

AIRBNB CASE STUDY

**Strategic Recommendations for Airbnb Properties in
New York**

Business Perspective with Visual Insights and Appendix

Team Members

Sonal Khot

Amruta Patil

Abhinandan Gupta

INTRODUCTION

Current Situation

- ▶ **Market Recovery:** Travel restrictions are lifting, leading to an increase in travel demand.
- ▶ **Revenue Decline:** Recent trends have shown a significant decline in Airbnb's revenue, prompting a need for a strategic review to address the issue.
- ▶ **Recovery Phase:** With travel restrictions lifting and increased travel activity, there's an opportunity to optimize Airbnb's property and host acquisition strategies.
- ▶ **Competitive Landscape:** The market is becoming more competitive as travel resumes, necessitating a keen focus on customer preferences and property performance.

OBJECTIVES

- ▶ Identify the most valuable host types and strategic locations for acquisition to boost revenue.
- ▶ Understand customer preferences in terms of neighbourhoods, pricing ranges, and property types to improve property listing strategies
- ▶ Develop strategies to increase traction for less popular properties and adjust existing property offerings to better meet customer needs.

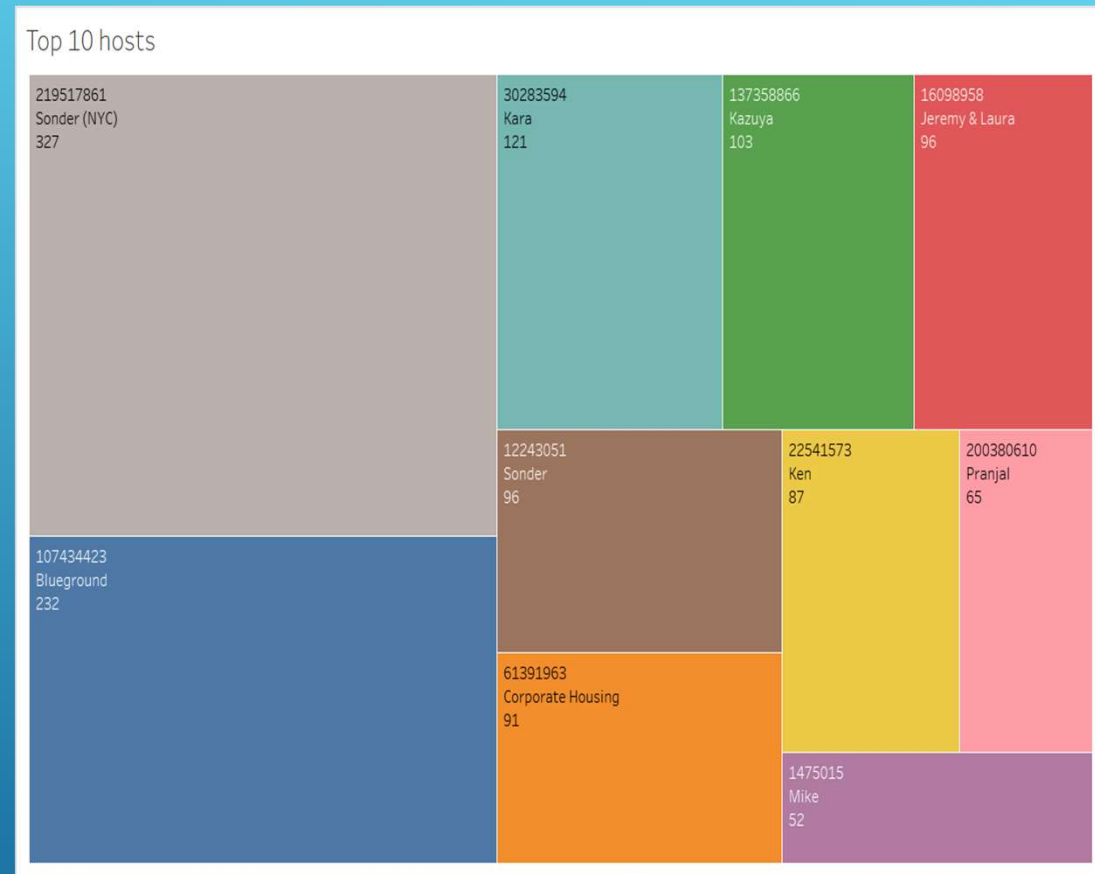
Host Acquisition Strategy

Insight:

