# Executive Summary

The report conducts a thorough analysis, revealing crucial insights into the performance of the Airbnb brand and identifying potential areas for improvement. It encompasses various metrics, offering a comprehensive understanding of their significance for Airbnb's marketing strategies. Each metric's purpose is examined within the broader context of the brand's overall performance, providing valuable guidance for future marketing initiatives.

The analysis indicates that Airbnb's pricing strategies align strategically with market trends and seasons. Utilizing seasonal promotions and diverse pricing for different room types enhances customer engagement and satisfaction, enabling Airbnb to capture demand during peak periods and accommodate various budgets.

The report also highlights high occupancy rates at the onset of the fall season in September and elevated availability during the summer period. In conclusion, Airbnb is well-poised to uphold and strengthen its market presence by leveraging insights from the data. Continuous adaptation, strategic communication, and a commitment to user satisfaction are identified as key drivers for sustained success in the competitive short-term rental market.

The report recommends regular monitoring of market trends, user reviews, and seasonal patterns to adjust pricing, promotions, and availability accordingly. This responsive approach ensures adaptability to changing market conditions and traveler preferences.

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# Introduction

The goal of this research is to give an examination of key marketing indicators for Airbnb, as well as information from an Airbnb New York dataset across five major Neighbourhood groups: Manhattan, Brooklyn, Staten Island, the Bronx, and Queens.

Airbnb, Inc., an American corporation headquartered in San Francisco, functions as an online marketplace facilitating short- and long-term homestays as well as experiences. Established in 2008 by Brian Chesky, Nathan Blecharczyk, and Joe Gebbia, the company operates as a broker, earning a commission on each booking. The name "Airbnb" is derived from the original name, AirBedandBreakfast.com. Widely recognized as the leading platform for short-term housing rentals, Airbnb has become synonymous with the sharing economy.

Since its inception in 2008, Airbnb has expanded travel possibilities for both guests and hosts, offering a unique and personalized way to experience the world. Presently, Airbnb stands out as a distinctive and globally recognized service. The company places significant reliance on the analysis of data derived from millions of Airbnb listings. This extensive dataset, originating from numerous listings, serves diverse purposes such as enhancing security measures, informing business decisions, comprehending customer and host behaviors and performance on the platform, steering marketing strategies, introducing innovative services, and more (Wikipedia, 2024).

Airbnb has been rapidly expanding, serving more than 150 million guests through over 3 million listings in more than 190 countries in less than a decade (Airbnb, 2024).

A marketing metric is a quantifiable variable that can be measured to track performance (coschedule, 2024). Marketing metrics are measurable values that a marketing team aims to attain over a given time period (Klipfolio,2024).

In this analysis, we will look at Airbnb's metric landscape and the implications these indicators have for the brand. Furthermore, we'll look at the purpose of each statistic in light of Airbnb's overall metric scenario.

This research critically aims to furnish Airbnb's marketing team with significant insights, serving as a pivotal resource to steer the brand's upcoming marketing initiatives. By thoroughly scrutinizing pertinent data and discerning its consequences, the objective is to equip Airbnb with the ability to critically evaluate and improve their marketing strategies, thereby advancing their business goals. The analysis will encompass an array of key metrics tied to the brand's performance and overall success, ultimately offering discerning insights and constructive recommendations based on our findings.

# Description of Metrics and Usage

In the forthcoming report, we will delve into a spectrum of metrics including Customer Satisfaction, Brand Equity, User Experience, Competitive Analysis, Market Analysis, Guest retention rate, and Occupancy rate. Our exploration will entail a detailed explanation of the focal points of each metric, elucidate their utility, highlight the insights they offer, and expound on their relevance in the context of the Airbnb brand. This comprehensive discussion aims to provide a nuanced understanding of the various dimensions that contribute to Airbnb's overall performance and market positioning.

## Customer Satisfaction

Customer satisfaction is an important aspect of a company's product since it assesses the level of expectation between the company's offering and the expectations of its customers. In actuality, consumer satisfaction has an impact on both the firm and the product since happier customers with better prices and quality mean more products and more profit. According to certain studies, ninety-nine percent of angry consumers will never buy a company product again, implying that understanding customer satisfaction will be an effective strategy to reduce unhappy customers while improving profit. Customer satisfaction is significant because it increases customer lifetime value, reinforces brand reputation, and improves bottom-line performance (Powton, 2018; Top & Ali, 2021; Demir et al., 2020; Ali, 2020; Ali, 2021). Effectively assessing customer satisfaction will assist your organization in converting pleased customers into loyal ones, hence improving their lifetime value. You'll also be able to predict future actions and more correctly anticipate your client's requirements and wants—long before they need and desire it. (Review Trackers, 2023).

