



## Airbnb's Approach to AdWords Wins More Customers

### About Airbnb

- A leading community-driven hospitality company
- [www.airbnb.com](http://www.airbnb.com)

### Goals

- Reach both guests and hosts using AdWords
- Connect with more customers by bidding to a guest's estimated lifetime value
- Grow the company's presence in Asia using a formula that emphasizes customer value and long-term profit

### Approach

- Used flexible budgets to reach as many profitable customers as possible
- Employed data modeling to create an accurate lifetime value of the target customer

### Results

- Has connected with 101% more customers from AdWords in the past six months [ending 5/31/14]

Airbnb has connected travelers with unique spaces across the world since 2008, providing an alternative travel experience to all. Acting as a platform for guests and hosts, Airbnb is a leading community-driven hospitality company. At the time of this writing, the site boasts more than 600,000 listings in 35,000 cities and 190 countries.

Airbnb wants to connect with consumers the moment they're ready to travel. To be there for all of its customers with the right message at the right time, the company has adopted a customer-centric approach to AdWords that has also proven to drive better business results. Specifically, its search team is empowered to bid to customer lifetime value (LTV) and has flexible budgets to win more customers.

### Recognizing value

To get to where it is today, Airbnb had to understand its customers better. Working with a team of data scientists, it created sophisticated models to estimate customer LTV. The LTV calculation is a proprietary model based on a wide range of factors: customer location, travel distance, search keyword and much more. That LTV figure determines Airbnb's cost per acquisition.

### Capturing demand

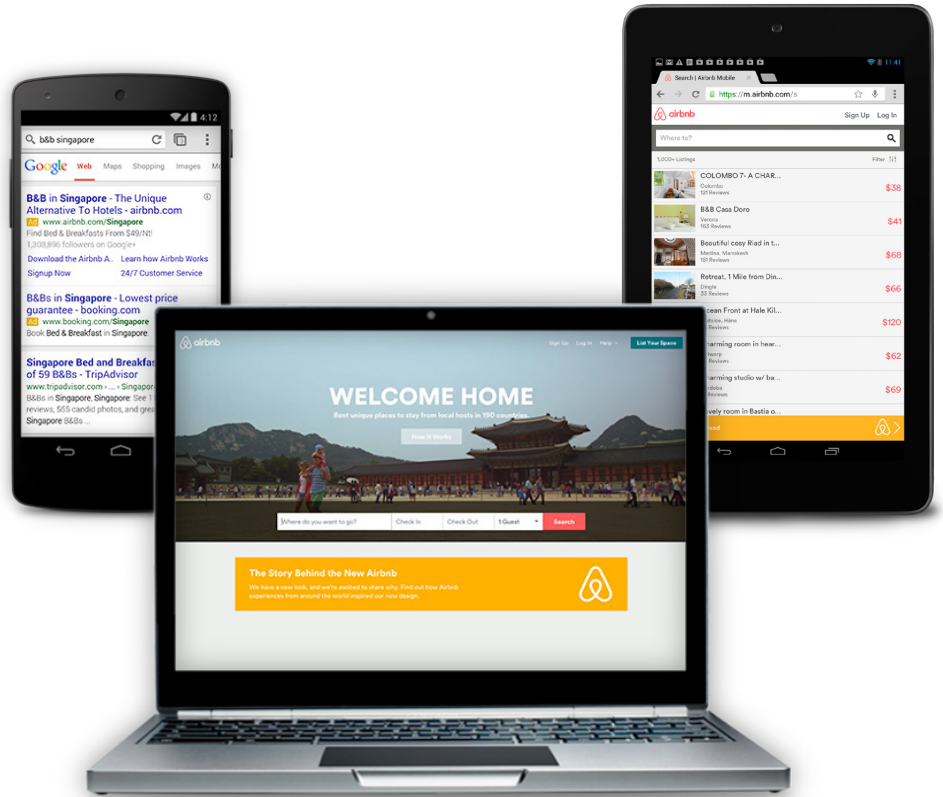
Airbnb's search team uses flexible budgets to reach all consumers the moment they're ready to book. "Airbnb's hypergrowth is dependent on our team's ability to take advantage of opportunities as they appear," says Maria Hwang, head of Paid Growth—Europe, LATAM, Korea and Japan. "Our leadership is focused on the business impact of our search investments; they empower us to find new ways to drive results."

### Getting stakeholders on board

It hasn't always been this way for Airbnb's search team. "We've had to have different conversations across the organization to get to where we are today," notes Hwang. Fortunately, the team had two things going for it—solid AdWords data to make its case for resources and a supportive sponsor in the company's cofounder and CTO, Nathan Blecharczyk. For example, one of the team's recent challenges was international expansion. The team was able to use its data-driven approach to getting customers on AdWords to gain approval for a whole international arm in 2011. According to Diane Chour, head of Paid Growth—North America, China, Australia and South East Asia, "It was a huge endeavor, but now we're able to reach and support our customers on an entirely global scale."

## AdWords helps book results

Airbnb's approach enables its search team to focus on driving long-term value for the business. As a result, Airbnb has been able to connect with 101% more customers from AdWords in the past six months, ending May 31, 2014. Chour shares, "AdWords has always given us new and innovative ways to reach audiences that will drive maximum value for our business."



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