



# AIRBNB NEW USER BOOKING CAPSTONE PROJECT

---



# PROJECT PROCESS

---

- Project Objective Definition
- Data Cleaning
- Data Exploratory Analysis
- In-Depth Analysis: Classification modeling
- Modeling Performance Validation
- Presentation

# PROJECT BACKGROUND & OBJECTIVE

---

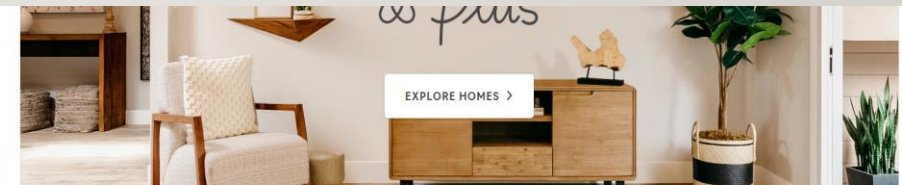
- Kaggle Competition: Where will a new guest book their first travel experience?
- Predict the first destination country for the new users
- Deliver customized content to user to increase user booking rate



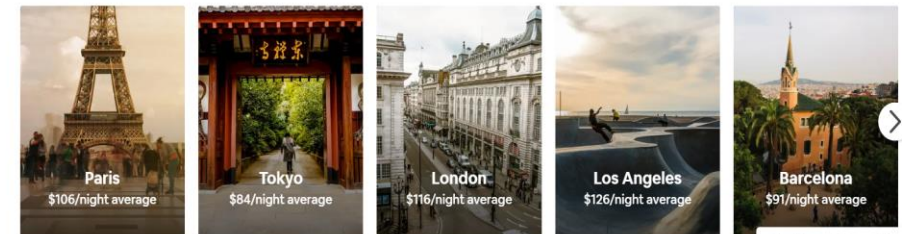
## Airbnb New User Bookings

Where will a new guest book their first travel experience?

1,462 teams · 3 years ago



### Recommended for you



[Terms, Privacy, Currency & More](#)



# DATA

---

- User demographics
  - Gender
  - Age
  - Sign-up method
  - Language
- Web session records
- Destination country: US, FR, CA, GB, ES, IT, PT, NL, DE, AU, NDF(Not booked yet) and Other





# AIRBNB NEW USER BOOKING CAPSTONE PROJECT

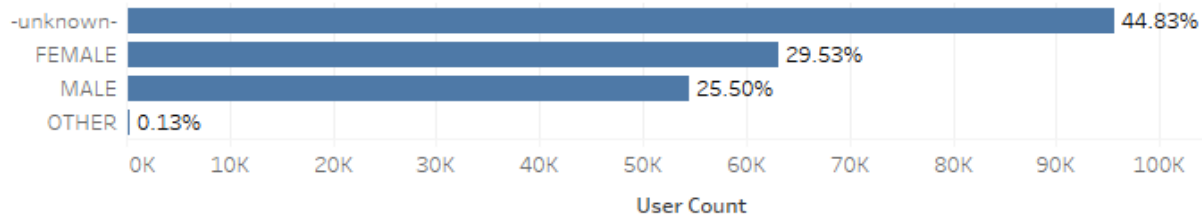
---

## EXPLORATORY ANALYSIS

# USER DEMOGRAPHIC

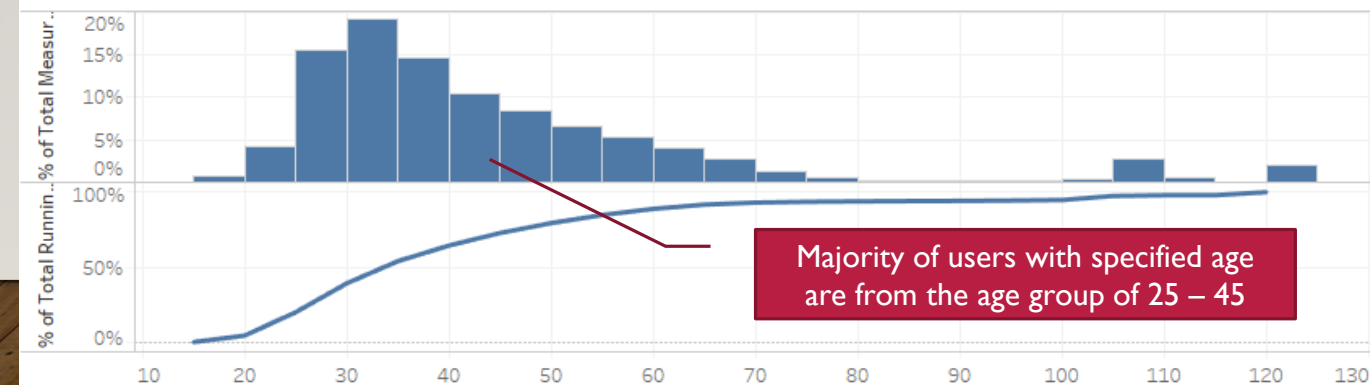
WHAT DO THE USERS IN THE DATASET LOOK LIKE ?

Dimension Distribution:  
Gender

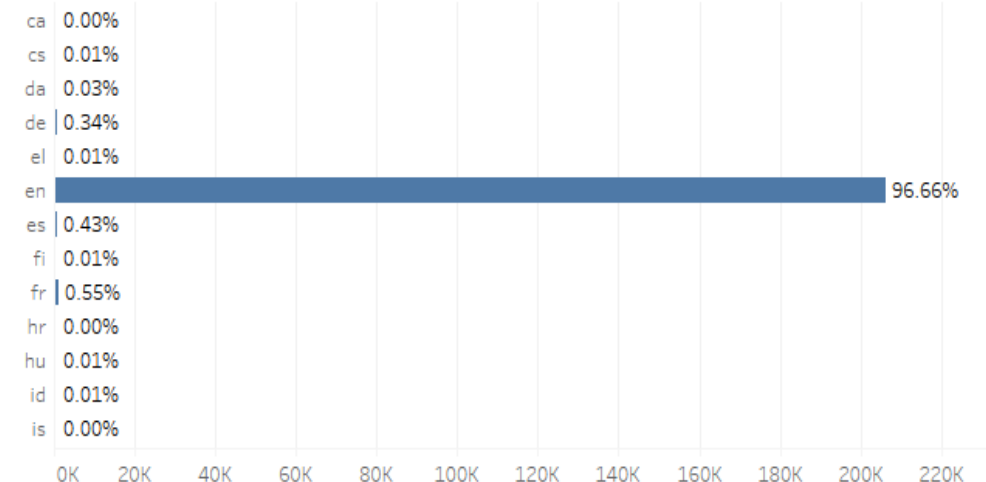


- 213,451 users in total from US.
- 45% of users have unknown gender.
- 59% of users have unknown age.

Measure Distribution:  
User Age Cleaned  
PDF & CDF Plot



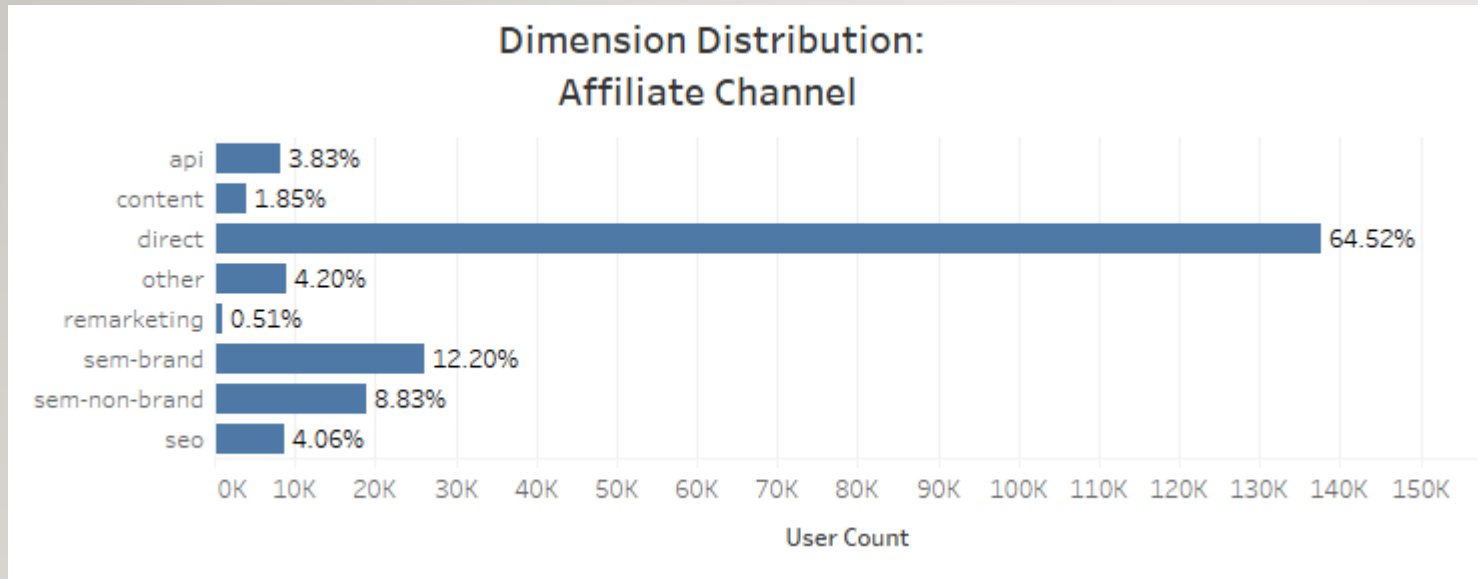
Dimension Distribution:  
Language



# USER ACQUISITION CHANNELS

WHERE DO THE USERS COME FROM ?

