



Antecedents and consequences of home-sharing stays: Evidence from a nationwide household tourism survey

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ABSTRACT

This study aims to understand the demand for home-sharing lodging and whether this accommodation choice influences guest experiences, in terms of overall trip satisfaction and perceived value. Using a dataset from a large-scale nationwide household tourism survey, we adopted a two-step empirical analysis to investigate the antecedents and consequences of home-sharing stays. In the first step, results from logit models highlight various factors explaining the drivers behind choosing home-sharing lodging versus hotel lodging, such as tourists' tripographics, prior travel experiences, tech savviness, sociodemographics, destination home-sharing supply, and crime rate. In the second step, we employed propensity score matching to compare trip satisfaction and perceived value between home-sharing users and hotel users who were matched based on a similar propensity to choose home-sharing. Results suggest that while home-sharing users perceive a higher value for the trip, no significant difference exists between the two groups' trip satisfaction. Lastly, practical implications are provided.

1. Introduction

The concept of sharing homes with guests is not new (Poon & Huang, 2017). Technological innovations have greatly facilitated commercial home rentals for lodging purposes (Guttentag, 2015; Olson & Kemp, 2015) between homeowners and tourists (i.e. peer-to-peer or P2P) with a fee paid via an online platform. Home-sharing in the digital business era has become a viable alternative to traditional business-to-consumer lodging and can satisfy needs that traditional lodging supply has not always been able to meet, such as household amenities and extra space (Quinby & Gasdia, 2014), experiential authenticity (Lamb, 2011; Nowak et al., 2015), host-guest interactions (Su & Wall, 2010), novelty (Guttentag & Smith, 2017), and giving back to the local economy (Guttentag & Smith, 2017). In fact, home-sharing lodging has gained such traction and popularity that it is now a commonly considered accommodation option for many consumers. For the purpose of this paper, we define home-sharing lodging as commercially-driven peer-to-peer (P2P) short-term home rentals.

The growth and prevalence of home-sharing via digital platforms, such as Airbnb and HomeAway, are most evident in the collective economic impact of these and similar websites. Home-sharing began to expand after the launch of Airbnb in 2008. By 2014, home-sharing lodging had witnessed such phenomenal growth that it was identified as one of the five key sharing sectors worldwide with the other four

being finance, staffing, car sharing, and music/video streaming (PwC, 2014). Together, these five sectors accounted for a total global revenue of USD15 billion in 2014, a figure expected to increase to USD335 billion by 2025 (PwC, 2014). Other research has suggested that home-sharing lodging in the U.S. alone is expected to reach USD107 billion or 10% of total accommodation bookings by 2025 (Olson & Kemp, 2015). Much of the optimism underlying the projected growth of home-sharing lodging arguably lies in its hitherto untapped potential. Even with home-sharing lodging continuing to expand rapidly over the past decade, studies indicate that only approximately 11% of all U.S. adults have used a home-sharing platform (Smith, 2016). It is therefore essential to understand this demand segment to leverage it properly.

Research on Airbnb users has revealed that demand for home-sharing lodging is driven largely by economic considerations, namely cost savings relative to traditional hotels (Cho & Bokyeong, 2016; Lin, Wang, & Wu, 2017; Möhlmann, 2015; Tussyadiah & Pesonen, 2018). Similarly, consumers are attracted to Airbnb accommodations and similar lodging options given their experiential appeal; travelers staying in Airbnb accommodations versus hotels have opportunities to live more authentically, like a local, including the patronizing of a non-commercial neighborhood and/or interacting with their hosts (Guttentag, 2015; Tussyadiah & Pesonen, 2018). Others' lodging decisions are shaped more by the people with whom they travel (Smith, 2016) or what they need from their accommodations, such as

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household amenities or a larger space (Quinby & Gasdia, 2014). Previous scholarly efforts have also analyzed the appeal of home-sharing lodging from a sharing economy perspective by highlighting its fundamental ideology encompassing community, sustainability, and direct contributions to locals (Guttentag & Smith, 2017; Lamb, 2011; Tussyadiah & Pesonen, 2018). In addition, an emerging stream of research has examined satisfaction determinants of P2P lodging (Möhlmann, 2015; Tussyadiah, 2016). However, to the best of the authors' knowledge, no study has yet endeavored to connect the antecedents of home-sharing stays with the consequences of perceived value and trip satisfaction.

To bridge this research gap, the present study conducts a two-step empirical analysis to uncover the antecedents and consequences of home-sharing stays based on nationwide household tourism survey data from U.S. domestic tourists. By doing so, we attempt to make at least three major contributions to the understanding of P2P lodging demand. First and foremost, we draw from behavioral data rather than stated preferences. Therefore, our data are free from laboratory effects that can plague stated behavior data, contributing to potentially unreliable results stemming from sample selection bias and possible subjective manipulation (Yacouel & Fleischer, 2012). Moreover, behavioral data have been shown to be more reliable than stated preferences, as the former tends to be measured as a vague inspiration rather than in a probabilistic manner (McKercher & Tse, 2012). Second, the nationwide household survey covers a large sample of tourists with heterogeneous traveling behavior and consists of a wide array of destinations that may explain home-sharing preferences associated with destination-specific factors. Third, we employ propensity score matching, a quasi-experimental contrast analysis, to draw more rigorous conclusions regarding the consequences of home-sharing stays by matching treatment (i.e. travelers who used home-sharing lodging) and control (i.e. travelers who used hotel lodging) groups. With this method, we can closely approximate randomized controlled trials after balancing a set of characteristics between the two groups and making matched observations that reveal similar propensities to stay in home-sharing lodging.

