

Airbnb was founded by Joe Gebbia and Brian Chesky in 2007; there are over 5 million Airbnb hosts worldwide and 7.7 million active listings. Airbnb has more than 150 million users worldwide that have booked over 1.5 billion stays. Vrbo was created by David Clouse, a retired teacher from Colorado, looking to rent his Breckenridge Ski Resort in 1995. Vrbo made an estimated 3.3 billion in revenue in 2023, making up 25% of Expedia's revenue. Vrbo had 17.5 million visitors and was downloaded 15 million times. The platform has over 2 million properties listed in over 190 countries worldwide, and 48 million users

By focusing on community, authenticity, and inclusivity Airbnb has revolutionized the travel industry. A key element of Airbnb's branding strategy is its emphasis on "Belonging anywhere." Airbnb also focuses on its authenticity and unique experience with quirky stays and local cultural experiences. Airbnb has also taken a proactive approach to addressing issues involving inclusivity and diversity. Vrbo's brand image began with rebranding its logo and revamping its app in 2019. The brand has hyperfocused on the family travel experience highlighting its full house rental and extensive filters. A highlight within the brand's image is its direct connection to its Expedia parent company, rewarding its users with a key travel reward program that can be used across all platforms Vrbo, Expedia, and HomeAway.

Vrbo was originally sold in 2006 to HomeAway, and in 2015 HomeAway and Vrbo were sold to Expedia. In 2019, they went through an extensive rebranding tying their main goals and values to the name of the brand. Vrbo represents vacation, movement, discovery, and adventure. A crucial move was improving its online presence including its website, mobile app, and interactive social media content focusing on search engine marketing, social media promotion, and display advertisements. It was important to keep their existing clientele throughout the rebranding process as well. They sent out personal emails, blog posts, and social media messages. An important highlight is introducing virtual tours and 3D property views for better booking experiences. Brian Chesky commented about improving their marketing strategy after their 2023 quarter 3 review stating "We'll continue growing supply by raising awareness around hosting, making it easier to get started and improving the overall experience for a host." In 2022, Airbnb's marketing strategy launched its "icon" feature, Brian further stated, "Icons is a compelling new way to do marketing...and help shift the brand to be more than just a place to stay and create space to offer new products and services." Airbnb released a financial statement after quarter 3 in 2023 highlighting three new key components to their marketing strategy; "Make hosting mainstream, Perfect the core service, and Expand beyond the core." Airbnb's website also features numerous articles and tools like their "smart pricing" tool. They also recommend that hosts use UGC content and creators to improve the host experience and increase their revenue. The company sales and marketing expenses went up 16% in 2023, with results of an 18% increase in revenue. Airbnb's marketing includes social media, email marketing, word-of-mouth, and referral program initiatives aimed at growing the Airbnb Corporation.

Vrbo's target audience is mostly older audiences with families due to its full space rental business model. Their target audiences age range from 25-54 making up 59% of its users on the platform, and 13% are 55 and up. 62% of Vrbo users are female users. The top search for Vrbo is "Are Vrbo and Airbnb the same?"; the cost per click is \$1.41 and a search volume of 3,350,000. In both companies, top searches were questions comparing both to one another. Most Airbnb guests are aged 25 to 34 and guests aged 25 to 44 make up 59% of users on the platform and 13% of guests are 55 and up. As of March 1st, 2024, 54% of all guests were women and 46% of guests were men. A fun fact about Airbnb's target audience is that 58% of all millennials indicate that social media worthiness was a major factor in their booking decisions. The top searches for Airbnb include: "Are Airbnb safe?" and "Are Airbnb's cheaper than hotels?" The search volume for the corporation is 9,140,000 and their cost per click of .76 cents. A huge problem and the top search was "plaid is terrible." Plaid is a payment method for Airbnb and was requesting access to guests' bank account transactions, mortgages, auto loans, and credit card statements. If guests declined the breach of privacy, they were unable to book their stay. There was a top-class action lawsuit where Plaid settled to pay \$58 million to end the privacy data breach lawsuit.

Vrbo recently rebranded in the spring of 2023 merging with Expedia and hotels.com, allowing users to use the same login information for all the websites to make booking and retrieving rewards from all platforms easier. The Airbnb business model is to assist and continue outreach with their host to ensure the increasing quality of their brand. Their pricing models are extremely similar. The only big difference is that with Vrbo you can pay an annual fee to book your stay, the annual subscription fee covers unlimited bookings for the whole year. Both companies follow the pay-per-booking model, taking a commission from both host and guest. Airbnb's pricing model slightly alters where it has a "smart pricing" tool, your nightly prices automatically adjust based on demand after analyzing relevant data and factors. Airbnb's monthly stays are normally discounted because the stays are longer.

In 2021, Airbnb had a revenue of 5.99 billion and a net income of -3.25 million. Vrbo that same year made 8.6 billion in revenue and a net income of 12 million. In 2022, Vrbo had a revenue of 11.67 billion and a net income of 352 million. Airbnb made 8.4 billion in revenue and 1.89 billion in Net income. In 2023, Airbnb had a revenue of 9.92 billion and a net income of 4.79 billion. Vrbo, that year, made 12.84 billion in revenue and 797 million in net income. Airbnb is at 141.04 a market share and Expedia group is at 110.46 a share. Vrbo seemed to peak at the beginning of February of 2024 at \$159.47 a share but went back down to 131.11 USD a share and leveled around the same price till May 2 when it was at \$136.09 a share and dropped to 115.33 USD at seemingly the beginning of the summer season. With Airbnb, we see something very different from the beginning of the year it gradually increased over time. We have seen a decrease in Airbnb, as well, from \$157.90 a market share on May 8th to \$141.04 a market share

on May 23rd. Vrbo has increased 17.34 % in the past year and has decreased 4.68% in the past 5 years. Airbnb has increased 32.74 % in the past year and has increased 1.29% in the past 5 years.

