

Why do people choose to stay with Airbnb?

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Master of Science

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Submitted to Dr. Irem Önder

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AFFIDAVIT

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ABSTRACT

The aim of this thesis is to present and identify the main motivations for users to book personal accommodation found online through Airbnb, a sharing platform that links suppliers of living space with those requiring short-term accommodation. Since its first appearance in 2008, Airbnb has had a fast growth that raises questions about its current and future impacts on the traditional accommodation sector.

A quantitative research method was used in this paper to gather multidimensional data. The method consists of two self-administrated online surveys that were completed either by tourists who already stayed with Airbnb or by tourists who have not tried it yet. After the surveys were conducted and analysed, the results are presented and discussed accordingly. The research shows that some aspects have an essential importance in the decision-making process. The primary results presented here show that both the price and the authenticity of the experience are the most significant attributes in the choice of Airbnb. This paper is supported by the concepts of sharing economy, collaborative consumption, peer-to-peer accommodation and consumer decision-making, which are underlined in this study.

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TABLE OF CONTENTS

Affidavit.....	I
Abstract.....	III
Acknowledgements.....	V
1 Introduction.....	1
1.1 Context and previous research.....	1
1.2 Research purpose.....	2
1.3 Structure of the thesis.....	3
2 Literature review.....	4
2.1 Sharing Economy.....	4
2.2 Airbnb Company.....	9
2.3 Consumer decision making.....	15
3 Methodology.....	19
3.1 Data Collection.....	19
3.2 Study Framework.....	21
3.3 Logistic Analysis.....	23
4 Results and discussion.....	26
4.1 Findings.....	26
4.2 Discussion.....	36
5 Conclusion.....	41
5.1 Concluding Remarks & Future Research.....	41
5.2 Limitations.....	42
6 Bibliography.....	43
Appendices.....	50
Appendix 1: Airbnb Survey – have been.....	50
Appendix 2: Airbnb Survey – have NOT been.....	54

LIST OF FIGURES & TABLES

FIGURE 3-1 MODEL FOR THE LOGISTIC REGRESSION OF THE NIGHTS STAYED WITH AIRBNB ... 22

FIGURE 3-2 MODEL FOR THE LOGISTIC REGRESSION OF THE NIGHTS NOT STAYED WITH AIRBNB
..... 22

FIGURE 3-3 LOGISTIC REGRESSION EQUATION 23

FIGURE 4-1 PIE CHART FOR THE CITY WHERE WAS THE MOST RECENT AIRBNB STAY..... 27

FIGURE 4-2 CLUSTERED COLUMN FOR THE NUMBER OF PEOPLE WHO HAVE STAYED IN AIRBNB
..... 27

TABLE 4-1 MAIN PURPOSE OF THE TRIP 28

TABLE 4-2 TYPE OF AIRBNB ACCOMMODATION..... 28

TABLE 4-3 GENDER OF THE RESPONDENTS..... 29

TABLE 4-4 AGE OF THE RESPONDENTS 30

TABLE 4-5 EDUCATION OF THE RESPONDENTS..... 30

TABLE 4-6 INCOME OF THE RESPONDENTS..... 31

TABLE 4-7 CASE PROCESSING SUMMARY TABLE 31

TABLE 4-8 HOSMER AND LEMESHOW TEST 31

TABLE 4-9 OMMIBUS TESTS OF MODEL COEFFICIENTS 32

TABLE 4-10 MODEL SUMMARY 32

FIGURE 4-3 OVERALL SUCCESS RATE, SENSITIVITY, SPECIFITY, POSITIVE AND NEGATIVE
PREDICTIVE VALUE 33

TABLE 4-11 CLASSIFICATION TABLE..... 33

TABLE 4-12 VARIABLES IN THE EQUATION..... 34

TABLE 4-13 AGE^GENDER CROSSTABULATION..... 35

TABLE 4-14 AIRBNB^AGE CROSSTABULATION..... 35

TABLE 4-15 ACCOMMODATION ALTERNATIVES 36

1 INTRODUCTION

1.1 Context and previous research

Nowadays, tourists prefer to try new experiences and book their accommodation in a non-traditional manner, for instance not with a hotel, but online with Airbnb. Airbnb represents an online platform where people can rent their properties as tourist accommodation without having the standard amenities of a hotel. Airbnb developed very fast, even though tourists must place their trust in the accommodation owners regarding the quality of their stay.