Customer satisfaction is calculated using the average number of monthly reviews on the Airbnb website. The increase in reviews during the spring and early summer indicates higher guest satisfaction. Guests are more likely to offer favorable remarks when their expectations are fulfilled or surpassed. This favorable comment adds to the general reputation of the property, indicating to future visitors that it is a desirable and delightful place to stay.

## Brand Equity

Brand equity is the value a brand holds in the market, encompassing its perceived reputation and the emotional connection consumers have with it. This intangible asset reflects a brand's capacity to impact customer behavior and influence their choices (Emily, 2023). It assesses brand strength and client behavior, helps with data-driven decision-making, and boosts brand loyalty (driveresearch,2023).

The low average price per minimum night ($24) stay contributes to Airbnb's image as a company that provides affordable vacation options. This appeals to travelers who value low-cost accommodations while still getting the unique and customized experience that Airbnb listings offer.

Offering a wide range of prices, from $10,000 for an entire home/apartment, and private room to $1,800 for shared rooms, ensures inclusivity, allowing people with different budgets to find suitable housing. This method democratizes the platform, making it available to a larger and more diverse user base. In addition, shared rooms are available for as little as $1,800. This caters to travelers searching for more cost-effective options, increasing affordability and making Airbnb an appealing alternative for a wider audience.
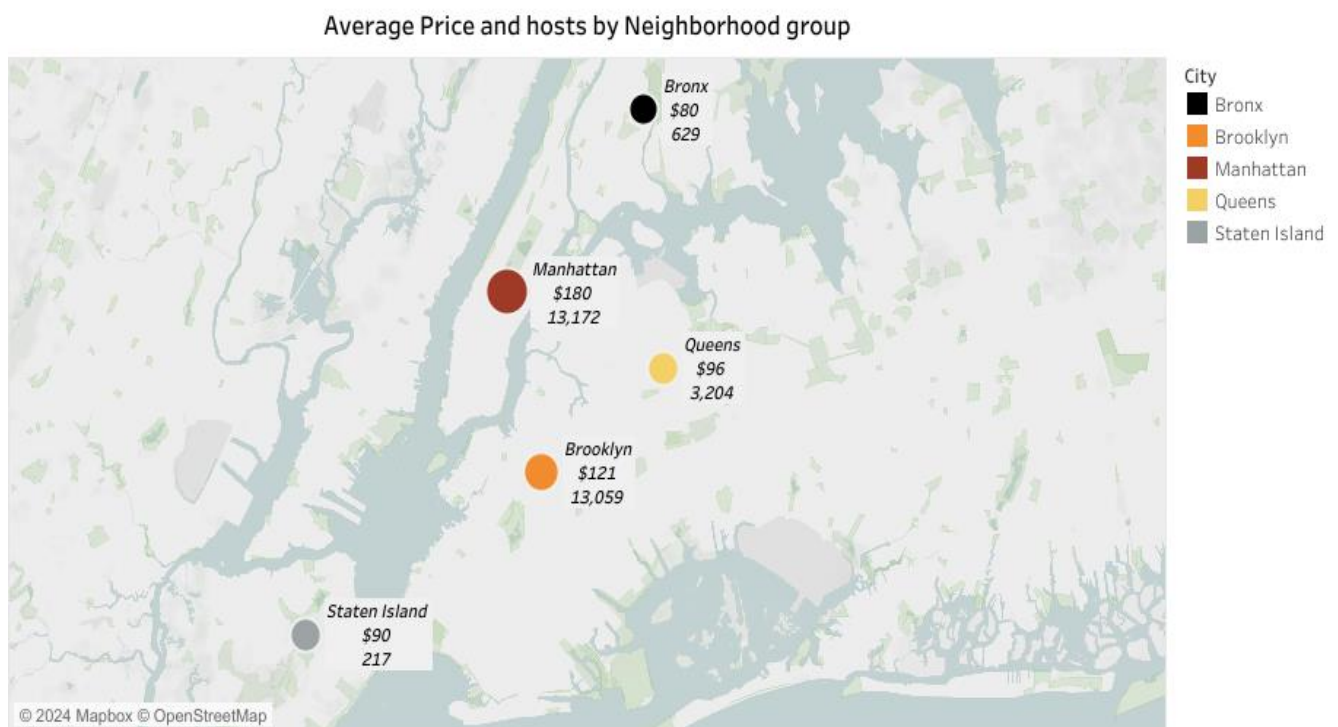


