



# STRATEGIES TO INCREASE THE REVENUE OF AIRBNB

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# AGENDA

- Objective
- Background
- Key findings
- Appendix:
  - 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

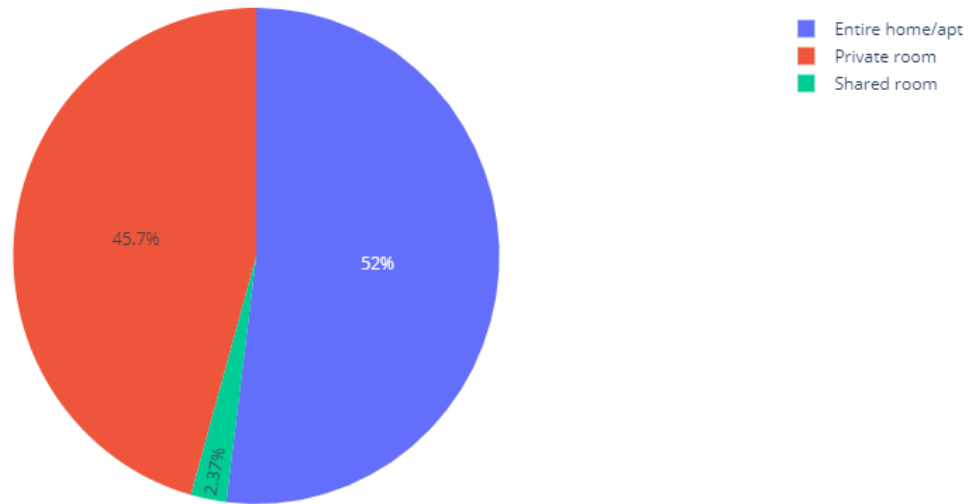
# BACKGROUND

- 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

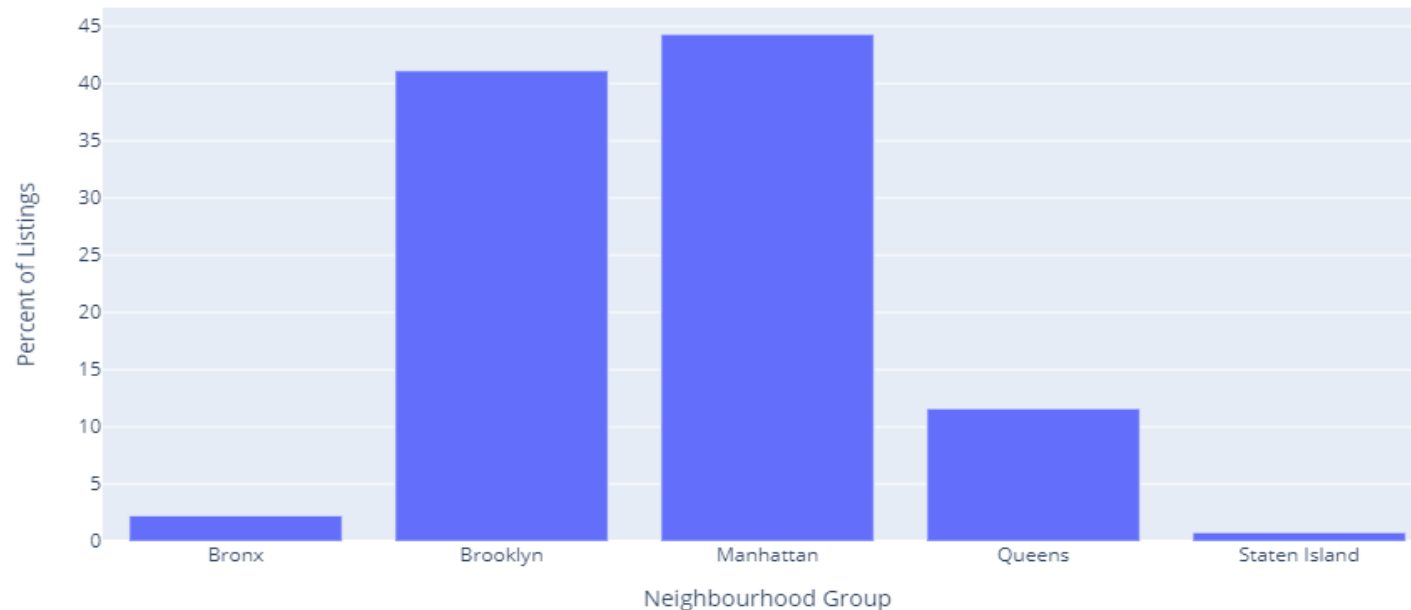
- Customers prefer Entire home/apt or private rooms more than sharing the room with others.
- Major part of the properties listed are either Entire home/apt (51.97%) or Private room (45.66%) and Only 2.37% of listings is Shared Room.

