

# Airbnb

presentation





# challenge

presentation



# Agenda



| Opportunities to Target

| Methodology

| Actionable Recommendations



# Instant book & booking funnels by channel



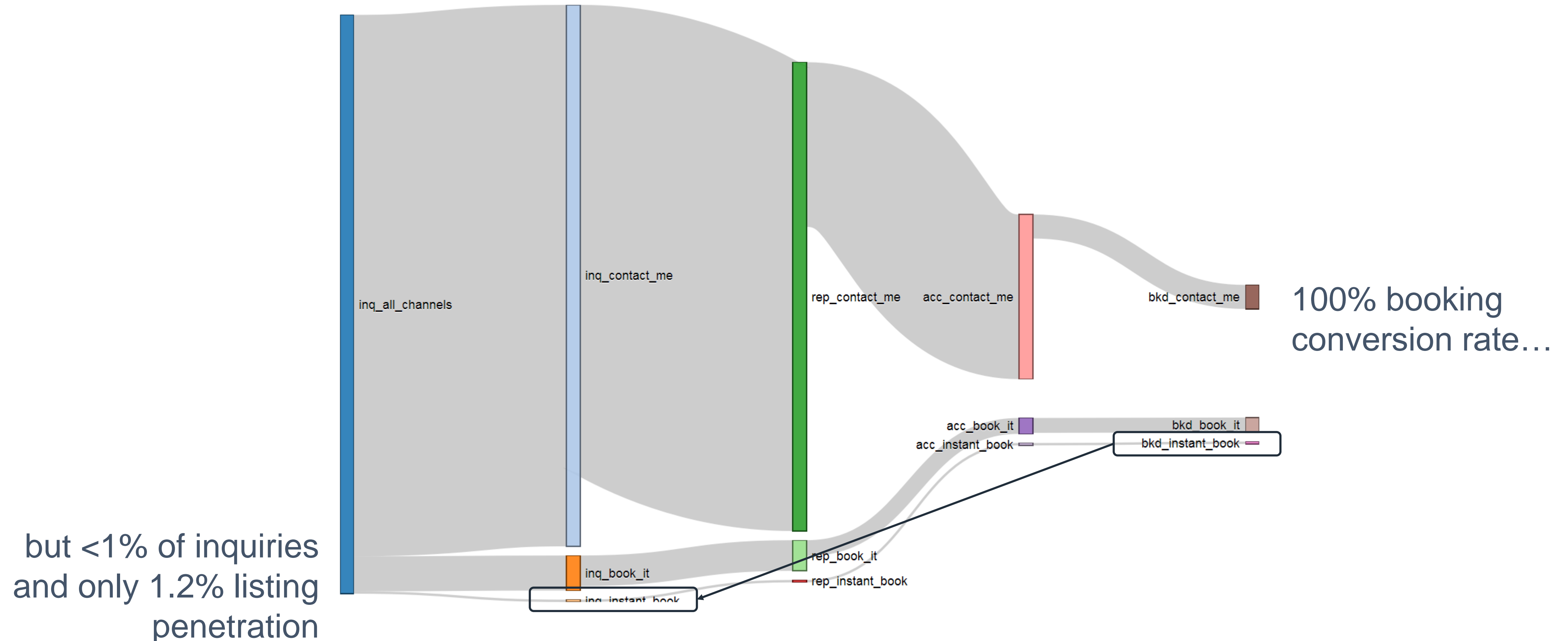
- Long-term opportunity – increase host participation in instant book
  - Effectively 100% booking conversion rates → higher conversion rates and bookings
  - Reduced friction in guest-host interactions → less logistics and more valuable communications
  - Booking certainty → solution for time- and certainty-sensitive guests, e.g. business travelers
  - Low penetration rate → large opportunity set
- Near-term opportunity – compare booking funnel performance vs. baselines (other similar markets) to prioritize opportunities

Channel	Potential Opportunities	Impact of +1% Improvement	
		Channel Bookings	Overall Bookings
Contact Me	Only 15% of host acceptances result in bookings	+ 6.9%	+ 4.0%
Book It	Only 52% of host replies are later accepted	+ 2.1%	+ 0.7%
Contact Me & Book It	Only 87% of all inquiries are replied to be hosts	+ 1.2%	+ 1.1%