---



- Most users are either coming to the website by typing in URL directly or coming from Google.

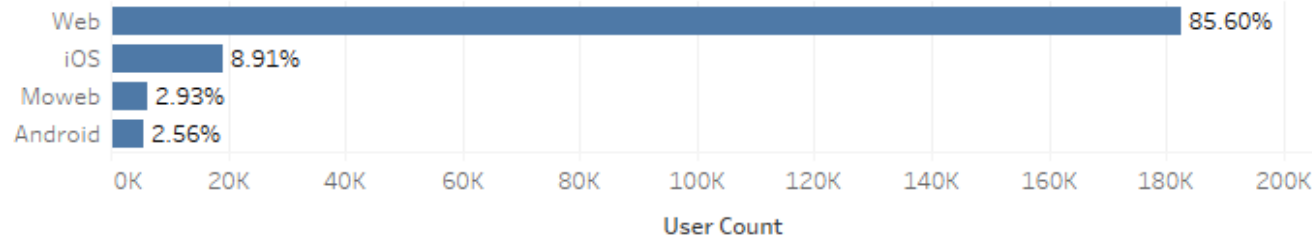


# USER BEHAVIORS

## HOW DID THE USERS COME TO THE WEBSITE FOR THE FIRST TIME ?

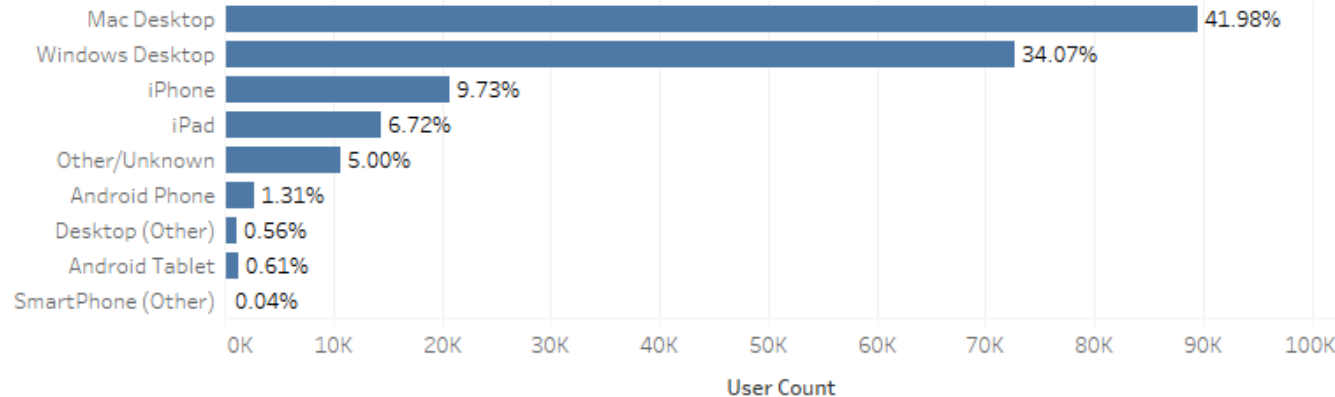
---

Dimension Distribution:  
Signup App



- Majority of users signed up through desktop
- Mac is more popular among users than any other device

Dimension Distribution:  
First Device Type



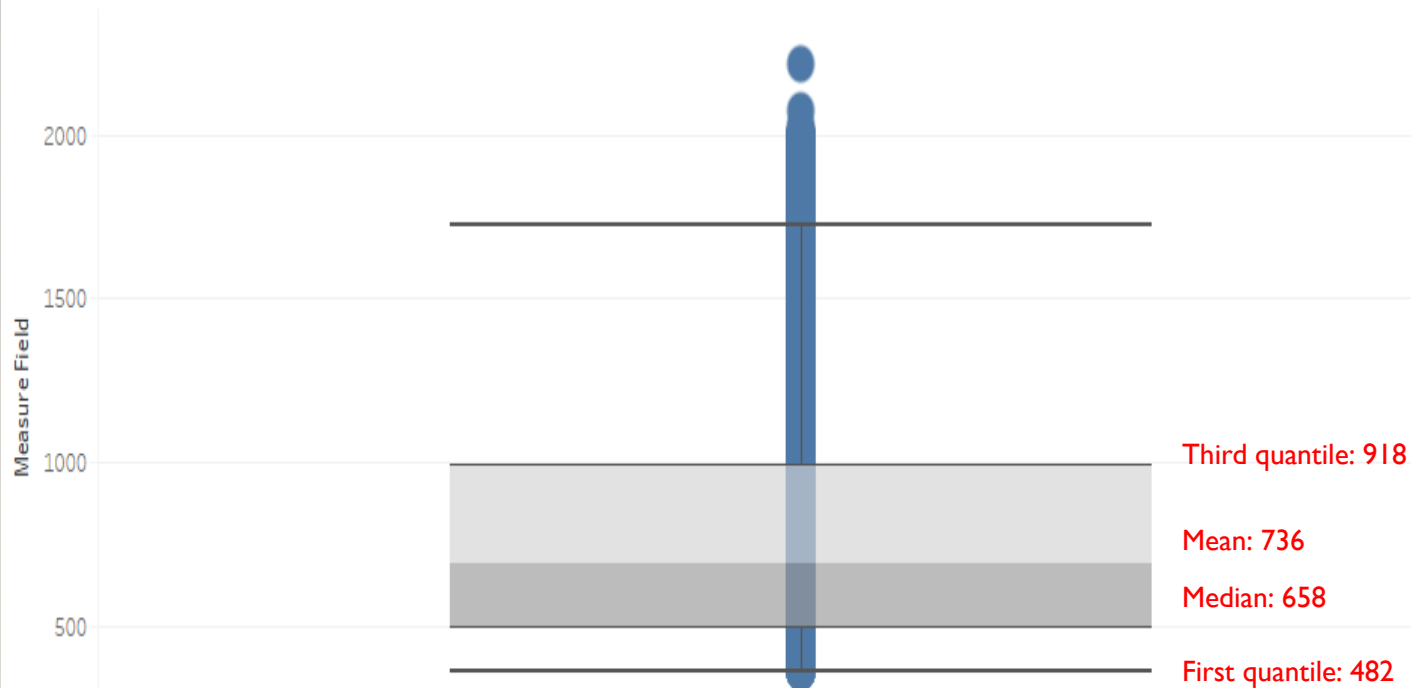


# USER BEHAVIORS

## HOW LONG HAVE USERS BEEN BROWSING ON THE WEBSITE?

---

Box Plot: Number of active days as of latest date

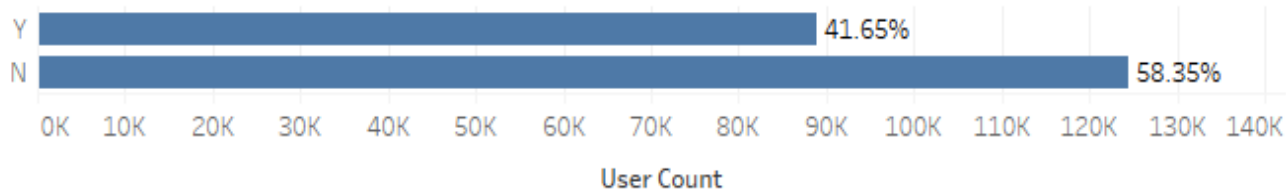


- As of 7/1/2015, user age ranges from 1 year to a bit over 6 years. Most of users are 1 to 2.5 years old based on their first active date on the site.

