

HOW AIRBNB FOUND A MISSION—AND A BRAND

THIS EXCERPT FROM LEIGH GALLAGHER'S UPCOMING *THE AIRBNB STORY* REVEALS HOW THE COMPANY SEARCHED FOR ITS SOUL—WITH SOMETIMES PAINFUL RESULTS—AND DEEPENED ITS CONNECTION TO CUSTOMERS.



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Brian Chesky rued the fact that “mass-produced and impersonal travel experiences” had become the norm. Along the way, he says, “people stopped trusting each other.”

Airbnb has been one of the signature successes of the “sharing economy.” Along with Uber, it’s a young brand that has penetrated consumers’ consciousness—and rung up a \$30 billion valuation—so quickly that many people already use it as a verb. (As in, “Let’s go to Miami for the weekend. We’ll Airbnb a place by the beach!”) In her upcoming book, *The Airbnb Story: How Three Ordinary Guys Disrupted an Industry, Made Billions ... and Created Plenty of Controversy*, Leigh Gallagher takes readers inside the company’s rise. Gallagher, an assistant managing editor at *Fortune*, identifies how Airbnb astutely expanded its brand from one known for putting budget travelers in people’s living rooms to endless exotic options [tree houses, anyone?] to renting ultra-high-end gems to the likes of Gwyneth Paltrow. The book explores Airbnb’s significant challenges along the way, from battles with regulators to racial discrimination and other unwelcome behavior on its platform, but also how, with 140 million “guest arrivals” since its launch in 2008, it has clearly struck a chord with consumers. In the following excerpt, Gallagher examines how cofounder and CEO Brian Chesky’s search for a mission for employees turned into a rebranding for the whole company, a revealing process that spotlights the interplay between what can be seen as a company’s soul and the way it engages with the outside world.

SOMETIME IN 2013, Airbnb started thinking about reorienting its entire mission and center of gravity to better articulate the elements that made using its platform so unique. Douglas Atkin, the company’s new global head of community, began by posing the questions, “Why does Airbnb exist? What’s its purpose? What’s its role in the world?” The answers to those questions, as Atkin puts it, would become “the rudder that guides the whole ship.”

Atkin is an expert on the relationship between consumers and brands and the author of *The Culting of Brands*. He and his team interviewed 480 employees, guests, and hosts around the world. Again and again, he says, he heard guests saying that “the last thing they wanted to be is tourists.” That felt too passive to them. Airbnb customers wanted to engage with people and culture; they wanted to be insiders.

A single idea began to emerge: the notion of “belonging.” By mid-2014 the company had settled on a repositioning around this concept. Airbnb had a new mission statement: to make people around the world feel like they could “belong anywhere.”

The company had a new logo to symbolize this: a cute squiggly shape it called the “Bélo,” the result of months of conceiving and refining. It had been named by Airbnb’s chief marketing officer, Jonathan Mildenhall, who had recently joined from Coca-Cola. Mildenhall also persuaded the founders to expand “Belong anywhere” from an internal mission statement to the company’s official tagline.

In July 2014, Airbnb introduced the rebrand, as well as a redesign of its mobile app and website. Chesky explained the concept in a cerebral, high-minded essay on Airbnb’s website: A long time ago, he wrote, cities used to be villages. But as mass production and industrialization came along, that personal feeling was replaced by “mass-produced and impersonal travel experiences,” and along the way, “people stopped trusting each other.”

Airbnb, he wrote, would stand for something much bigger than travel; it would stand for community and relationships and using technology for the purpose of bringing people together. Airbnb would be the one place people could go to meet the “universal human yearning to belong.” The Bélo itself was carefully conceived to resemble a heart, a location pin, and the “A” in Airbnb. It was designed to be simple, so that anyone could draw it. Indeed, the company invited people to draw their own versions of the logo—which, it was announced, would stand for four things: people, places, love, and Airbnb.

