airbnb

A presentation by
Group 8



HYPOTHESIS

If an Airbnb property has a higher star rating, then it is more likely to be booked.

INDEPENDENT VARIABLES

Stimuli: Participants will be exposed to two sets of Airbnb Properties -

1) Featuring Airbnb property with 2.5-star rating
2) Featuring Airbnb property with 4-star rating and a 'Guest favorite' label

Randomization Plan: Participants will be randomly assigned to view either of the Airbnb properties.



BASELINE vs TREATMENT

Serene Cozy Aframe Cabin on Sturgeon River



Entire cabin in Indian River, Michigan

4 guests · 2 bedrooms · 2 beds · 1 bath

Guest favorite

One of the most loved homes on Airbnb, according to guests

4.96 ★★★★★

346 Reviews

Serene Cozy Aframe Cabin on Sturgeon River



Entire cabin in Indian River, Michigan

4 guests · 2 bedrooms · 2 beds · 1 bath

2.5 ★★½

346 Reviews

DEPENDENT VARIABLES

Interest of booking an Airbnb property on the basis of Star ratings.



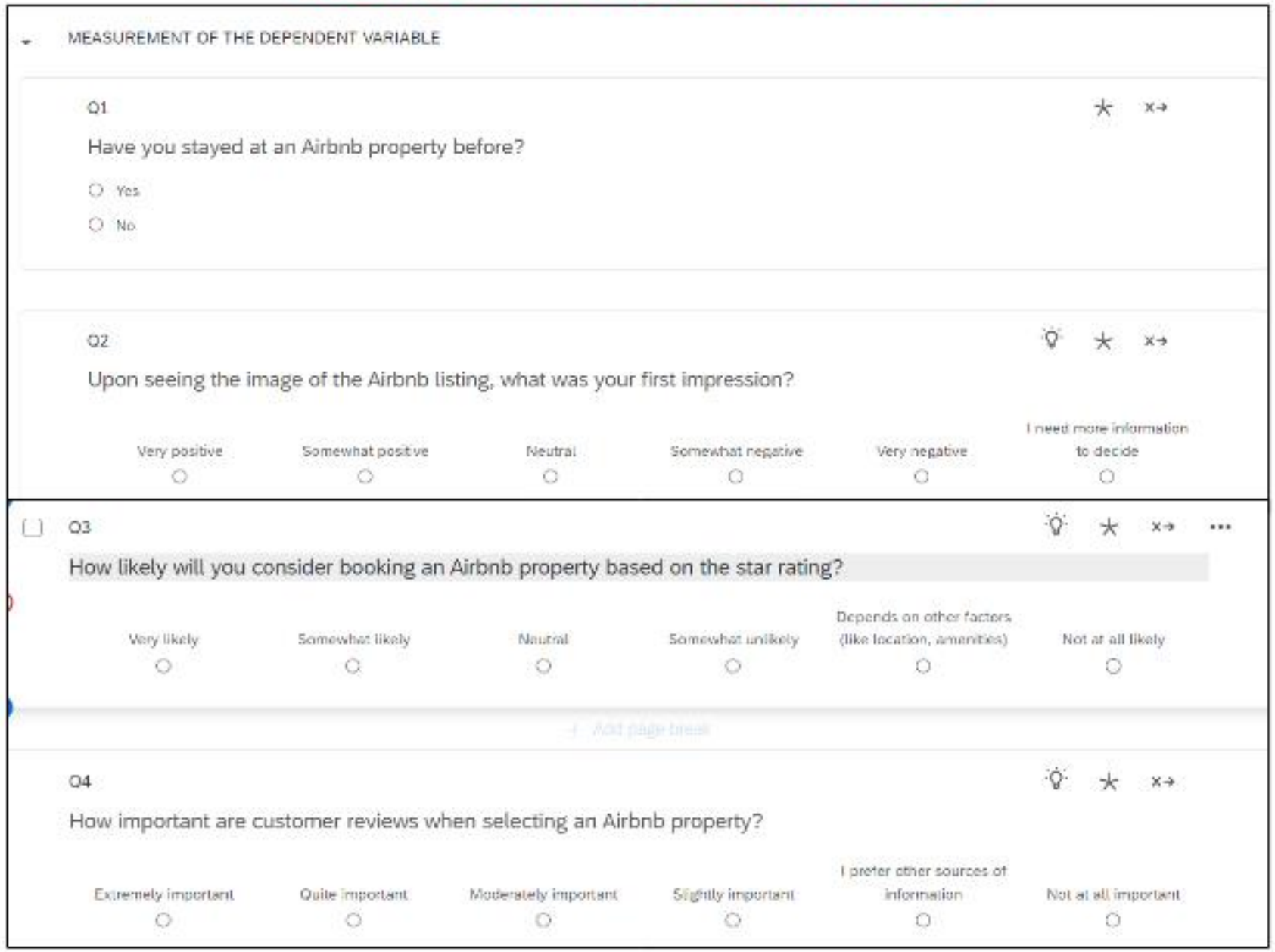
Data Collection

Sample Size: 100 participants

Randomization Plan: Randomization plan with a 50/50 equal split amongst participants

Data Collection Time Frame: 1 week

SURVEY QUESTIONS



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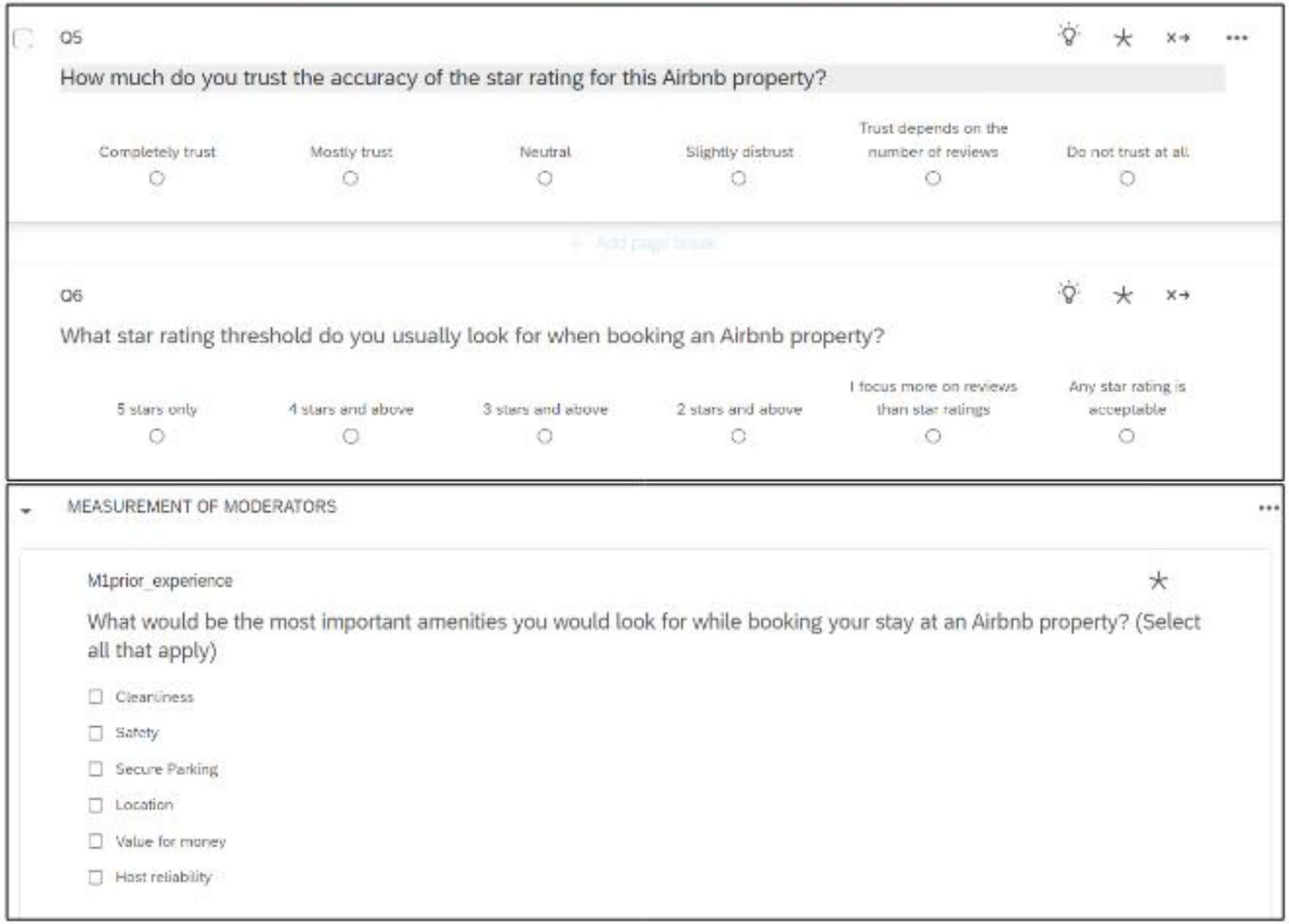


