

This home-sharing startup is taking on Airbnb, using cryptocurrency instead of dollars

15 December 2017, by Marisa Kendall, The Mercury News

Airbnb may be the biggest home-sharing game in town, but a new startup is trying to push its way into the market.

Enter CryptoBnB: the online home-sharing platform that wants you to pay for your couch-surfing stays using digital currency.

That's right—this [startup](#) is combining two of this year's trendiest topics—home-sharing and cryptocurrency—into one buzz-word extravaganza.

The CryptoBnB team says the advantages of cryptocurrency go beyond having a slick, high-tech way to pay for your room. The startup will use blockchain—the technology behind bitcoin and other digital currencies—to power its home-sharing platform. Blockchain is a decentralized digital ledger that facilitates secure online transactions between different computers, creating a record that can't be altered retroactively.

Tariq Alwahedi, CryptoBnB's founder, says by using blockchain for its transactions, the startup will create a secure platform through which is easy for a host to verify the identity of a prospective guest, and hard for a guest to leave fake reviews.

And the technology cuts out the need for a middleman such as Airbnb to facilitate the transactions between landlords and guests.

"The relationship can happen with hosts and travelers directly," Alwahedi said. And the platform can automate many of the processes that otherwise would require human effort, such as compliance checks and record-keeping.

That means CryptoBnB can charge less. Airbnb charges guests a service fee of 5 percent to 15 percent of the cost of a reservation, and charges

hosts another 3 percent. CryptoBnB, by contrast, will charge a total of 2 percent or 3 percent at most, Alwahedi said.

The technology also will learn about travelers as they use the platform, allowing it to tailor searches specifically to their preferences.

"The traveler is now happier because he's getting more optimized search results," Alwahedi said. "The host is now hosting people who are trustworthy."

CryptoBnB is preparing to launch its ICO (initial coin offering) soon—a campaign that has become a popular way for blockchain companies to raise funds. CryptoBnB will sell 1 billion digital tokens, called CBnB tokens, which buyers can then use to rent rooms on the CryptoBnB platform, or can sell on digital token exchanges. After the ICO is complete, the startup hopes to launch its home-sharing [platform](#) within the next year—and may launch in San Francisco as its first city.

The next step? Alwahedi and his team are targeting the landlords who already rent their homes on Airbnb and other home-sharing sites, and trying to entice them to switch to CryptoBnB.

©2017 The Mercury News (San Jose, Calif.)
Distributed by Tribune Content Agency, LLC.

APA citation: This home-sharing startup is taking on Airbnb, using cryptocurrency instead of dollars (2017, December 15) retrieved 17 October 2021 from <https://phys.org/news/2017-12-home-sharing-startup-airbnb-cryptocurrency-dollars.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.