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# Exploring the relationship between satisfaction, trust and switching intention, repurchase intention in the context of Airbnb



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#### A R T I C L E I N F O

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### ABSTRACT

This article explores the relationships between satisfaction, trust and switching intention as well as repurchase intention in the Airbnb context. A theoretical framework is proposed regarding the relationship between trust, satisfaction, repurchase intention and switching intention. A distinction is made between transaction-based satisfaction and experience-based satisfaction, while trust is separated into institution-based trust (trust in Airbnb) and disposition to trust (trust in hosts). The model was tested with empirical data collected in North America. Results show that transaction-based satisfaction is a related but distinct construct from experience-based satisfaction. There was a significant effect of transaction-based satisfaction and repurchase in tention. However, trust in Airbnb did not statistically influence trust in hosts. The implication is that industry professionals should not neglect transaction-based satisfaction as it has significant effects on experience-based satisfaction, trust and repurchase intention.

#### 1. Introduction

Satisfaction and trust are two popular constructs that have been widely explored by researchers for their effects on repurchase intention in the context of online consumer behavior (Chiu et al., 2013; Kim, 2012). However, these two constructs are generally recognized as multidimensional since their effects and types vary in different contexts. Despite numerous studies that focused on either satisfaction or trust, only a small number have examined the relationships between trust, satisfaction, repurchase intention and switching intention. Furthermore, the majority of these looked at satisfaction from an overall perspective whereas it should be measured separately for transaction-based and experience-based satisfaction since consumers might well consider different criteria when evaluating their level of satisfaction during the two distinct processes (Huang and Dubinsky, 2014).

The increasingly large variety of business models and the rise of the sharing economy have made online consumer behavior even more complicated. Consumers are eager to participate in the peer-to-peer economy, trading all possible resources they have with strangers, including renting out their homes much like a hotel (Botsman and Rogers, 2010). Airbnb, one well-recognized representative of the peer-to-peer economy, trades accommodation "between individuals (normally strangers) via an online matching platform that offers a private room/ apartment online match booking service for a fee by a company that

also charges a service fee." (Liang et al., 2017 p.2). Thousands of Airbnb hosts welcome strangers from all over the world to stay in their home. What makes tourists stay with Airbnb hosts? Do they trust each other? What is the relationship between satisfaction and trust? How do these factors influence Airbnb consumers' repurchase intention and switching intention?

To answer these questions, our study identified two different types of trust and satisfaction. Trust was measured as institution-based trust (trust in Airbnb) and disposition to trust (trust in hosts), while satisfaction was explored based on the transaction and experience processes. This more finely grained analysis of satisfaction and trust provides significant implications for exploring repurchasing intention in the online context. As the spotlight is put increasingly on the sharing economy, many service encounters are being explored by researchers around the world, and hence it is important to remind researchers that satisfaction and trust might be more accurately studied from the perspective of their component parts.

#### 2. Literature review

The popularity of the concepts of "satisfaction" and "trust" have resulted in a very large number of hospitality and tourism studies examining them in many different contexts, online and offline, as mediators and as moderators. The recent rise of the sharing or collaborative

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economy, or as we refer to it "peer-to-peer" economy, has been accompanied by a number of new insights into their impact on behavior and behavioral intentions. The context for this study is Airbnb, one of the most successful sites for shared accommodation.

#### 2.1. Satisfaction

There exist a number of effective models and theories to define and explore consumer satisfaction. Oliver's (1980) expectancy-disconfirmation theory, later extended by Kristensen et al., (1999) into expectation- confirmation theory, remains dominant. It seeks to explain post-purchase satisfaction based on four primary constructs: expectations, perceived performance, disconfirmation of beliefs, and satisfaction. According to Oh and Parks (1997), there are eight other theories or concepts that explore consumer satisfaction. Generally speaking, researchers seem to agree on the broader definition of satisfaction. For example, Fang et al. (2014) adopted Holmes (1991) definition of satisfaction, referring to it as the evaluation result of past related experiences and exchanges, which is similar to Kim's (2012) that satisfaction is perceived as an attitude that results from a mental comparison of the service and quality that a customer expects to receive from a transaction after purchase.

In spite of these extensive efforts to understand satisfaction, there is little research distinguishing transaction-based from experience-based satisfaction, even though it is recognized that consumers may employ different evaluative criteria in different processes (Huang and Dubinsky, 2014). Therefore, this study attempts to examine both types of satisfaction, by differentiating the impacts they exert on repurchase intention and switching intention as well as trust.

