



# Emerging Markets

## Powering Airbnb's Global Growth

Airbnb's mission is to create a world where anyone can belong anywhere through magical travel that provides unique, authentic and local experiences, and we are focused on reimagining travel by building an end-to-end travel platform that combines where you stay, what you do, and how you get there, all in one place. From our origins in a San Francisco apartment, we have grown into a global community with hosts across more than 191 countries and 81,000 cities. Powered by network effects that began with our founding in 2008, today Airbnb is truly a global platform, with more than 5 million listings in over 191 countries. In 2013, there were nine city regions with at least 100,000 Airbnb guest arrivals; in 2018, there were over 350 city regions with at least 100,000 Airbnb guest arrivals.

This global growth is increasingly being powered by tourism to destinations in emerging markets. Our definition of emerging markets is based on the International Monetary Fund's classification of "emerging economies" versus "advanced economies," with emerging markets largely representing those countries outside of the US, Canada, Europe, Australia, New Zealand, Israel, Japan, Singapore, and Korea.<sup>1</sup>

---

<sup>1</sup> For more on classification between advanced versus emerging markets, including a full list of each, see: <https://www.imf.org/external/pubs/ft/weo/faq.htm>

According to the World Travel & Tourism Council (WTTC), travel to emerging economies is expected to increase at twice the rate of travel to advanced economies from now until 2030. Data from the World Tourism Organization (UNWTO) shows that in 2018, international tourism grew in emerging economies at a higher rate than in advanced economies.<sup>2</sup> By 2030, more than 1 billion travelers will arrive in emerging economies annually.<sup>3</sup>

Airbnb is especially well-positioned to be a major driver of this continuing growth. Airbnb's popularity has long been built on a growing desire for authentic, local travel that takes guests off the beaten path, and in recent years the Airbnb community has surged across emerging destinations around the world, especially those in Asia Pacific, Africa, and Latin America. By 2030, Airbnb expects that over 400 million guests will have used the platform to arrive at listings in emerging markets since the company was founded.<sup>4</sup>

This report outlines the ways in which emerging markets are becoming an increasingly powerful segment of the Airbnb community, discussed in three parts:

- 1 The rise of emerging markets in global tourism**
- 2 Airbnb's surging growth in emerging markets, including the world's fastest-growing large economies: India and China**
- 3 How Airbnb's infrastructure positions it for continuing success in emerging markets**

The world's fastest-growing tourism destinations are almost entirely located in emerging markets, and Airbnb search data shows that guest demand for these markets is increasing rapidly. Emerging markets make up all of our 25 fastest-growing countries by guest arrivals, and they are home to the majority of our fastest-growing cities for Experiences.

Buoyed by our popularity among millennials and spikes in domestic travel, Airbnb is gaining meaningful traction in the world's two fastest-growing major economies, India and China. And Airbnb's infrastructure provides us with unique potential for continued growth, with an in-house payment system facilitating over 70+ currencies and a network of hundreds of payment routes.

---

<sup>2</sup> UNWTO, World Tourism Barometer, January 2019; <http://marketintelligence.unwto.org/>

<sup>3</sup> UNWTO. Tourism Highlights - 2016 Edition.

<sup>4</sup> "Advancing Sustainable Tourism Through Home Sharing." More on this report available [here](#).

## PART ONE

# Travelers are seeking out new experiences in emerging markets

Global tourism is growing rapidly. The UNWTO reports that international tourist arrivals increased 6% in 2018, to 1.4 billion arrivals worldwide—reaching the 1.4 billion threshold two years ahead of projections. According to UNWTO data, much of this growth has been driven by rising demand for travel destinations in emerging markets:

- The two fastest-growing regions for tourist arrivals in 2018 were the Middle East (+10% growth) and Africa (+7% growth).
- In 2018, international tourism arrivals grew 7.2% in emerging economies, compared to 4.3% for advanced economies.
- In 2017, four of the five fastest-growing countries for international tourism were emerging markets: Georgia, Vietnam, Togo, and Egypt.
- Initial projections of the fastest-growing destination countries in 2018 include Ecuador, Vietnam, Colombia, Peru, and Nepal.

A 2019 report from the WTTC projects that continuing global demographic shifts will “influence top travel destinations over the next ten years,” with Africa, the Middle East, and Asia becoming the new “centers of influence” in global tourism.<sup>5</sup> As millennials become the dominant segment of consumers worldwide, this shift will only expand in scope: the *Financial Times* reports that emerging and developing economies account for 86% of millennials globally.<sup>6</sup>

Airbnb data similarly shows that demand is rising for destinations in emerging markets. Emerging markets saw the highest increase in searches on Airbnb.com in 2018, as compared to 2017.