# BOOKING HISTORY

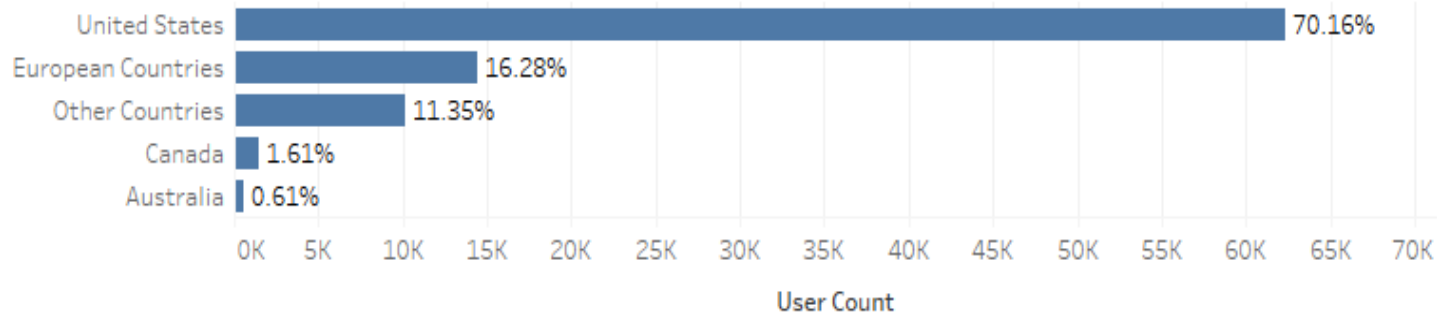
HOW MANY USERS HAVE MADE THE BOOKING ? WHAT DESTINATION ARE MORE POPULAR ?

Dimension Distribution:  
Trip Booking Flag



- Only 42% of users have made a booking.
- Most users like to travel within US. Europe is the second place they like to go.

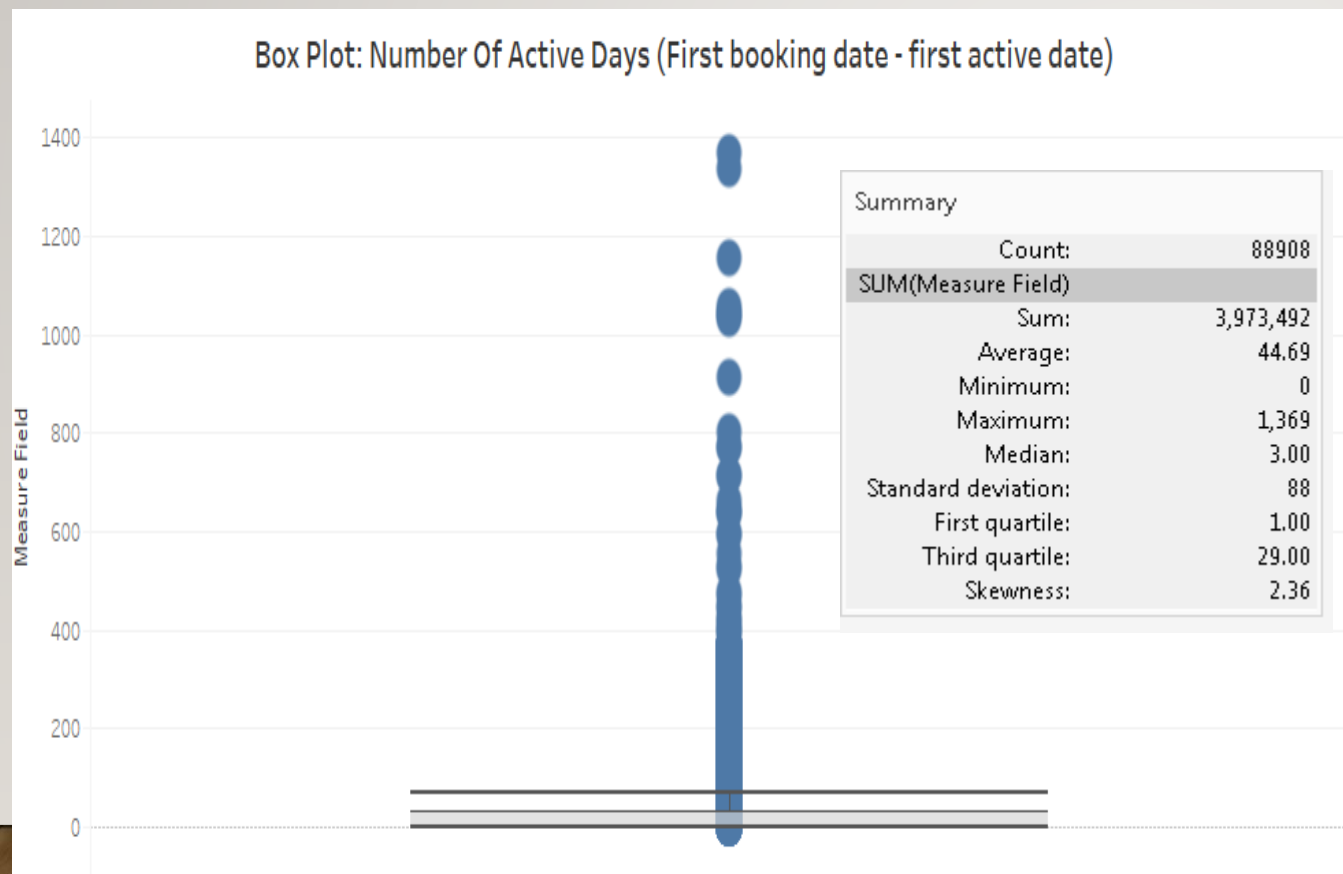
Dimension Distribution:  
Country Destination Type



# BOOKING HISTORY

HOW LONG DID IT TAKE USERS TO CONVERT AFTER GETTING ON THE SITE?

---



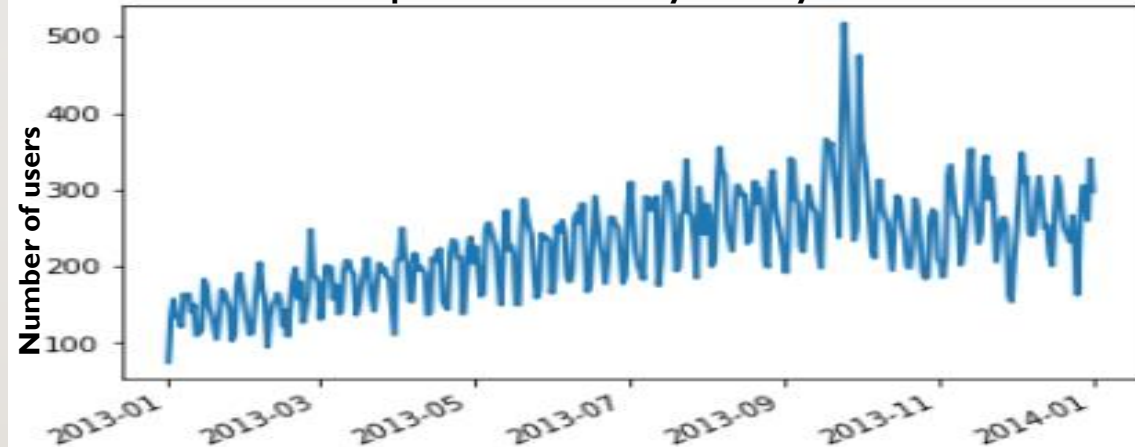
- Majority of bookers (75%) have booked their first destination within 30 days since they got on the website for the first time.

# BOOKING HISTORY

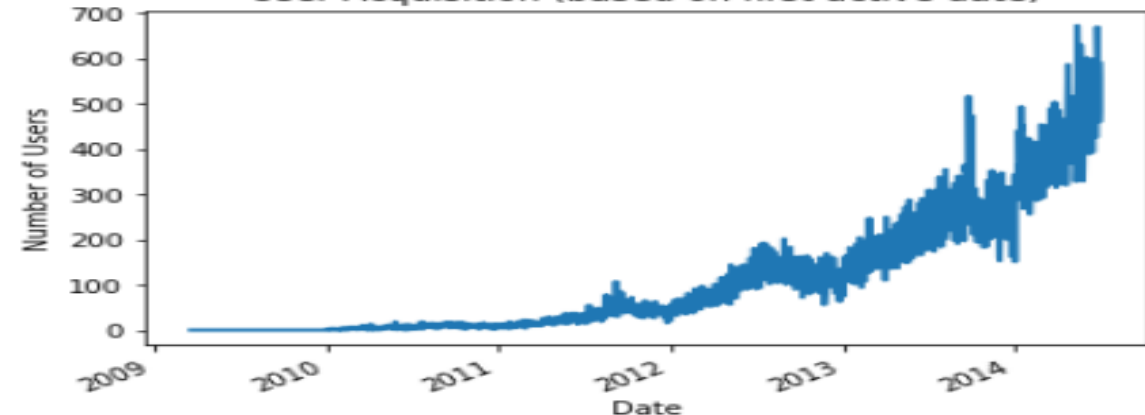
HOW DOES THE USER GROWTH FOR THE WEBSITE LOOK?