- ▶ As we can see the top 10 host are given in the graph
- ▶ Superhosts in Manhattan and Brooklyn generate the most revenue.

Recommendation:

- ▶ We need to analyse in depth the characteristics to Acquire more hosts with similar profiles or high-performing hosts in underrepresented areas which is high-demand neighborhoods.



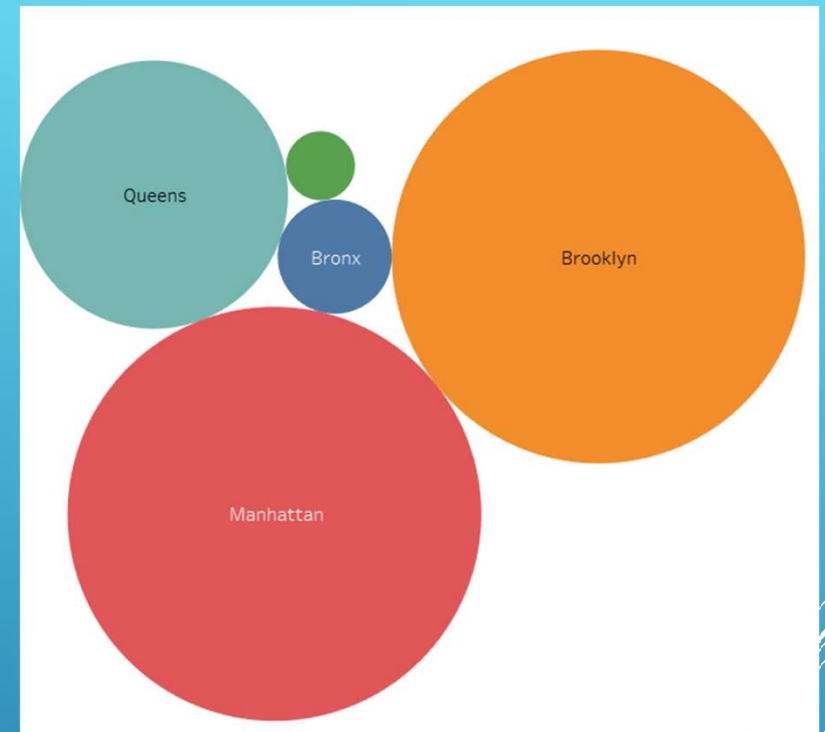
Property Insights by Neighbourhood

Insight :

- ▶ Looking at the data we can analyse that Manhattan is the highest demanded destination followed by Brooklyn ,Quees ,Bronx

Recommendation:

- ▶ "Focusing more on these destinations and offering incentives for regular clients will boost revenue performance."



Neighbourh..	
Bronx	1,610
Brooklyn	21,105
Manhattan	21,158
Queens	8,879
Staten Island	588

