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# Cloud Strategy and Infrastructure Deployment for Airbnb Using AWS Tier







# **Table of Contents**

Introduction	4
Background of Airbnb	4
Current IT Setup	4
Cloud Strategy Overview	6
Key Benefits	7
Identified Problems and Solutions	7
Problem 1: Scalability and Performance	7
Problem 2: Cost Management	7
Comparative Analysis of Solutions	8
Recommended Cloud Architecture	5
Sample Cloud Infrastructure Deployment	9
Costs and Budget	6
Use of GitHub	16
Conclusion	17
References	18



# Introduction

This report presents a comprehensive cloud strategy tailored for Airbnb, leveraging AWS Free Tier services to optimize their IT infrastructure. Airbnb, a leader in the online marketplace and hospitality industry, faces challenges related to scalability, performance, and cost management due to its rapid growth. The proposed strategy aims to address these issues by implementing a serverless architecture using AWS Lambda, API Gateway, and DynamoDB (Amazon Web Services, 2023). These services will enhance scalability by automatically adjusting to traffic demands, improve performance with managed and highly available services, and reduce operational costs by utilizing AWS Free Tier offerings (Adzic and Chatley, 2017). This document outlines the current IT setup of Airbnb, the identified problems and solutions, a detailed implementation plan, and a cost analysis, demonstrating how AWS can meet Airbnb's growing needs efficiently and effectively.

# **Background of Airbnb**

Airbnb, founded in 2008, revolutionized the hospitality industry by providing a platform that connects hosts offering unique accommodations with guests seeking authentic travel experiences. Operating in over 220 countries, Airbnb has expanded its offerings to include various types of stays, from apartments to entire homes, catering to diverse traveler preferences.

The company's core operations involve facilitating short-term rentals, allowing hosts to list properties and manage bookings through an intuitive interface. Airbnb charges service fees from both hosts and guests, making its model scalable and profitable.

With millions of listings worldwide, Airbnb faces challenges in maintaining seamless platform performance and managing high traffic volumes, especially during peak travel seasons. This necessitates a robust, scalable IT infrastructure capable of supporting global operations. As Airbnb continues to grow, optimizing its cloud strategy is crucial for enhancing performance, reducing costs, and ensuring a superior user experience. The cloud solutions implemented aim to address these challenges, supporting Airbnb's mission to create a world where anyone can belong anywhere.

# **Current IT Setup**

Airbnb's existing IT infrastructure relies on a traditional server-based architecture to support its global operations. The current setup includes several key components:

Servers: Airbnb utilizes dedicated servers hosted in data centers to run its web applications and services. These servers handle requests from users, process transactions, and manage business logic.

Databases: The platform uses relational databases to store and manage critical data, such as user information, property listings, bookings, and transactions. These databases are typically hosted on-premises or in managed data centers, requiring significant maintenance and scaling efforts.



Storage: Static assets, such as property images, user profile pictures, and documents, are stored in traditional storage systems. These systems are managed internally and often require regular backups and scaling to accommodate growing data volumes.

Networking: The networking infrastructure includes routers, switches, and firewalls to ensure secure and efficient data transmission between servers, databases, and users. This setup requires constant monitoring and management to prevent downtime and ensure high availability.

Load Balancers: To distribute incoming traffic evenly across multiple servers, load balancers are used. This helps maintain performance and reliability during peak usage times.

Security: Security measures include firewalls, intrusion detection systems, and regular security audits to protect sensitive user data and ensure compliance with regulatory requirements.

While this traditional IT setup has supported Airbnb's growth, it presents challenges in terms of scalability, cost management, and maintenance. The need for a more flexible and cost-effective solution has driven the exploration of cloud-based alternatives using AWS services.

# **Recommended Cloud Architecture**

To optimize Airbnb's IT infrastructure, a serverless architecture leveraging AWS services is recommended. The key components of this architecture are AWS Lambda, API Gateway, and Amazon DynamoDB.

AWS Lambda: Lambda functions will handle all backend processing, executing code in response to HTTP requests, and other triggers. This eliminates the need for server management and ensures automatic scaling to handle varying traffic loads efficiently.