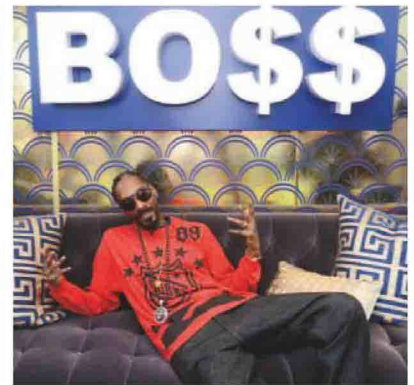
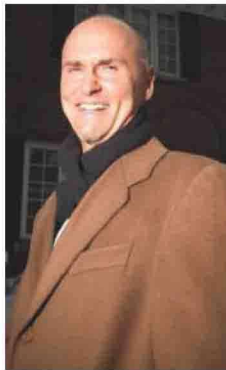
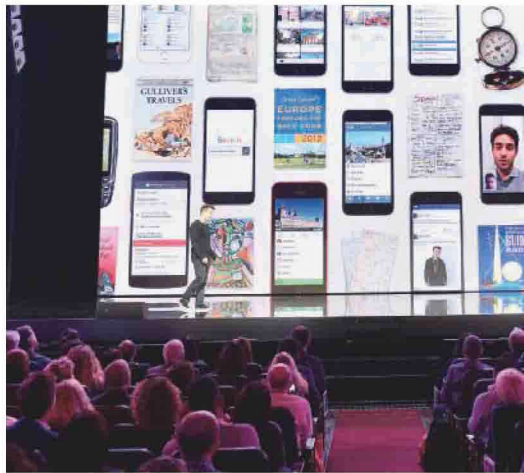
To say Airbnb can be idealistic is an understatement. The media were skeptical, to put it mildly. TechCrunch called “Belong anywhere” a “hippy-

dippy concept,” while others wondered whether it was really warm and fuzzy “belonging” that drove people to Airbnb or whether they just wanted a cheap and cool place to stay. Media outlets lampooned the Bélo, not for its idealism so much as its shape, which they said looked alternately like breasts, buttocks, and both male and female genitalia all at once. Within 24 hours the sexual interpretations of the logo had been curated and posted on a Tumblr blog. “Nothing says temporary home like the vagina-butt-uterus abstraction that Airbnb chose as its new logo,” tweeted reporter Katie Benner, now of the *New York Times*.

○ Clockwise from top left: Chesky onstage at the Airbnb Open, its annual gathering of hosts, in 2016; guests at another event during the Open; Snoop Dogg promoting Airbnb at South by Southwest in 2014; a protester in San Francisco charges that landlords evicted tenants to facilitate Airbnb rentals; actor James Franco’s Hollywood Airbnb pop-up promotion. Below: Chip Conley, the company’s head of global hospitality and strategy.

I, too, was skeptical—not of the logo, but of the “belonging” concept—at first. I thought it meant spending time with the person who lived in the space you rented. In the few times I had used Airbnb, I hadn’t met or seen my host and didn’t want to; I mainly wanted to save money.

But “belonging” in the Airbnb-rebrand context didn’t have to be about having tea and cookies with the person whose place you’re staying in. It was much broader: It meant venturing into neighborhoods that you might not otherwise be able to see, staying in places you wouldn’t normally be able to, bunking in someone else’s



○ CLOCKWISE FROM TOP LEFT: STEPHANIE KEENAN —GETTY IMAGES (2); VIVIAN KILLILEA —GETTY IMAGES; JUSTIN SULLIVAN —GETTY IMAGES; CHRIS WEEKS —GETTY IMAGES. CENTER: BERNARD WEIL —TORONTO STAR/GETTY IMAGES

space, and having an experience that person “hosted” for you, regardless of whether you ever laid eyes on him or her. When I booked a place through Airbnb in Philadelphia, I warily pushed open the door to an apartment in a run-down walk-up in Rittenhouse Square to find an inviting studio with high ceilings; walls lined with books; cozy, minimalist decor; and a string of twinkly lights hanging over the fireplace. I liked everything about “Jen’s” place, from her book collection to the towels she’d fluffed and folded, to the handwritten card she left for me. (It helped that Jen and I had the same aesthetic taste, but

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○ Cofounder
Nathan Blecharczyk is Airbnb’s CTO, but his role has broadened over the years. He’s also a host: He has had 178 guests in his home in the past two years.

then that’s precisely why I picked her listing.)

Whatever the press thought of the rebrand, Airbnb’s users seemed to get it. Over the next few months, more than 80,000 people went online and designed their own versions of the logo, a rate of consumer engagement that would be considered off the charts by larger brands. Airbnb even embraced the logo hubbub. Atkin, who spearheaded the journey to “belonging,” later referred to it as “equal-opportunity genitalia.”