ANALYSIS



RELIABILITY TEST

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excluded[a]	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.673	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Upon seeing the image of the Airbnb listing, what was your first impression?	11.87	13.791	.327	.660
How likely will you consider booking an Airbnb property based on the star rating?	11.67	12.223	.335	.678
How important are customer reviews when selecting an Airbnb property?	12.71	14.915	.395	.638
How much do you trust the accuracy of the star rating for this Airbnb property?	12.19	14.135	.521	.604
What star rating threshold do you usually look for when booking an Airbnb property?	12.22	14.194	.560	.598
What is the lowest star rating you would consider acceptable when booking an Airbnb property?	11.49	12.737	.445	.616

We have a Cronbach's Alpha value of .67, suggesting a good model.
Compute Interest Index = Q2+Q3+Q4+Q5+Q6+Q7/6

INDEPENDENT SAMPLE T-TEST

Group Statistics

	Treatment	N	Mean	Std. Deviation	Std. Error Mean
estIndex	less rating	50	2.6800	.68084	.09628
	more rating	50	2.1300	.64707	.09151

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					
						Significance			
		F	Sig.	t	df	One-Sided p	Two-Sided p	Mean Difference	Std. Error Difference
estIndex	Equal variances assumed	.019	.892	4.141	98	<.001	<.001	.55000	.13283
	Equal variances not assumed			4.141	97.747	<.001	<.001	.55000	.13283

