also focused on a differentiation focus strategy as it has been effective in the competitive advantage enhancement in the market. The company has focused on affiliation with DMOs, non-profit organisations and the government for differentiation within a market segment. Airbnb has focused on building a workable environment with gym facilities, gourmet food, paid travel opportunities and access to competing in the market (Airbnb, 2023c). Customer's psychological expectations have been identified by the company and it focused on fulfilment of expectations and maximisation of value for money.

Growth Strategies

Ansoff Matrix :

It is the strategic planning tool which assists business organizations to find growth strategies. As shown below, this matrix focus over four growth strategies which further focus over two main parameters which are product and market (Ansoff, 1957)

Market penetration ● Effective marketing strategy ● Exceptional customer services	***Market development*** ● Expanding operations in different cities ● Service in a premium market segment with respective offerings such as villas, mansions and castles
Product development ● Service portfolio increment ● Better experiences, adventures and restaurants service provide	***Diversification*** ● Giving cost-effective accommodation for cost-conscious travellers ● Discounts and low prices offerings

Table 8: Ansoff Matrix

(Source: Self-created)

Market penetration mainly referred to the act of existing markets through existing products. Airbnb has focused on effective marketing strategies such as digitalisation, and celebrity endorsement and has given effective customer service for developing the company's growth.

Airbnb has been mainly in the market development stage as the company has focused on expanding into new markets with existing services. Airbnb has expanded in 190 countries by thinking global and it has available homes and bedrooms in almost 34000 cities of almost 194 countries (Barker, 2020). Affiliation with the government and DMOs of different cities helped the company to grow in the market.

Product development mainly refers to the launch of new products in the existing market. Airbnb mainly has focused on developing its service in the existing market by the enhancement of the service portfolio of the company. Innovations and inbox improvements have focused on Airbnb and messages in the present time load up to 10 times faster and there have been new features such as Personalised quick replies (Airbnb, 2022b). The company has focused on better adventures and service offers in the existing market for developing its business.

Airbnb has diversified by offering new accommodations such as villas, mansions and other premium locations in new markets for premium customers. The company need to focus on own property purchasing and listing them in the app as it can enhance earnings and the company can be able to grow more. It can be analysed that market development has been the most effective growth strategy of the company as it helped the company to grow locally.

International strategies

Different types of Affiliation have become effective international strategies for the company to expand in new country markets. The company has focused on boosting community-led tourism projects in Africa, and a destination marketing campaign for driving tourism to Puerto Rico. There has been almost a £500,000 joint partnership of VisitBritain and Airbnb which has become an effective international strategy for assisting businesses and destinations in providing local experiences to international tourists. Airbnb focused on creating a world where people belong from anywhere through magical travel which gives unique, authentic and local experiences (Airbnb news, 2019a). The company has also focused on the inclusion of 33 new languages across the web, iOS, and mobile web.

Entry mode strategies

The company mainly has focused on market development strategies for entering new markets with existing services. The company has focused on offering new mansions, villas and castles to the customer which can be able to attract the customers towards the services. The different pricing structures have been also helpful for the company in allowing it to enter the market successfully and become profitable most of the time.

Green Strategy and CSR

Airbnb focused on hosting the “Travel Africa Summit” in 2018 to bring 80 thought leaders together for sharing practices which have been best and technology creation which can be used for sustainable tourism growth. In 2021, the commitment of Airbnb with the goal of continuing its operations as a company which has net zero emissions by 2030 and it invested in nature-based solutions for offsetting residual emission (Air bnb news, 2022b). The company has focused on reducing corporate greenhouse gas emissions and taking eco-friendly tourism initiatives. Airbnb has also focused on “Green Results” programmes and highlighted properties that have been certified as eco-friendly by third-party organisations.

Airbnb has focused on creating an Airbnb Community Fund which has been responsible for helping local, regional and national organisations to give a meaningful impact to its communities. Airbnb has focused on setting the targets of emission reduction and the initiatives of targets based on science have approved that and in the global offices, there has been use of 100 per cent renewable energy (Air bnb news, 2022b). Employees" demand has been fulfilled by the company and for them; there have been health and safety protocols. Accommodations of

Airbnb have been responsible for using 63-78% less energy than a hotel anywhere which has been effective for the planet.

Conclusion

It can be concluded that Airbnb got various external support for expanding the business in different new markets and it focused on market development for its growth. The company focused on affiliation with DMOs, NGOs and government and also focused on taking various sustainable approaches for the development of business. The company with cost leadership strategies such as cost reduction and customer expectation fulfilment for the differential. In the competitive market, the company faced threats of high competition as various similar service companies have presented in the market and the company also focused on reducing greenhouse gas emissions.

Recommendation

- Airbnb needs to focus on providing better employment opportunities for the local people as that can be helpful for people's earrings. In the cities, the company needs to hire local people as they know about the expectation of the customers so that the company can fulfil the expectations properly. Airbnb needs to help more tourist accommodations and new customers drive to businesses in residential areas which are primary. Airbnb for avoiding the overcrowding allegation can focus on enforcing strict occupancy limits for each Airbnb listening.
- Airbnb needs to focus on additional income giving for homeowners which can be helpful for local economy stimulation. In Airbnb, listings lead to a 0.018% increase in rents and 0.026% increase in house prices (Barker, 2020). The company needs to focus on providing another source of income for the residents.
- The company needs to focus on better leader selection who can guide in partnership with different DMOs and NGOs. The company can focus more on the needs of the people and give them extra discounts and loyalty bonuses as that can be helpful in attracting them to the hotels.

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