

TRAVEL AND HOSPITALITY

## Luxury hospitality needs to embrace the new Airbnb style

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*Audi partnered with Airbnb for desert adventure experience*

By BRIELLE JAEKEL

NEW YORK During Forrester's CXNY 2017 New York on June 21, a discussion with an editor from Fortune magazine revealed how the growth of Airbnb has disrupted the luxury hotel business by solving a problem from an outsider's perspective.

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During the interview with the assistant managing editor at Fortune and an executive at Tumblr, the two discussed how Airbnb was able to not just build a new business, but construct a new way of life by looking at customer behavior. The home sharing network was able to disrupt the hotel industry by changing the way consumers behave, and in turn shifting the way hospitality brands need to behave.

"No one in the hospitality industry would have ever come up with this idea," said Leigh Gallagher, assistant managing editor at Fortune. "They had this outside perspective and it was their background as designers."

### Booking a new way of life

Fortune's Ms. Gallagher recently took a deep dive into the business behind Airbnb and how it changed the industry while writing a book entitled, "The Airbnb Story: How Three Guys Disrupted an Industry, Made Billions of Dollars."

Through writing the book she discovered just how important understanding your customer's behavior is.

Airbnb's founders did not come from a background in hospitality, so they were able to think of a solution to overpriced and limited hotel stays from a completely different perspective.

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### ABOUT WOODY

Owner of the Barber Shop Club, a members' only barbershop, Woody has spent the last three decades offering haircuts, hot-towel shaves, and grooming and style advice to gentleman of Los Angeles.

### My favorite places

*The Airbnb app experience. Image credit: Airbnb*

While the company did struggle in the beginning stages, similar to how any other outlandish new idea usually fares, the founders took a look at how their customers were using their product to discover how to push forward.

Airbnb's founders took a trip to New York, where the bulk of their users were, and observed their use of the application. Instead of just interviewing consumers and asking their opinion, the founders actually watched how they interact with the app.

After this, the company was able to double its customers.

The Fortune editor emphasized how different it is to take an approach such as this and really look at how and why customers use a company's product to get a full picture of how to fulfill them.

A major push forward for Airbnb, which prompted others to follow suit, was its payment technology. While mobile payment was in its early stages, the app was able to push for a substantially more convenient method of paying that customers could trust.

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The Airbnb app experience. Image credit: Airbnb

The app's matching technology has also dramatically impacted the manner in which consumers browse for places to stay. Many luxury hospitality brands have had to reflect this new method of behavior and help match customers with places that are most likely to be of interest to them.

Travel brands need to follow Airbnb's model in which it looks at metrics and data to design an experience that caters to human emotion.

#### Airbnb and luxury

The home rental service recently further innovated in the luxury travel space and responded to consumer demand with its purchase of Luxury Retreats, a similar service working with only upscale properties.

Airbnb will likely be focusing on bringing more luxury services to its users after the takeover is complete. The move is likely due to demand from users, who are interested in an easy experience in renting luxury homes for vacation or business stays ([see more](#)).

Many luxury brands are also teaming up with Airbnb to craft their own special experiences.

For instance, German automaker Audi took Emmy viewers on an adventure with an enticing trip to the desert as part of its sponsorship for the awards ceremony.

During its sixth consecutive sponsorship of the 2017 Emmy Awards, Audi teamed up with Airbnb for an

advertisement it hoped would attract thrill seekers to want to drive its R8 Coupe vehicle through the desert. The television spot detailed Audi and Airbnb's partnership that allows adventurers to book an exclusive and coveted rental in the middle of Death Valley, CA, while also getting to drive the R8 Coupe on desert terrain ([see more](#)).

"From the start, it was all about the experience [for Airbnb]," Ms. Gallagher said. "They were taught as designers in school that any problem you have, you can design your way out of it."

"They were also taught that design isn't about how something looks, it's about how something works," she said.

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