AS A COMPANY, Airbnb had a third constituency it needed to enlist: not just employees and guests, but the people who rent out their houses and apartments. It wasn’t enough just to get the hosts to sign on and to offer their spaces; the company had to get them to work hard to offer a good experience. The number of Airbnb listings dwarfs the quantity of rooms in even the largest hotel chains, but it neither owns nor controls any of the inventory, nor the behavior of any of the people offering it.

The founders knew this from the earliest days, when persuading people to list their spaces was a struggle. But it wasn’t until late 2012, when Chesky read an issue of *Cornell Hospitality Quarterly*, the journal of the esteemed Cornell University School of Hotel Administration, that he started thinking more seriously about the experience the company was offering. He decided they needed to transform Airbnb more deeply from a tech company into a hospitality company.

Shortly after that, Chesky read *Peak: How Great Companies Get Their Mojo From Maslow*. The book’s author was Chip Conley, founder of the Joie de Vivre boutique-hotel chain, which grew to 38 boutique properties before he sold a majority stake in 2010.

Conley had become something of a guru. In *Peak*, he explained how he had saved his company in the wake of 9/11 and the dotcom bust by applying the psychologist Abraham Maslow’s hierarchy of needs—the pyramid of physical and psychological needs humans must have met in order to achieve their full potential, with food and water at the bottom and self-actualization at the top—to corporate and individual transformation. Chesky saw in Conley both business and hotel savvy and perhaps a kindred idealism. (Conley talked about wanting his guests to check out three days later as a “better version of themselves.”)

Chesky lobbied Conley and eventually recruited him into a full-time position, in the fall of 2013, as global head of hospitality and strategy. Conley was fascinated by the challenge of democratizing hospitality, which had become “corporatized.” He wanted to “take it back to its roots.”

Conley traveled to 25 cities, giving talks and offering tips to help apartment dwellers channel their inner innkeeper. He set up a centralized hospitality-education effort, created a set of standards, and started a blog, a newsletter, and an online community center where hosts could learn and share best practices. He developed a mentoring program wherein experienced hosts could teach new ones good hospitality.

Among the mandates and suggestions now articulated in Airbnb's materials: Aim to respond to booking queries within 24 hours. Before accepting guests, try to make sure their idea for their

MONTHS AFTER ADOPTING "BELONG ANYWHERE" AS A TAGLINE, CHESKY ASKED, "WHAT DOES IT ACTUALLY MEAN?"

trip matches your "hosting style"; for example, if someone is looking for a hands-on host and you're private, it may not be the best match. Communicate often and provide detailed directions. Establish any "house rules" (if you'd like travelers to take their shoes off or not smoke) very clearly. Clean every room thoroughly, especially the bathroom and kitchen. Bedding and towels should be fresh. Want to go beyond the basics? Consider sprucing up the room with fresh flowers or providing a treat upon check-in, like a glass of wine or a welcome basket. Do these things, he says, even if you're not present during the stay.

HOW HOTELS ARE STARTING TO IMITATE AIRBNB

Why you might thank Brian Chesky for the unique art on the wall of your guest room.

OVER THE YEARS, Airbnb and the hotel industry have largely maintained a nonaggression pact. The incumbents tended to pooh-poo the potential threat posed by the upstart, and the upstart insisted it has absolutely no desire to take business from the incumbents. "For us to win," Chesky is fond of saying even today, "hotels don't have to lose." Until now, that's been largely true, with Airbnb enjoying astonishing growth and the hotel industry reaching record occupancy in 2015.

But, increasingly, each side is making incursions in the other's terrain (not to mention more contentious efforts, as the hotel lobby funds the regulatory fight against Airbnb). Chesky's company has designs on the lucrative business-travel market, courting corporate customers like Google and Morgan Stanley and creating a new classification of "business travel ready" room options.

And the hotel chains are starting to experiment with ways to tap into the "home-sharing" boom themselves. In 2016, AccorHotels, the France-based parent of Raffles, Fairmont, Sofitel,

Swissôtel, and others, acquired the short-term-rental startup Onefinestay, which offers luxury accommodations in private homes with the high-end service of a hotel. Accor also invested in Oasis Collections, another startup pushing a "home-meets-hotel" concept.