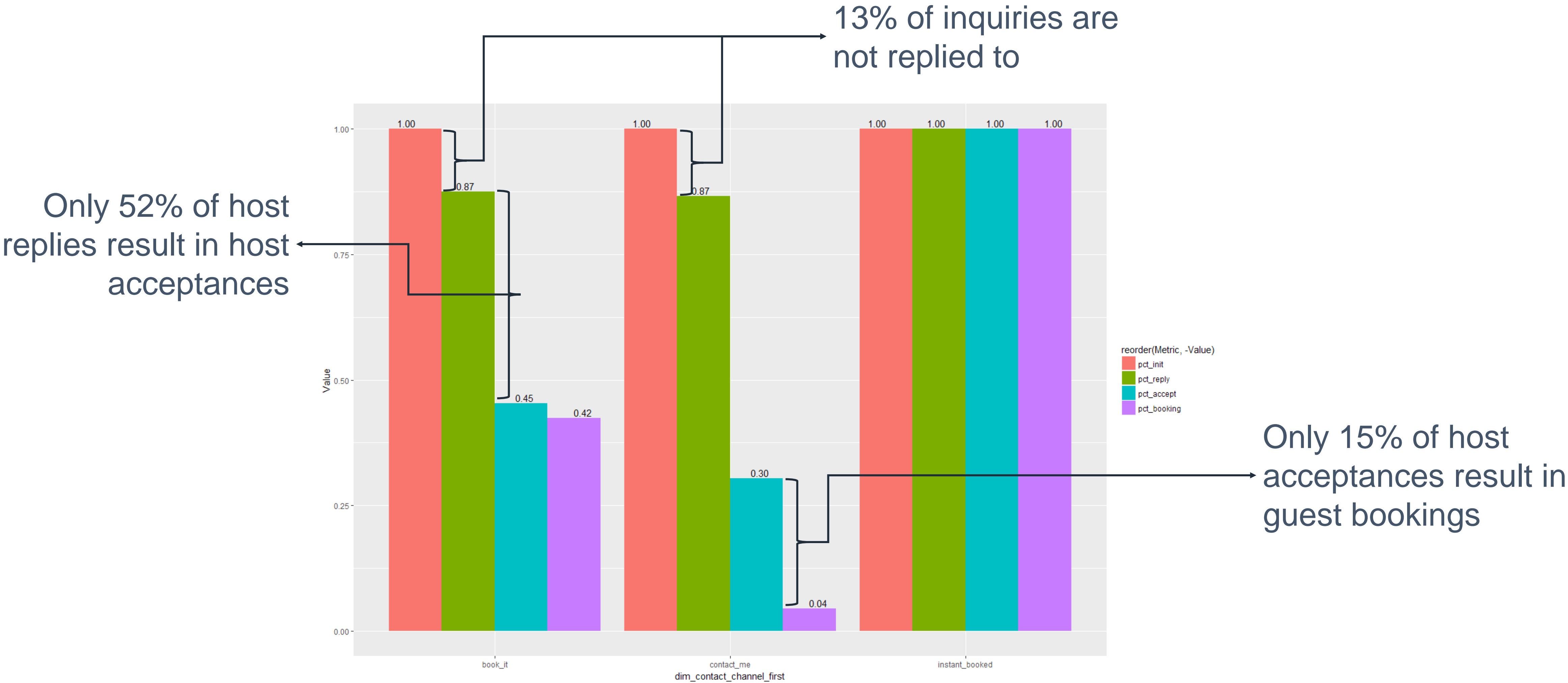
# Instant book 100% conversion but low penetration



Supply of instant book significantly lags other markets → great opportunity to increase conversion rates and bookings