The initial idea came from the first two founders when they had just graduated from university. They decided to advertise their apartment on a simple website as an AirBed & Breakfast for the International Design Conference delegates, who were looking to avoid San Francisco's expensive hotel prices in 2007. After that, they inducted the third founder and transformed the site into a service for others to promote their rooms as shared accommodation for travellers, initially concentrating on big and important events. After savouring some average success, specifically at the 2008 Democratic National Convention, the platform was re-started in 2009 as Airbnb.com, and the service was extended beyond shared accommodation to also contain the lease of entire properties (Guttentag, 2015).

Given that it has only existed since 2008, there is limited research available about Airbnb. In his un-published master thesis from 2011, Zachary Lamb describes in a qualitative way some of the reasons why Airbnb's users choose to go with it instead of traditional accommodation. Guttentag, in his conceptual work from 2015, described the Airbnb company from a disruptive innovation point of view. Tussyadiah and Pesonen's peer-reviewed empirical study (2015) was based on the sharing economy literature and included a survey about people's reasons for using peer-to-peer short term rental accommodation. Another survey was conducted by the tourism research company Phocuswright (Hennessey & Gasdia, 2014). The leading global financial services firm Morgan Stanley also started to conduct research through a consumer questionnaire, exploring the motivations of tourists to choose staying with Airbnb and the effect it would have on the tourism sector. Morgan Stanley also initiated a buyer questionnaire researching the reasons for using Airbnb to analyse the company's possible effects on hotels and online travel agencies (Nowak et al., 2015).

These studies reveal some of the intentions behind choosing Airbnb, such as authenticity or lower prices, but they also make plain some limitations, for instance the limited existing literature that is available on the topic. The research mentioned above, analyses the issues regarding authenticity, practical benefits from the sharing economy such as costs, rather than the experience itself, and some of them refer only to general peer-to-peer rental accommodation, not to

Airbnb in particular. Last but not least, the conclusions they have reached about the tourists' motivations are different, beginning with economical savings, and continuing with the authenticity of the experience and ending with household amenities. Another problem with this research is that it considers all the consumers as one single group, instead of dividing them into tourism accommodation market segments based on purchase motivation (Guttentag, 2016).

The most common question is still trying to ascertain Airbnb's impact on traditional accommodation such as hotels, now and in the future. To achieve this, one would need to develop an understanding of the reasons why people continue to trust and choose Airbnb. Other questions about Airbnb consider the advantages and disadvantages of consumers and the substitution of existing accommodation.

1.2 Research purpose

The main purpose of this study is to discover customer motives in choosing to stay with Airbnb and the attributes they are looking for.

The research instrument used for this study is going to be an online survey (See Appendix 1) that will be completed by tourists who have stayed in Airbnb accommodation or an online survey (See Appendix 2) that will be completed by tourists who have not stayed in Airbnb accommodation before. Respondents will only be recruited through social media platforms, like Facebook, through the snowball sampling method and the questions will be based on short open-ended questions, multiple choice and Likert scale.

Trying to understand better what are the motives of tourists when choosing Airbnb is important for Airbnb owners and other stakeholders, such as tourism firms or destination organizations, because from them they can learn more about what customers need and want. Moreover, figuring out buyers' preferences regarding Airbnb attributes helps to realise the advantages and disadvantages it has over other types of accommodation and vice-versa, the advantages and disadvantages other types of accommodation have over Airbnb. The substitution effect that Airbnb has on other types of accommodations could lead to the answer of the question regarding the effect it has over the traditional accommodation sector. It can also help the traditional accommodation sector to overcome Airbnb's threat. The study helps to figure out the new accommodation trend and the concept of sharing economy.

1.3 Structure of the thesis

Herein, an overview of the structure of the study and the organization of the argumentation will be given. The structure is divided into four main parts: a theoretical part (chapter 2), an empirical part (chapter 3), findings (chapter 4), limitations (chapter 5) and conclusion (chapter 6).

