AIRBNB INC. CASE STUDY IN NYC: STORYTELLING

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AGENDA

Objectives and Background

Problem Statement and Key Insights

Analysis Methods

Analysis Methods

Conclusion and Recommendations

Objectives

Key focus is mainly done on the following points:

- Help Head of Acquisitions and Operations and Head of User Experience, NYC to make sound decisions

- Getting a better understanding about Airbnb listings with respect to various parameters

- Provide insights of NYC Dataset for different preferences of customers' for stay

- In-depth analysis w.r.t customers' booking trends through data visualization and statistical techniques

- Help Airbnb prepare to increase the overall revenue and prepare for the changes in customers' preferences

Background

- Airbnb has been a prominent player in the accommodation industry in New York City, offering a diverse range of lodging options to travellers'.
- However, the past few months have witnessed significant changes in the travel landscape, with the lifting of restrictions and a resurgence in travel demand.
- As Airbnb aims to capitalize on this upward trend, data analysis becomes crucial for understanding market dynamics, identifying trends, and making informed decisions.
- In this presentation, we will delve into the data to uncover key insights that will aid the Head of Acquisitions and Operations, NYC, and the Head of User Experience, NYC in making strategic decisions for the success of Airbnb in New York City.

Problem Statement

- For the past few months, Airbnb has seen a major decline in revenue

- Now that the restrictions have started lifting and people have started to travel more,

   Airbnb wants to make sure that it is fully prepared for this change

- Analysis has been done on a dataset consisting of various Airbnb listings particularly in New York

Key Insights

To understand some important insights we have explored the following questions:

- Which type of hosts to acquire more and where?
- The categorisation of customers based on their preferences.
- What are the neighbourhoods they need to target?
- What is the pricing ranges preferred by customers?
- The various kinds of properties that exist w.r.t. customer preferences.
- Adjustments in the existing properties to make it more customer-oriented.
- What are the most popular localities and properties in New York currently?
- How to get unpopular properties more traction?

Listings wise view - Geographical
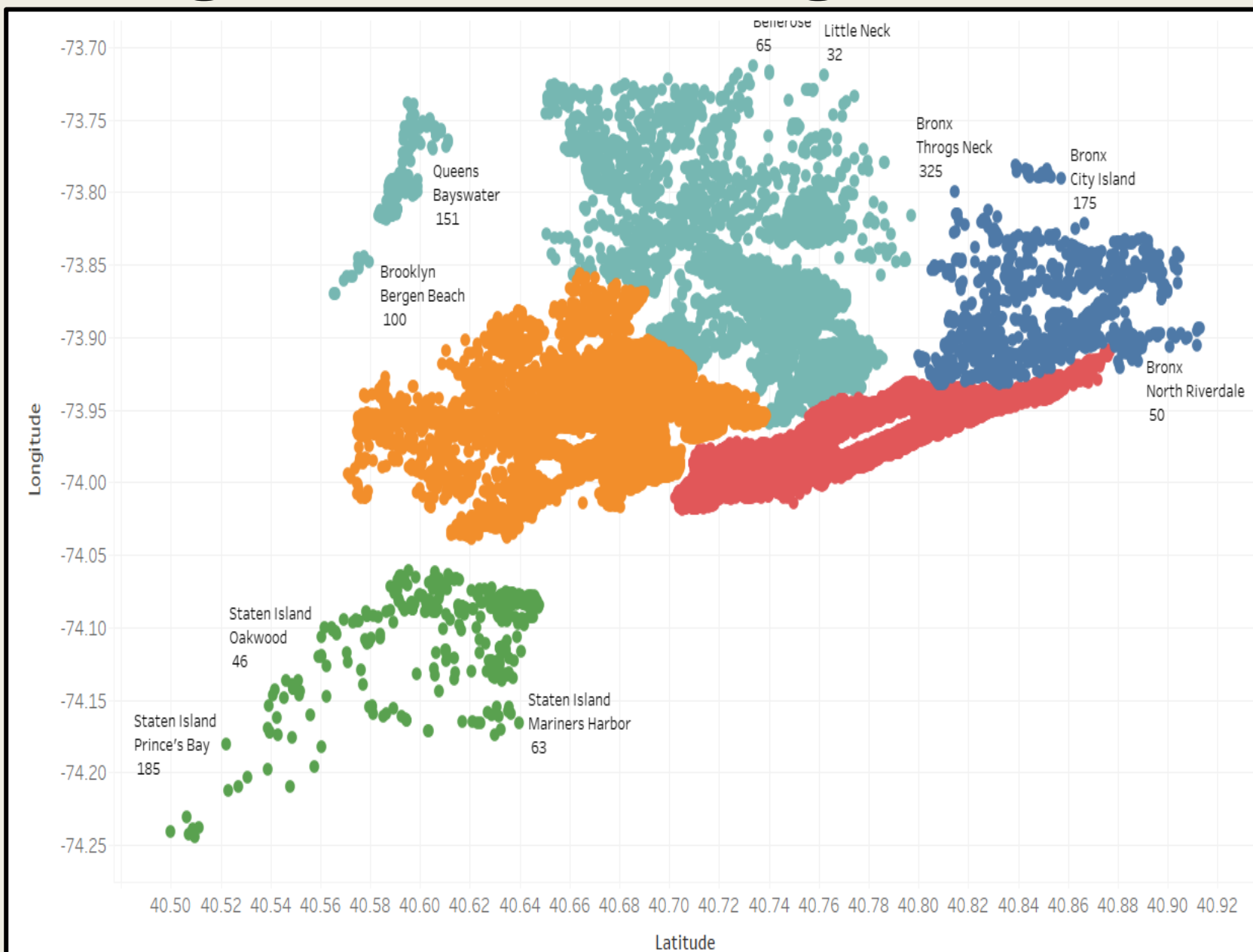
Key Callouts (Summary)