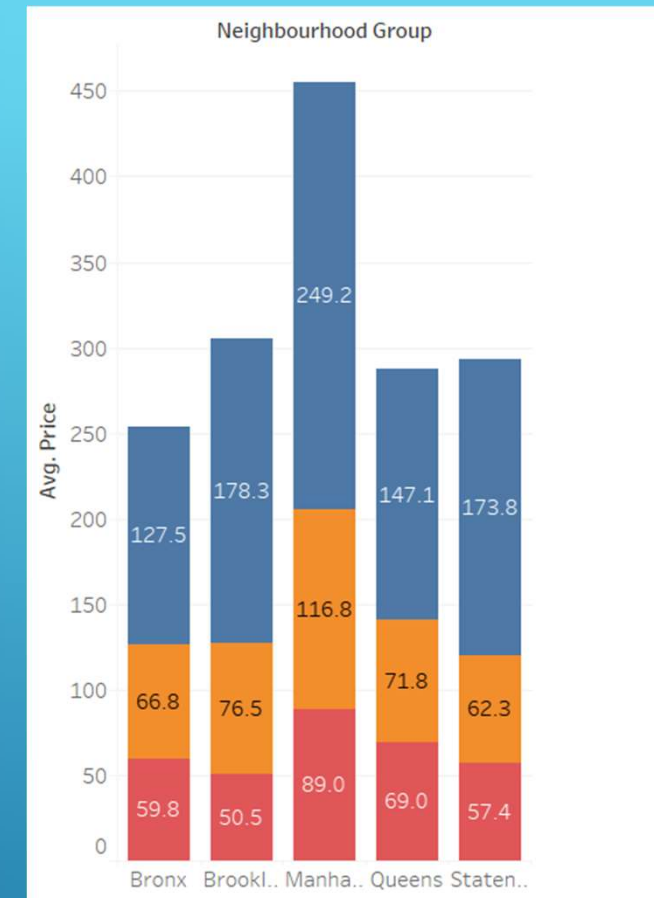
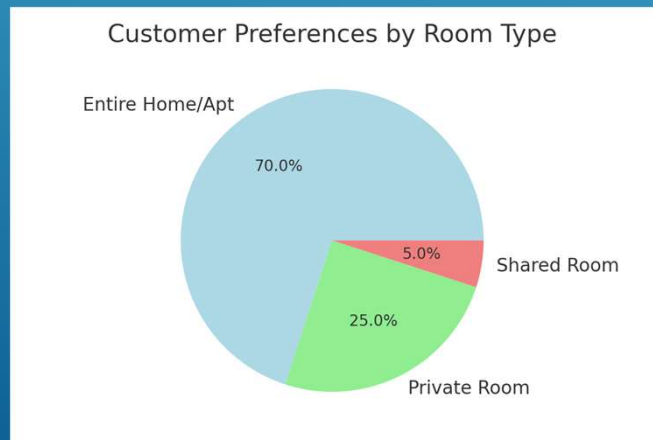
ROOM TYPE & PRICING STRATEGY

Insight :

- ▶ As we see Manhattan has higher pricing but still preferred by customer while Shared Room being cheaper are still has lower visitors
- ▶ Customer prefer entire home / Apartment rather than Share rooms in Manhattan
- ▶ This can help us understand that the pricing is not issue for the customer who are preferring to stay

Recommendation:

- ▶ Increase listings of entire homes/apartments in high-demand neighborhoods.



Neighbourhood Group

Room Type	Bronx	Brookl..	Manha..	Queens	Staten..
Entire home	92	10,757	11,378	3,427	311
Private room	860	10,037	9,141	5,221	270
Shared room	58	311	638	231	7

POPULARITY OF PROPERTIES

Insight :

- ▶ Manhattan has the most number of visitors we also see that the people reviewing these properties are also comparatively more
- ▶ While the shared room are still falling behind in reviews as well

Recommendation:

- ▶ We should replicate the success of popular properties through design, amenities, etc.