Section 2.1 discusses the sharing economy literature, including the definition of sharing and the concept of collaborative consumption, whose growth was due to the Internet age. Also, there are described some of the things that people nowadays rent or share. Also presented are the advantages and disadvantages of the hosts and guests when using peer-to-peer accommodations. One of the most important issues with which sharing economy is confronted is its representation by law regulations and taxes.

Section 2.2 describes the Airbnb company, starting with how it was born, and its growth into the success it is today. After that, the number of listings, countries, cities and types of properties are presented. Also described in detail are all the steps that are required to finish the entire process of booking on the Airbnb platform. Also, some issues are discussed, including safety or discrimination. Finally, all the new things that Airbnb implemented already or are about to in the immediate future are introduced.

Section 2.3 discusses the literature of the consumer decision making process in regard to the choice of Airbnb or traditional tourist accommodation, such as hotels. There will also be an introduction to the five steps that consumers need to take in order to finalize the decision-making process. Also, presented are the factors and attributes that have an influence on the decision-making process.

Chapter 3 introduces the empirical approach of this study and presents the data analysis design. It describes the study framework that includes two different models and collection of data through the snowball sampling for the two surveys. The theoretical and the practical part of the logistic regression analysis, which was done in the SPSS Statistics software package is also presented.

Chapter 4 conveys the results of the analysis and the resulting discussion. Described within are the results of both surveys, including the common and uncommon variables.

Chapter 5 concludes the study with a closing remark about the existing literature and the study itself. It also presents the limitations of this study and the future research and recommendations.

2 LITERATURE REVIEW

2.1 Sharing Economy

The concept of sharing economy was added in 2015 to the Oxford Dictionary and is described as:

” An economic system in which assets or services are shared between private individuals, either for free or for a fee, typically by means of the Internet”. In the collaborative consumption, peer economy or sharing economy, people use in common with others by renting, lending, trading goods and services (Möhlmann, 2015).

The dynamic growth of the shared economy has occurred because of the Internet, which has made the connection between supply and demand cheaper and easier. While sharing represents an old phenomenon, meanwhile, collaborative consumption and sharing economy started in the Internet age (Belk, 2014). According to Geron (2013), the sharing economy created markets that were not seen before as possessions which could generate income. People share: cars (Lyft, Sidecar, Uber), spare rooms (Airbnb, Couchsurfing), dogs (DogVacay, Rover), and food (Feastly), cars (RelayRides, Getaround), boats (Boatbound), houses (HomeAway), or power tools (Zilok) (Tanz,2014).

Liftshare was founded in 1998 and represents the United Kingdom’s largest car-sharing system that pairs people undertaking similar journeys in order that they don’t need to travel alone. Uber was founded in 2009 in the United States and it created a mobile function through which people submit journey petitions to Uber drivers with their own cars who then transfer customers to their destination. Through, Eatwith, EatWithalocal, Meal Sharing, or Cookening, people organize dining experiences for other people to pay in order to dine in private homes. In the tourism field, there are Vayable, Toursbylocals and Tripforeal, which represent platforms where travellers search for experiences in their destination city while allowing local community to earn money for giving guided tours in their hometown. The most popular models of peer-to-peer accommodation sharing in the accommodation marketplace are represented by Airbnb and Couchsurfing, a 2004 non-profit organization (Heo, 2016).

The 2016 report for the European Commission regarding the Presence and the Size of the Collaborative Economy in Europe, assumes that no less than 275 sharing economy platforms have already been settled in Europe (Report on Tourism in European Cities, 2016). The sharing services with the most relevant growth are those based on peer-to-peer accommodation rental schemes, which had succeeded in surpassing the traditional lodging industry and validates the reason why this sector has had such a significant impact on the global tourism industry. The benefits of sharing a space with tourists goes both ways because it provides additional income for owners/ landlords, and a cheaper price for tenants. The advantage of occasional renting rather than renting from a traditional provider is represented by the fact that holiday travellers

have a unique destination experience because it provides them the chance to live like locals. Another example of a sharing service is Uber, a leader in the transportation sector, more exactly car travel, where drivers and passengers are linked directly for on-demand rides, ride sharing or carpooling, in the majority of cities (Report on Tourism in European Cities, 2016).