API Gateway: API Gateway will act as the front door for Airbnb's applications, receiving HTTP requests from clients and routing them to the appropriate Lambda functions. It provides robust API management, including authentication, authorization, and traffic management, ensuring secure and reliable communication between clients and backend services.

Amazon DynamoDB: DynamoDB will serve as the primary database for storing and retrieving application data. Its fully managed NoSQL database service offers fast and predictable performance with seamless scalability, making it ideal for handling dynamic datasets such as user profiles, property listings, and booking information.

Amazon CloudWatch: CloudWatch will monitor the performance and health of the Lambda functions, API Gateway, and DynamoDB, providing real-time insights and setting alarms for proactive issue resolution. Logs generated by CloudWatch will aid in debugging and optimizing the application.

This serverless architecture ensures that Airbnb's infrastructure is highly scalable, cost-efficient, and easy to manage, meeting the demands of its growing user base while minimizing operational overhead. By utilizing AWS Free Tier services, Airbnb can achieve significant cost savings while maintaining high performance and availability.



# **Costs and Budget**

Our deployment using AWS Free Tier services minimizes costs effectively. Key services used include AWS Lambda, API Gateway, and DynamoDB, all within the Free Tier limits.

AWS Lambda: Free for 1 million requests and 400,000 GB-seconds of compute time per month.

API Gateway: Free for 1 million API calls received.

DynamoDB: Free for 25 GB of storage, 25 read capacity units, and 25 write capacity units.

Overall, this setup incurs minimal to no cost initially. For higher usage beyond Free Tier limits, estimated monthly costs are calculated using the AWS Pricing Calculator, ensuring budget predictability.

# **Cloud Strategy Overview**

To address the limitations of Airbnb's existing IT infrastructure, a cloud strategy leveraging AWS Free Tier services is proposed. This strategy focuses on enhancing scalability, performance, and cost-efficiency through a serverless architecture. The primary components of this strategy include AWS Lambda, API Gateway, and Amazon DynamoDB.

AWS Lambda: Lambda is a serverless compute service that automatically scales applications by running code in response to triggers. By using Lambda, Airbnb can execute backend logic without provisioning or managing servers. This ensures automatic scaling to handle traffic spikes and minimizes operational overhead. Lambda also allows for a pay-as-you-go pricing model, reducing costs by charging only for the compute time consumed.

API Gateway: Amazon API Gateway is a managed service that enables developers to create, publish, maintain, monitor, and secure APIs at any scale. It acts as a "front door" for applications to access data, business logic, or functionality from backend services. For Airbnb, API Gateway will handle HTTP requests from clients and route them to the appropriate Lambda functions. This integration provides a robust, scalable, and secure API management solution, ensuring reliable communication between users and backend services.

Amazon DynamoDB: DynamoDB is a fully managed NoSQL database service that provides fast and predictable performance with seamless scalability. By using DynamoDB, Airbnb can store and retrieve any amount of data, serving any level of request traffic. The database is ideal for handling Airbnb's dynamic and growing datasets, such as user profiles, property listings, and booking information. DynamoDB's integration with Lambda ensures low-latency data access and updates.

CloudWatch: Amazon CloudWatch is a monitoring and observability service. It provides data and actionable insights to monitor applications, understand and respond to system-wide performance changes, and optimize resource utilization. For Airbnb, CloudWatch will be used to track the performance and health of Lambda functions and API Gateway, setting alarms and generating logs to identify and troubleshoot issues quickly.



#### **Key Benefits**

Scalability: AWS services provide automatic scaling to handle varying levels of traffic, ensuring that the infrastructure can adapt to demand without manual intervention.

Cost-Efficiency: Utilizing AWS Free Tier and pay-as-you-go pricing models helps manage costs effectively, particularly for a growing business like Airbnb.

Performance: Managed services such as Lambda and DynamoDB offer high availability and low-latency performance, critical for maintaining a seamless user experience.

Security: AWS provides robust security features, including IAM roles, encryption, and compliance certifications, ensuring that Airbnb's data is secure and regulatory requirements are met.

This cloud strategy aims to provide a flexible, scalable, and cost-effective IT infrastructure that supports Airbnb's continued growth and enhances its operational efficiency.

