Report Text:

Topic Question:

In order for Airbnb to expand its market share, they must increase the numbers of both guests and hosts. While increasing the number of guests is a problem of marketing, increasing the number of hosts is more complex. It is more difficult to market to hosts because hosting and AirBnB requires a major commitment, and carries substantial uncertainty. Therefore, we believe that any effort to lower the uncertainty about becoming a host would be a major benefit to AirBnB’s efforts to expand their market share.

Two major sources of uncertainty for Hosts revolve around rating and price. How should a host price his space? And what steps can a host take to maximize his/her rating? These were the questions we sought to answer. To do so, we examined relationships between overall rating and price vs characteristics and amenities of the property.

Non technical executive summary:

Our key findings were as follows:

Overall, the most important factor in determining a property’s rating was cleanliness, followed by host communication, and then ease-of-check-in. Offering a kitchen, wifi, A/C, and a flexible cancellation policy were also important. Having cable tv, heating, and allowing for pets were all helpful but not key, which makes sense because these are west-coast rentals.

Other amenities had a negligible impact on rating.

Furthermore, advertising your property as family friendly, or allowing for instant-bookings, actually has a negative effect overall on your property rating. This makes sense because parents are more likely to have higher standards for the rooms that they stay in, and thus more likely to be critical of a property. Furthermore, preventing instant-bookings allows the property owner to vet and turn away potentially problematic guests, thereby increasing the Airbnb rating.

Technical Executive Summary:

Our methodology was simple: For