Airbnb Case

Summary:

- Airbnb is a marketplace where renters can live in or rent the homes of hosts who either own and possibly lease their properties
- The company created a *cultural shift* in the real estate market, where more individuals began purchasing or leasing properties for the purpose of renting them out instead of dwelling in them themselves
- The company caused the 'hollowing out' of certain neighborhoods, and became the centre of controversy around its status as being a 'non-hotel' chain that fully operates as a hotel yet was not subject to the same rules and regulations
- New guests on the platform were increasing rapidly, and soon previous guests became hosts themselves, where **23%** of hosts that signed up in 2019 had previously been guests
- With the COVID-19 pandemic, both daily passenger traffic at US airports *and* miles flown declined by more than **95%** between February and April

Question:

1. Because of its nature of being a venture capital funded company, Airbnb appears to have a priority to their shareholders over their stakeholders. **To what extent do you believe that this power structure dictates their ability to make decisions that are *truly* the best for the *many* rather than the few?**

2. On **page 6**, Chesky comments that although the company had grown quite a bit, it was still young enough that "*the cement had not hardened*" - given the size of the company, it's association to its shareholders and thousands of stakeholders, **at what point do you think that the company would no longer be able to shift its way of doing things and have to stick to specific structure of decision making?**

3. **In terms of analytics, how *realistic* was the goal of 99.94% trips with no personal safety incidents and 99.97% of trips with no property damage claims? Was this more of a publicity stunt or a viable goal in your opinion?**

4. Once the company encountered the repercussions of the pandemic, they had to start making major decisions under complete uncertainty. **Do you agree with the decisions that were made? If not, what would you have done differently? Why?**

5. Of the decision frameworks discussed in the course**, which do you think most closely resembled how Chesky made snap analytic decisions during crunch time? At a high level, how would you go about implementing RDM, DAP, and DAPP?**

6. Looking at the chart on page **16, is the company looking at the right metrics to drive success? Which ones do you agree with? Are there any others that you would add?**

7. Looking at the chart on **page 18, how fair are the different analytic metrics for the employee bonus compensation structure? Are all within the control of the company, or are there any that shouldn't be tied to the employees themselves?**

8. Between all the metrics/stats listed on pages 19/20, what are the key indicators that would most easily trigger the need to make an immediate pivot in strategy? **Bonus – given the visualization techniques discussed, how would you go about displaying them to management to garner understanding?**