STRATEGIES TO INCREASE THE REVENUE OF AIRBNB

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AGENDA

- Objective
- Background
- Key findings
- Recommendations
- Appendix:
  - Data sources
  - Data methodology
  - Data model assumptions

OBJECTIVE

- Understanding the customer preferences based on neighborhood, price range and the type of properties

- Improve traction in the unpopular properties

- Provide recommendations to our business team to increase the revenue of Airbnb

BACKGROUND

- Airbnb has seen a major decline in revenue over the past few months due to travel restrictions all over the world

- Now the restrictions have started lifting now and people are travelling more to different destinations

- Airbnb wants to cater to its customers' needs in the best possible way

# CUSTOMER PREFERENCES FOR ROOM TYPE

- O Customers prefer Entire home/apt or private rooms more than sharing the room with others.

- O Major part of the properties listed are either Entire home/apt (51.97%) or Private room (45.66%) and Only 2.37% of listings is Shared Room.
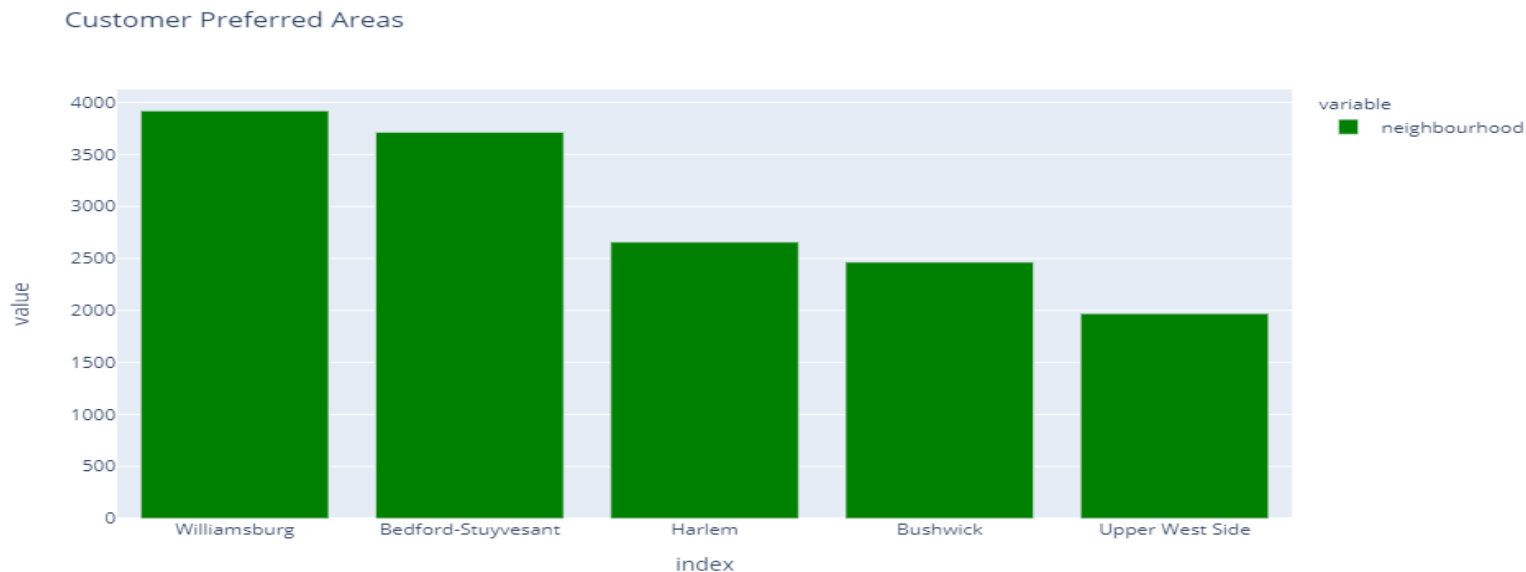
Customer Room Preference
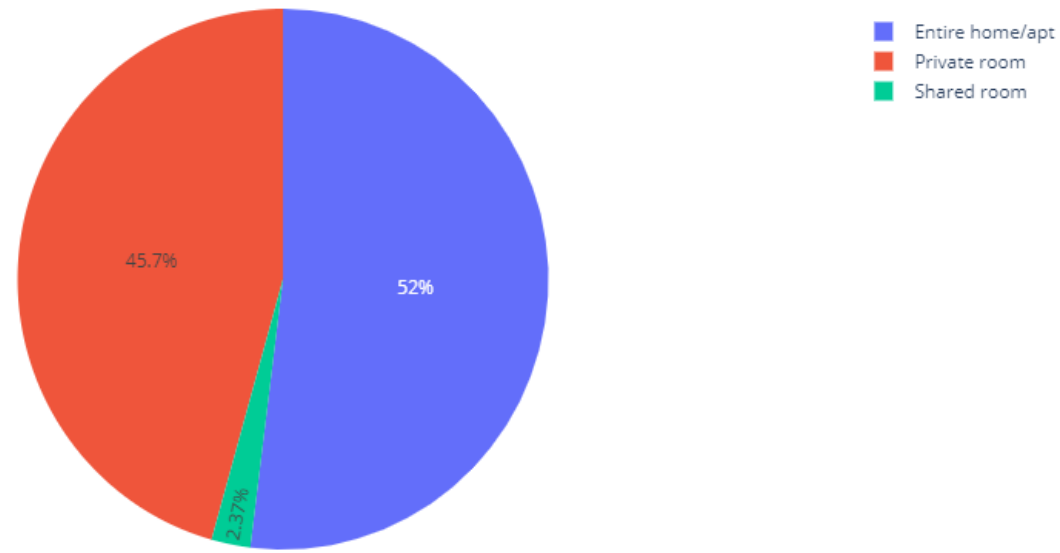
CUSTOMER PREFERENCES OF APARTMENTS NY CITY BOROUGHS