Customer Room Preference



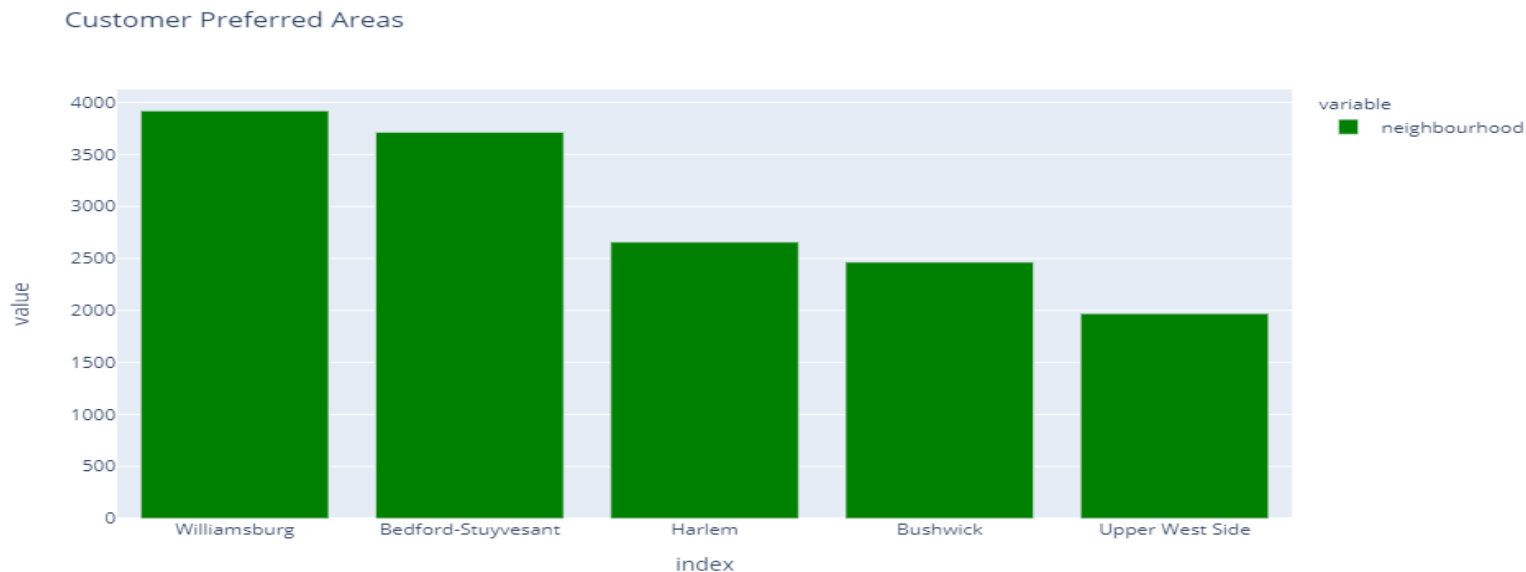
## CUSTOMER PREFERENCES FOR NY CITY BOROUGHES

- Customers prefer to live in the most developed parts of New York city like Manhattan and Brooklyn than the under developed parts like Bronx and Staten Island.
- Manhattan(~44.3%) and Brooklyn(~41.1%), together has 85.4% of the listed properties. Staten Island has less than 1% of the listings.