- It can be observed from the ma that Airbnb has good presence in Manhattan, Brooklyn & Queens

- Listings are maximum in Manhattan & Brooklyn owing to the high population density and it being the financial and tourism hub of NYC

- Staten Island has the least number of listings, due to its low population density and very few tourism related options
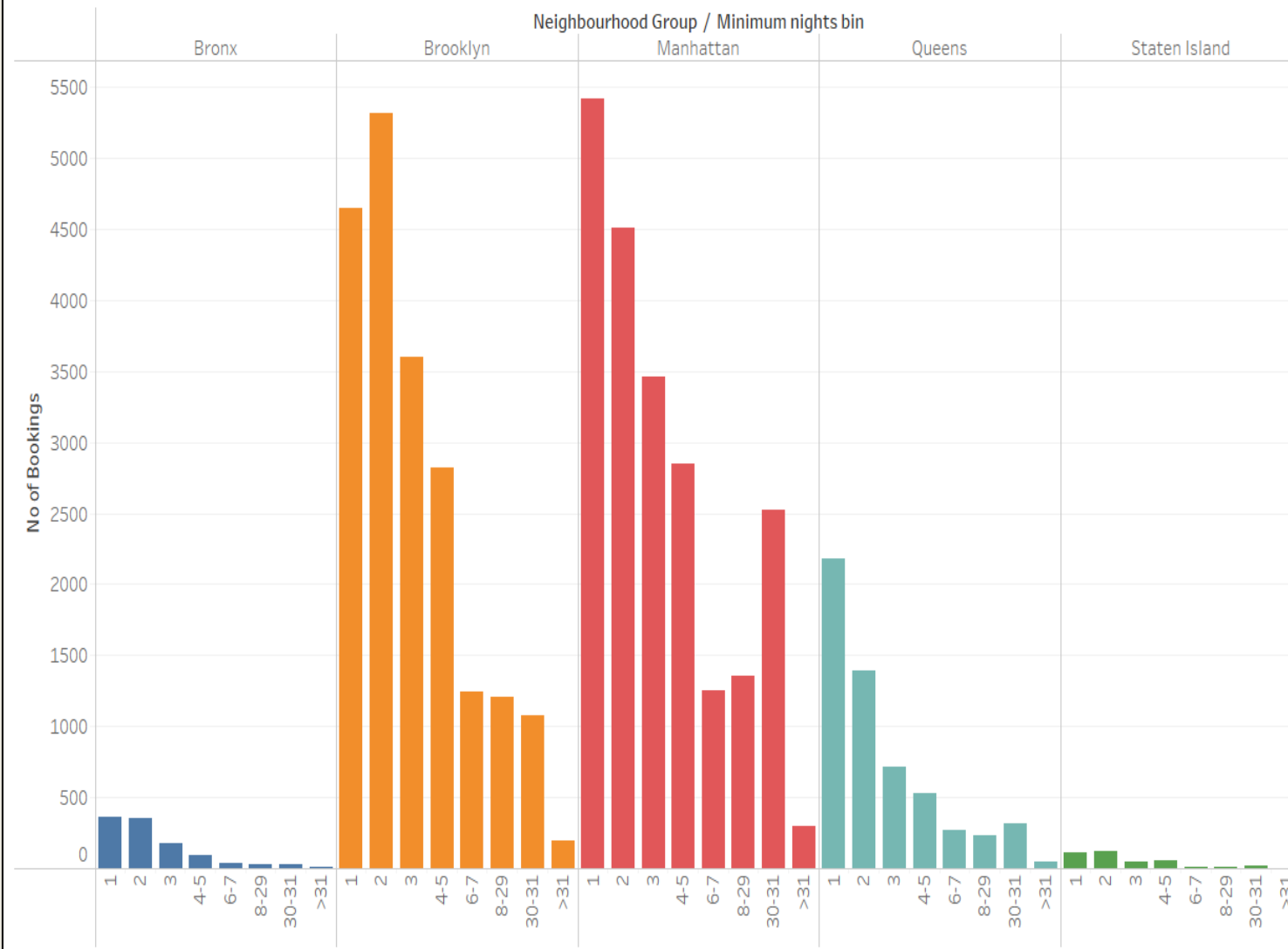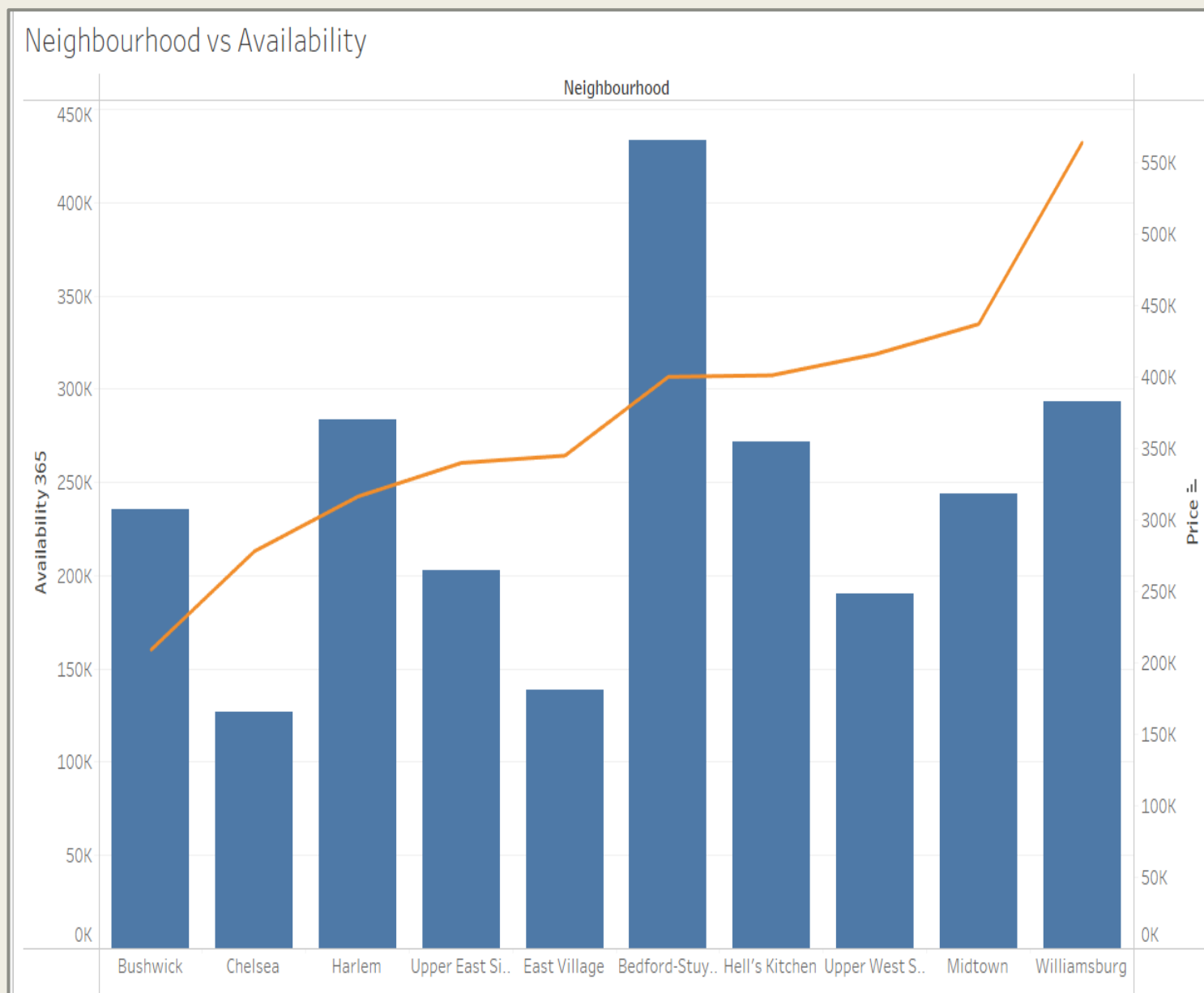
Customer Booking w.r.t minimum nights