- Between 2013 and 2014, number of users on Airbnb has grown dramatically.
- There's seasonality for the user acquisition:
  - October is peak month for user acquisition.
  - The beginning of the year is the off-peak season.

User Acquisition Seasonality within year of 2013



User Acquisition (based on first active date)

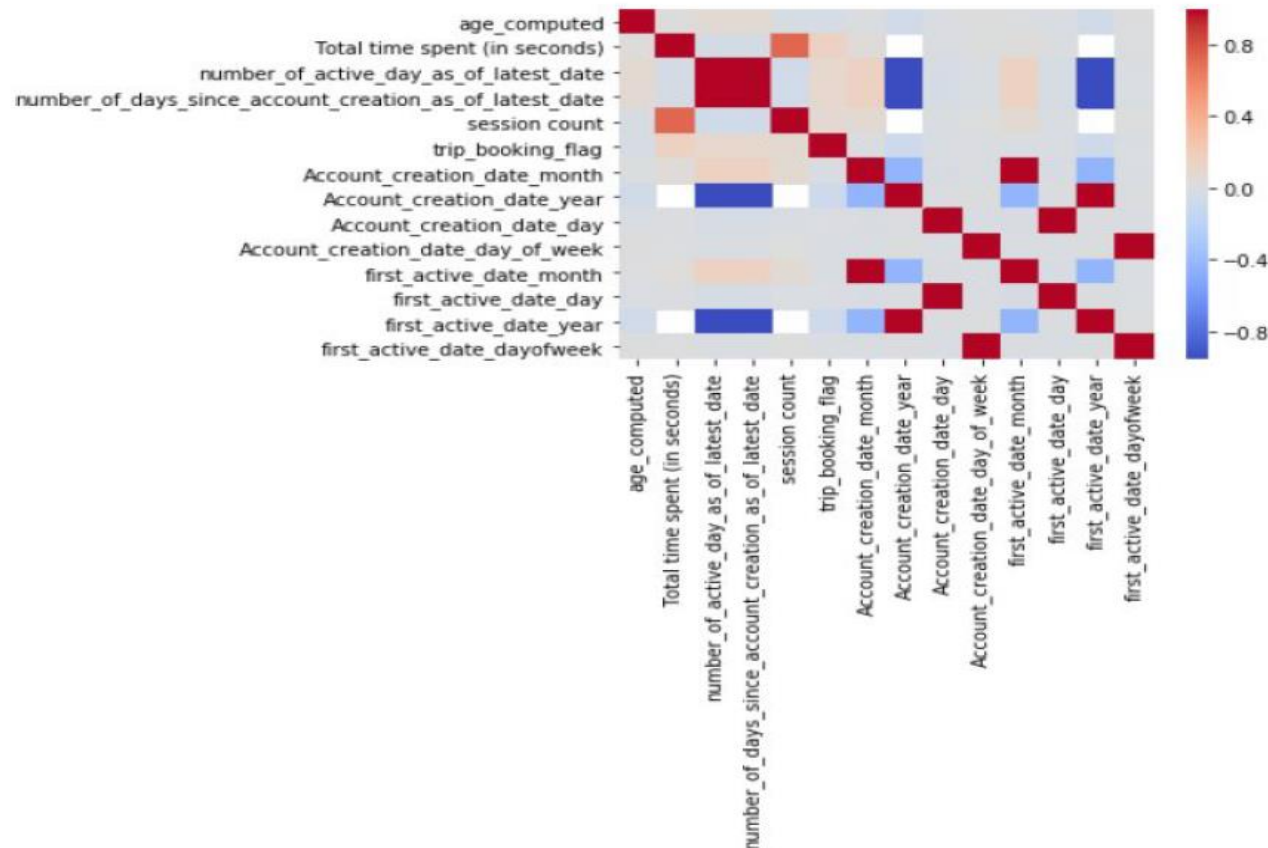




# CORRELATION EXPLORATION

IS THERE ANY CORRELATION BETWEEN USER PROFILE & BEHAVIORS AND TRIP BOOKING ?

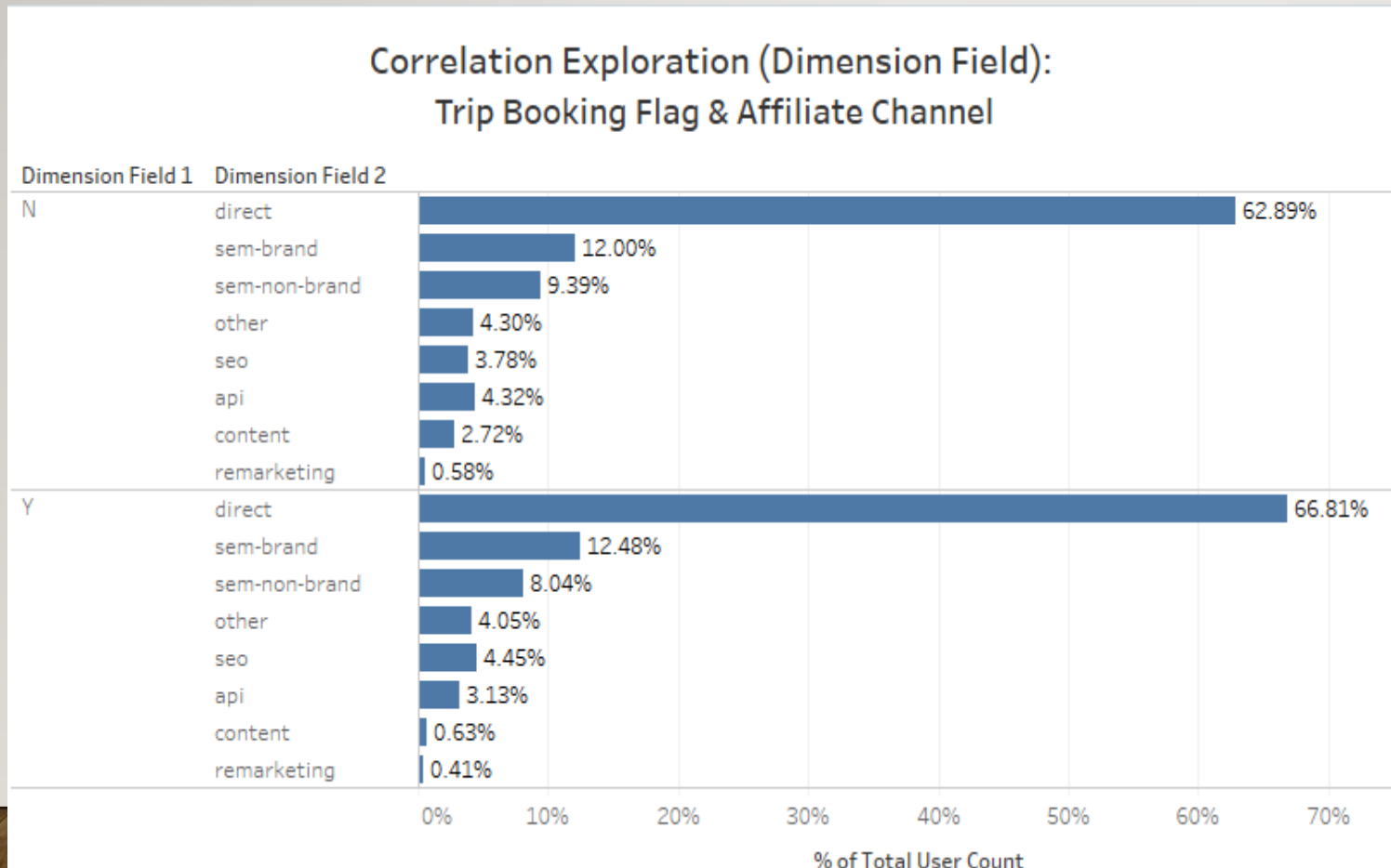
## CORRELATION HEATMAP



- Total time spent on the Airbnb site is more correlated to the user booking.

# CORRELATION EXPLORATION

IS THERE ANY CORRELATION BETWEEN USER ACQUISITION CHANNEL AND THEIR BOOKING BEHAVIOR ?