		Neighbourhood Group				
Room Type	Room Type	Bronx	Brookl..	Manha..	Queens	Staten..
Entire home	92	10,757	11,378	3,427	311	
Private room	860	10,037	9,141	5,221	270	
Shared room	58	311	638	231	7	

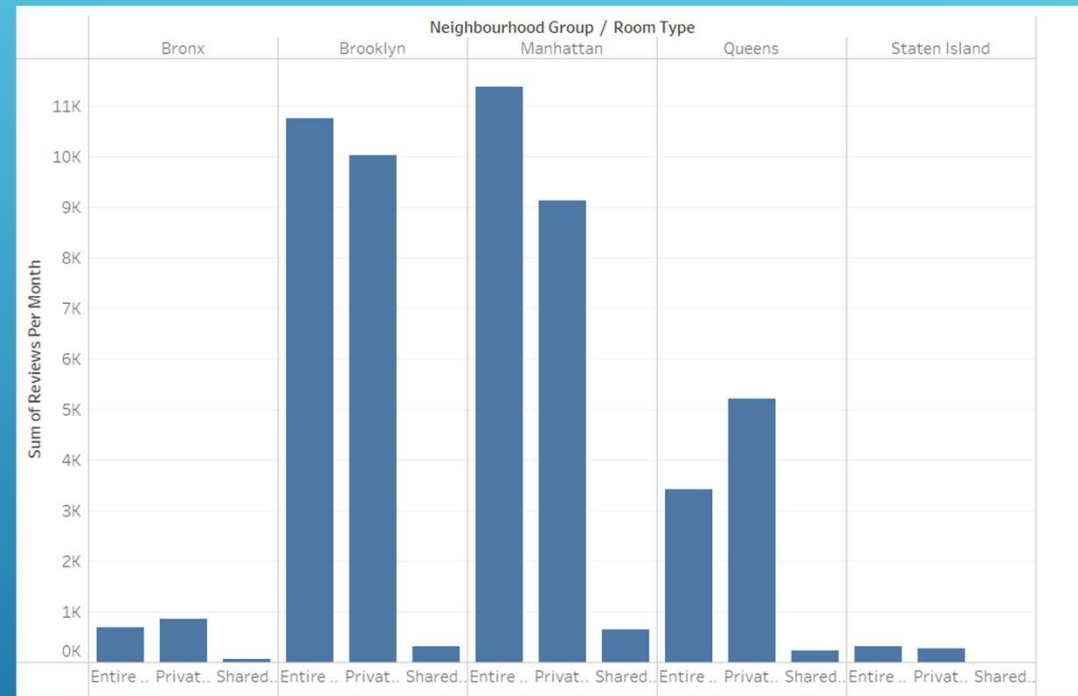
Optimizing Less Popular Properties

Insight :

- ▶ we see shared room have a lesser number of ratings this may be an indication that the listing doesn't look good or attractive
- ▶ Properties with fewer amenities and lower reviews underperform

Recommendation:

- ▶ To create visibility we can add better photos, reviews and start location-based targeting campaigns for the underperforming property



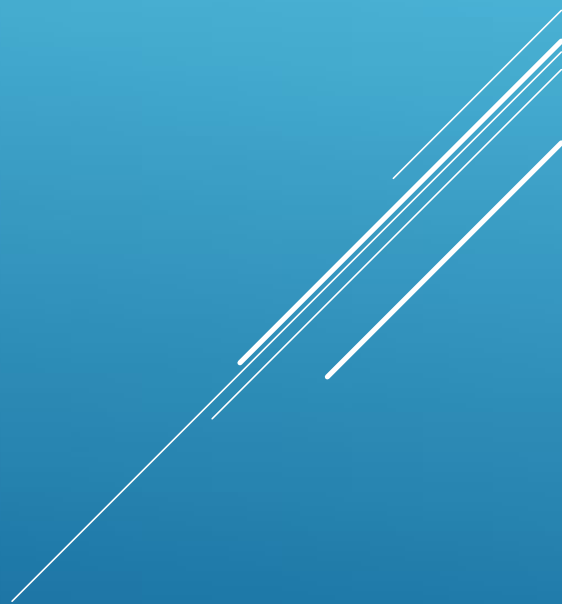
Conclusion & Key Findings

1. Host Insights: Properties offering entire homes in Manhattan and Brooklyn yield the highest revenue and garner the most positive reviews.
 2. Pricing Strategy: Properties priced in the mid-range (\$100-\$200) achieve better occupancy rates, especially in desirable neighborhoods.
 3. Customer Preferences: For extended stays, guests show a clear preference for entire homes, while private rooms require strategic promotions in cost-effective areas.
 4. Market Dynamics: Listings in high-demand areas like Manhattan and Brooklyn are priced at a premium, whereas those in less sought-after locations face lower demand.
- 
- A series of white diagonal lines of varying lengths and thicknesses, located on the right side of the slide, extending from the middle towards the bottom right corner.

