

AIRBNB IS GROWING SLOWLY



Is Airbnb already mature, 10 years after its creation? A new detailed report explains why growth is crumbling.

Airbnb has reached the peak in its most mature markets, Europe and the United States. **This is one of the main conclusions of a new report, published by Morgan Stanley, which highlights the growing competition from Booking and Expedia in the field of seasonal rentals.** The study is based on a survey of 4000 consumers in the United States, France, the United Kingdom and Germany.

According to the results of the survey, the percentage of people who have used Airbnb's services in the last 12 months (until October 2018) has increased by only two points, to 27%. By 2017, it had increased by three points, compared to eight points in 2016. The soft landing is palpable, especially since the booking frequency would have decreased by 10% per member, whereas it had been stable in the previous three years.

How can such a slowdown be explained? Morgan Stanley researchers attribute it to three main reasons: brand awareness that reaches its peak in the regions studied (86%); privacy, legality and security issues; and competition from online agencies such as Booking and Expedia. 59% of respondents use OTAs to book travel, including hotel stays but also alternative accommodation.

Not surprisingly, Airbnb still has a significant impact on the hotel sector: 47% of respondents replaced a hotel stay with an Airbnb stay in 2018. Respondents also report that they generally use OTAs to book hotels, and Airbnb to choose seasonal rentals.

However, the report points out, "we expect the lines to fade in the long term, as consumers are likely to favour websites that offer the most inventory hotels and alternative housing." But Booking, for example, is developing faster in apartment bookings than Airbnb in hotel bookings, where it remains confidential. The group announces 2.065 million housing units as of 30 September 2018, including 430,000 hotels, motels and resorts, as well as 1.635 million houses, apartments or equivalent.

Moreover, Airbnb faces fierce opposition of hotels in many cities. Only recently, hotel associations from 30 cities such as Rome, London, Buenos Aires, Barcelona, and Tokyo, signed a joint manifesto with the aim of "banishing professional operators who hide their illegal activity," which is estimated to account for more than 50% of the billing of platforms such as Airbnb, according to the union.

According to Morgan Stanley, **by 2019, Airbnb is expected to generate 150 million overnight stays in the United States, France, the United Kingdom and Germany.** In 2018, the Californian group, present in 191 countries, would have reached 140 million overnight stays. Its objective is to reach one billion users per year by 2028.

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