Key Callouts (Summary)

- The listings with min. 1-5 nights have the most number of bookings in all neighbourhood groups

- We can see a prominent spike in 30 days, this would be because customers would rent out on a monthly basis

- After 30 days, we can also see small spikes, this can also be explained by the monthly rent taking trend

- Manhattan & Queens have higher number of 30 day bookings compared to the others. The reason could be either tourists booking long stays or mid-level employees who opt for budget bookings due corporate business visits

Neighbourhood vs Availability_365
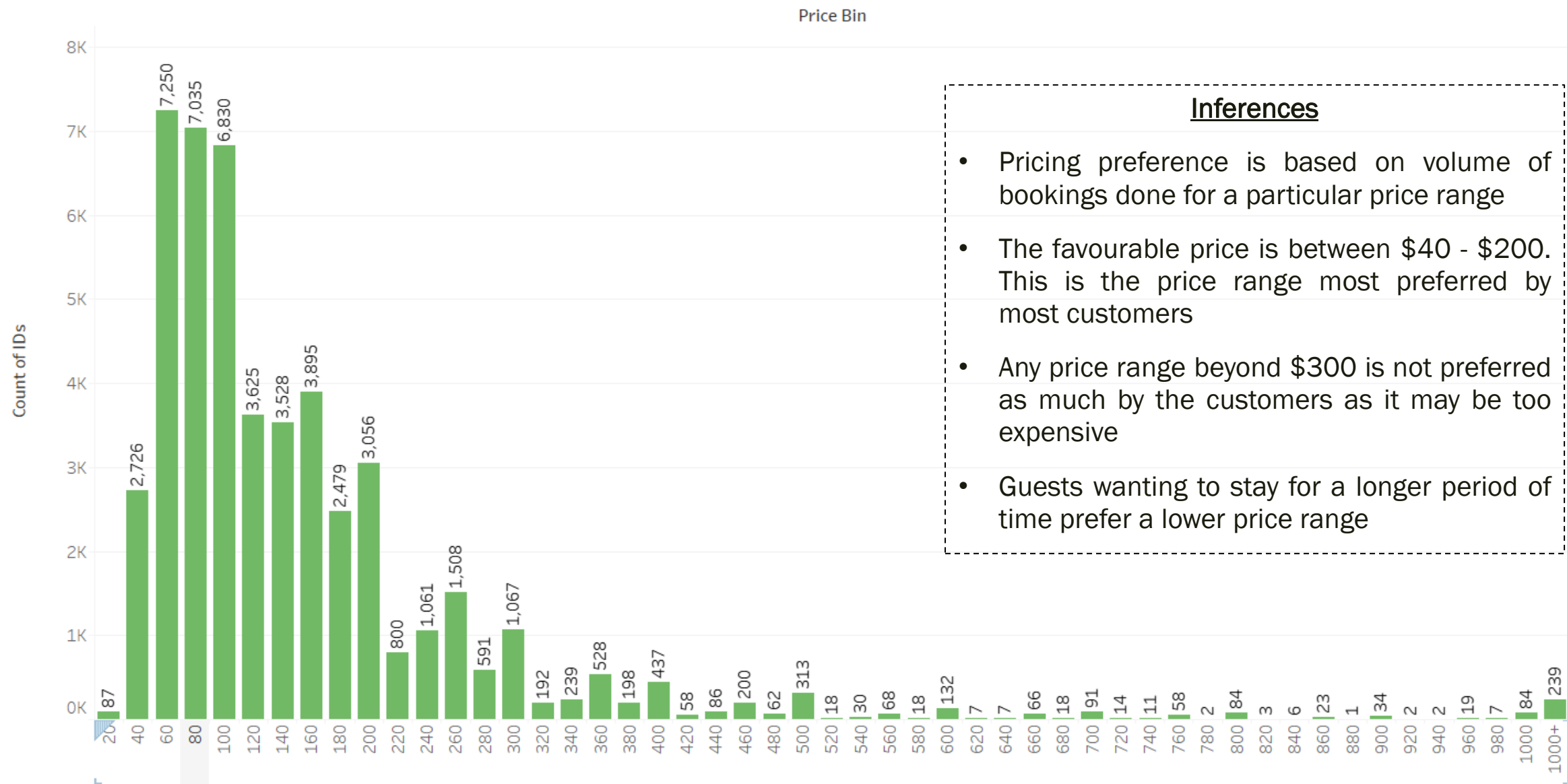

Neighbourhood vs Availability

Inferences

- Availability for 365 days for Bedford is highest and its price is on the lower side. It is a good choice for customers

- After Bedford, Harlem follows a similar kind of a trend

- On the other hand, William's price is high and has average availability

- Chelsea's availability is low and it is least costliest

Price range preference by Customers

Price range preffered by customers

Inferences

- Pricing preference is based on volume of bookings done for a particular price range

- The favourable price is between $40 - $200. This is the price range most preferred by most customers

- Any price range beyond $300 is not preferred as much by the customers as it may be too expensive

- Guests wanting to stay for a longer period of time prefer a lower price range

Understanding Price variation w.r.t Room Type & Boroughs

The chart shows average prices by Neighbourhood Group and Room Type:

Room Type	Bronx	Brooklyn	Manhattan	Queens	Staten Island
Entire home/apt	127.5	178.3	249.2	147.1	173.8
Private room	66.8	76.5	116.8	71.8	62.3
Shared room	59.8	50.5	89.0	69.0	57.4