# Booking funnel performance improvement opportunities



# How to identify which variables are relevant?

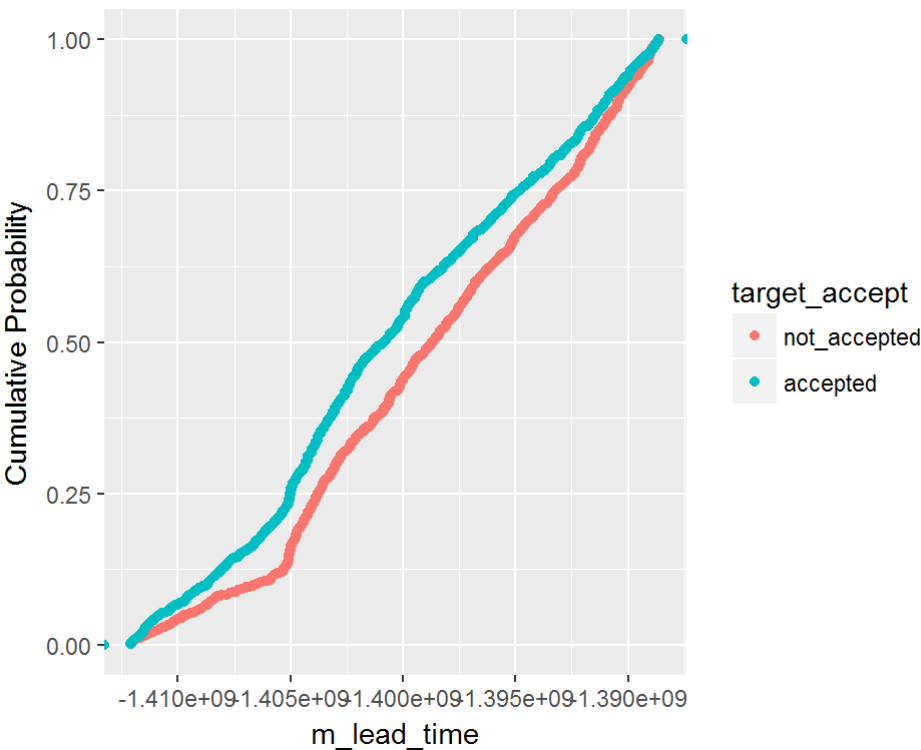
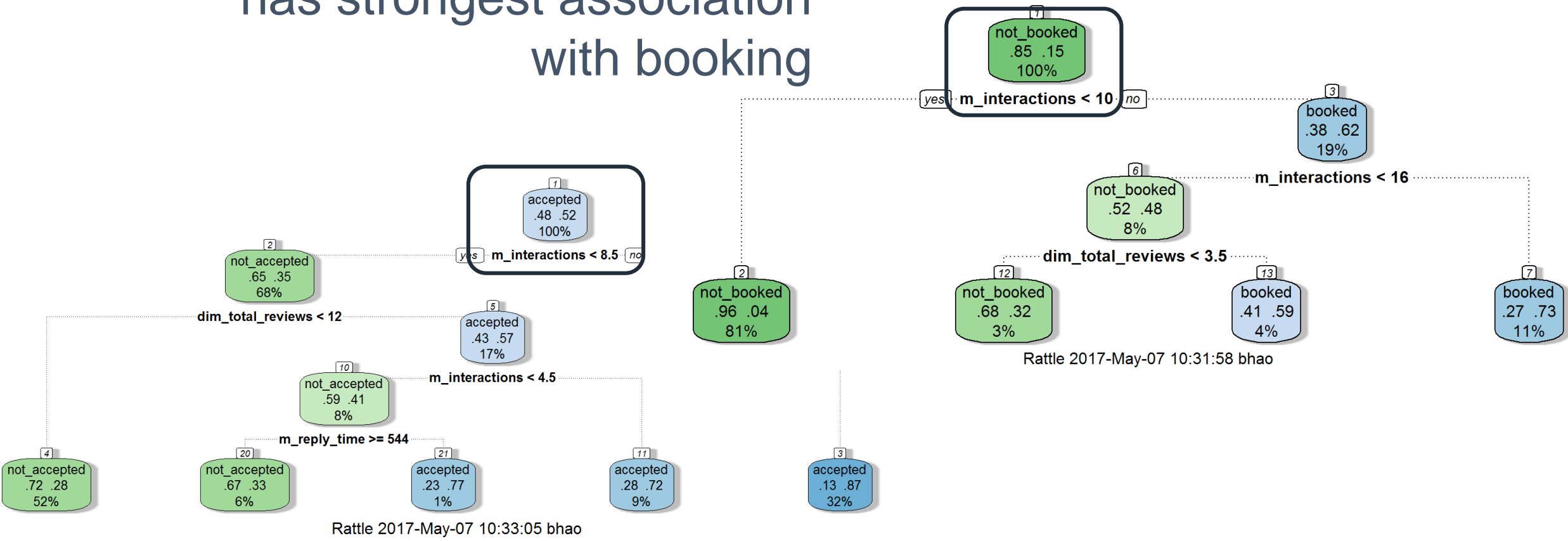