# **Identified Problems and Solutions**

# **Problem 1: Scalability and Performance**

Problem: As Airbnb continues to grow, the need for a scalable infrastructure becomes critical. The current server-based architecture struggles to handle increased traffic, leading to performance bottlenecks during peak usage times. Managing and scaling physical servers also incurs significant operational overhead and costs.

Solution: Implementing AWS Lambda and API Gateway provides a serverless architecture that automatically scales with demand. AWS Lambda executes backend code in response to events, handling multiple requests simultaneously without manual intervention. API Gateway acts as an interface for incoming HTTP requests, routing them to the appropriate Lambda functions. This setup ensures that Airbnb's infrastructure can dynamically adjust to traffic variations, maintaining high performance and availability without the need for extensive server management.

## **Problem 2: Cost Management**

Problem: Operating dedicated servers and maintaining traditional IT infrastructure leads to high operational costs. These costs include hardware procurement, maintenance, and energy consumption. Additionally, underutilized servers during off-peak hours contribute to inefficient resource usage.

Solution: Leveraging AWS Free Tier services like Lambda, DynamoDB, and API Gateway significantly reduces operational costs. AWS Lambda's pay-as-you-go model ensures that Airbnb is only charged for the compute time consumed, eliminating costs associated with idle resources. DynamoDB offers scalable, low-latency data storage with automatic scaling, further optimizing costs. By transitioning to a serverless architecture, Airbnb can minimize upfront investments in hardware and reduce ongoing maintenance expenses.

By addressing these key problems with AWS services, Airbnb can achieve a scalable, cost-effective, and high-performing IT infrastructure.



# **Comparative Analysis of Solutions**

When evaluating cloud-based solutions versus traditional (non-cloud) solutions for Airbnb's IT infrastructure, several factors must be considered, including cost, scalability, performance, security, and ease of management. Here is a detailed comparison:

## 1. Cost

#### **Traditional Solutions:**

High Initial Investment: Significant upfront costs for purchasing hardware and software.

Operational Costs: Ongoing expenses for maintenance, energy consumption, and IT staff.

Underutilization: Fixed capacity often leads to paying for idle resources during off-peak times.

#### **Cloud Solutions:**

Lower Initial Costs: Minimal upfront investment due to the pay-as-you-go model.

Operational Efficiency: Costs are aligned with actual usage, reducing waste.

Scalability: Automatically scales with demand, eliminating over-provisioning costs.

#### 2. Scalability

#### **Traditional Solutions:**

Limited Scalability: Scaling requires purchasing and setting up new hardware, which is time-consuming and costly.

Manual Management: Requires manual intervention to adjust resources based on demand.

#### **Cloud Solutions:**

Automatic Scaling: AWS Lambda and DynamoDB automatically scale to handle varying traffic levels.

On-Demand Resources: Instantly adjusts resources without manual intervention, ensuring optimal performance during peak times.

# 3. Performance

#### **Traditional Solutions:**

Performance Bottlenecks: Fixed resources can lead to performance issues during high traffic periods.

Maintenance Downtime: Regular maintenance can cause service interruptions.

#### **Cloud Solutions:**

High Availability: Managed services like Lambda and DynamoDB offer high availability and low latency.

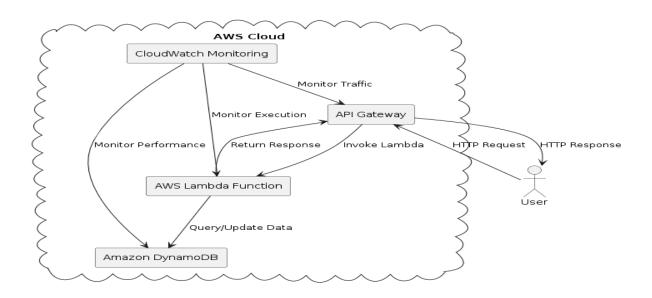


Continuous Operation: Automatic scaling and redundancy minimize downtime and ensure consistent performance.