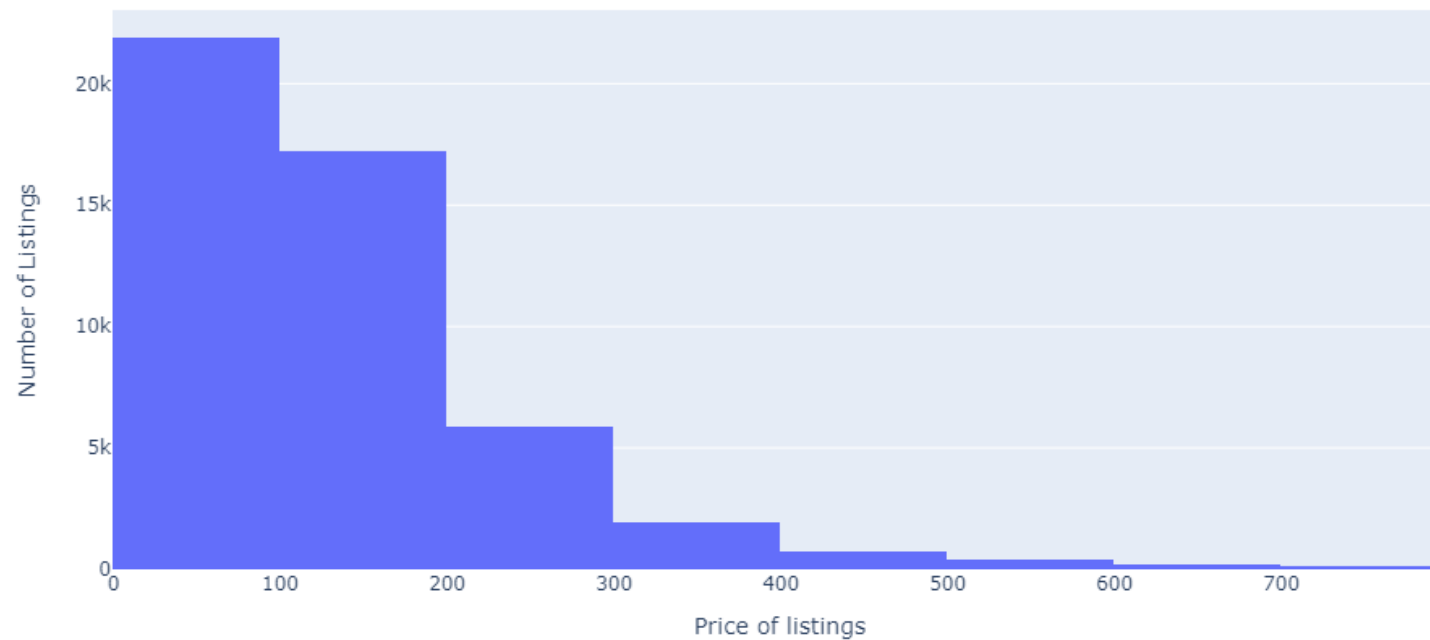
# CUSTOMER PREFERRED AREAS IN NEW YORK CITY

- "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 PREFERENCES BASED ON PRICE

