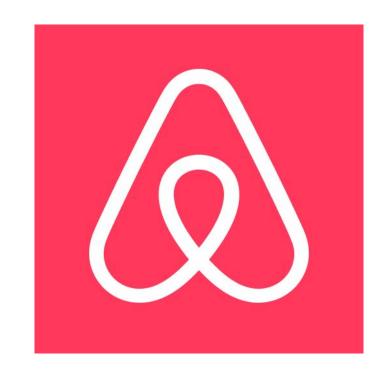




Business Analytics

# The Effect of "Above and Beyond" Descriptions of Amenities on Airbnb Ratings

By Group E6 (Abby Louderback, Alex Tian, Aditi Sonawane, Jeco Cheung, Michelle Lie, Tsubasa (Nicho) Lin, Nida Iqbal, Xuanyu Lu)





#### What is "Above and Beyond"?

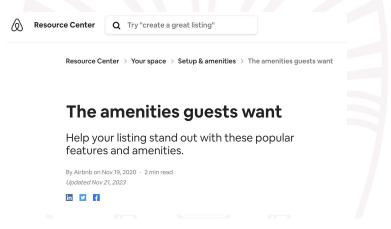


Q Search the community

#### Going above and beyond for guests

05-02-2018 04:20 PM





## Guests: What are some of your "above and beyond" experiences from hosts?

Whether it was leaving thoughtful amenities or treats, or accomodating a particularly special request, I'm interested to hear about your most positive interactions with your hosts.