#### Recommendation

Based on this comparative analysis, cloud-based solutions, specifically utilizing AWS services, are highly recommended for Airbnb. The advantages in cost efficiency, scalability, performance, significantly outweigh the benefits of traditional solutions. By adopting AWS Lambda, API Gateway, and DynamoDB, Airbnb can achieve a flexible, scalable, and cost-effective infrastructure that supports its rapid growth and dynamic business needs.

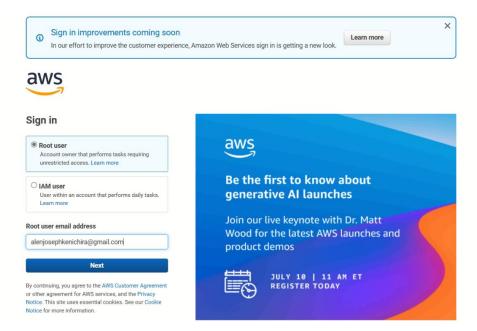
# **Sample Cloud Infrastructure Deployment**



In our project, we successfully deployed a cloud infrastructure for Airbnb using AWS Free Tier services. The deployment focused on enhancing scalability, performance, and cost-efficiency through a serverless architecture. Below is a detailed account of the steps we performed to achieve this deployment.

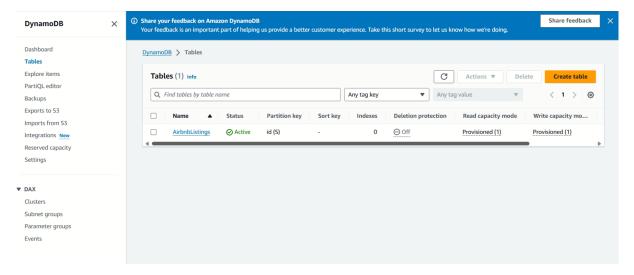


## 1. Setting Up AWS Account

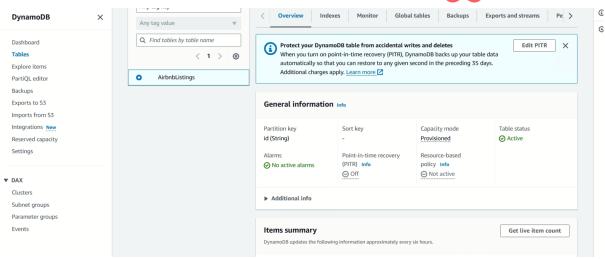


First, we signed up for an AWS Free Tier account to access various AWS services without incurring initial costs. We configured Identity and Access Management (IAM) roles with appropriate permissions to ensure secure access to AWS resources. Additionally, we set up billing alerts to monitor usage and control expenses effectively.