*Figure 1*

## User Experience

User Experience (UX) metrics serve as straightforward measurements assessing how customers engage with the products and services offered by businesses. Essentially, these metrics capture the emotional and cognitive impacts of using a specific product. Diving deeper, these indicators can be categorized into two main types: behavioral and attitudinal.

Behavioral metrics focus on the action's individuals take when interacting with a product or service. On the other hand, attitudinal evaluations delve into a person's sentiments towards a company, product, or service, encompassing elements like brand affinity and loyalty (Hanson, 2023).

The significance of UX lies in its dedication to fulfilling user needs, striving to deliver outstanding experiences that foster customer loyalty to the product or brand. Moreover, a meaningful user experience enables the creation of customer journeys on a website that optimally contribute to business success (Rocket55, 2023).

Airbnb improves the user's experience by providing a variety of price points across the neighborhood. Travelers can select accommodations based on their interests and budget, fostering diversity and accessibility in the travel and hospitality industries.

Popularity and needs of room types in each borough allows Airbnb to improve its recommendation algorithms, ensuring that users are given options that match their accommodation preferences. This adds to the tailored and user-friendly experience.

### Average Price by room type and Neighborhood group
Neighbourhood Group

| Room Type | Bronx | Brooklyn | Manhattan | Queens | Staten Island |
|---|---|---|---|---|---|
| Entire home/apt | $121 | $171 | $230 | $139 | $125 |
| Shared room | $57 | $45 | $78 | $64 | $58 |
| Private room | $57 | $73 | $107 | $69 | $58 |

*Figure 2*

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## Competitive Analysis

Competitive analysis is the process of acquiring data on your competitors' products, revenue, and marketing methods. Businesses use the data to determine their strengths and shortcomings, as well as prospective possibilities. (Kelly, 2023).

Competitor analysis can help you comprehend the market landscape and make informed decisions to strengthen your position in the sector. It helps you understand your market and industry, compare your outcomes to those of your competitors, and identify gaps in your plan that your competitors fill.

Airbnb offers pricing options, giving it a competitive advantage in the short-term renting industry. The platform may draw users from a variety of financial levels, ensuring that it stays a popular choice among a wide audience.

Queens costs $96. Queens maintains a competitive average price despite its diversity, which includes both residential and business districts. This underscores Airbnb's approach of appealing to a wide range of audiences while considering the borough's economic dynamics.

Airbnb gains a competitive edge by carefully concentrating on both high- and low-demand listings. Airbnb can serve a greater range of tourists by properly managing its diverse assets, allowing it to maintain its dominant market position in the short-term rental business.

### Room Type Price Range Appeal

| Room Type | Avg. Price | Room Type Price Range Appeal |
|---|---|---|
| Entire home/apt | $196 | $10,000 |
| Private room | $84 | $10,000 |
| Shared room | $63 | $1,800 |

*Figure 3*

## Market Analysis

A market study involves a comprehensive exploration of your company's target market and the competitive landscape within a specific industry. This examination enables the forecasting of the potential success of your brand and its offerings in the market. Market studies encompass quantitative data, including the actual market size you aim to serve, pricing expectations of customers, and revenue estimates, as well as qualitative data, such as consumers' values, preferences, and reasons for making purchases (Coursera staff, 2023).

Market analysis may assist you understand the market and your customers, as well as the value proposition of the product you're offering. It also promotes business growth (Paul, 2021). Because of the prevalence of finished home/apartment listings in Manhattan and Brooklyn, Airbnb can create advertisements that emphasize luxury, exclusivity, and the appeal of having an entire room to oneself. Marketing in Queens and the Bronx might highlight the intimate and affordable aspect of individual rooms, appealing to a diverse demographic of travelers.