snarfdarb

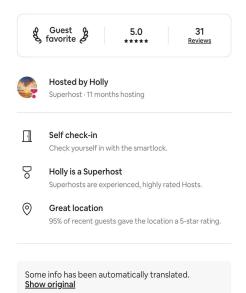


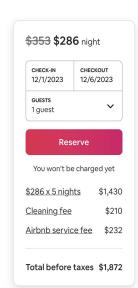
r/AirBnB • 2 yr. ago





### **How Are Hosts Describing Their Amenities?**





#### What this place offers

Mountain view

Kitchen

Dedicated workspace

Private hot tub - available all year, open 24 hours

Free washer - In unit

Ocean view

Wifi

 Wifi

 ■ Wifi

Free driveway parking on premises – 6 spaces

70" HDTV with Amazon Prime Video, Disney+, HBO Max, Hulu, Netflix, Roku

Free dryer – In unit

#### Show all 71 amenities

id		amenities v n	umber_of_reviews	,T review_scores_rating ▼
15239926		["40\" HDTV with Amazon Prime Video, Disney+, HBO Max, Hulu, Netflix, standard cable", "Carbon monoxide alarm", "Valley view", "Iron", "Dining table 1	.05	4.99
62494009619	9040800	0 ("Carbon monoxide alarm", "Iron", "Freezer", "Limited but enough get you started conditioner", "Dining table", "Central heating", "Free carport on pre 1	.2	4.92
25772359		["Stove", "Carbon monoxide alarm", "Iron", "Microwave", "Lockbox", "Bed linens", "Smoke alarm", "Dedicated workspace", "Essentials", "Refrigerator", "S4	13	4.95
52992116		["Carbon monoxide alarm", "Iron", "Dining table", "Central heating", "Mini fridge", "Aesop shampoo", "Microwave", "Luggage dropoff allowed", "Books 2	19	5
9632711		["Free parking on premises", "Smoke alarm", "Iron", "Fire extinguisher", "Kitchen", "Hangers", "Washer", "Essentials", "Shampoo", "Air conditioning", "TV v1	2	4.58
54869412626	6306300	[Carbon monoxide alarm", "Iron", "Freezer", "City skyline view", "Dining table", "Toaster", "Microwave", "Luggage dropoff allowed", "Bathtub", "Lockbor, 6"	7	4.84
13642174		["Stove", "Carbon monoxide alarm", "Iron", "Gym", "Air conditioning", "Pool", "Microwave", "Smoke alarm", "First aid kit", "Breakfast", "Essentials", "Refrig 1	3	4.67
16238845		["Stove", "Carbon monoxide alarm", "Air conditioning", "Microwave", "Bed linens", "Smoke alarm", "Essentials", "Refrigerator", "TV with standard cable", 8	13	4.94
87113376888	8831400	IQ ["Free parking on premises", "Smoke alarm", "Carbon monoxide alarm", "First aid kit", "Dedicated workspace", "BBQ grill", "Wifi", "Washer", "TV", "Air co 1	3	4.92
78107490607	7261600	0 ("Carbon monoxide alarm", "Freezer", "Dining table", "Central heating", "Mini fridge", "Microwave", "Bed linens", "Smoke alarm", "Board games", "First ai 3	12	4.88
33264944		["Stove", "Carbon monoxide alarm", "Iron", "Lock on bedroom door", "Microwave", "Smoke alarm", "Dedicated workspace", "First aid kit", "Private patic2"	19	4.97
21324464		["Free parking on premises", "Smoke alarm", "Dishes and silverware", "Coffee maker", "Fire extinguisher", "Keypad", "Hangers", "Essentials", "TV", "Air col 2	1	4.85
19036744		["Iron", "Host greets you", "Central heating", "Mini fridge", "Toaster", "Microwave", "Luggage dropoff allowed", "Books and reading material", "Cleaning 4	15	4.82
19951592		["Stove", "Iron", "Gym", "Air conditioning", "Pool", "Microwave", "Smoke alarm", "Essentials", "Refrigerator", "Hot tub", "Dryer", "Oven", "Washer", "Kitcher 2	10	4.95
26541854		["Stove", "Carbon monoxide alarm", "Iron", "Air conditioning", "Microwave", "Smoke alarm", "First aid kit", "Breakfast", "Essentials", "Refrigerator", "Hot w 2	18	4.46



## **Data Cleaning process**

Step 1: Get dataset from "Inside Airbnb"

Step 2: Subset DF by ID, number of reviews, amenities, and rating

Step 3: Drop rows with NaN values for rating

Step 4: Filter by # of reviews >= 10 Data Source: http://insideairbnb.com/get-the-data

~44600 observations with 74 variables

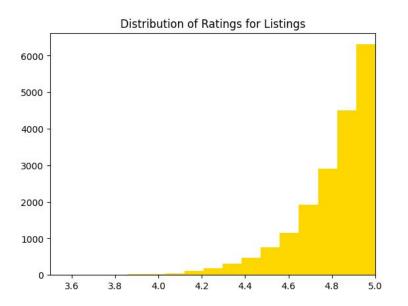
~44600 observations with 4 variables

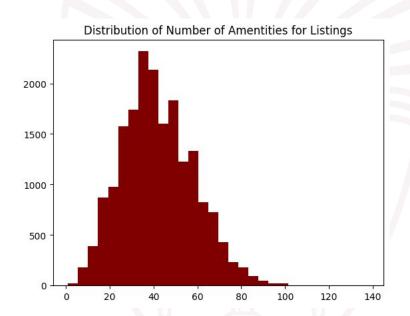
~33000 observations with 4 variables

~19000 observations with 4 variables



## **Preliminary Analysis**





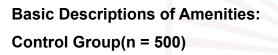
The correlation coefficient between number of amenities and rating is 0.268



## **Technical Breakdown of Methodology - Pt. 1**







"Wifi"

"Above and Beyond" Descriptions:

Experimental Group(n = 500)

"42\" TV with Netflix" "48\" HDTV"

"43\" HDTV with Fire TV"

"65\" TV with Roku"

"50\" TV with standard cable"

"32\" TV with Amazon Prime Video"

"Fast Wifi"

"Fast wifi \u2013 474 Mbps"

"Fast wifi \u2013 215 Mbps"



