# Airbnb aims to transform into a lifestyle platform with new services beyond stays



Airbnb is poised to expand its service offerings beyond mere accommodation to become a comprehensive lifestyle platform for travellers. This week, the company announced a significant redesign aimed at making it the go-to destination not just for places to sleep, but also for amenities such as chef-prepared meals, spa treatments, and personal training services. The initiative is envisioned as a way for users to easily book a range of services—think overriding one's need for a local hairdresser by opting for a stylist booked through Airbnb.

In the company's view, these new business lines could multiply its revenue significantly, projecting potential earnings of up to a billion dollars within three to five years. Last year, Airbnb generated $11.1 billion, and while analysts from Bernstein estimate that its expanded services could contribute an additional 1.5 per cent to revenue growth, the road to achieving this vision is fraught with challenges. The logistics of scaling such services will demand extensive supplier networks across the targeted categories, alongside significant investments in marketing and vetting processes.

Airbnb's ambition to diversify follows a period of resilience manifesting in a record profitability in 2022, when it achieved its first annual profit after trimming its workforce by 25% and refocusing on its core rental business during the pandemic. However, this new move could be interpreted as a response to the anticipated slowdown in consumer spending, a concern noted in the company’s warnings to investors that growth in bookings may decelerate in the coming quarter.

The re-launch of Airbnb’s "Experiences" feature has already shown the market potential for ancillary services, particularly in a post-pandemic world where adventure travel experiences gained unprecedented popularity. Recently, the company also debuted a "Guest Favorites" function, labelling approximately 2 million out of 7 million listings based on high guest ratings and low cancellation rates. This move, according to CEO Brian Chesky, aims to instil a sense of predictability akin to traditional hotel bookings.

Despite these innovations, experts encourage a cautious approach. Critics argue that Airbnb's attempt to attract hotel-goers with private property experiences can be hampered by the simplified convenience of local services. Furthermore, regulatory scrutiny looms over short-term rental models, which could significantly impact Airbnb's core business in major urban areas such as New York City and Barcelona.

To mitigate these hurdles, Airbnb recently introduced a co-host network in France, aiming to facilitate partnerships with rated concierges who handle various management tasks, improving service quality while maintaining profitability through commission-based relationships. This dynamism within its existing model reflects Airbnb's strategy to harness the growing concierge market, even as independent service providers find increasing opportunities within this commercially evolving landscape.

As the company forays into uncharted territory, it is vital for Airbnb to remain grounded in its economic and regulatory realities. Beyond expansion, it must also ensure that the user experience remains paramount, marked by transparency in pricing—a need underscored by the implementation of features that clarify total costs, including fees often deemed burdensome by users. This awareness of customer sentiments, combined with a desire for bold innovation, may ultimately define Airbnb's path forward.

In summary, while Airbnb's vision for enhanced service offerings may signal exciting new revenue potentials, its future success will largely depend on customer adoption, regulatory landscapes, and the balance between innovation and affordability. As it traverses this complex terrain, the hospitality titan must navigate preserving its core ethos while adapting to changing consumer behaviors and expectations.

### Reference Map

1. Paragraphs 1-4: Information from articles 1, 2
2. Paragraph 5: Information from articles 3, 4
3. Paragraph 6: Information from article 6
4. Paragraph 7: Information from article 7