After an in-depth analysis, it is easy to see where both companies' strengths, weaknesses, opportunities, and threats are. The biggest threat to both companies would be each other, especially being direct competitors. The Vrbo's strengths lie in its traditional full rental space ensuring privacy for its guests. It also has more reliability being assisted and paired with its parent company. The reliability of having a more hotel feel can ensure a comfortable stay. Airbnb's strength comes from its in-house name and being one of the biggest companies in the traveling market. Airbnb's marketing strategy of niche stays and experiences has kept them popular in today's market. With 58% of millennials indicating that social media worthiness was a major factor in their booking decisions, this highlights what helps Airbnb keep its in-house name title. Weaknesses for Airbnb, a huge point that they missed was their lawsuit with Plaid. This itself is extremely detrimental to the integrity of the brand. A smoother, safer payment process will ensure quality from and for the brand. Vrbo's weakness is the lack of awareness of the brand. Vrbo will need to spend more effort on their marketing for their brand to increase brand recognition. I believe effort should be spent more on social media outreach than email marketing strategies. If they had their own sets of "experiences" to include with their stays it would help their brand tremendously creating more memorable experiences when gaining clientele. Opportunities for growth with Airbnb would be to create a way to process their own booking payment system to ensure clarity and safety for their target audience. Another opportunity is to have a team dedicated to taking photos and reviewing that listing for the host, this ensures the quality of stay for the guests and ensures the integrity of the brand.

1D 5D 1M 6M YTD 1Y 5Y MAX



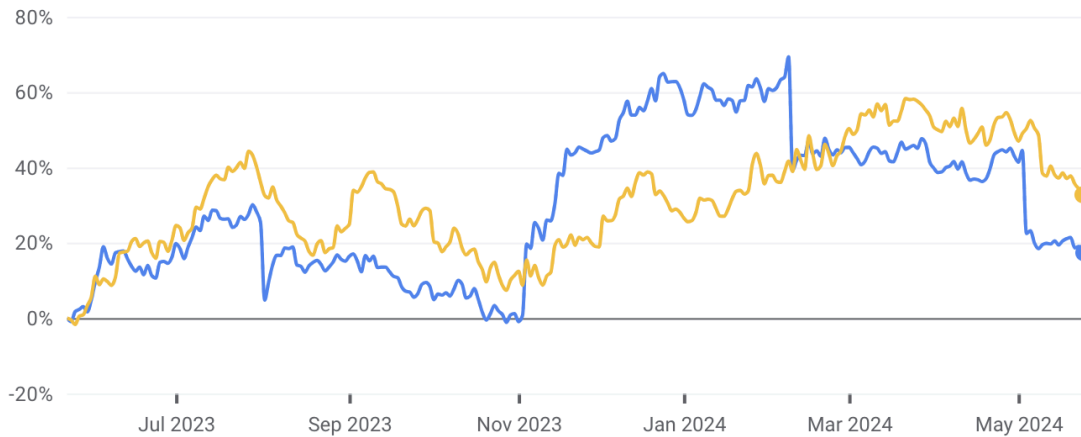
Expedia Group Inc \$110.49 -\$5.43 ↓ 4.68%

Airbnb Inc \$141.04 +\$1.79 ↑ 1.29% ✕

+ Add comparison

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1D 5D 1M 6M YTD 1Y 5Y MAX

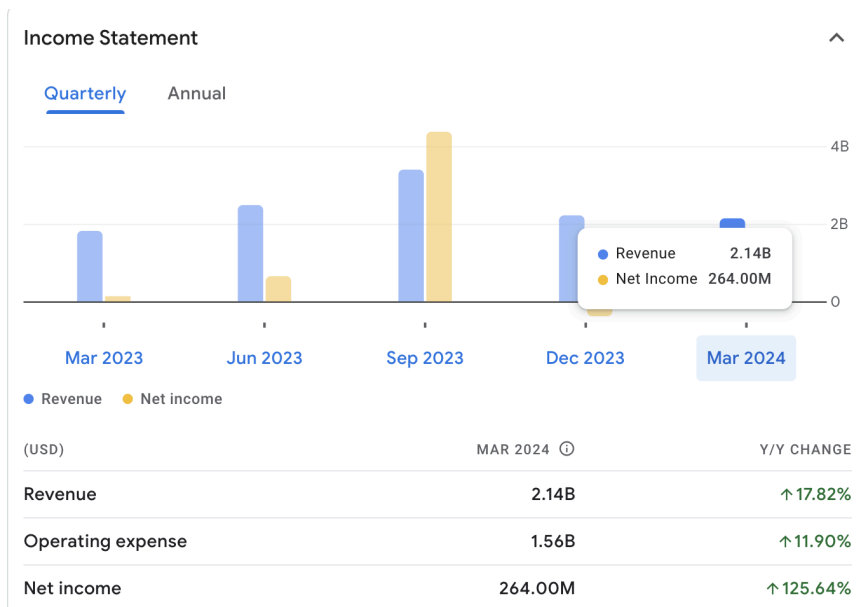


Expedia Group Inc \$110.49 +\$16.33 ↑ 17.34%

Airbnb Inc \$141.04 +\$34.79 ↑ 32.74% ✕



Vrbo income statement above



Airbnb income statement above

Sources:

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