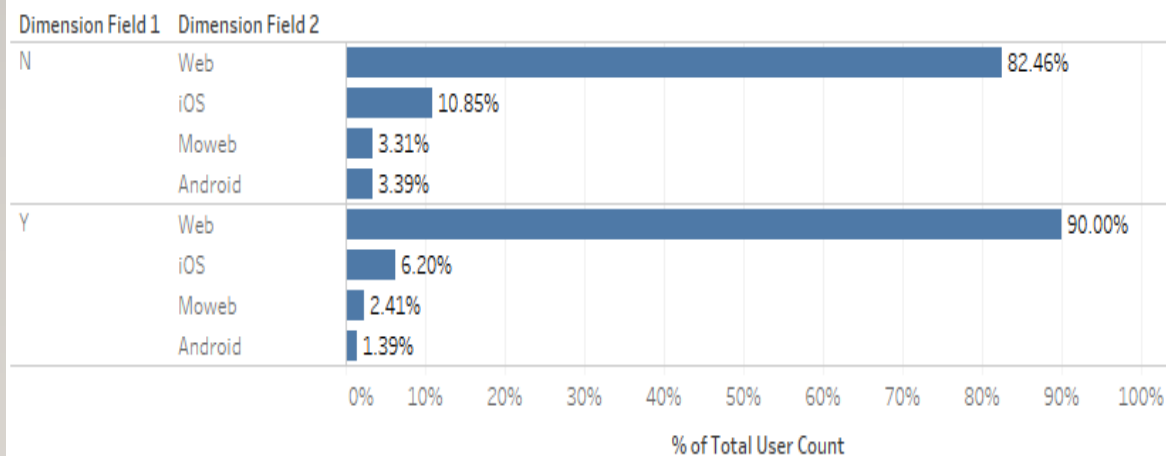


- Users coming directly to the website are slightly more likely to make a booking.

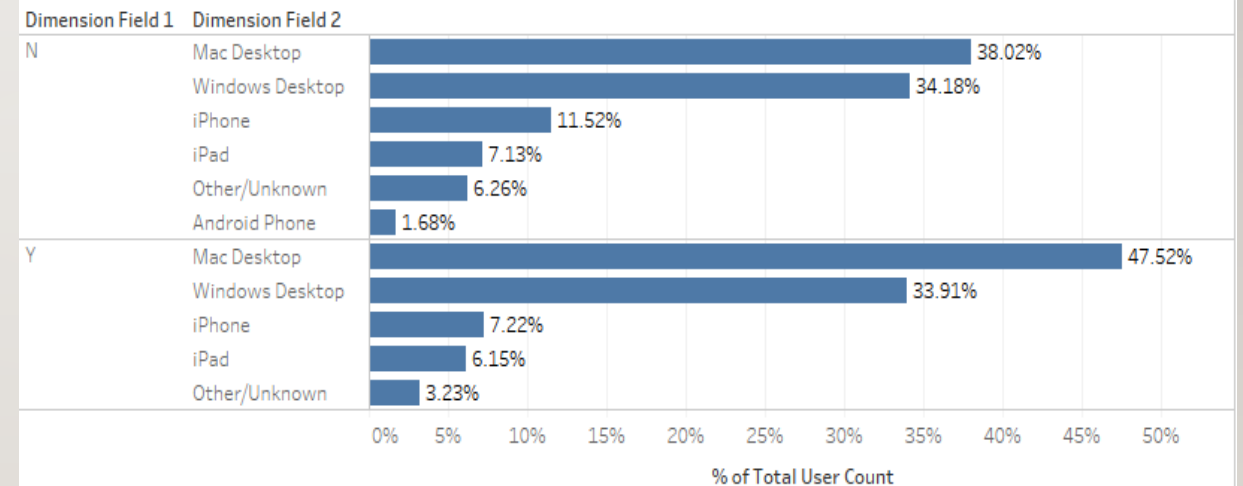
# CORRELATION EXPLORATION

IS THERE ANY CORRELATION BETWEEN USER ACQUISITION CHANNEL AND THEIR BOOKING BEHAVIOR ?

Correlation Exploration (Dimension Field):  
Trip Booking Flag & Signup App



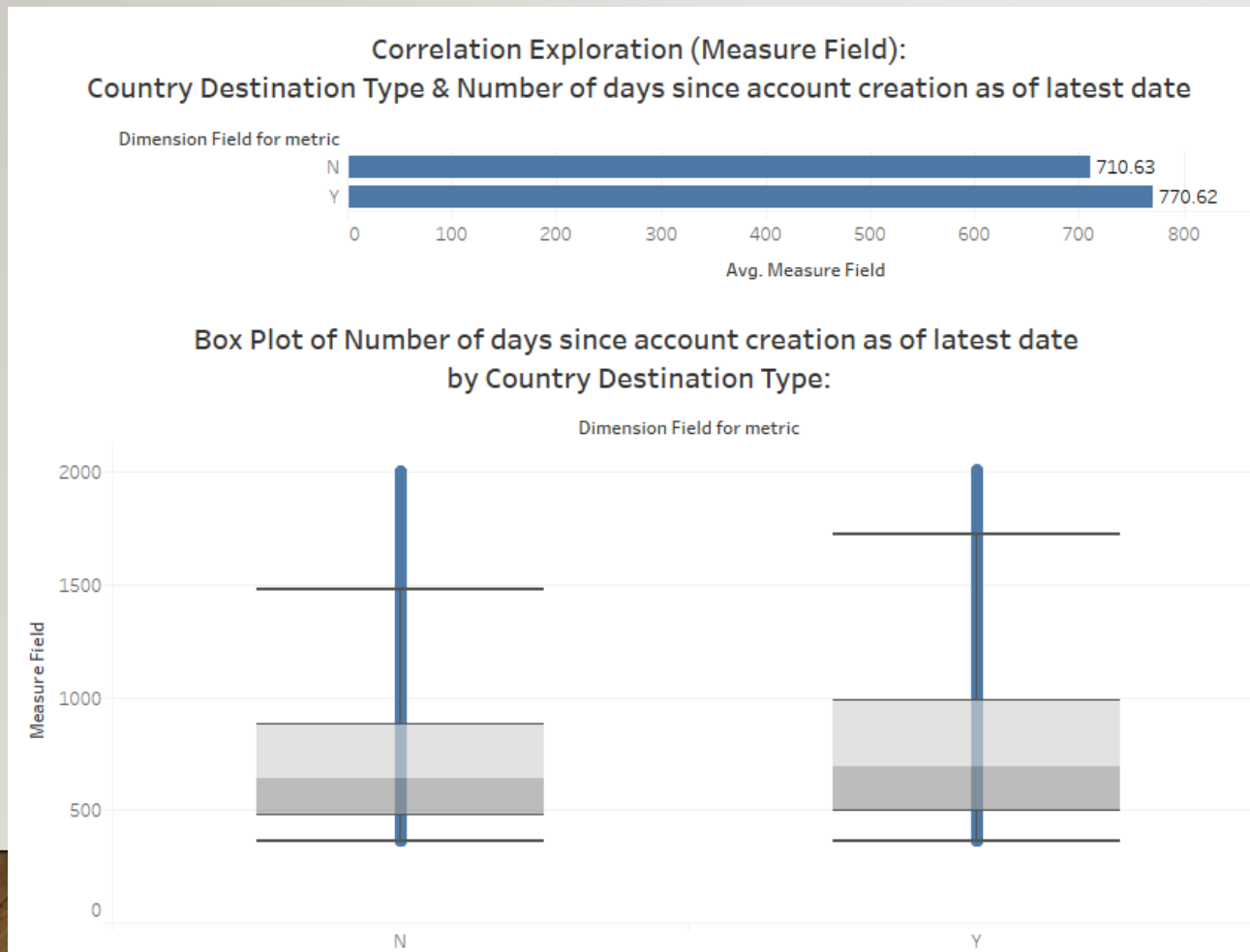
Correlation Exploration (Dimension Field):  
Trip Booking Flag & First Device Type



- Users coming from Web are more likely to make a booking.
- Users signing up using Mac are more likely to make a booking.

# CORRELATION EXPLORATION

IS IT TRUE THE MORE TIME USERS HAVE SPENT WITH WEBSITE THE MORE LIKELY USERS ARE TO MAKE A BOOKING ?

