

# AIRBNB NOW FOCUSES ON REMOTE WORKERS



In mid-2020 Airbnb was at the worst moment in its history. After years of growth, although not with respect to profitability, the pandemic that paralyzed the world threatened to topple the core business of this technology company: the short-stay vacation rental of rooms and private homes. To stem the bleeding, they laid off almost 2,000 employees and cut advertising and marketing expenses. Even so, that first year of the pandemic resulted in 4.6 billion dollars in losses, about 3.8 billion euros.

Given the uncertainty about the end of the pandemic, and taking advantage of new work trends, the platform's managers decided to explore a new model: offering longer stays for remote workers who wanted to change scenery after months of confinement. A bet that barely a year later seems right, since Airbnb has reported, in their latest balance of results, that **their revenues grew by 25% in 2021 and that the last quarter of the year exceeded in profits the same period of 2019, earning \$55 million in that period.**

Part of that recovery is attributed to a change in their booking strategy, as the number of people using the platform for long stays has grown considerably since 2020. Previously, Airbnb's business was focused on short stays. Thus, almost half of the platform's bookings in the last two years extended for more than seven nights, and those that exceeded 28 nights now account for 22% of the total. This data is attributed to the growing number of digital nomads who use its services to move around the world while working remotely.

To attract digital nomads to work remotely from the homes of their guests, Airbnb launched in the spring of 2021 a series of tools and benefits to encourage long-term stays in accommodations equipped with elements necessary for remote workers, such as high-speed internet.

Thus, in May 2021, the tourism platform announced agreements with different cities to offer significant discounts to people who decide to book long-term stays in those cities. As for the new search filters, in addition to the internet availability filter, they introduced the possibility of searching for homes linked to an area of interest, such as the mountains or the beach, instead of specific cities, with the possibility of including very specific attributes, such as sea views or having a fireplace.

"The lines between living, traveling and working are blurring," said Airbnb CEO Brian Chesky, who has led by example and as reported by Magnet, recently announced that he would be moving into apartments on his platform around the world every two weeks to prove it.

Madrid is one of the cities where longer stays have been embraced by remote workers. Recent data show that almost one in five guests in Madrid is on a 'workation', that is, they combine work and tourism on the same trip. 5% state that they are temporarily teleworking from Madrid and will stay for a long time. Almost half of those who are on 'workation' say they have been able to change their place of residence at some point this year thanks to teleworking.

"Airbnb and the flexibility provided by the platform have allowed the company to take advantage of

this change in the way people travel. **Airbnb wants to support the city of Madrid so that it continues to grow as a pole of attraction for international talent and innovation.** We want to work with Madrid on strategic partnerships that help attract and retain the benefits that visitors come to live and work with," says Mónica Casañas, General Manager of Airbnb Marketing Services SL.

Overall, the proportion of users who booked long stays to lead a nomadic lifestyle grew from 9% in 2020 to 12% in 2021. Long stays remained Airbnb's fastest-growing category (by the length of trip) and accounted for 22% of nights booked in the fourth quarter.

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