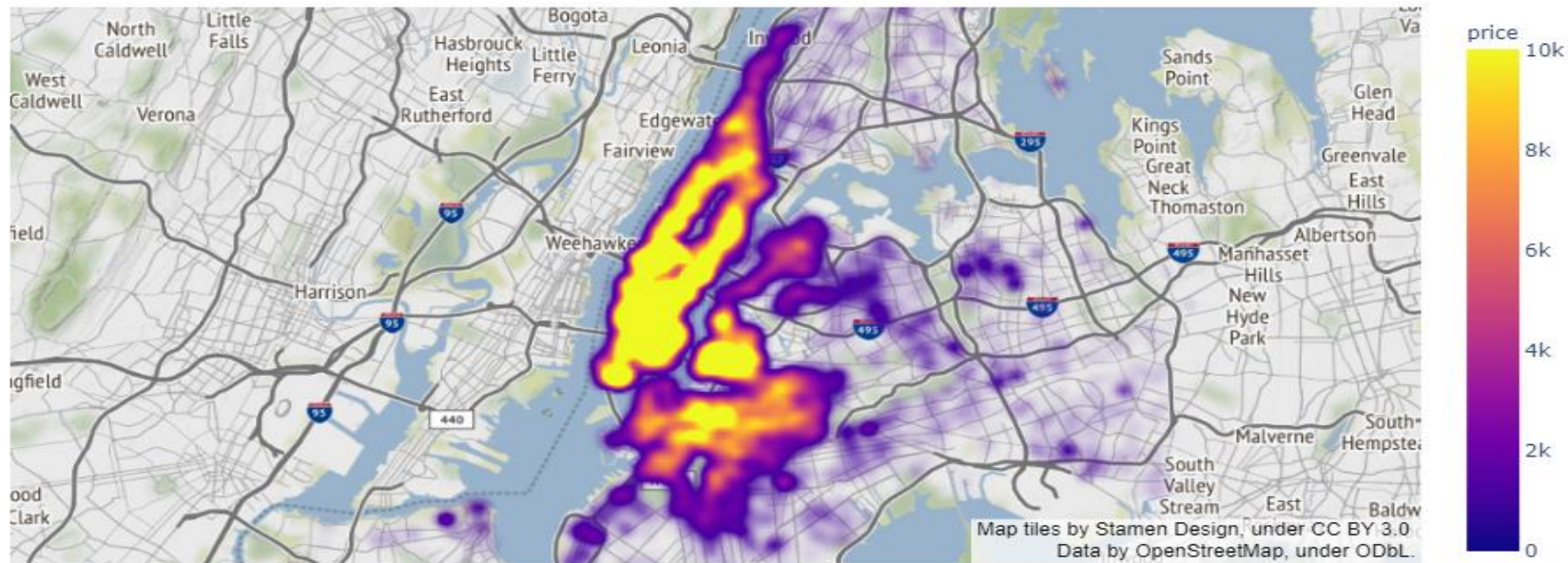
- Customers prefer the listings that are inexpensive.
- Majority of the listings fall under the 0 – 200 dollar bucket.





## GEOGRAPHICAL INSIGHTS OF THE LISTINGS

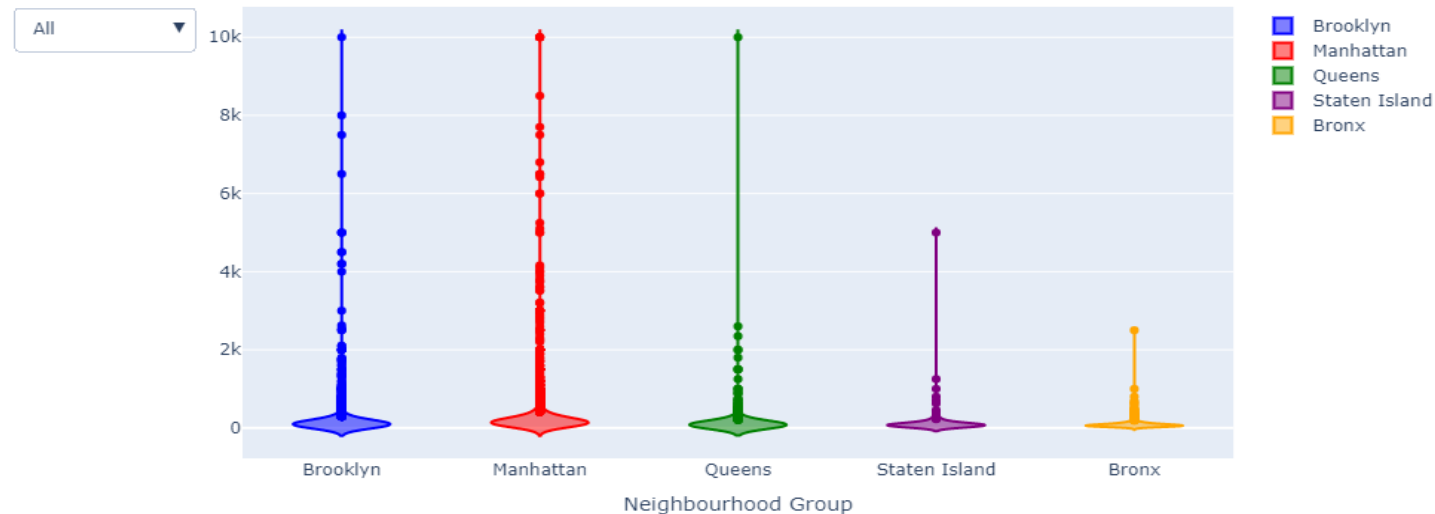
- Listings near to the rivers are priced higher when compared to others.
- Since Manhattan is mostly enclosed by river in its sides, the listings are priced higher.
- Most of the customers prefer to have a view during their stay which in turn tells why the listings in Manhattan are priced higher.