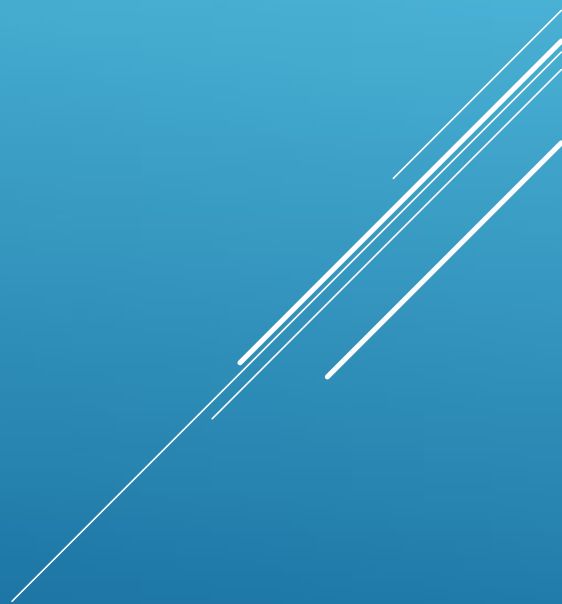
5. Pricing and Occupancy: Competitive prices lead to better occupancy, especially in the \$100-\$200 range. Private rooms do well in affordable areas but need promotions to keep filling up.

6. Customer Preferences: Guests prefer high-speed Wi-Fi and flexible check-in times.

7. Performance Issues: Properties with fewer amenities and lower reviews don't perform as well.

A series of white lines of varying lengths and angles, located in the bottom right corner of the slide, creating a modern, abstract graphic element.

NEXT STEPS:

- ▶ Replicate the successful strategies from high-performing properties and apply them to neighborhoods and properties that are currently less popular with customers. This approach will help enhance performance and attract more guests to these areas.
 - ▶ Enhance the visibility of underperforming listings by improving the quality of photos and encouraging more positive reviews. Additionally, consider running targeted marketing campaigns or offering discounts to drive interest and boost performance. Focus on Super host acquisition, neighborhood targeting, and pricing optimization.
 - ▶ Incorporate customer-preferred amenities, such as high-speed Wi-Fi and flexible check-in options, into listings. This enhancement will align with guest preferences and potentially increase booking rates.
 - ▶ Track performance metrics to improve strategies.
- 
- Several white lines of varying lengths and angles are positioned on the right side of the slide, extending from the middle towards the bottom right corner.

Appendix – Methodology

► Data Collection and Preparation

- Tools Used: Python (Pandas, NumPy) for data cleaning; Tableau for visualization.

➤ Data Cleaning:

- Handled missing values by imputing or removing incomplete records.
- Removed outliers in price and minimum nights using the Interquartile Range (IQR) method.
- Standardized data formats for dates and text fields.

➤ Data Analysis:

•Host Analysis:

- Compared revenue and occupancy rates between Super hosts and regular hosts.

•Customer Preferences:

- Analyzed booking data to identify preferred property types and amenities.

•Neighborhood Analysis:

- Mapped demand using geospatial data to identify high-potential areas.

•Pricing Analysis:

- Evaluated occupancy rates across different price points to find optimal pricing ranges.

➤ Visualization

- Tools Used: Tableau for creating interactive dashboards and visualizations.

•Graphs and Charts:

- Bar charts, pie charts, heat maps, line charts, and comparative analyses.