Airbnb-style individualism is seeping into hotels, with more seeking to customize the look of individual rooms—once anathema in a business that thrived on uniformity—and granting employees more latitude in how they interact with customers to inject more "humanity" into the experience. Thomas Cook is experimenting with a "Casa Cook" hotel, which the company describes as "like staying at a friend's house, where the kitchen is always open." A microchain, Freehand Hotels, offers separate—or shared—rooms to appeal to the budget-travel set. Last year, Choice Hotels, which owns Comfort Inn, EconoLodge, Quality Inn, and other brands, launched Vacation Rentals by Choice Hotels, a partnership with vacation-rental management companies, to offer an alternative to hotel rooms.

Big Business has often joined disruptive trends—frequently after discovering they can't beat them. In recent years, after shaving-club newbies Dollar Shave Club and Harry's struck a chord with millennials, Gillette started its own alternative, and Unilever bought Dollar Shave Club for a reported \$1 billion. And packaged-food giants have hustled to catch up with the shift toward natural and organic offerings: Campbell Soup Co. acquired Bolthouse Farms and Plum Organics, and meat-processing giant Tyson Foods went so far as to take a stake in a plant-based, protein-alternative startup called Beyond Meat.

Of course, the same has happened before in the hospitality industry. It wasn't that long ago that boutique hotels—Ian Schrager's Morgans, which opened in New York City in the 1980s was one of the first—were considered revolutionary. Now almost every hotel company has its own twist on the concept. So will we see "At Home by Marriott" or "Hilton Home-Shares"? Not tomorrow. But maybe sometime soon.

IN NOVEMBER 2014, four months after Airbnb launched “Belong anywhere” as its mission, Chesky went back to Atkin. He said he loved “Belong anywhere,” and he truly felt it would be the company’s mission for the next 100 years. But he still had some pressing questions: What does the phrase actually *mean*? How do you measure it? How does it happen?

Chesky dispatched Atkin on another focus-group odyssey to figure it out. When Atkin came back, after talking to another 300 hosts and guests, he had an answer: Belonging anywhere wasn’t a single moment; it was a transformation

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Airbnb cofounder Joe Gebbia is now the company’s chief product officer. Gebbia first contacted Douglas Atkin, who led the company’s rebranding, after reading his work.

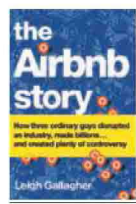


people experienced when they traveled on Airbnb. The company has codified this as the “belong anywhere transformation journey.” It goes like this: When travelers leave their homes, they feel alone. They reach their Airbnb, and they feel accepted and taken care of by their host. They then feel safe to be the same kind of person they are when they’re at home.

When that happens, they feel like freer, better, more complete versions of themselves, and their journey is complete. This is Airbnb-speak, and while it may sound hokey to the rest of us, many would say this is a huge reason Airbnb took off. There is a cultlike devotion among Airbnb’s trust-believers, who embrace this vision. (During his focus-group travels exploring the meaning of Airbnb, Atkin encountered one host in Athens who had painted “Belong anywhere” on his bedroom wall, and another in Korea who had changed her name to a Korean phrase meaning “welcome to my house.”) But whether or not it is a “transformation journey” for the average traveler, Airbnb has enjoyed success that is about something more than just low prices and easy access to quirky spaces. It touches on something bigger and deeper.

The opportunity to show some humanity or to receive some expression of humanity from others has become rare in our disconnected world. This is another element about Airbnb (and other short-term-rental services) that makes it different from other aspects of the so-called sharing economy. At its core, Airbnb involves the most intimate human interactions: visiting people in their homes, sleeping in their beds, using their bathrooms.

That is precisely what makes it objectionable to so many people who can never imagine using it. But it’s also what makes it unique. This kind of “sharing” is not present when you hire a person to fix a leak on TaskRabbit, or when you get into someone’s air-conditioned black car for a silent ride to the airport. More than anything else, it is this aspect of Airbnb that distinguishes it from Uber, Lyft, and any other of its sharing-economy peers. Elisa Schreiber, marketing partner at Greylock Partners, an investor in the company, summarized this distinction concisely after we got to talking about it one day. “Uber is transactional,” she said. “Airbnb is humanity.” ■



Excerpted from *The Airbnb Story: How Three Ordinary Guys Disrupted an Industry, Made Billions... and Created Plenty of Controversy*, by Leigh Gallagher, to be published on Feb. 14, 2017, by Houghton Mifflin Harcourt. Copyright ©2017. Used by permission.