# PRICE DISTRIBUTION BY NEIGHBOURHOOD GROUP

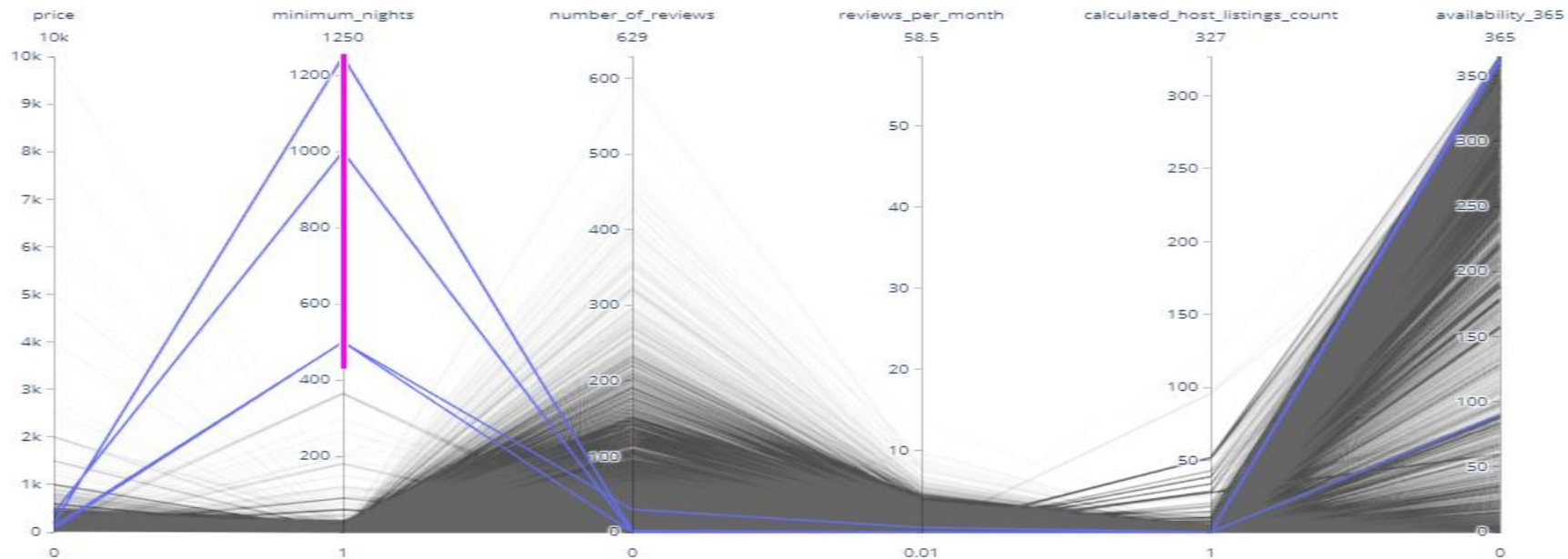
- The highest priced Airbnb's are in Brooklyn, Manhattan, Queens and Bronx being the lowest.
- Manhattan is one of the most developed neighbourhood group of NY City and so most of the listings are premium, where Bronx being the least developed part the price of the listings are very less.
- Manhattan has a median price of 150 dollars whereas Brooklyn has a median price of 90 dollars.

Price Distribution by Neighbourhood Group



## LISTINGS WITH MINIMUM NIGHTS MORE THAN 400 DAYS

- There are some listings where customers can stay for over a year or more during their work stays or studies.
- These listings are of very lesser price and are available 365 days which allow customers to stay for more than a year.
- Also these listings are very less visited ones. Only few customers who have to stay in NY due to work or studies stays as the minimum nights criteria is very large for these listings and it suits these kind of customers.



## 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