2. Literature review

2.1. Industry structure

Home-sharing lodging is one of the most heavily discussed sectors of the sharing economy (Olson & Kemp, 2015). Within this sector, Airbnb is the leading platform with an estimated valuation of USD31 billion as of March 2017 (Thomas, 2017), only USD6 billion less than that of Marriott International, the world's largest hotel chain (Forbes, 2017). The rise of Airbnb exemplifies the transformation of the lodging industry over the past decade. The idea of sharing existing house space captures the essence of collaborative consumption wherein participants engage in sharing activities through renting, lending, trading, and bartering for goods, services, transportation, space, or money (Botsman & Rogers, 2011). Underutilized home space—whether in the form of a couch, an empty room, or an entire residence—that were previously unavailable to average tourists can now be shared for a fee, thereby creating more lodging inventory.

This transformation of the lodging industry is underpinned by advances in information and communication technologies (Horton & Zeckhauser, 2016). Extensive research has been carried out to examine the power of technology in shaping the business model of the modern sharing economy. The development of information technology and the growth of web 2.0 is widely credited with the creation of online sharing platforms (Guttentag, 2015; Kaplan & Haenlein, 2010), including Airbnb. The premise of Airbnb as an online platform matches owners (i.e. hosts) with buyers (i.e. guests) while maintaining a reputation system that has been touted as the main driver behind its rise and growing popularity (Einav, Farronato, & Levin, 2016). Structurally, technology has introduced online functions that enable Airbnb to

attract traffic to the website (Guttentag, 2015). Scholars have contended that Airbnb's platform provides hosts with firm-like resources allowing them to reach out to potential guests, showcase their accommodations, take reservations, and accept payments (Einav et al., 2016; Horton & Zeckhauser, 2016). The format of Airbnb as an online marketplace has also been examined through the lens of disruptive innovation (Guttentag, 2015; Guttentag & Smith, 2017). This line of research describes how Airbnb, as a new disruptive product, underperforms on key traditional lodging attributes but is cheaper than conventional accommodations (e.g. hotels) and offers novel benefits, such as localized experiences (Guttentag, 2015).

To date, much of the existing P2P lodging research has focused specifically on Airbnb; hence, our review reflects this focus as well. We consider these findings to be extendable to the broader home-sharing lodging industry given the dominance of Airbnb in the market.

2.2. Home-sharing lodging demand

With the industry-level changes brought by Airbnb and other P2P online lodging marketplaces, an intuitive next step is to understand the nature of home-sharing lodging demand, primarily its different types, preferences, and user motivations. Cost savings compared to traditional hotels represent a key motivator across most studies (Cho & Bokyeong, 2016; Guttentag & Smith, 2017; Lin et al., 2017; Möhlmann, 2015; Tussyadiah & Pesonen, 2018). This observation echoes a basic tenet of the sharing economy in that collaborative consumption offers greater value for less cost (Botsman & Rogers, 2011), and cost benefits are paramount (Guttentag & Smith, 2017; Möhlmann, 2015).

In addition to the aforementioned motivations, Tussyadiah and Pesonen (2018) identified several barriers to using Airbnb such as cost, trust, and efficacy. Cost serves as a barrier rather than a motivator when guests believe a price to provide insufficient savings to be considered valuable (Tussyadiah & Pesonen, 2018). Similarly, distrust towards hosts and the Airbnb platform in general has deterred some American and Finnish travelers from using P2P lodging (Tussyadiah & Pesonen, 2018). This finding aligns with work by Möhlmann (2015), who discovered that trust significantly influences satisfaction with and the likelihood of using Airbnb again. Efficacy refers to tourists having insufficient knowledge and ability about how the online platform works (Tussyadiah & Pesonen, 2018), which is unsurprising given that 53% of 4787 American adults surveyed had never heard of home-sharing lodging (Smith, 2016).

2.3. Impact of home-sharing on hospitality and tourism

Along with the importance of understanding tourist demand for Airbnb, it is equally important to delineate the various effects of Airbnb on the hospitality and tourism industry given their interconnectedness. One of the most debatable impacts is how and to what extent Airbnb competes with traditional hotels. Guttentag and Smith (2017) found that nearly two-thirds of tourists surveyed had used Airbnb as a hotel substitute. In looking specifically at hotel performance figures, Ytreberg (2016) found that a 10% increase in Airbnb supply in Norway decreased hotel revenue by 0.3%. On the contrary, Coyle and Yeung (2016) and Hooijer (2016) both showed that hotel revenue increased in line with a growing Airbnb presence in fourteen European cities and the Netherlands, respectively. Airbnb has been found to compete most often with mid-to low-end hotels (Coyle & Yeung, 2016; Ytreberg, 2016; Zervas, Proserpio, & Byers, 2017). These effects may continue to expand as Airbnb seeks to target business travelers (Sickel, 2015) and with its acquisition of Luxury Retreats, a high-end vacation rentals platform (Zaleski & De Vynck, 2017).

In a series of impact studies commissioned by Airbnb (Airbnb 2013, 2017), various economic contributions (e.g. direct local spending and creation of jobs by Airbnb guests) were highlighted in nine cosmopolitan cities worldwide. For instance, Airbnb guests were found to have

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