

# Airbnb CRISP-DM

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## - Business Understanding

According to the AirBnB business model, their main source of income is a percentage fee taken from hosts(those who offer a living place) and guests(those who rent living space). Transactions of money occur through the company itself so the simplest way to make more money is to increase the number of transactions going through the company, which makes it the most important characteristic for our data mining purposes. That raises several questions to answer:

- 1) How to increase the number of deals between hosts and guests?
- 2) Which cities are more profitable for expanding business to?
- 3) What are the important characteristics that attract the guests to the particular place?

First question on glance is rather straight-forward. Provide user-friendly and appealing ways to use AirBnb service. Attract more hosts around the globe that provide more unique and off-the-beaten path places to live that would attract different travelers. Make sure that Trust and Safety is in place. Such a first glance could be enhanced by further questions.

For the second and third questions, cities that are popular tourist destinations, growing urban centers, underrepresented markets, affordable vacation spots, business travel hubs, and seasonal markets are typically more profitable for expanding business to. For example, cities with high tourist traffic, such as Paris and Rome, are likely to be profitable due to the strong demand for short-term rental accommodations. Cities with a growing population and a strong economy, such as Seattle and Austin, are also good expansion targets. Cities with strong seasonal demand, such as ski destinations and beach towns, can also be profitable due to the increased demand for short-term rental accommodations during peak seasons.

Overall we have several characteristics: price for the living place, its location(city, mainly), seasons when some places are more beneficial(calendar data), reviews and amount of fraud or payments without incorporation of AirBnb(Trust and safety). All this data could be collected and analyzed to understand business goals