- Customers prefer to live in either Entire home/apt or Private room in Manhattan, Brooklyn and Queens, where as shared apartments are preferred in Bronx.

- Manhattan and Brooklyn being the most developed Boroughs of NY City has more Entire home/apt listings, where as Bronx being the least developed borough of NYC has more shared rooms.
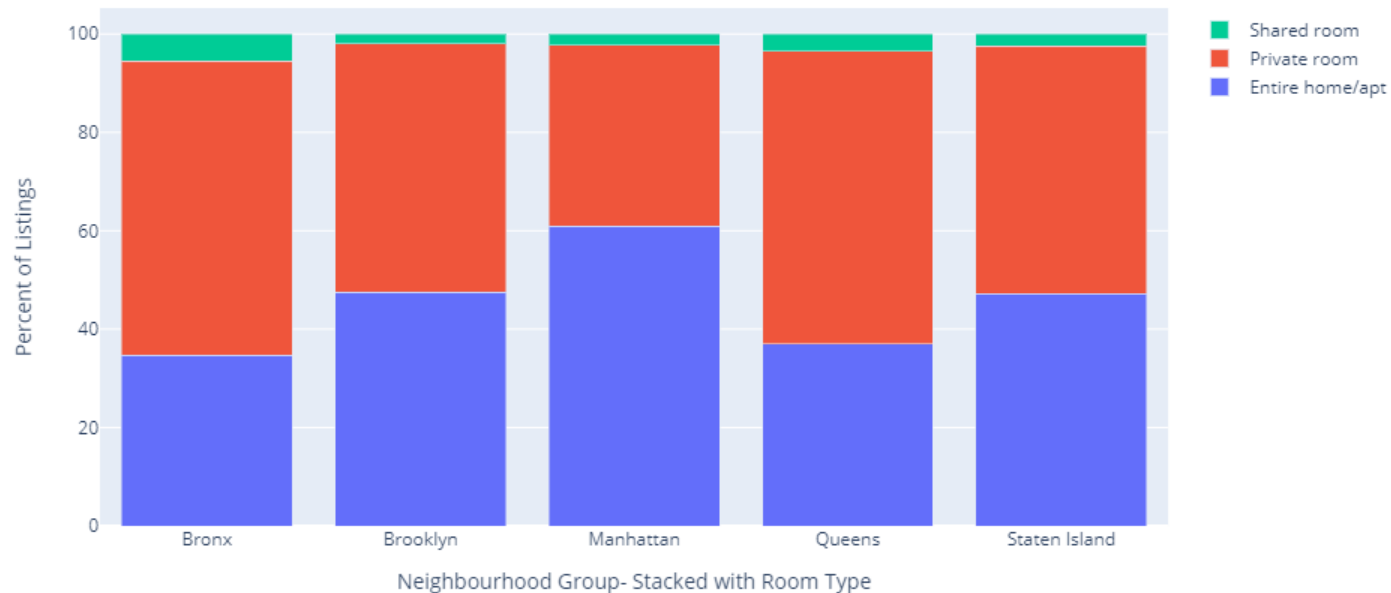
CUSTOMER PREFERRED AREAS IN NEW YORK CITY

○ "Williamsburg", "Bedford-Stuyvesant", "Bushwick" , "Harlem" and "Upper West Side" are the preferred locations.

