

## Design Thinking: Key to Airbnb`s Success

### **ABSTRACT**

This case discusses about San Francisco-based hospitality Service Company, Airbnb, Inc., and its growth with the adaptation of a concept called 'Design Thinking'. Airbnb, formerly known as Airbed and breakfast, was an idea conceived by two designers, Brian Chesky and Joe Gebbia, with the intention of earning a few bucks. Their idea saw a major breakthrough during a major event and the founders started making money. It served as a sharing economy platform allowing people to share their unutilized properties through websites and a mobile app.

In 2009, however, the company witnessed a decline in customer bookings leading to revenue losses. While searching for solutions to address the issue, the founders came up with a process which was not scalable or very technical. Guided only by intuition, the team tried find out what their customers were actually looking for, incorporated the feedback, and upgraded their offers. The effort yielded favorable results and the revenues increased. This unusual solution that saved Airbnb was 'Design Thinking', a design practice which valued the user experience above everything else. This case provides an insight to Design Thinking and the various techniques involved like brainstorming, body storming, prototyping, and testing to arrive at a solution to a problem.

### **INTRODUCTION**

In March 2018, San Francisco-based online marketplace and hospitality service company, Airbnb, Inc. (Airbnb), rolled out its own core typeface called Airbnb Cereal. With this, it joined a number of other recent companies with their own-brand typefaces, including those of Netflix, BBC, and YouTube. The bespoke font designed in partnership with type foundry Dalton Maag was expected to make

the brand more 'accessible' to a wider audience by increasing readability across its website, app, and print material. Airbnb Cereal was a sans-serif typeface, available in six different weights – light, book, medium, bold, extra bold, and black. The Airbnb team said, "Part of scaling online to offline is how people see Airbnb in the real world. Online should mirror what they see offline, and vice-versa. But, there wasn't a font out there that could actually do that. So, we created one."..

## **BACKGROUND**

In 2007, Chesky had given up his job as a designer on a popular TV show, and moved to San Francisco, to stay with, Gebbia a designer and his classmate at Rhode Island School of Design.

In October 2007, during the annual Industrial Design Society of America Conference, all the hotels in San Francisco were fully booked and the conference attendees were facing difficulties in finding accommodation. The two roommates, who were finding it tough to pay the rent, decided to take advantage of the situation and 'make a few bucks'. They rented out space in their apartment, complete with three air mattresses. To make the offer more attractive, they also promised the guests' breakfast. The two created the 'airbedandbreakfast.com' website as well. To their delight, the idea worked and six days later they had 2 men and a woman as their guests. The guests were each charged \$80 each night. The initiative was profitable, and this encouraged the young entrepreneurs to make it bigger...

## **TURNAROUND WITH DESIGN THINKING**

In 2009, Airbnb was on the verge of shutting down. The company's revenue hardly touched US\$ 200 a week. Faced with a do-or-die situation, the founders began examining the pattern of their product ads. The rethinking helped them realize where the problem lay. They found that the pictures of the properties listed on the site were unattractive since the owners were using camera phones. Moreover, all the rooms of the homes were not shown and people were not booking rooms because they couldn't really see what they were paying for. Gebbia said, "It actually wasn't a surprise that people weren't booking rooms because you couldn't even really see what it is that you were paying for," ..

## **HOW DESIGN THINKING WORKS AT AIRBNB**

David M. Kelley, the founder of the design consultancy IDEO, adapted design thinking for business purposes in the early 1990s. The design thinking method was developed by IDEO and thereafter it became a very popular methodology used by top companies to generate innovative ideas focused on providing value to and satisfying users' needs. The design thinking process involved five phases: Empathize, Define, Ideate, Prototype, and Test. ..

## **STEPPING AHEAD WITH AIRBNB CEREAL**

Airbnb needed a font that would not only cover all its typesetting needs, from website and apps to billboards, but also make its visual identity more scalable. In 2018, it commissioned its own font named 'Cereal' seeking to "imbue a playful, open, and simple typeface with a touch of quirk"...