Travel media also are reflecting the growing shifts in demand. Half of Airbnb’s [trending destinations](#) for 2019 are located in emerging markets, as are more than half of *Conde Nast Traveler’s* 2019 Places to Go and *Travel and Leisure’s* 50 Best Places to Travel in 2019.

---

<sup>5</sup> <https://www.wttc.org/publications/2019/megatrends-2019/>

<sup>6</sup> <https://www.ft.com/content/194cd1c8-6583-11e8-a39d-4df188287fff>

## PART TWO

# Airbnb is surging in emerging markets, including India and China

Airbnb provides healthy travel that is local, authentic, diverse, inclusive and sustainable, benefiting locals, hosts, guests and communities alike. We naturally drive tourism outside traditional hotel corridors and into places where locals actually live, providing real human connections and more authentic experiences, and ensuring that local businesses and residents directly benefit from increased tourism.

Airbnb is growing especially rapidly in emerging markets. Over the past year, we have seen increases in guest arrivals to Airbnb listings in these markets, especially across Asia-Pacific, Africa, the Middle East, and Latin America. Globally, all 25 of our fastest-growing countries by guest arrivals are in emerging markets.

Emerging markets are leading our growth not only within our Homes business but in Airbnb Experiences, as well. In the second half of 2018, we launched Experiences across India, Peru, Malaysia, the Dominican Republic, and the Philippines, among others locations. Over the past year, Havana, Cuba has ranked among our top markets in terms of Experience guests booked. Experiences are now available in markets across Chile, Colombia, Kenya, Indonesia, Mongolia, and more.

Airbnb also continues to expand quickly in the world's two fastest-growing large economies: India and China. According to data from the UN and the IMF, India and China led all large economies in GDP growth in 2018.<sup>7</sup> Airbnb has seen continued growth in each:

Country	Projected GDP Growth 2018	Growth in Inbound Airbnb Guest Arrivals 2018	Growth in Outbound Airbnb Guest Arrivals 2018	Growth in Airbnb Listings 2018
India	7.4%	65%	65%	52%
China	6.6%	131%	80%	106%

<sup>7</sup> Data on projected GDP growth from UN: [World Economic Situation and Prospects 2019](#); "large economies" defined as those with GDP at least \$500 billion or greater in 2018, based on the International Monetary Fund's World Economic Outlook Database, October 2018.

India and China are also prime examples of the development of emerging markets as both rising destinations and sources of domestic travel. In both countries, domestic travel has increased dramatically in recent years: in 2018, domestic guest arrivals on Airbnb increased 76% in India, and over 3x in the second half of 2018 in China.

And increasingly, domestic travel is driving a larger and larger percentage of Airbnb’s business. The share of Airbnb travel that is domestic, versus international, in emerging markets has increased significantly in just the past three years:

Country	2015: % of Airbnb guest arrivals that were domestic travel	2018: % of Airbnb guest arrivals that were domestic travel
China	66%	91%
India	53%	78%
South Africa	28%	56%
Mexico	24%	61%
Ecuador	10%	48%
Kenya	10%	27%

Much of Airbnb’s development in emerging markets is buoyed by our continuing popularity with millennials and younger consumers. There are more millennials in China (400+ million) and India (410+ million) than there are people in the US, and over 40% of the Middle East’s roughly 400 million people are under the age of 25.<sup>8</sup>

Airbnb’s growth has long been driven by its popularity among younger consumers: from 2008-2016, roughly 60% of all guests who booked on Airbnb were millennials. A recent report from an e-commerce analyst found that Airbnb is the “default destination” for millennial travelers, and that a much higher portion of Airbnb guests than hotel guests are millennials.<sup>9</sup> In 2018, over 40% of all guest arrivals from India were from bookings by people under 30 years old, and the community of guests and hosts in China and India skews much younger than global Airbnb averages.

<sup>8</sup> “Uber’s Next Battleground in the Quest for 1 Billion Users: The Middle East’s Tech-Savvy Youth,” *Wall Street Journal*

<sup>9</sup> “Rakuten Intelligence: Airbnb Is the Default Destination for Millennials,” *Cheddar*.

## PART THREE

# Airbnb has the infrastructure to support rising demand for emerging destinations

Airbnb's platform makes us uniquely well-positioned to meet the rising demand for travel to emerging destinations, with two distinct advantages: the global flexibility and ease-of-use of our platform, and an in-house payment system spread across more than 70 currencies.