○ "Williamsburg", "Bedford-Stuyvesant" and "Bushwick" areas are most popular among customers in Brooklyn whereas "Harlem" and "Upper West Side" areas are popular among customers in Manhattan.

○ Customers prefer to stay in the more developed areas like Manhattan and Brooklyn.
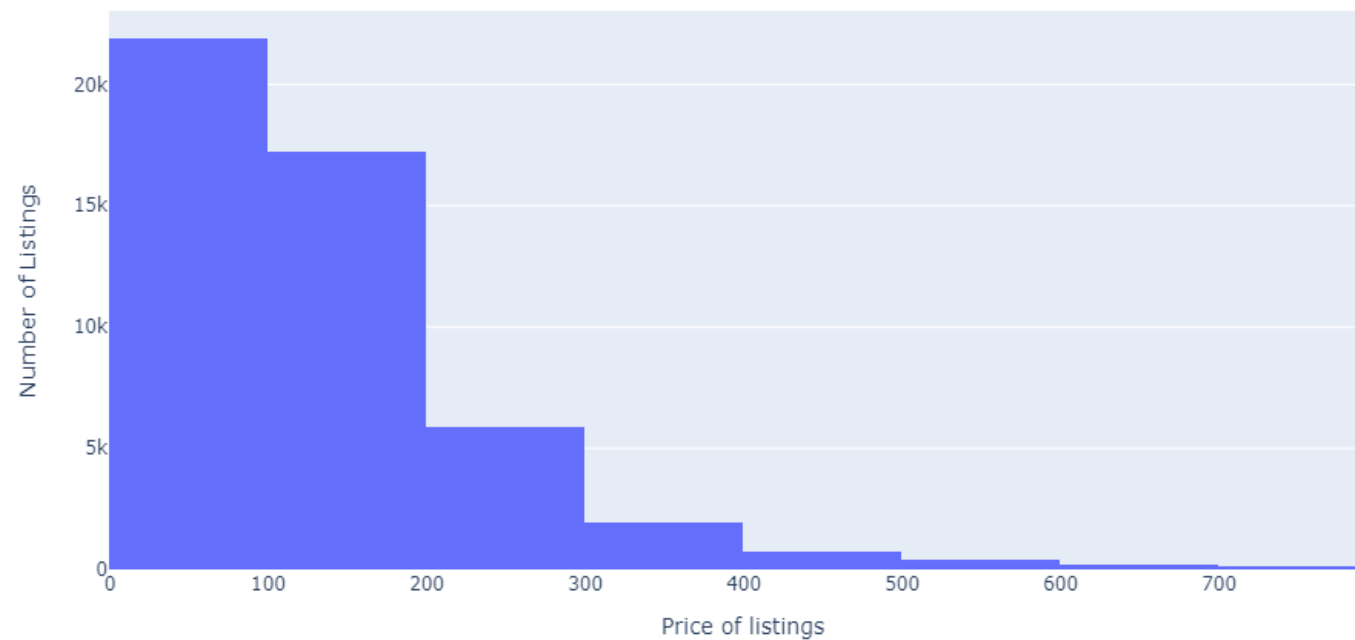