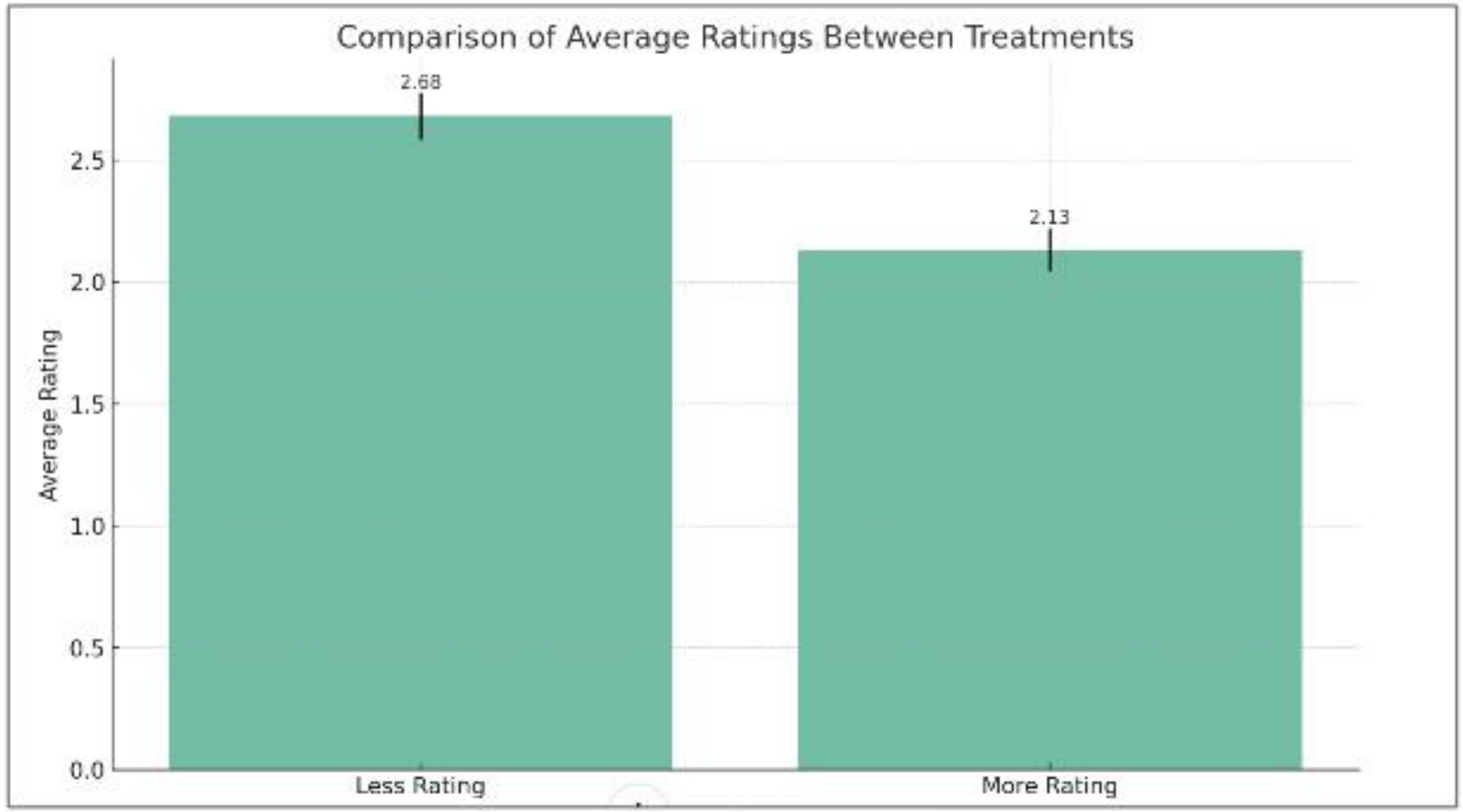
Independent Samples Effect Sizes

				95% Confidence Interval	
		Standardizer[a]	Point Estimate	Lower	Upper
estIndex	Cohen's d	.66417	.828	.417	1.235
	Hedges' correction	.66930	.822	.414	1.225
	Glass's delta	.64707	.850	.420	1.273

The denominator used in estimating the effect sizes.
Cohen's d uses the pooled standard deviation.
Hedges' correction uses the pooled standard deviation, plus a correction factor.
Glass's delta uses the sample standard deviation of the control (i.e., the second) group.

The results are statistically significant. Significance level here is determining an observed effect. It is less than 0.005, which means we are confident that there are factors related to the star rating at play.