Tooltip:
Neighbourhood Group: Bronx
Room Type: Private room
Avg. Price: 66.8
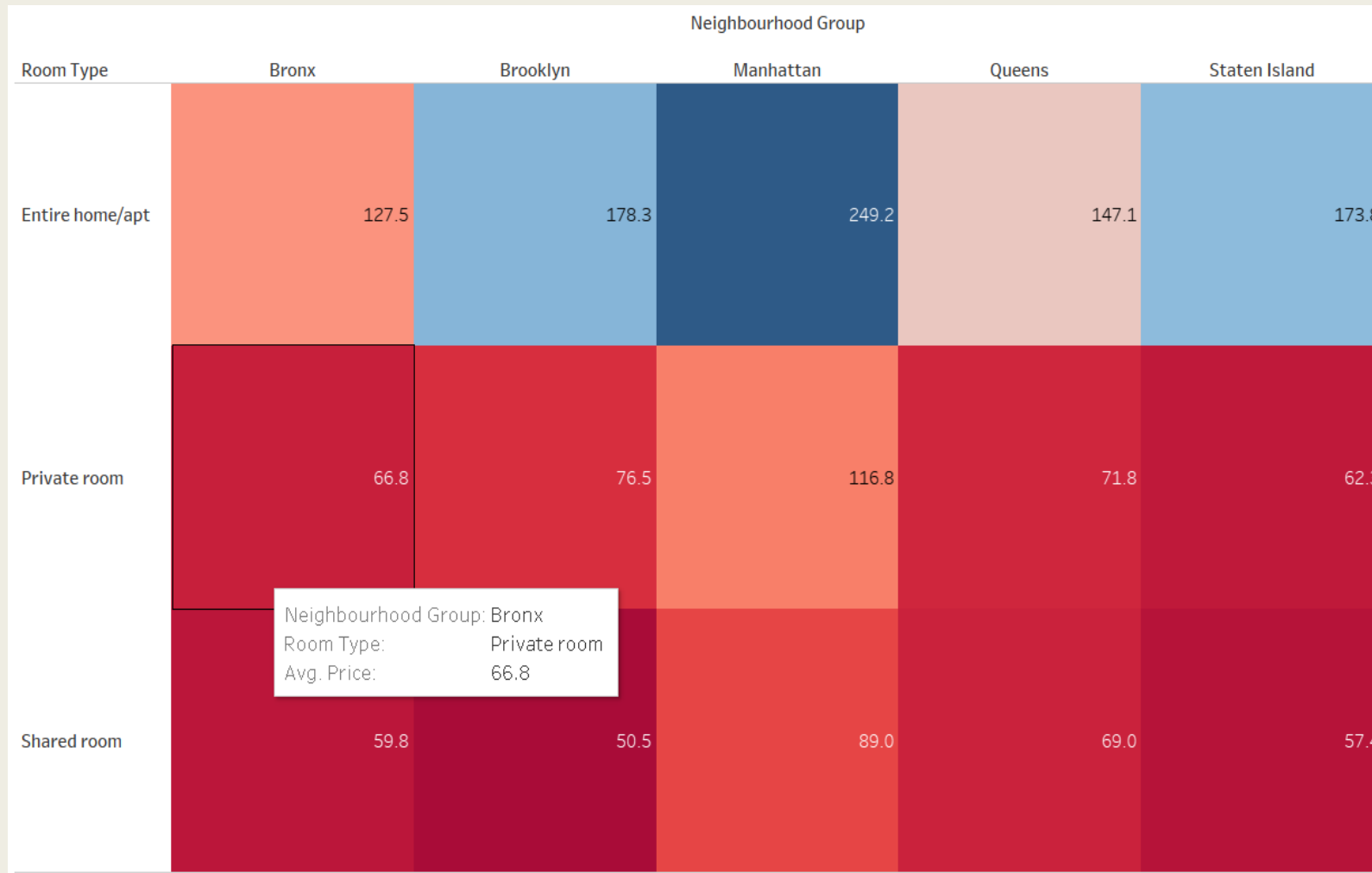
- The 'Entire home/apt' room type in Manhattan is priced as the most expensive at $250, much higher than the overall average.
- 'Private rooms' of Manhattan & Brooklyn have the highest average
- 'Shared Room' type is the cheapest in Brooklyn with $50.5/ night

Conclusion

Key Findings and Insights:

1. **Popular Neighbourhoods:** The analysis revealed the top neighbourhoods in terms of customer bookings and ratings. Williamsburg, Bedford-Stuyvesant, and Harlem emerged as the most popular neighbourhoods with high demand and positive customer reviews. This indicates the potential for growth and success in these areas.

2. **Price Preferences:** Customers showed a preference for affordable price ranges, with a majority of bookings falling within the $50-$200 range. This suggests that pricing plays a crucial role in attracting customers and maximizing occupancy rates.

3. **Room Type and Neighbourhood:** The analysis highlighted the distribution of room types across different neighbourhoods. It was observed that entire homes/apartments were the most common accommodation type in most neighbourhoods. Understanding these preferences can help optimize the listing offerings in each neighbourhood.

Strategic Actions:

1. Market Expansion: Explore opportunities for expansion into emerging neighbourhoods that show potential for growth and attract a diverse customer base.

2. Targeted Marketing: Develop targeted marketing campaigns to promote listings in popular neighbourhoods, showcasing unique features and attractions to attract more bookings.

3. Price Optimization: Continuously monitor pricing trends and adjust rates based on demand, seasonality, and competitor analysis to maximize occupancy and revenue.

By leveraging the insights gained from the analysis, the Head of Acquisitions and Operations and the Head of User Experience can make informed decisions to drive business growth, improve customer satisfaction, and strengthen Airbnb's presence in New York City.

Recommendations

For the Head of Acquisitions and Operations, NYC:

- Focus on the popular neighbourhoods: Allocate resources and efforts towards acquiring more listings in popular neighbourhoods like Williamsburg, Bedford-Stuyvesant, and Harlem to meet the high demand.
- Monitor price competitiveness: Regularly analyse the pricing strategy to ensure it aligns with customer preferences and remains competitive within the market.

For the Head of User Experience, NYC:

- Enhance customer experience in popular neighbourhoods: Collaborate with hosts in popular neighbourhoods to provide superior amenities, personalized services, and efficient customer support.
- Improve communication and transparency: Establish clear communication channels to address customer queries and concerns promptly, ensuring a seamless booking experience.