Customer Preferred Areas

MOST POPULAR HOST

- The host Sonder with host id 219517861 is the most preferred host .
- He is from Manhattan and provides the Entire home/apt.
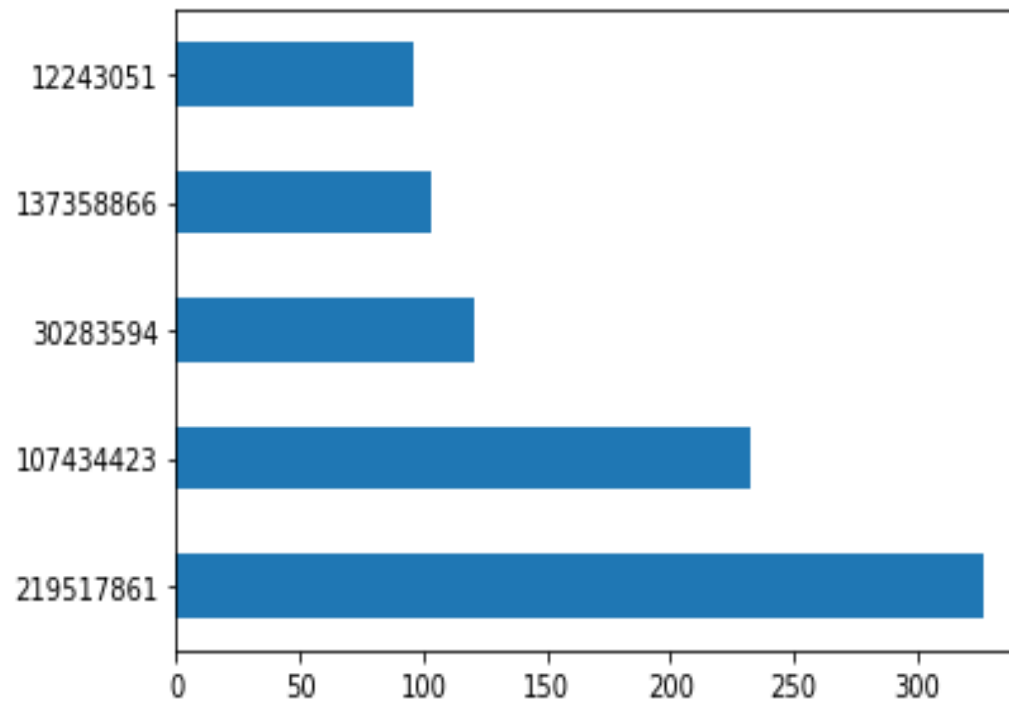
CUSTOMER PREFERENCES BASED ON PRICE

- Customers prefer the listings that are inexpensive.
- Majority of the listings fall under the 0 – 200 dollar bucket.

CUSTOMER PREFERENCES ON MINIMUM NIGHTS CRITERIA

○ Customers prefer the listings where the minimum nights criteria is less.

○ Majority of the listings are observed wherein the minimum nights required is between 1 to 7 days.
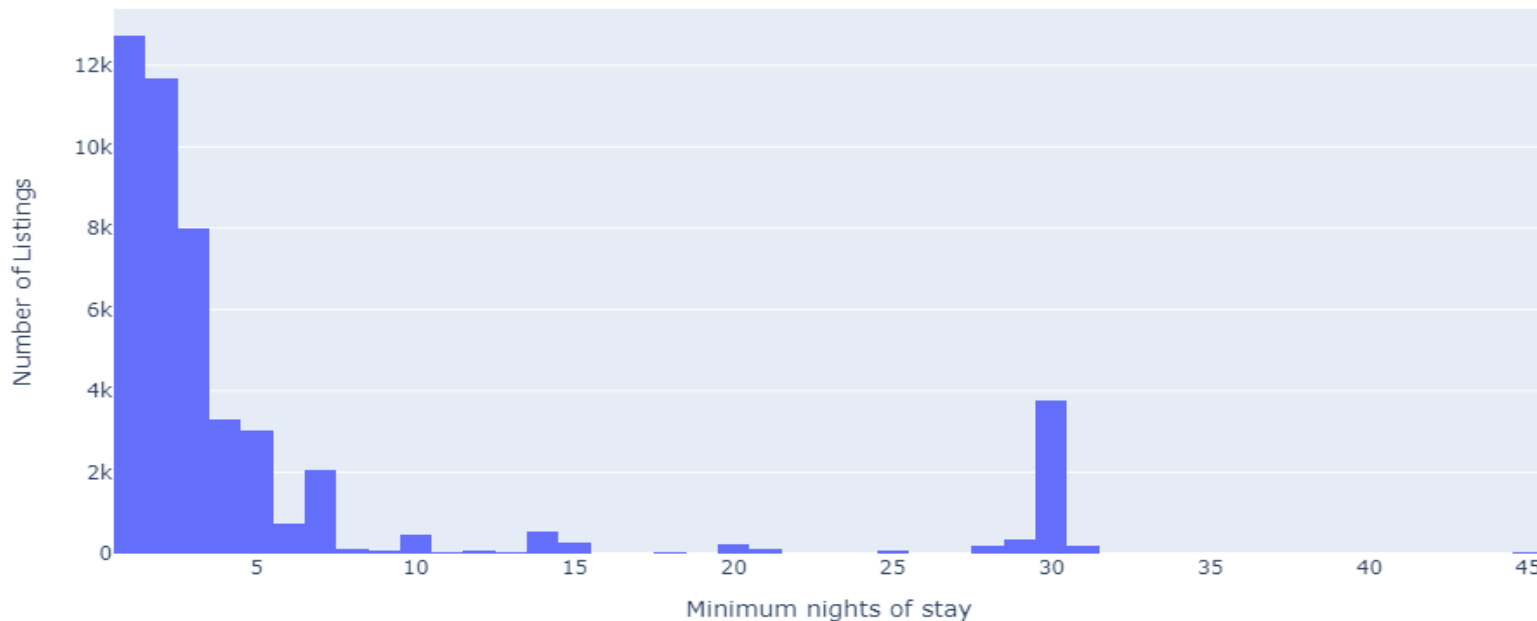
CUSTOMER PREFERRED LISTINGS

- It's observed that the most popular listings are from Queens and Manhattan.