#### 2.1.1. Transaction-based satisfaction

Treatment of satisfaction related to transactions is rare in the context of online repurchase studies. Bitner and Hubbert (1994) argued that satisfaction should be explored as "encounter satisfaction" and "overall satisfaction". They defined the former as the consumer's dis/ satisfaction with a discrete service encounter (e.g. a haircut, an interaction with a dentist, a discussion with a repair person, an experience at a hotel check-in desk.), while overall service satisfaction derives from the consumer's overall dis/satisfaction with the organization based on all encounters and experiences with that particular organization (p.76-77).

The term "transaction-specific satisfaction" was used by Jones and Suh (2000) to refer to a "consumer's dis/satisfaction with a discrete service encounter" (p. 148). According their study, this type of satisfaction is not necessarily related to overall satisfaction as customers may experience a different level (e.g. high, intermediate or low) of service quality from each discrete transaction. Although this study is valuable in tracking the influence of each discrete transaction-specific satisfaction on overall satisfaction, in the context of Airbnb, the situation might be more complicated than distinguishing transaction-based satisfaction and overall satisfaction because the consumer would be dealing with two different actors before actually completing a purchase. For instance, every time a customer books a place via Airbnb, he or she needs to deal with a new host and a different type of accommodation (e.g. sharing a room or whole place) though using the same Airbnb platform service.

We therefore propose that Airbnb is a service encounter that consumers evaluate in terms of their level of satisfaction with each aspect of the transaction process using different criteria from those used to evaluate the actual lived experience. We use the term "transactionbased satisfaction" to define the Airbnb consumer's overall judgement of the various aspects of making a purchase on Airbnb before the completion of an actual transaction. information technology research and refers to a specific experience with a software, platform or new technology device. Nevertheless, satisfaction can also be measured based on a specific experience. For example, experience-based norms were used to model the consumer satisfaction process, although not tested (Woodruff et al., 1983). Woodruff et al. (1983) suggested that consumers compare their previous experience with the current one to determine their satisfaction. Experience may be gained from the usage of a product or service, or from information received.

Similarly, Airbnb consumers might compare their previous experience to their current one and thus determine their satisfaction level. No matter how satisfaction was influenced, our focus is on the Airbnb consumers' experience-based satisfaction which we consider as the experience of staying in an Airbnb accommodation, including the interaction with the host.

#### 2.2. Trust

A number of disciplines (e.g. psychology, marketing) have utilized trust and interpersonal interaction in different contexts, concluding that its definition has various dimensions but overall tends to remain nebulous and somewhat confused (Tan and Sutherland, 2004). Bicchieri et al., (2004) suggest that trust refers to a "disposition to engage in social exchanges that involve uncertainty and vulnerability, but that are also potentially rewarding" (p. 286). While most scholars agree that trust is a psychological state (Rousseau et al., 1998), it can be studied in terms of its cognitive or affective aspects (Lewis and Weigert, 1985; Johnson and Grayson, 2005). Studying financial advisory services, Johnson and Grayson found that when there are "good rational reasons why the object of trust merits trust" (p. 972), the trustor extends cognitive trust; however, when trust is exclusively based on positive emotions, then this is known as affective trust. In both instances, trust involves only two parties. However, in the case of Airbnb there are three different parties within one transaction. Whether one trusts the Airbnb platform/company should not be confused with trusting the hosts (or the hosts trusting the guests), regardless whether the trust is cognitive or affective. Therefore this study examines two types of trust: institution-based trust (trust in Airbnb) and disposition to trust (trust in hosts or guests).

#### 2.2.1. Institution-based trust

There are few online repurchase studies that provide insight into institution-based trust. In studying an online auction-based B2 B marketplace, Pavlou (2002) perceived it to be efficient at enhancing a trustworthy environment in the context of online trading and explored the relationship between institution-based trust and inter-organizational trust. By extending this study to online auction marketplace buyers, Pavlou and Gefen (2004) found that mechanisms like perceived effectiveness of feedback, escrow services, and credit card guarantees as well as trust in the intermediary, can strengthen institutional-based trust toward the entire online community. Thus, this form of trust can be defined as a buyer's perception that appropriate conditions are in place to facilitate transaction success with the marketplace's sellers. In highlighting the function of institutional-based trust, Pavlou seems to neglect its social dimension as part of the definition. This was addressed by McKnight et al., (2002) who treat institution-based trust as a belief in the possibility of gaining "a satisfactory outcome from a transaction made on a presented structural condition" (i.e. in the Internet) (p. 316). It refers to an individual's perception of the institutional environment-in their case an experimental website providing advice on legal matters. Adapting McKnight et al.'s definition to this study on Airbnb, institution-based trust refers to an individual's perception of the institutional environment, including its structures and regulations that contribute to making him/her comfortable with making a purchase through this website.

#### 2.1.2. Experience-based satisfaction

The term "experience-based" is most commonly employed in

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