

AIRBNB EXPECTS A GLOOMY SUMMER AND LOWER TRAVEL DEMAND



Airbnb is not optimistic about the upcoming summer season, and its stock in New York reflects the same sentiment. The stock saw an 8.5% decline last week. The popular accommodation rental platform gave a lackluster forecast for the second consecutive quarter, indicating a slowdown in travel demand before the peak summer season.

According to a letter to shareholders, the revenue for the current quarter ending in June will be between \$2.68 billion and \$2.74 billion, which is lower than analysts' expectations. **Airbnb attributes this to the earlier timing of the 2024 Easter holidays in the United States and the impact of unfavorable exchange rates**, also known as currency headwinds, on its international operations.

The travel industry, including Airbnb's competitors, experienced a gradual and controlled recovery from the COVID-19 pandemic, marked by a steady increase in travel demand and a return to pre-pandemic travel patterns. According to Bloomberg reports, Booking gave a weaker-than-expected forecast last week, and Expedia reported disappointing results, indicating that the industry's recovery is still in progress.

Relatively Stable Growth

Airbnb experienced a slowdown in the number of nights booked in North America during the first quarter. The growth in nights booked is expected to be relatively flat, compared to the 9.5% increase recorded in the first quarter, indicating that travel demand has normalized after the initial post-pandemic travel boom.

Although Airbnb's first-quarter result was better than expected, with revenue beating estimates, there was a mixed outlook. Revenue increased by 18% to \$2.14 billion, thanks to solid gains in Asia and Latin America. However, the slowest growth rate since 2020 overshadowed the positive results.

Airbnb anticipates that revenue growth will increase further in the third quarter due to significant international events such as the Summer Olympics in Paris and the Euro football tournament in Germany. These events, expected to attract many visitors, will likely fuel travel demand during the peak season and boost Airbnb's business.

Making Ads More Trustworthy

In a recent statement, CEO Brian Chesky outlined a strategic shift for the company he co-founded in 2007. Airbnb, a San Francisco-based company, **has spent the last year refining its offerings**. This strategic shift aims to enhance the reliability and affordability of guest listings. This move is expected to encourage more people to become hosts and strengthen the company's position in the market.

The hard work has paid off, with the number of active listings in the first quarter increasing by 15% YoY while the supply continued to grow at a double-digit pace across all regions. This growth was achieved despite the company's decision to remove thousands of listings in the first quarter that did

not meet customer expectations.

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<https://www.tourism-review.com/travel-demand-stabilized-but-airbnb-expects-low-summer-season-news14381>