- The top 5 listings are priced below 50 dollars and are private rooms which are available almost through out the year

- The "Room near JFK Queen Bed" is the most popular with 629 reviews and is situated in Queens
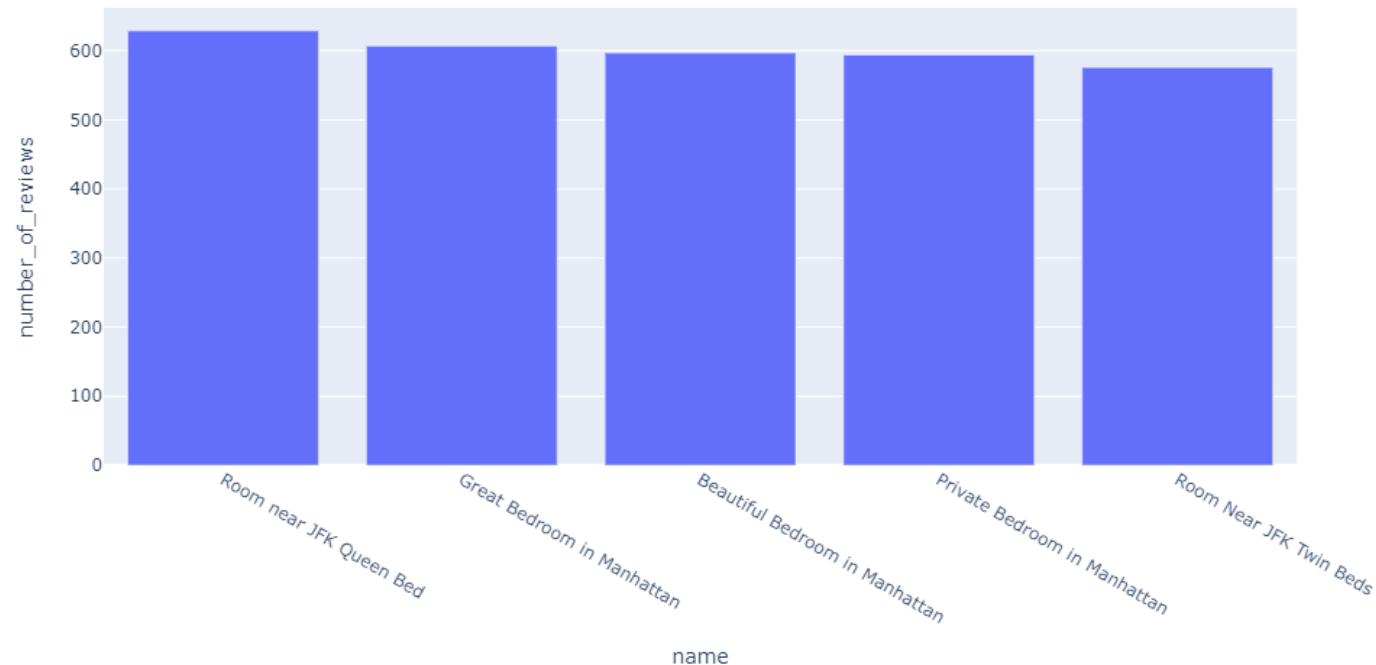
RECOMMENDATIONS

- Based on the analysis of the popular listings, inorder to increase the tractions in unpopular listings the following strategies can be taken:

- Since Sonder from Manhattan is the most popular host, his business ideas can be adopted by other listings to increase the revenue.

- The price of the unpopular listings can be capped to 50 dollars inorder to increase the popularity.

- The minimum nights requirement in unpopular listings should be between 1 to 7days.

- The number of days of availability of these unpopular listings must be increased inorder to get more bookings.

APPENDIX – DATA METHODOLOGY

The methodology document has been attached in the below link:

PDF File

APPENDIX - DATA ASSUMPTIONS

- The data analysis was done based on the following data assumption
  - A host creates a listing based on customer preference- higher is the number of listings in a particular place higher is the demand among the customers for that place