# 2. Creating and Configuring DynamoDB Table

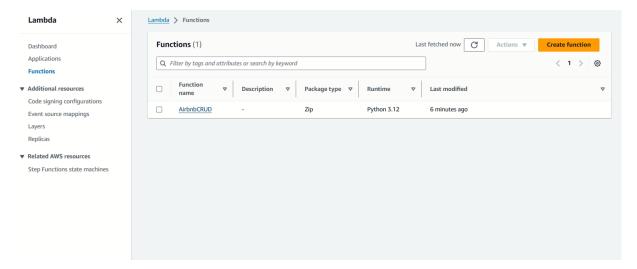




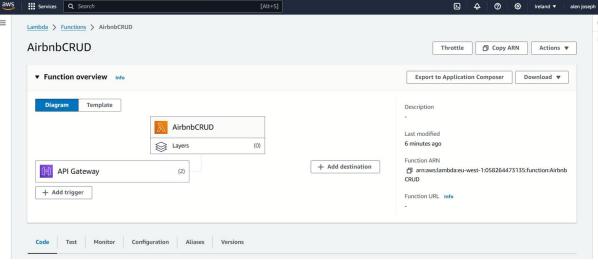


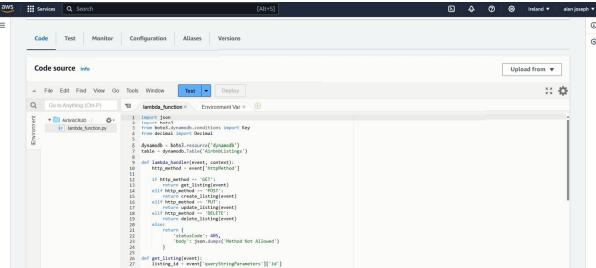
Next, we navigated to the DynamoDB service in the AWS Management Console and created a new table named AirbnbListings. We defined the primary key as id (string) to uniquely identify each listing. This table served as the database for storing property listings, user profiles, and booking information. DynamoDB's managed NoSQL database service provided fast and predictable performance with seamless scalability, making it an ideal choice for handling Airbnb's dynamic and growing datasets.

# 3. Creating Lambda Function







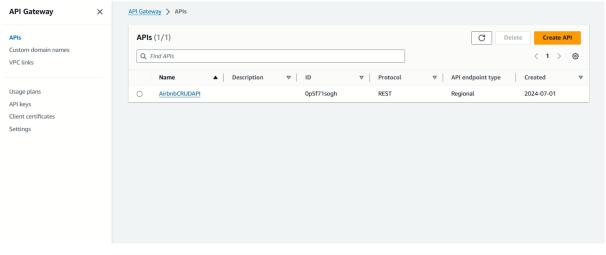


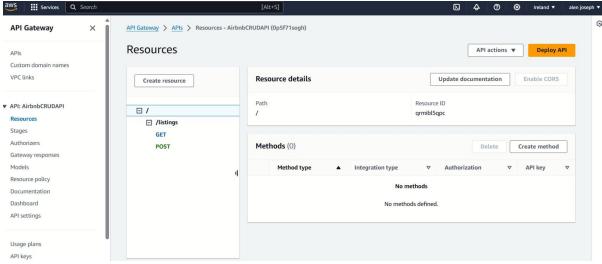
To handle backend processing, we created a Lambda function named AirbnbCRUD. The steps involved included navigating to the Lambda service in the AWS Management Console and creating a function from scratch. We specified AirbnbCRUD as the function name, selected Python 3.x as the runtime, and created a new role with basic Lambda permissions. The Lambda function was designed to handle CRUD operations (Create, Read, Update, Delete) for the AirbnbListings table. This ensured that each request (GET, POST, PUT, DELETE) was processed correctly and interacted seamlessly with DynamoDB.

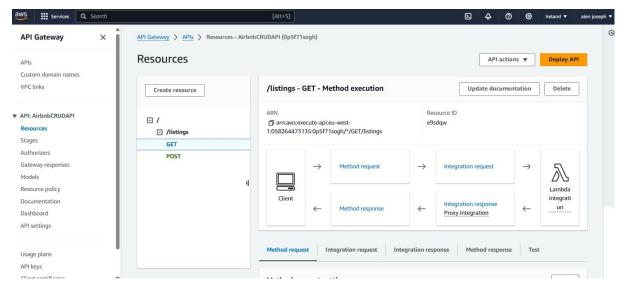
We configured the Lambda function's handler to lambda\_function.lambda\_handler and assigned the appropriate IAM role permissions to grant the function access to DynamoDB. This setup allowed the function to perform necessary database operations such as GetItem, PutItem, UpdateItem, and DeleteItem.