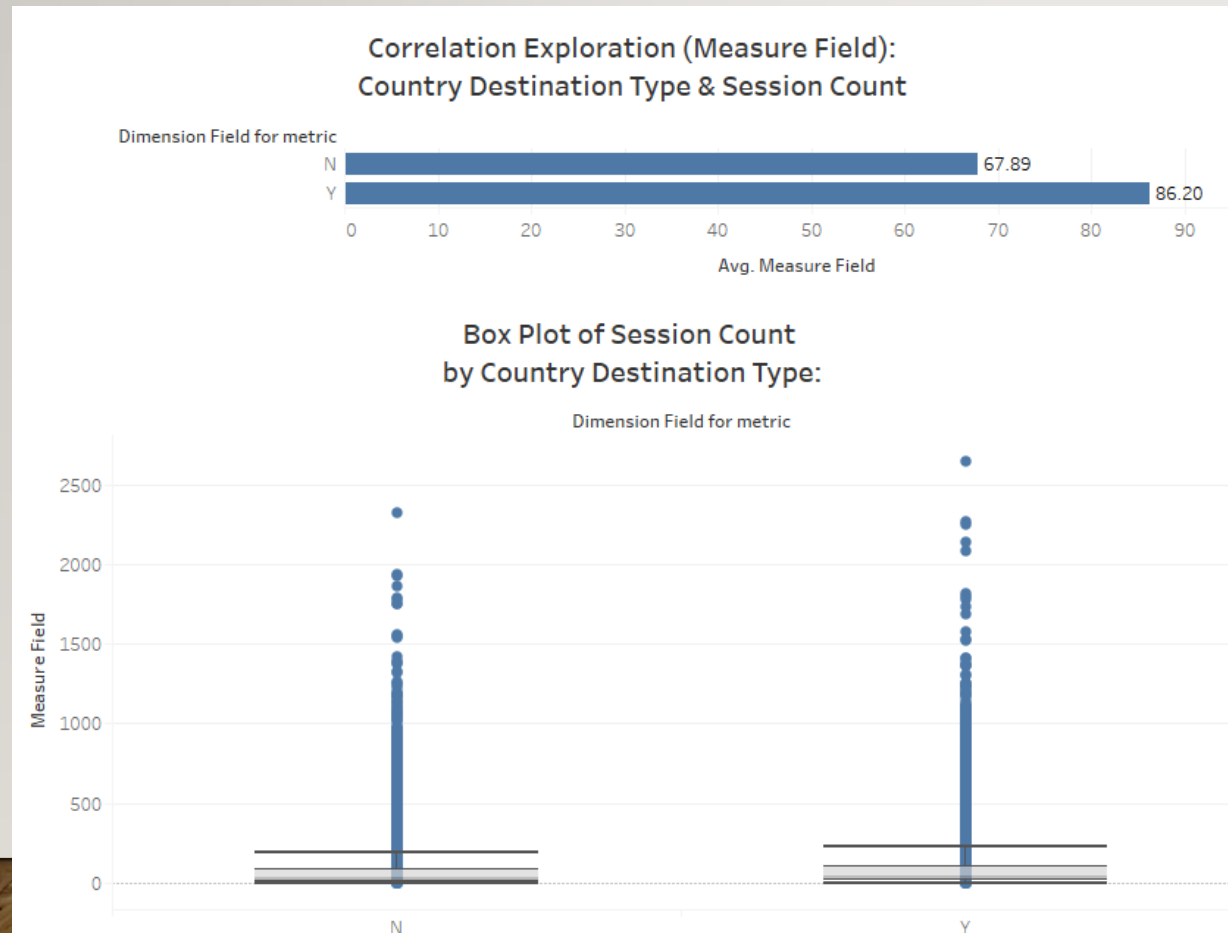


- Users that have made a booking have longer account age on average than users that have not made a booking.



# CORRELATION EXPLORATION

IS IT TRUE THE MORE TIME USERS HAVE SPENT WITH WEBSITE THE MORE LIKELY USERS ARE TO MAKE A BOOKING ?



- Users that have made a booking have done more activities and spent more time with the website on average than users that have not made a booking.

# HYPOTHESIS TESTING ON USER BOOKING BEHAVIORS

---

- Hypothesis 1: Bookers has stayed with the website longer than the non-bookers (based on the first active date).
  - Conclusion: Significant difference between bookers and non-bookers in number of active days.
- Hypothesis 2: Bookers have more activities on the website than non-bookers (based on the session count).
  - Conclusion: Bookers are on average more active than non-bookers on the website.
- Hypothesis 3: Age and gender could be important factors to predict which country users booked.
  - Conclusion: Significant relationship between age, gender and booking destination. But the relationship is not that strong.



# AIRBNB NEW USER BOOKING CAPSTONE PROJECT

---

## IN-DEPTH ANALYSIS

# TWO STEP CLASSIFICATION

## FIRST STEP: BINARY CLASSIFICATION

---

- Label: Trip booking flag (if a user has booked or not)
- Features: One-hot encoding to create dummy variables
- Train test split (70% training, 30% testing data)
- Metric: Accuracy score, precision, recall, Roc Auc Score

### SCREENSHOT OF SOME FEATURES

```
Index(['id', 'date_account_created', 'timestamp_first_active_cleaned',  
      'gender', 'signup_method', 'signup_flow', 'language',  
      'affiliate_channel', 'affiliate_provider', 'first_affiliate_tracked',  
      'signup_app', 'first_device_type', 'first_browser',  
      'country_destination', 'age_computed',  
      'Account_creation_before_booking_flag', 'Total time spent (in seconds)',  
      'number_of_active_day_as_of_latest_date',  
      'number_of_days_since_account_creation_as_of_latest_date',  
      'session count', 'trip_booking_flag', 'Account_creation_date_month',  
      'Account_creation_date_year', 'Account_creation_date_day',  
      'Account_creation_date_day_of_week', 'first_active_date_month',  
      'first_active_date_day', 'first_active_date_year',  
      'first_active_date_dayofweek', 'age_bucket',  
      'Total time spent (in seconds)_fill_null_zero',  
      'session count_fill_null_zero', 'Total time spent (in seconds)_bucket',  
      'session count_bucket'],  
      dtype='object')
```

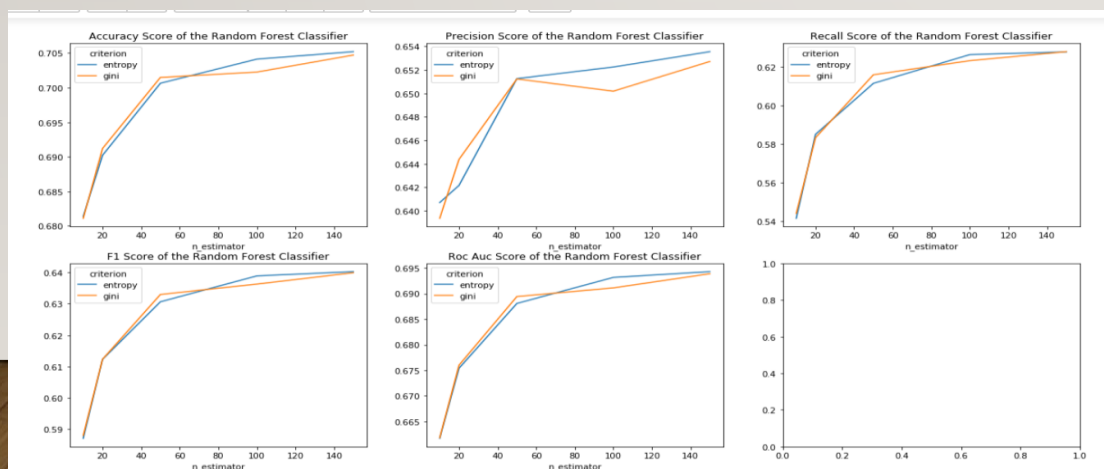


# TWO STEP CLASSIFICATION

## FIRST STEP: BINARY CLASSIFICATION

- Models used: Logistic regression, random forest , XG Boost
- Hyperparameter Tuning on parameters like number of estimators via Randomized Search and Grid Search
- Optimization: Random forest has the best performance on both training and testing set compared with other models.

### HYPERPARAMETER TUNING FOR RANDOM FOREST CLASSIFIER



### PERFORMANCE OF RANDOM FOREST CLASSIFIER

```
In [50]: 1 model_evaluation(best_grid, X_train, y_train)
```

```
Model Performance:  
accuracy score: 0.7845806980557508  
precision score: 0.7665780017732978  
recall score: 0.6935125246270757  
roc auc score: 0.7715004950116321
```

```
In [51]: 1 model_evaluation(best_grid, X_test, y_test)
```

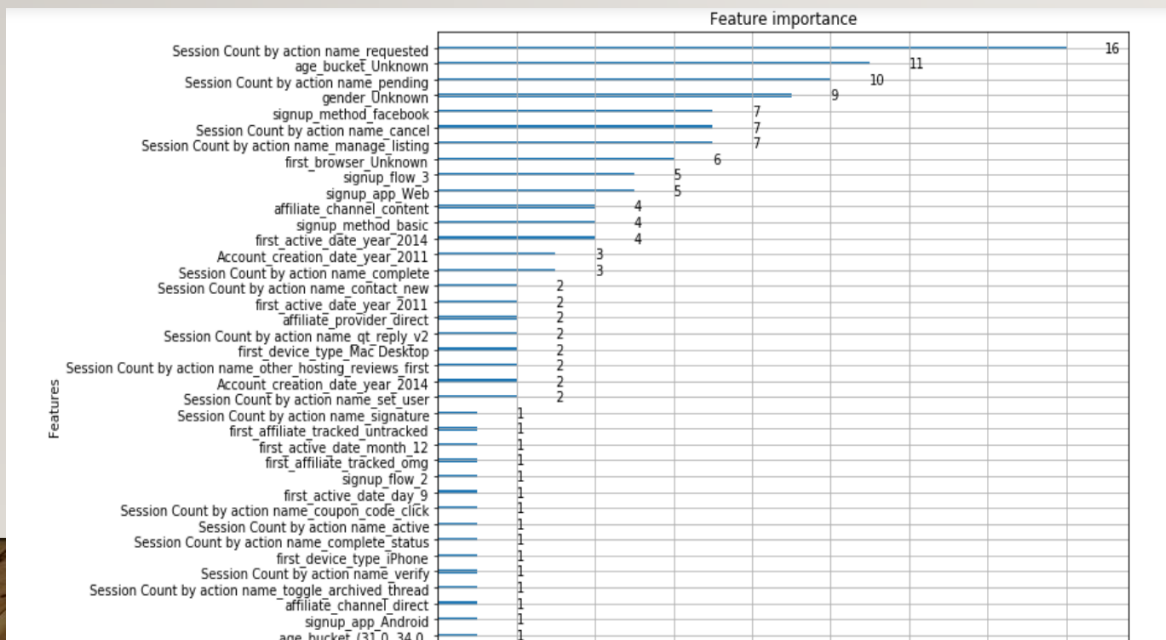
```
Model Performance:  
accuracy score: 0.7243447096577733  
precision score: 0.6865488463426608  
recall score: 0.6268489466606902  
roc auc score: 0.7106188540412093
```