## **Technical Breakdown of Methodology - Pt. 2**

Combine the control(500) and experimental groups(500) as our final sample dataset

	id	review_scores_rating	amenities	number_of_reviews	num_of_amenities	adjective
0	15239926	4 99	[40\" HDTV with Amazon Prime Video, Disney+, H	105	67/	1
1	42331295	4.76	[Stove, Carbon monoxide alarm, Iron, Freezer,	51	67	1
2	45814091	4.96	[Valley view, Iron, Freezer, Bay view, City sk	206	57	1
3	24595809	4.94	[Courtyard view, Carbon monoxide alarm, Iron,	262	63	1
4	918903710844911868	5.00	[Carbon monoxide alarm, Mini fridge, Coffee ma	13	23	1
2504	38025943	4.33	[Fast wifi \u2013 390 Mbps, Courtyard view, Ca	12	53	1/







#### **Regression Model Result**

#### Final Regression Model:

Rating = 4.64 + 0.19(Adjective) + 0.0032(# of Amenities) - 0.0026(Adjective \* # of Amenities)

	OLS	Regress	ion Resul	ts			
Dep. Variable: Model: Method: Date: Time: No. Observations: Df Residuals: Df Model: Covariance Type:	Wed, 29 M	0LS Squares	Adj. R-: F-stati: Prob (F-	squared:		0.122 0.119 46.13 6.45e_28 318.73 -629.5 -609.8	
	=========	coef	std err	t	P> t	[0.025	0.975]
Intercept adjective num_of_amenities adjective:num_of_a	(	1.6362 0.1935 0.0032 0.0026	0.022 0.035 0.001 0.001	210.469 5.515 5.680 -3.495	0.000 0.000 0.000 0.000	4.593 0.125 0.002 -0.004	4.679 0.262 0.004 -0.001
Omnibus: Prob(Omnibus): Skew: Kurtosis:		0.000	Durbin-Wa Jarque-Be Prob(JB): Cond. No.			2.026 02.546 9e-218 425.	

#### Notes:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.



## **Two Sample Hypothesis Test Result**

#### Null:

Hosts who go above and beyond actually don't have higher ratings on a population level

#### Alternative:

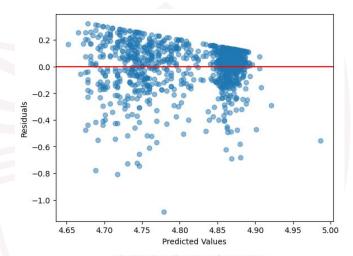
Hosts who go above and beyond have different ratings than regular hosts on a population level

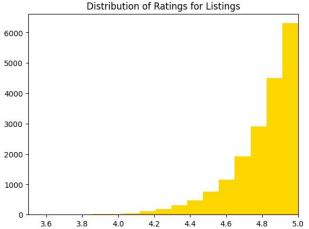
```
pooled_se = round(np.sqrt((treatment_ratings_std/500) + (control_ratings_std/500)), 4)
t_stat = round((treatment_ratings_median - control_ratings_median) / pooled_se, 2)
t_stat
3.77
# Two-sided test
# Shows that treatment group median is DIFFERENT from control group median
p_value_TS = 2 * (1 - t.cdf(abs(t_stat), df=998))
p value TS
0.00017282988719724557
# One-sided test
# Shows that treatment group median is LARGER than control group median
p value OS = 1 - t.cdf(t stat, df=998)
p_value_0S
8.641494359862278e-05
```



#### **Limitations**

- 1. Skewness of the data: Extremely left skew data indicating a trend of giving high rating toward 5 stars
- 2. Heteroscedasticity: The residuals are clustered and fan out as predicted value increases
- 3. Non-linearity: The pattern of residuals may suggest the relationships are non-linear
- 4. Overestimating: Most of errors are below zero, suggesting our predictions may be higher than actual values.
- 5. Goodness of Fit: Adjusted R-Squared is 0.119











# Thank you!