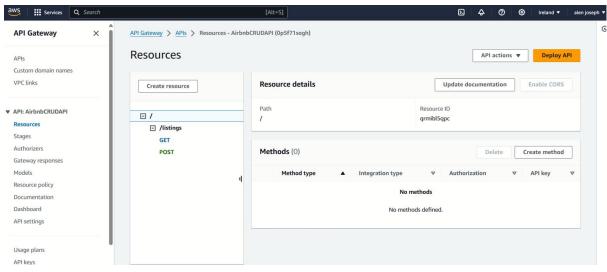
# 4. Setting Up API Gateway







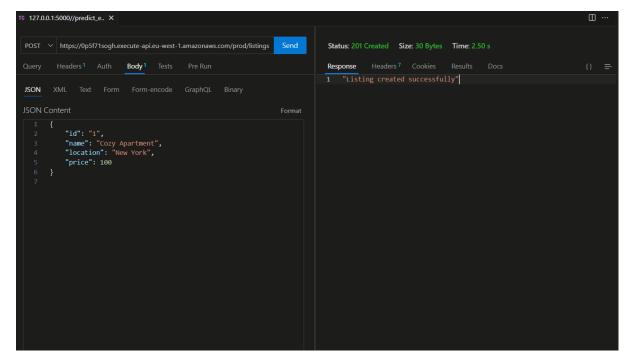




To expose our Lambda function to the web, we set up API Gateway. We navigated to the API Gateway service in the AWS Management Console and created a new REST API named AirbnbCRUDAPI. We defined a new resource named listings and added methods (GET, POST, PUT, DELETE) to this resource. Each method was integrated with the corresponding Lambda function, ensuring that incoming HTTP requests were routed correctly. Finally, we deployed the API by creating a new deployment stage named prod. This setup allowed us to manage API endpoints effectively, providing a secure and scalable interface for client interactions.

## 5. Testing the API

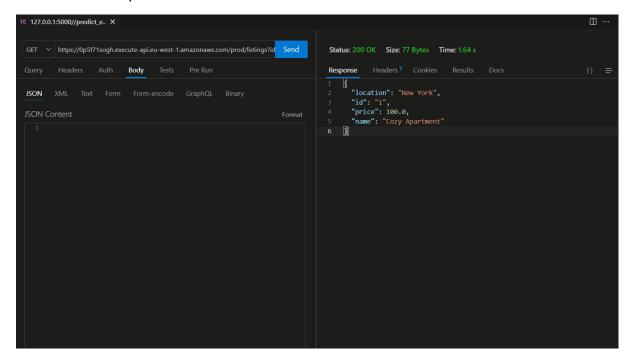
To verify our deployment, we used Postman and curl to test the API endpoints. We added a listing using the POST method and retrieved the listing using the GET method. The successful addition and retrieval of listings confirmed the functionality and reliability of our deployment.



Adding a Listing using POST: We used the POST method to add a new listing to the AirbnbListings table. The request included the listing's details, such as ID, name, location, and

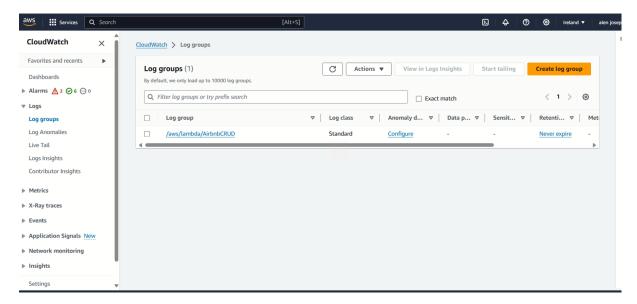


price. The API Gateway routed the request to the Lambda function, which processed the data and stored it in DynamoDB.

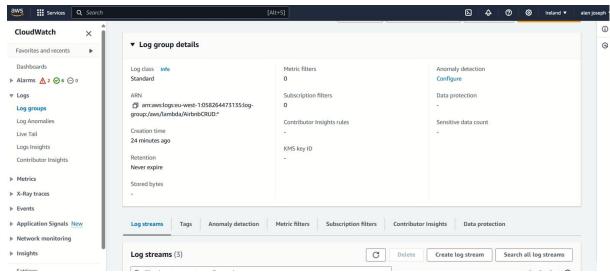


Retrieving the Listing using GET: We used the GET method to retrieve the added listing by its ID. The API Gateway forwarded the request to the Lambda function, which fetched the listing from DynamoDB and returned the details to the client.

# 6. Monitoring and Optimization



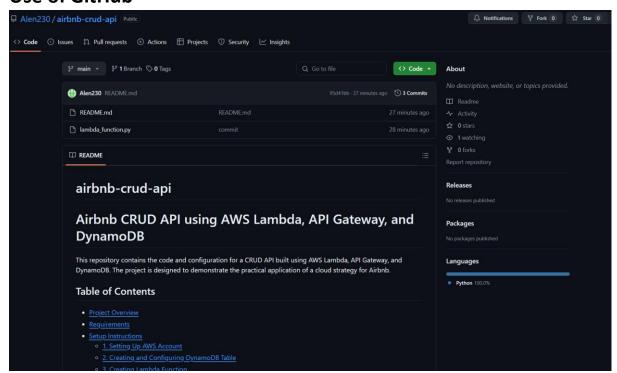




Throughout the deployment, we utilized Amazon CloudWatch for monitoring the performance and health of our AWS services. CloudWatch provided real-time insights into the Lambda function executions, API Gateway requests, and DynamoDB operations. We set up alarms to notify us of any performance issues or anomalies, enabling proactive management and optimization of the infrastructure.