# TWO STEP CLASSIFICATION

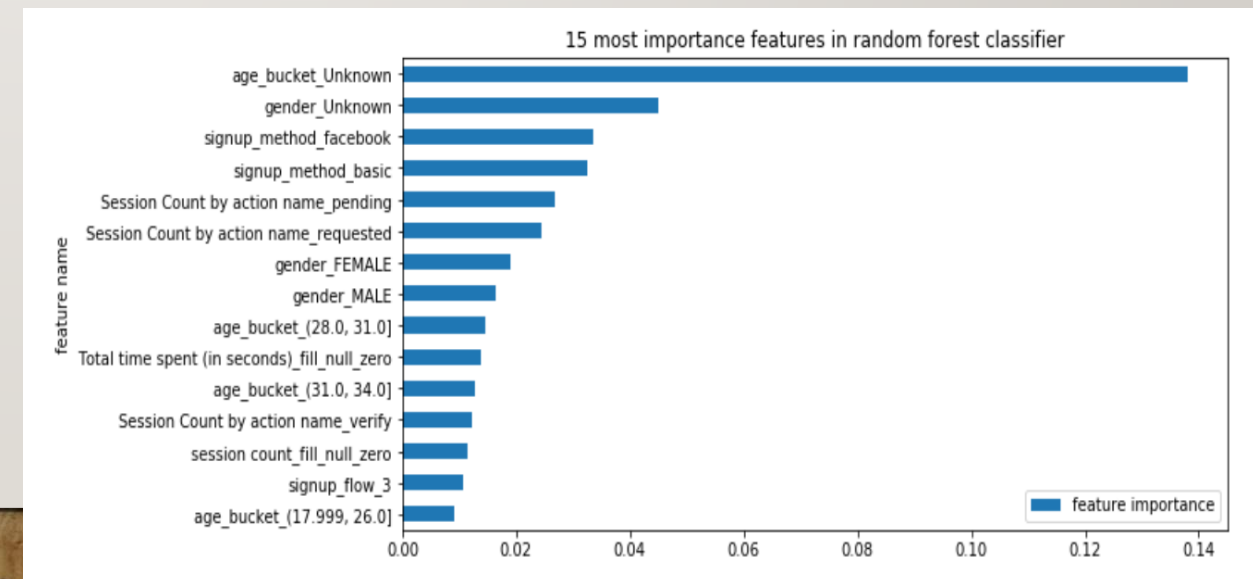
## FIRST STEP: BINARY CLASSIFICATION

- Model interpretation from feature importance:
  - Random Forest model has given more weight on demographic information of the users.
  - Xgboost has put more weight on types of activities users have done on the website.

### FEATURE IMPORTANCE OF XGBOOST



### FEATURE IMPORTANCE OF RANDOM FOREST

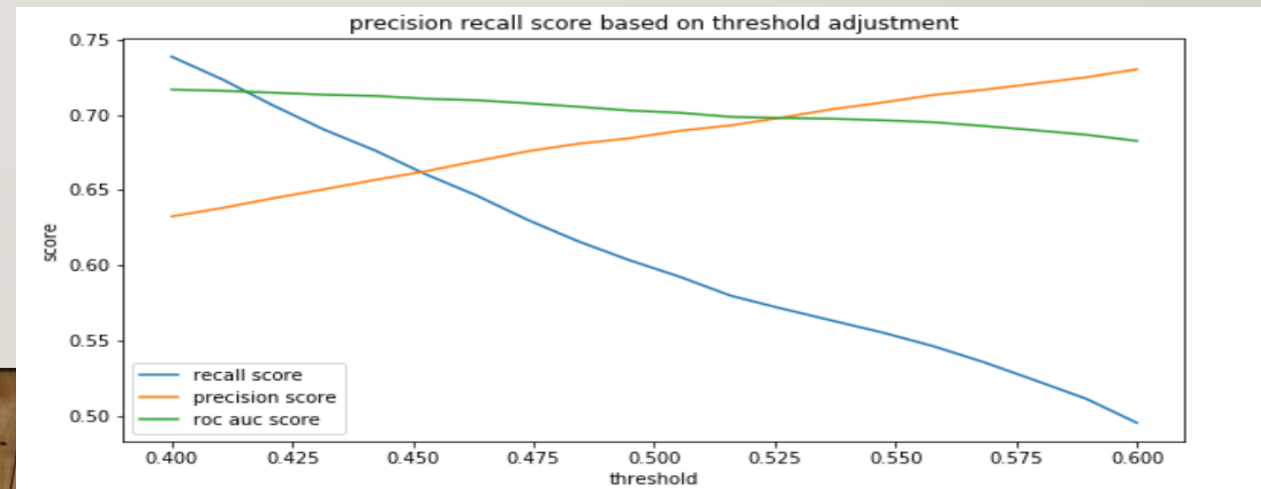
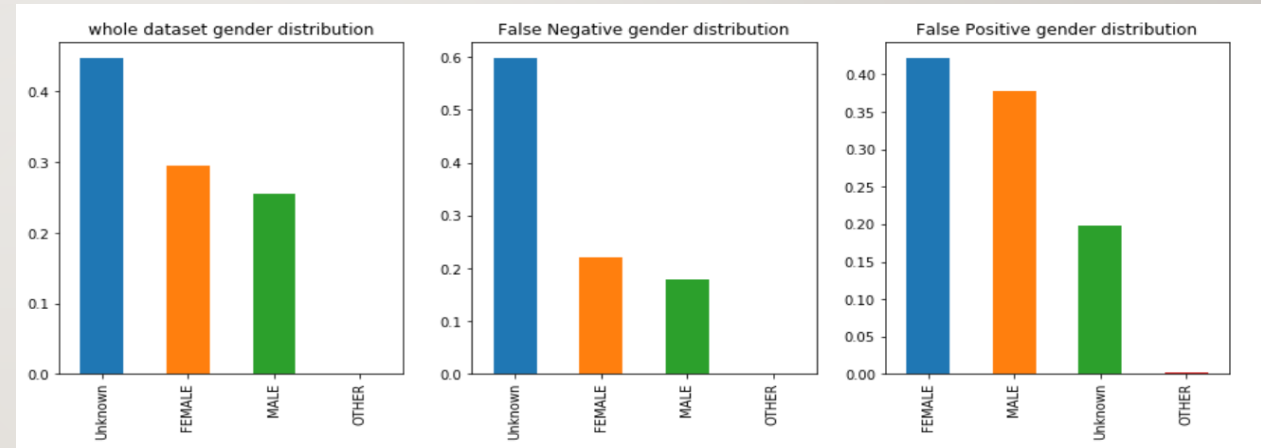


# TWO STEP CLASSIFICATION

## FIRST STEP: BINARY CLASSIFICATION

- Error analysis
  - Users with unknown gender or age are less likely to be classified as bookers.
  - Users using basic signup method are more likely to be classified as bookers.
  - Users that signed up through Facebook are more likely to be classified as non-bookers.
- Threshold Adjustment
  - Use 0.44 instead of 0.5 as the probability threshold since it gives a good balance between precision and recall.

### ERROR ANALYSIS



# TWO STEP CLASSIFICATION

## SECOND STEP: MULTI CLASS CLASSIFICATION

---

- Label: Destination Country
- Features: same as features for binary classification
- Metric: Accuracy score and NDCG score

### NDCG SCORE

The evaluation metric for this competition is **NDCG (Normalized discounted cumulative gain) @k** where  $k=5$ . NDCG is calculated as:

$$DCG_k = \sum_{i=1}^k \frac{2^{rel_i} - 1}{\log_2(i + 1)},$$
$$nDCG_k = \frac{DCG_k}{IDCG_k},$$

where  $rel_i$  is the relevance of the result at position  $i$ .