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.ft.com/content/6eb221a6-fb1e-491e-bdcc-6bf939f87e61> - Please view link - unable to able to access data
2. <https://www.ft.com/content/43dc1c3a-128a-4b79-8ae4-28c7cd787824> - Airbnb reported a significant increase in first-quarter profits, driven by an early Easter holiday, with net income reaching $264 million compared to $117 million the previous year. Revenue surpassed analyst forecasts at $2.14 billion. Despite this, Airbnb anticipates a slowdown in revenue growth for the second quarter due to timing discrepancies such as the early Easter and currency issues. The company projects quarterly revenue between $2.68 billion and $2.74 billion, slightly below analyst expectations. Future growth is expected to resume mid-year, boosted by events like the Paris Olympics. Airbnb has been active in improving its core rentals business and expanding into new segments, notably launching the "icons" category of experiences. While growth in gross bookings was recorded at 12%, it marked a deceleration from previous periods. For the second quarter, adjusted earnings before interest, tax, depreciation and amortisation would be roughly unchanged from a year ago, or about $819 million, lower than analyst forecasts for roughly $917 million. Airbnb said it had repurchased $750 million of stock in the period and had $6 billion left in its buyback programme. ([ft.com](https://www.ft.com/content/43dc1c3a-128a-4b79-8ae4-28c7cd787824?utm_source=openai))
3. <https://apnews.com/article/960257e039761edf7179864410be3ad6> - Airbnb is introducing a "Guest Favorites" feature to enhance booking reliability on its platform. This new system will label around 2 million out of 7 million listings as top-rated based on guest reviews, aiming to provide hotel-like predictability for users. These favorites will have high ratings (at least 4.9 out of 5) and low cancellation rates (1% or lower). CEO Brian Chesky believes this will help guests know what to expect and likely increase the price of favored listings. Additionally, Airbnb is encouraging hosts to create AI-organized photo tours and is assisting them with price adjustments based on demand. The company has also urged hosts to reduce cleaning fees, leading to about 260,000 listings lowering their fees since the initiative began. ([apnews.com](https://apnews.com/article/960257e039761edf7179864410be3ad6?utm_source=openai))
4. <https://www.lemonde.fr/economie/article/2024/10/16/comment-airbnb-encourage-le-recours-aux-conciergeries-tout-en-restant-maitre-a-bord_6353517_3234.html> - With the growth of short-term rental properties, Airbnb has strengthened its market in France, reaching 960,000 listings in 2024. To meet the needs of owners lacking time or skills, Airbnb officially launched its "co-host network" on October 16, an interface facilitating collaboration with rated concierges who manage various aspects like cleaning, key handover, and listing management. Only well-rated concierges are featured, and the relationship is controlled by Airbnb via a commission of 17 to 20%. This system attracts new owners and improves hospitality standards but also contributes to higher prices and the professionalization of the service. This initiative aims to maintain Airbnb's control over the growing concierge market, facing competition and other critical services. Independent professionals, such as Sarah Essadiki and Amel Ait Slimane, find lucrative opportunities in this complementary activity. ([lemonde.fr](https://www.lemonde.fr/economie/article/2024/10/16/comment-airbnb-encourage-le-recours-aux-conciergeries-tout-en-restant-maitre-a-bord_6353517_3234.html?utm_source=openai))
5. <https://www.axios.com/2024/06/06/airbnb-icons-experiences-customers-communications> - Airbnb's latest product, "Icons," represents an innovative step in communication strategy, designed to leverage unique cultural moments and attract new customers. This initiative, managed by Airbnb's communications team, offers users exclusive experiences, such as spending a night in the Ferrari Museum or in a house modeled after Pixar's "Up." Since its launch in May, Icons has achieved significant media traction with over 10,500 stories and 15 million page views. By targeting specific fan bases according to age and location, Airbnb aims to broaden its market beyond traditional accommodations. This move demonstrates the potential for communication teams to drive revenue and brand campaigns, showcasing the value and impact of their efforts on the company's bottom line. ([axios.com](https://www.axios.com/2024/06/06/airbnb-icons-experiences-customers-communications?utm_source=openai))
6. <https://time.com/6979938/airbnb/> - In nearly two decades since its inception, Airbnb has established itself as a major player in the hospitality industry, significantly influencing real estate markets worldwide. In 2023, the company's economic impact in the U.S. exceeded $85 billion, even as it faced regulatory challenges in major markets like New York City. During this period, Airbnb expanded its presence to over 4,000 new cities and towns globally. The company has also enhanced its platform with a price-transparency feature, allowing users to see the total cost of listings, including all taxes and fees. This move has prompted Airbnb to support similar legislation for other platforms. At the same time, places affected by Airbnb's impact on real estate, such as Maui, Hawaii, are considering following New York City's example with their own regulatory measures. ([time.com](https://time.com/6979938/airbnb/?utm_source=openai))
7. <https://news.airbnb.com/airbnb-2023-summer-release-highlights/> - Airbnb's 2023 Summer Release introduced over 50 new features and upgrades based on community feedback, including wishlists, total price display, and transparent checkout instructions. Wishlists have been a fun way to inspire travel adventures, with guests creating over one billion wishlists since their launch a decade ago. Airbnb listings were "wishlisted" over 2.6 million times a day in 2022, the highest rate in Airbnb history. Many guests go on to book their wishlisted stay, with almost a third of all bookings last year involving a listing that was previously wishlisted. Ten of the top most wishlisted listings of all time are dispersed across the world and include spectacular views, unique stays, and a wide range of amenities. With the launch of Airbnb Categories, guests are uncovering new destinations, helping distribute tourism to little-known hidden gems, typically away from tourist traps. Since Airbnb Categories was introduced in May last year, there have been more than 600 million views, with the top booked categories including Beach, Amazing pools, Rooms, Iconic cities, and Tropical. In December last year, Airbnb launched the option to display total pricing in countries without existing price display requirements. Since then, over 8 million visitors have turned on the total price toggle. From today, guests everywhere can view total pricing with fees, before taxes, across the entire app. ([news.airbnb.com](https://news.airbnb.com/airbnb-2023-summer-release-highlights/?utm_source=openai))