

AIRBNB INCREASED ITS MARKET SHARE



In 2024, Airbnb successfully increased its market share compared to hotels and was well-positioned to compete with Vrbo, a subsidiary of Expedia. The company attributes its success to product innovations and a refined brand strategy.

"Our product enhancements and targeted marketing efforts have helped us attract traditional hotel guests to our platform, allowing us to expand our market share," stated Ellie Mertz, Airbnb's chief financial officer, during the fourth-quarter earnings call. Airbnb remains confident in its competition with Vrbo.

Airbnb and Expedia Group experienced a 12 percent increase in bookings for overnight stays and experiences in the fourth quarter. Expedia's growth was primarily driven by a 14 percent increase in hotel overnight stays. At the same time, Vrbo expanded its offer by adding one million new properties throughout the year, many of which are located in urban areas.

In contrast, Airbnb performed particularly well in non-urban regions of the USA, where it traditionally competes with Vrbo. Mertz highlighted that "non-urban markets were one of our fastest-growing categories in the past quarter."

Strategic Outlook: Collaborations and Expansion

Airbnb CEO Brian Chesky announced that the company will increasingly collaborate with third-party providers. While Airbnb has traditionally operated as a closed system and developed many products internally, Chesky hinted at a strategic shift towards openness.

"Third-party integrations are an extremely exciting opportunity. Why shouldn't we allow the world to contribute to Airbnb? We don't have to build the future alone," Chesky explained.

Potential partnerships may involve local service providers, such as cleaning or delivery services. At the same time, Chesky emphasized that Airbnb will continue to focus on internal product development before implementing larger collaborations.

Additionally, Chesky revealed the launch of a new edition of "Airbnb Experiences" set for May. This innovation is part of a broader strategy to transform Airbnb from a platform for short-term rentals into a provider of comprehensive travel experiences. "Accommodation is only a small part of the overall travel experience," Chesky stated.

Financial Figures Underpin the Success

The fourth-quarter financial results confirm Airbnb's strong market position. **The revenue increased by 12 percent, reaching \$2.5 billion, while net income rose to \$461 million, a notable recovery from last year's loss of \$349 million.**

Chesky noted that Airbnb experienced accelerated growth in revenue, bookings, and gross booking volume compared to the third quarter. He emphasized that Airbnb's growth outpaced that of the broader travel industry.

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