Airbnb availability, based on seasonal demand, is consistent with regular travel trends. For example, the winter surge may cater to holiday and winter sports travelers, whilst the summer surge may attract vacationers and visitors.
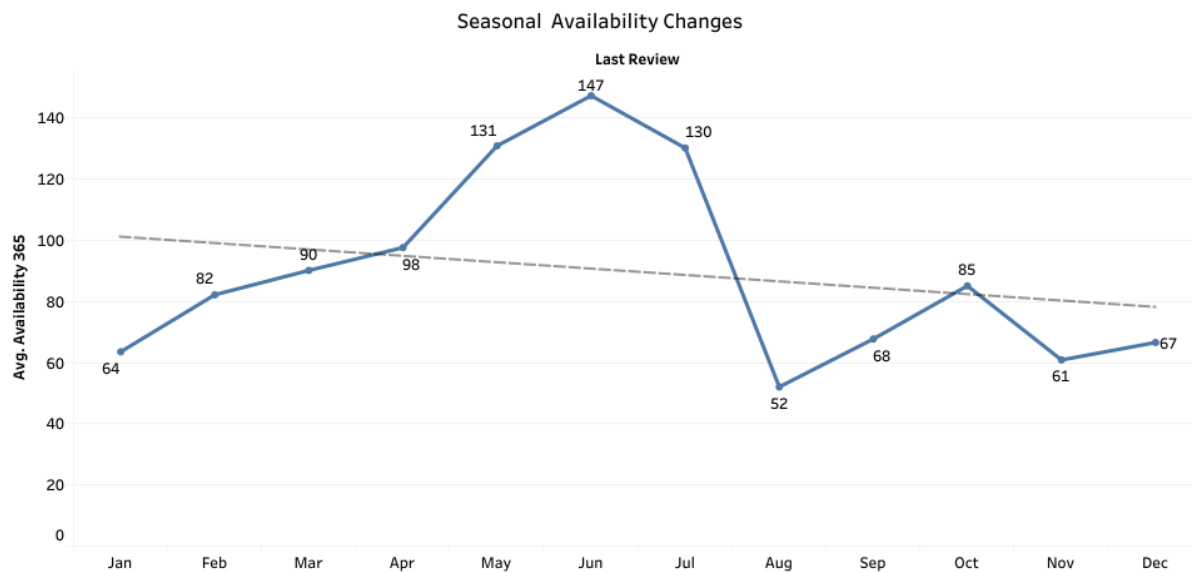


*Figure 4*

## Customer Retention Rate

Customer retention metrics gauge your company's effectiveness in retaining clients and the level of satisfaction they experience throughout the customer journey (Hotjar, 2022). It establishes long-term relationships with clients, which can lead to increased profitability and success, as well as help companies or business owners save on marketing and advertising (Fullstory, 2023).

The increase in good ratings over May and June contributes to guest loyalty. Satisfied guests are more likely to return to a hotel they enjoyed and suggest it to others, adding to a recurring and expanding customer base, with an exponential increase commencing in March and culminating in June, indicating implications for guest loyalty in Spring and Summer.

Figure 5

## Occupancy Rate

The occupancy rate is the number of occupied rental units at any given time divided by the total number of available rental units. Occupancy rates are crucial for business owners since they indicate success or failure. It can also be used to assess the facility's success in contrast to its competitors, as well as how pricing or marketing initiatives affect its business (Martijn, 2023).

The attraction of low-demand listings is critical to increasing overall occupancy rates. Airbnb's marketing team can use targeted marketing campaigns, promotions, or incentives to increase bookings for low-demand property listings, resulting in a more evenly distributed occupancy across all listings.



Figure 6

# Conclusion and Recommendation

Airbnb provides a variety of housing options, including complete homes/apartments, individual rooms, and shared rooms. This diversity enables the platform to attract a wide range of travelers with diverse interests and budget constraints.

Pricing strategies are intentionally coordinated with market trends and seasons. Seasonal discounts and multiple price ranges for different accommodation types help to boost customer engagement and happiness, allowing Airbnb to capture demand during peak seasons while also adapting to varying budgets.

The trend of higher reviews per month, particularly during the Spring and Summer months, indicates a positive guest experience, well-maintained properties, and overall customer satisfaction. Positive reviews contribute to the platform's reputation and attractiveness to potential guests.

## Recommendation

Regularly monitor market trends, user reviews, and seasonal patterns to adapt pricing, promotions, and availability accordingly. This ensures a responsive approach to changing market conditions and traveler preferences.

Foster open communication with hosts to ensure they are equipped to meet the demands of different seasons and effectively manage their listings. This collaboration can lead to a better overall user experience and improved property maintenance.

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