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TRAVEL AND HOSPITALITY

Airbnb's latest project to largely impact high-end travel industry

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Airbnb listing in Bennett Valley, California. Image credit Airbnb

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Digital home rental platform Airbnb is causing greater disruption in the luxury travel and hospitality space with an addition of a high-end tier.



Tentatively named Airbnb Lux, the new tier will be a hub for users looking for luxury home rentals such as mansions and penthouses. The high-end classification will be one of many new tiers from Airbnb that will help users search more easy for what type of accommodation they would like to book.

Luxury in digital

The news of the high-end tier comes after Airbnb's purchase of Luxury Retreats, a similar service working with only upscale properties, hoping to cater to the shift in consumer interest in luxury properties.

Airbnb will be focusing on bringing more luxury services to its users after the takeover. 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).

Each home listed on Airbnb Lux will be inspected by the company to ensure that it is indeed a high-end property.

This is not currently needed for standard listings on Airbnb. However, this might change for areas such as Washington, where a bill might be passed requiring all rental properties to have safety checks.

Bloomberg reported that individuals close to the project claimed Airbnb will start to test the new tier at the end of the year in select markets. Depending on the program's success, it well then roll out in full.

The home rental service recently rolled out its "Select" tier in which homes will be consistently stocked with amenities, similar to a stay in a hotel. Airbnb also requires inspection for these properties as well.

Airbnb influence

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.

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 (see more).

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