1. Isolate relevant booking funnel stages within respective channels
2. Create binary variable to track successful progress through the funnel
3. Employ various techniques to identify which variables are influential

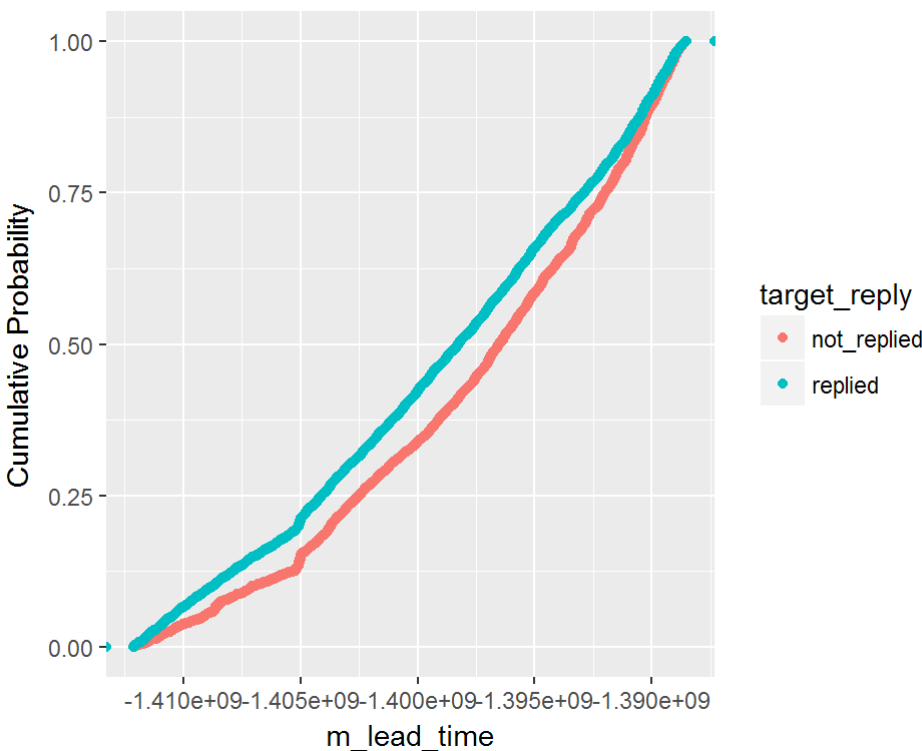
# Interesting observations but...