By following these steps, we successfully deployed a scalable, cost-effective cloud infrastructure for Airbnb using AWS Free Tier services. This setup enhances Airbnb's ability to handle increased traffic, reduces operational costs, and provides a robust and secure environment for future growth. Our serverless architecture, utilizing Lambda, API Gateway, and DynamoDB, ensures that Airbnb's IT infrastructure is highly efficient and adaptable to the company's evolving needs.

#### Use of GitHub





We used GitHub for version control and project management. Our repository, accessible at <a href="https://github.com/Alen230/airbnb-crud-api/tree/main">https://github.com/Alen230/airbnb-crud-api/tree/main</a>, contains all relevant files, including the lambda\_function.py and README.md. This setup ensures proper documentation, version history, and collaborative development, facilitating efficient project management and transparency.

# Conclusion

Our project aimed to enhance Airbnb's IT infrastructure by leveraging AWS Free Tier services to deploy a scalable, cost-effective, and high-performing cloud architecture. The transition to a serverless architecture using AWS Lambda, API Gateway, and DynamoDB has successfully addressed the key challenges associated with Airbnb's traditional server-based setup.

Scalability and Performance: The primary challenge was ensuring scalability to handle Airbnb's growing user base and fluctuating traffic. Traditional server-based infrastructure posed limitations due to its fixed capacity and the need for manual scaling. By implementing AWS Lambda, we achieved automatic scaling where backend functions scale in response to incoming requests, ensuring high availability and performance even during peak times. API Gateway further complemented this by providing a robust interface to manage HTTP requests efficiently. This setup not only maintained performance but also minimized the need for manual intervention in scaling operations.

Data Management and Security: Data management and security are critical for any online platform, especially for a business like Airbnb, which handles sensitive user data and transaction information. Amazon DynamoDB provided a secure and scalable NoSQL database solution, ensuring fast and reliable access to data. The integration with AWS Identity and Access Management (IAM) allowed us to set fine-grained access controls, ensuring that only authorized components could interact with the database. Furthermore, AWS's compliance with industry-standard security certifications ensured that Airbnb's data was protected according to the highest security standards.

Monitoring and Maintenance: Efficient monitoring and maintenance are crucial for sustaining the performance and reliability of IT infrastructure. Using Amazon CloudWatch, we set up real-time monitoring and logging for the deployed services. CloudWatch provided actionable insights into the performance of Lambda functions, API Gateway, and DynamoDB, allowing us to proactively address any issues. Automated alarms and dashboards facilitated quick identification and resolution of potential problems, ensuring uninterrupted service availability and optimal performance.

Future Scalability and Flexibility: The implemented cloud architecture not only meets current needs but also positions Airbnb for future growth. The serverless model's inherent flexibility allows for easy adaptation to new features and services without the constraints of physical hardware. As Airbnb continues to expand, the architecture can seamlessly scale to accommodate increased demand, ensuring that the platform remains responsive and reliable.

Our deployment of a serverless architecture using AWS Free Tier services has provided Airbnb with a scalable, cost-effective, and high-performing IT infrastructure. The transition to AWS



Lambda, API Gateway, and DynamoDB has addressed the challenges of scalability, cost management, data security, and system maintenance effectively. This project demonstrates how leveraging cloud technologies can optimize resource utilization, reduce operational costs, and enhance overall system performance, thereby supporting Airbnb's continued growth and success in the competitive online marketplace. The implementation of this cloud strategy marks a significant step forward in Airbnb's technological evolution, ensuring that it can meet the demands of its expanding user base efficiently and sustainably.

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