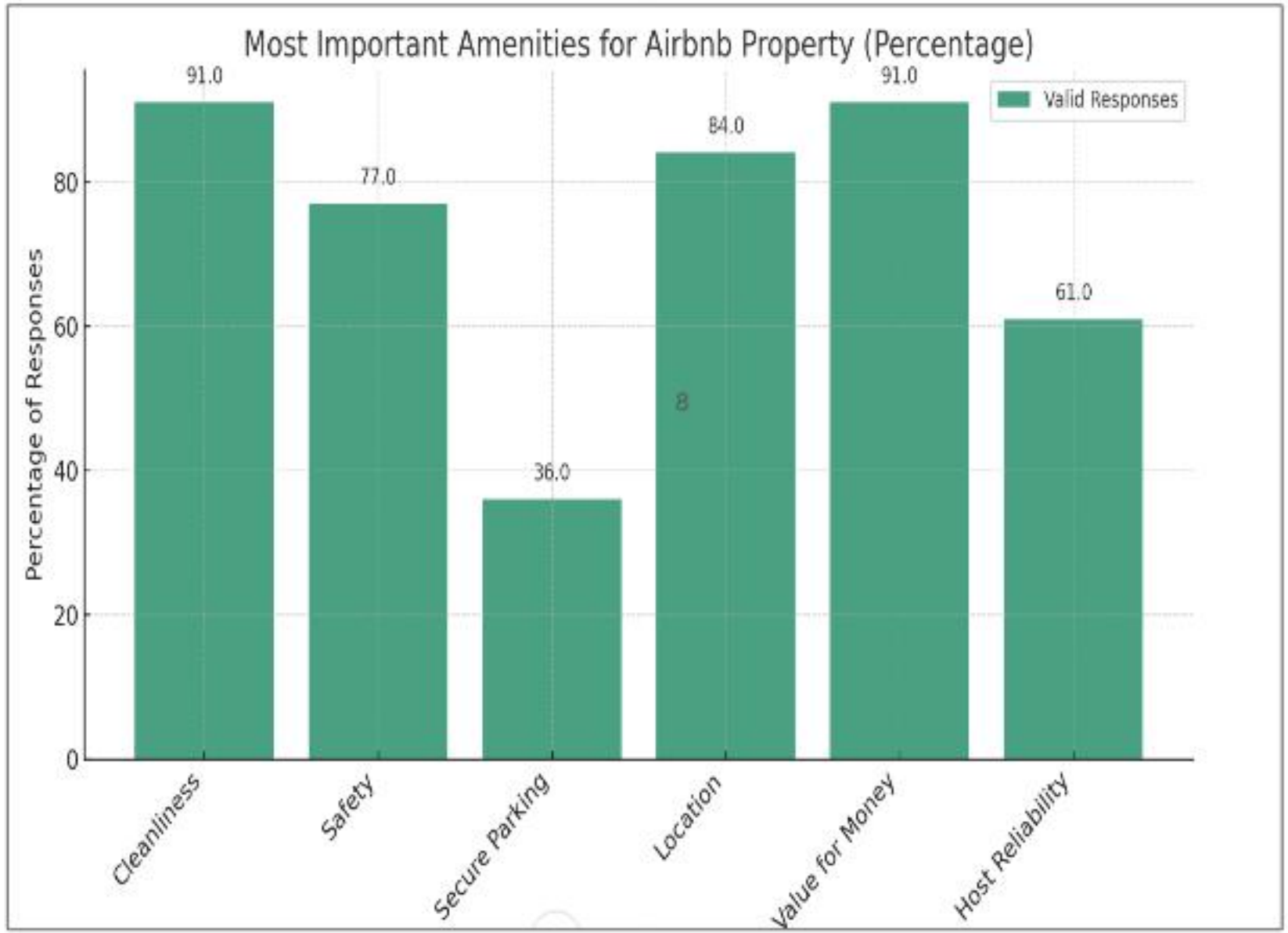
COMPARING MEANS



We used a reverse scale approach, where 1 – good, 6 – bad

The numbers show that customers are happier with the 'more rating' approach and since the 'less rating' approach had higher scores, it didn't do as well.

DESCRIPTIVE STATISTICS- FREQUENCIES



Cleanliness and Value for Money are considered equally crucial by 91% of respondents, making them the top priorities for guests when choosing an Airbnb property.

RECOMMENDATIONS

- **Highlight Through Photos:** Ensure listings have standout photos to make a strong first impression.
- **Elevate Guest Experiences:** Regularly train staff to uphold standards that garner positive ratings.
- **Respond to Reviews:** Actively manage reviews by thanking guests and addressing concerns swiftly.
- **Be Transparent About Ratings:** Help guests understand what star ratings mean and how they reflect your property's qualities.
- **Tailor Recommendations:** Offer properties with higher ratings to guests who prioritize such features based on their booking history.
- **Continuously Improve:** Use guest feedback to refine amenities and services, focusing on areas like cleanliness and value.
- **Benchmark and Adapt:** Observe and adopt the best practices from top-rated competitors.


THANK YOU