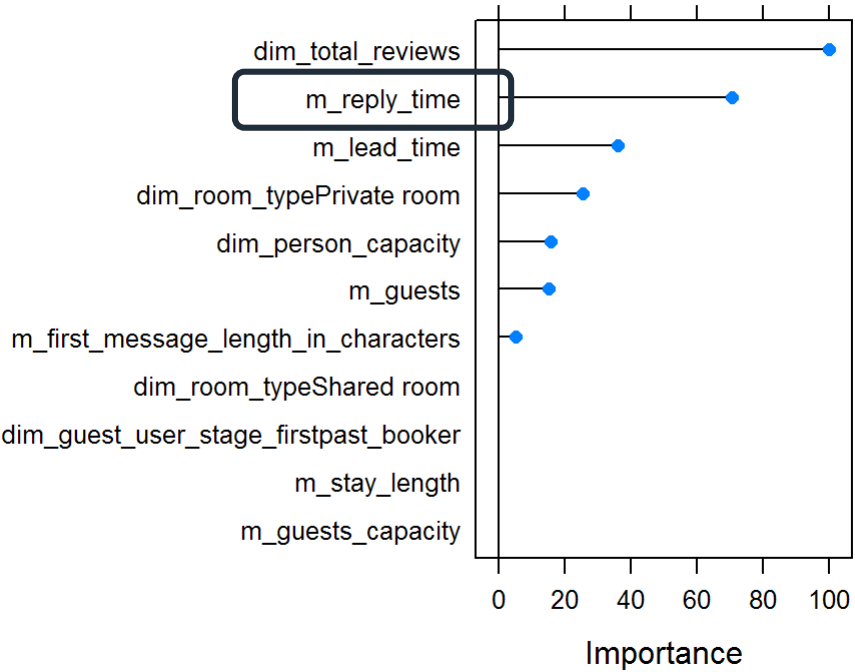
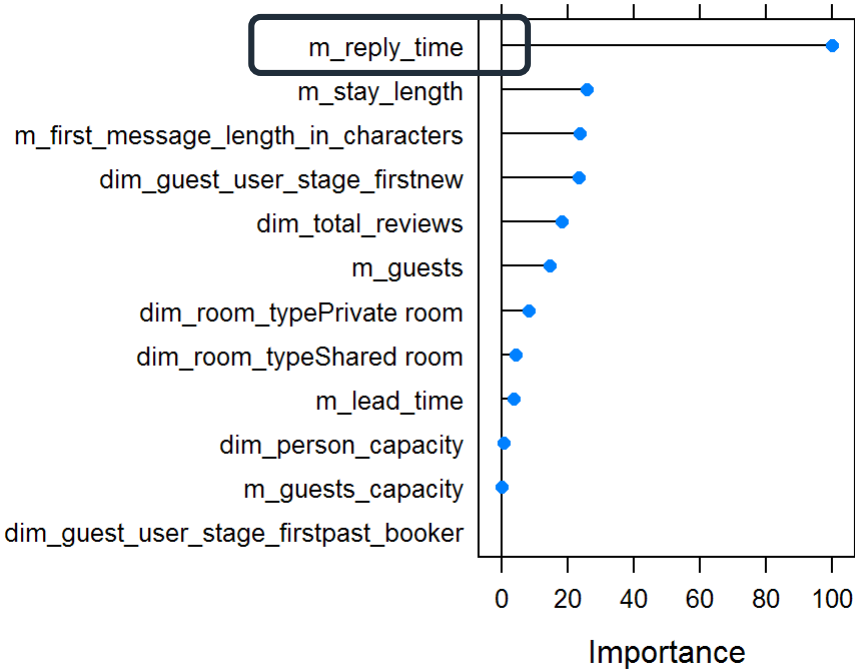
Number of interactions has strongest association with booking



Longer lead times are associated with lower initial reply and acceptance rates



How quickly a host initially responds is often an indicative variable





# What drives bookings between guests and hosts?



- Ultimately, we want to understand how to facilitate bookings between guests and hosts most efficiently; within the Contact Me and Book It channels, the drivers are host acceptance rates and guest booking rates
  - What characteristics about guests affect **host acceptance rates**?
    - Profile completeness and quality, photos, number and quality of reviews, verification of identification, language, etc.
  - What characteristics about hosts and listings affect **guest booking rates**?
    - Profile completeness and quality, photos, number and quality of reviews, language, etc.

# Some thoughts on addressing target opportunities...



First and foremost, more research would be needed to before making any product recommendations, but below are a few thoughts on addressing target opportunities:

- Financial incentives, e.g. temporary commission discounts, for enrolling in instant book
- Post-action suggestions for guests when making inquiries, e.g. “Share more about xyz [to increase the chance of connecting with a host].”
- Listing profile and photo quality measurement:
  - Profile length, quality, sentiment, etc.
  - Upfront-photo selection, composition of photos, photo labels, quality of lighting, focus/resolution, etc.
- Listing improvement emails and notifications for hosts, e.g. “Try using a clearer bedroom pic to increase quantity and quality of inquiries”, based on categorical reviews and other research