$IDCG_k$  is the maximum possible (ideal)  $DCG$  for a given set of queries. All NDCG calculations are relative values on the interval 0.0 to 1.0.

For each new user, you are to make a maximum of 5 predictions on the country of the first booking. The ground truth country is marked with relevance = 1, while the rest have relevance = 0.

For example, if for a particular user the destination is FR, then the predictions become:

$$[ \text{FR} ] \text{ gives a } NDCG = \frac{2^1 - 1}{\log_2(1+1)} = 1.0$$

$$[ \text{US}, \text{FR} ] \text{ gives a } DCG = \frac{2^0 - 1}{\log_2(1+1)} + \frac{2^1 - 1}{\log_2(2+1)} = \frac{1}{1.58496} = 0.6309$$



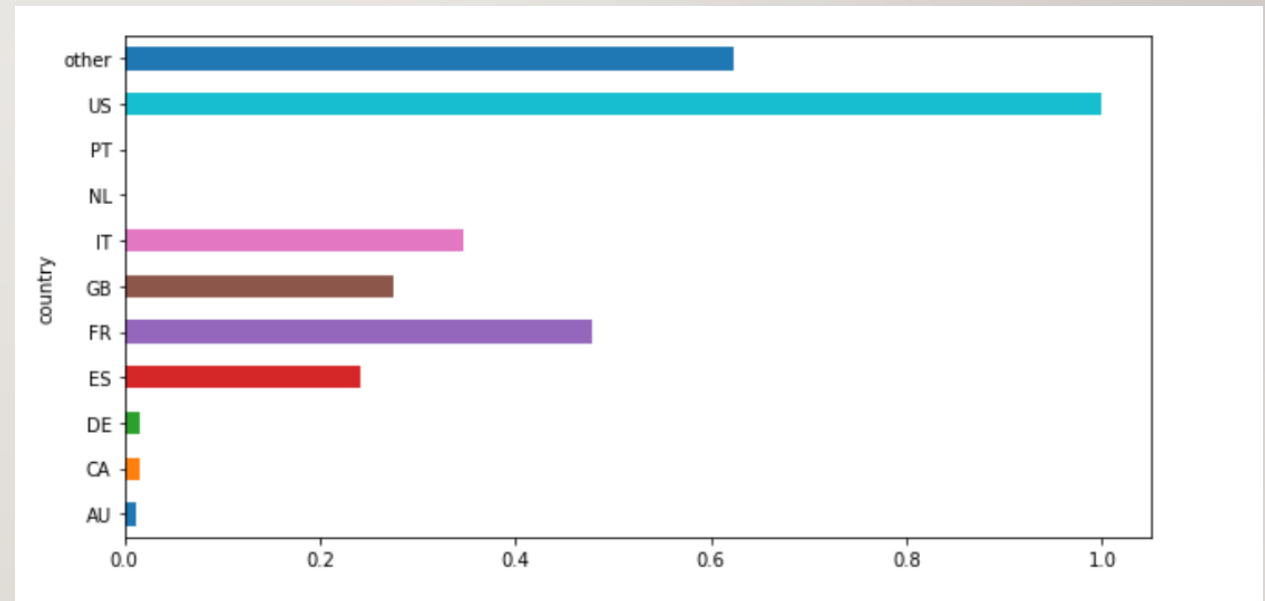
# TWO STEP CLASSIFICATION

## SECOND STEP: MULTI CLASS CLASSIFICATION

---

- Models used: Random forest, logistic regression and XG Boost.
- Optimization: XG Boost has the best result with accuracy score of 70% and average NDCG score of 82% on the testing set.

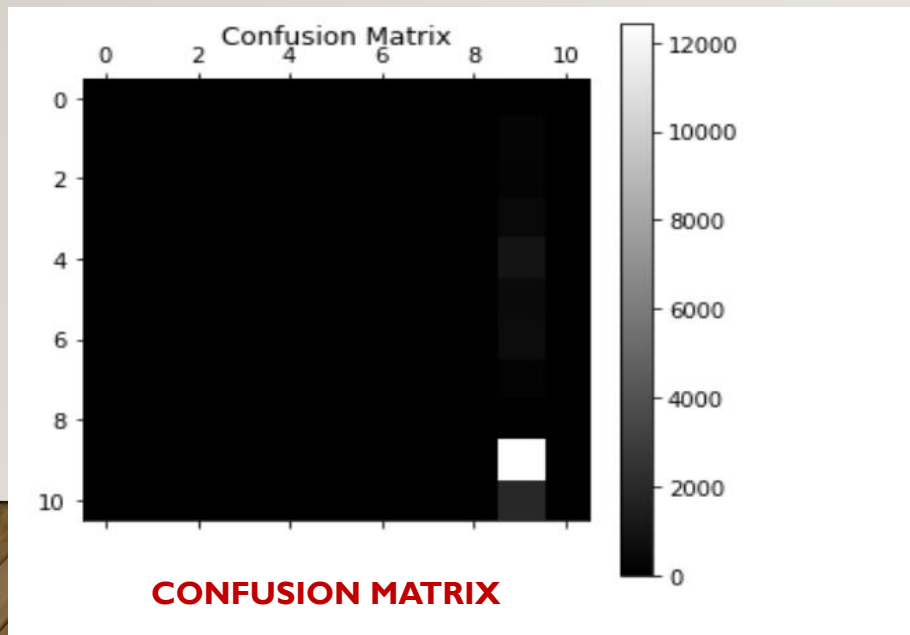
**AVERAGE NDCG SCORE BY COUNTRY**



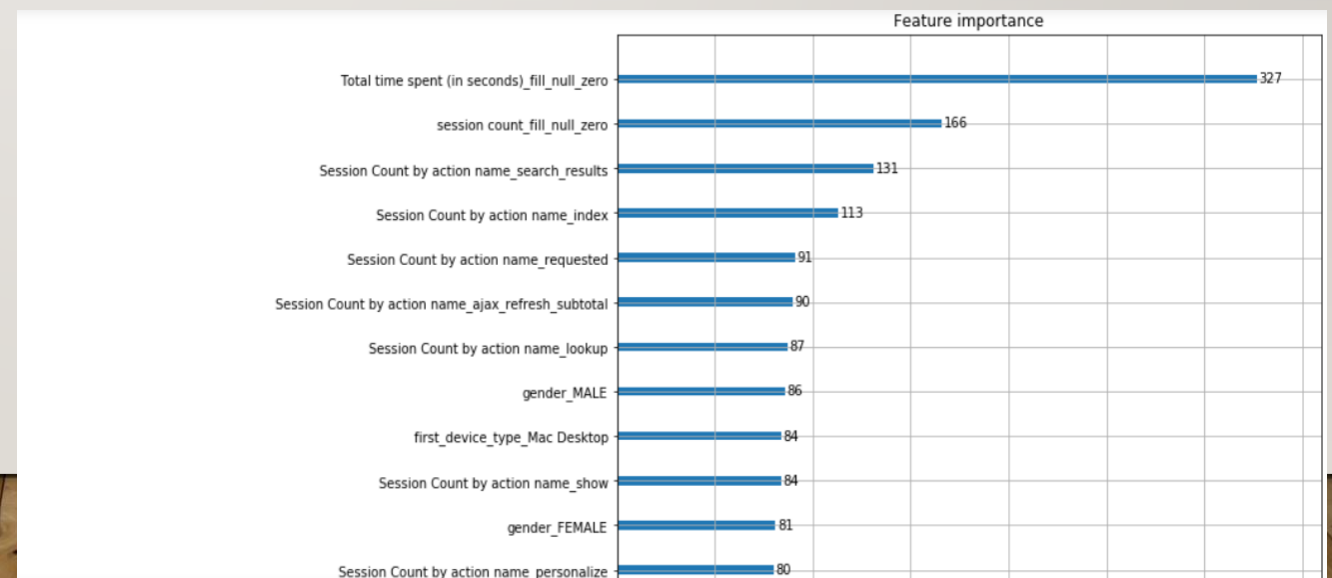
# TWO STEP CLASSIFICATION

## SECOND STEP: MULTI CLASS CLASSIFICATION

- Error analysis: The model is doing well in predicting country like US. But it's generating errors by misclassifying some of the users who booked other countries into US.
- Feature importance: Some important features for XG boost model include total time spent, session count, search result session count, index session count and requested session count.



### IMPORTANT FEATURES



# NEXT STEP FOR THE PROJECT

---

- Fields like unknown gender and unknown age have limited the model's capability to make accurate classifications.
- There's no parameter tuning for XG Boost in the multi-class classification.
- Next step:
  - Only train on the user data with known information
  - Try hyperparameter tuning on the XG Boost model