

Press Cutting

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OPINION

Airbnb competition is good for us

A recent report by PWC found that hotel companies and peer-to-peer home swapping platforms account for the second largest share, in terms of volume of activity, of the UK's sharing economy.

With the meteoric growth of Airbnb in particular, most people assume that traditional rental and aparthotel operators, like myself, are concerned about the impact these progressive tech companies will have on their business. In fact, the so-called 'threat' of Airbnb to the aparthotel industry is a gross misperception; these disruptors are more friend than foe.

Airbnb and its peers, including HomeAway, One-fine-stay and Wimdu, have helped immensely in raising the profile of 'homestay' living as an attractive alternative to hotels, to both business and leisure travellers.

Demand for serviced apartments is now exceeding supply and nearly two thirds of global operators are reporting a year-on-year increase, according to the 2016 Knight Frank Global Cities Report.

And the latest hospitality report from JLL says, on a more localised level, the serviced apartment sector is estimated to expand dramatically over the coming years, with over 1,500 rooms due to open in London alone by 2019.

Anecdotally, too, Ben Harper, com-



Guy Nixon
 CEO and founder of Go Native

mercial director at serviced apartment company SACO, and Pauline Houston, global director of hotel strategy at American Express GBT, have credited Airbnb and its peers as 'the real reason' the hotel alternatives market has taken off. While it's widely recognised that the sharing economy is a key catalyst, reliable reports quantifying the impact of Airbnb are still hard to obtain.

The parallel figures, however, are undeniable. The number of serviced apartments in the world has grown by 80 per cent since 2008 - the year Airbnb launched in San Francisco - and now stands at approximately 750,000, with corporate travellers a dominant force in driving this growth.

In response to heightened demand from corporate customers, Airbnb launched its Business Travel Ready (BTR) service in 2015, allowing people to search for listings with, among other things, decent wi-fi, a laptop-friendly workspace, an iron and clothes hangers.

Since then, over 250,000 companies



have signed up to this service, demonstrating the strong call for corporate homestay accommodation. Airbnb has also recognised a threefold increase in the number of business trips through its service over the past year.

Yet I would argue there's a pivotal aspect of the corporate traveller experience it's still not providing: customer service. One element that

stands out on Airbnb's BTR listings is the requirement for 'self check-in', be it a key lockbox, doorman, keypad, or smartlock. Despite Airbnb hosts relying heavily on their reviews for future business, they are often passive at best in terms of customer service, often failing to go beyond handing over their keys and providing basics such as a carton of milk and tea bags.

As a result, aparthotel operators like

myself are seizing the opportunity to differentiate ourselves by maximising customer service, with on-site concierge, partnerships with local restaurants, and onsite amenities like

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gyms now becoming a crucial part of the homestay offer.

Business and leisure travellers have different expectations when it comes to service and, while Airbnb has excelled in the consumer market, it will be interesting to see how they fare within the business travel sector.

The sharing economy has highlighted the rapid emergence of independent-minded travellers with a growing appetite for boutique design. In the end, though, it comes down to customer choice and the reputation of the operator. In this rapidly evolving market, competition is high, but the sharing economy has encouraged us all to raise our game.

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 Go Native is a Build-to-Rent and aparthotel operator across London. Visit gonative.com