Airbnb makes it easy for anyone with space to share to become a host, no matter where in the world they're located. There have been Airbnb hosts in over 190 countries since 2011, and Airbnb's platform is now accessible in over 30 languages. And as guests increasingly travel to emerging destinations, we are seeing corresponding spikes in listings to match the growth in demand.

In 2014, listings from Latin America, Asia Pacific and the Middle East and Africa accounted for 15% of all Airbnb listings; today, they account for over 30%.

The flexibility and ease-of-use of Airbnb's platform makes it easy for people across emerging markets to become hospitality entrepreneurs. Unlike mass travel that bottles up the economics of tourism and takes money out of communities, Airbnb is a healthier form of tourism where hosts keep the vast majority of the money paid by guests. Hosts set their own prices, and they benefit from reviews that help them create followings among the guest community.

Airbnb is also partnering with organizations across emerging markets that will provide even more hosts with the opportunity to participate in this growing tourism opportunity.

In India, for example, we have launched several partnerships that have the opportunity to quickly expand our community of hosts across the country. Our partnership with AxisRooms, India's leading travel distribution platform, will enable small hotels and homestays to seamlessly list rooms on Airbnb, providing hospitality entrepreneurs in India with more opportunity to reach Airbnb's international community of travelers. Since 2016, Airbnb has partnered with the Self Employed Women's Association (SEWA), which represents 2 million women living primarily in India's rural areas, to empower their members to pursue new livelihoods through home sharing.<sup>10</sup>

In China, Airbnb partnered with government authorities to launch a [rural empowerment project](#) in Guilin, exploring how Airbnb could support low-income families in local villages by connecting them to broader tourism networks. And in South Africa, Airbnb partnered with local organizations to create the [Airbnb Africa Academy](#), an initiative to encourage entrepreneurship in rural and under-resourced communities across the continent.

---

<sup>10</sup> For more, please see Airbnb's 2017 [report](#), "Beyond cities: How Airbnb supports rural revitalization."

Another key driver of Airbnb's success in emerging markets is the potential of our in-house global payment system. Our payment system allows our guests and hosts to transact in over 190 countries, with 70+ currencies and a network of hundreds of payment routes. Built from the ground up, it has been instrumental in facilitating magical travel experiences and building trust for our growing community worldwide.

Our payment system demonstrates Airbnb's continuing potential in emerging destinations. Three of the most recent currencies added to our payment system are from emerging markets or destinations: Afghani (Afghanistan), Baht (Thailand), and Mexican Pesos (Mexico). The fastest-growing currencies in the Airbnb payment system are largely from emerging markets, including Dong (Vietnam), Yuan Renminbi (China), and Mexican Pesos (Mexico).

Our payment system also has allowed us to create tailored payment options even in places that face unique challenges or are not well connected to global financial systems, such as in Cuba or in rural India, where we revised our system to accept Permanent Account Numbers (PAN) that lets us work with groups like SEWA. We also can develop new features as our community's needs evolve. New options like Pay Less Up Front and Split Payments make it easier for guests to book trips and facilitate more bookings for hosts.

Our payment system is also a crucial element of building trust. Travelers to emerging markets know that their Airbnb payments are secure, transacting through the same system they would use if they were traveling within their own hometown. And the ability to pay hosts in their preferred local currency or payment method is vital to reducing friction and making it easy for anyone worldwide to quickly sign up for Airbnb and share their home. The ease and security of our payment system is a key element of why people choose Airbnb. According to a global survey of Airbnb guests in 2018, 94% of guests said that one of the reasons they chose Airbnb was because they value the ease and security of our payment system.

One example of the power of our payment system occurred at the 2016 Olympics in Rio de Janeiro. Prior to the Olympics, our payment system in Brazil supported only US dollars, which covered just 22% of all payments there. The system of payment networks in Brazil is notoriously complicated and fragmented; most Brazilian credit cards do not work internationally, and most global companies opt to skip support for local cards due to the logistical challenges. Because our payment system is in-house, we were able to adjust it to the evolving demand, and in the months leading up to the Olympics, we added several new local payment methods that increased our coverage to 93% of all payment methods used in Brazil. This facilitated more than 85,000 Airbnb guest arrivals in Rio during the Olympics, and the Ministry of Tourism found that more Brazilians attending the Olympics stayed in homes than hotels.

In coming years, Airbnb will continue to be at the forefront of tourism's rapid growth in emerging markets worldwide. Our data shows that demand for these markets is only continuing to increase, and the Airbnb community is expanding rapidly emerging economies, especially in India and China. Finally, Airbnb's infrastructure and popularity with younger consumers makes us especially well-positioned for that expansion to continue into the future.