The online rental peer-to-peer lodging service within the sharing economy concept is represented in tourism by Airbnb. Sharing economy is viewed in different ways, starting from a potential pathway to sustainability and finishing with a frightening form of neoliberalism (Martin, 2015). According to Martin (2015), the sharing economy is also considered a niche, a field of related innovations and the intermediaries who support and promote the development of these innovations.

Through Airbnb, hosts rent their places on a short-term basis and at lower prices than traditional accommodation such as hotels (Permalink, 2013). Therefore, there exists a win-win situation for both parties involved in the sharing economy process. However, one of the most important issues for governments is related to establishing the validity of Airbnb procedures through existing laws and policies, since the legitimacy of Airbnb has led to legal discussions in various cities (Guttentag, 2016).

Another important concern for governments is the manner in which sharing economy will affect the tourism sector. According to Zervas, Proserpio, and Byers (2014), Airbnb began to take the place of low-end hotels, then moved on to high-end, business or luxury hotels. On one hand, Airbnb could put its areas of operation at a disadvantage with the fact that it doesn't need employees, thereby potentially increasing the unemployment rate in those areas. However, the advantage of Airbnb is that it draws more tourists who would spend more days travelling in the cities where Airbnb operates. (Airbnb, 2016).

In some cities, application and enforcement of regulatory and tax policies regarding the accommodation-sharing sector are imposed, meanwhile, in others, self-regulation is preferred. Some municipalities such as New Jersey, New Mexico, New York, Virginia, Hawaii and the District of Columbia started to regulate the new industry by enacting occupancy limits or by registration requirements. An alternative method was chosen by Texas, Nebraska, Utah and Tennessee, which stopped local cities and counties from forbidding short-term rentals within their jurisdictions. Tennessee has a legislation dealing with short-term rentals, that states: "residential dwellings of any type, including, but not limited to, single-family residences, apartments, condominiums, trailers, RVs, tents, temporary structures or cooperative units, in which a person can obtain, for consideration, sleeping accommodations for less than thirty consecutive days (Leach, 2017).

Contrary to this, the New York state government body authorized a measure in June 2016 that would heavily punish owners on Airbnb and other short-term rental sites, which post listings that violate the New York's short-term rental laws, which restrict most residences (constructions with three or more components) in New York City from being leased for less than 30 days. Thus,

most of the listings that one finds on Airbnb would be treated as illicit, particularly if they can be reserved for a period of less than 30 days (Report on Tourism in European Cities, 2016).

According to Edelman and Geradin (2015), Airbnb was initially considered to represent a danger to the affordability and safety of the local population. Secondly, Airbnb was responsible for creating housing shortages and displacing long term tenants. Last but not least, government agencies and hotels also treat Airbnb as a threat for the hospitality businesses and traditional tourism, such as lower-priced hotels, because Airbnb hosts do not have to follow the standards set by hotels (Queensland Tourism Industry Council, 2014).

The literature regarding the sharing economy concept could be divided into various sub-sections such as: the psychological approach of sharing and the legal and financial perspective or on subjects regarding the typical features of the peer-to-peer sharing transactions, which involve car or home sharing for example.

According to Botsman (2013), collaborative consumption represents: “an economic model based on sharing, swapping, trading, or renting products and services, enabling access over ownership”, which includes various online platforms that are based on sharing the consumption of goods and services, and the sharing economy represents “an economic model based on sharing underutilized assets from spaces to skills to stuff for monetary or non-monetary benefits”. According to Belk (2007), collaborative consumption “is people coordinating the acquisition and distribution of a resource for a fee or other compensation” and sharing represents “the act and process of distributing what is ours to others for their use and/or the act and process of receiving or taking something from others for our use”, meaning there exists a significant difference between the two concepts (Belk, 2007, p. 126)

For Botsman and Rogers (2010), there are three forms of collaborative consumption systems: product service systems sustain no-ownership of products, redistribution markets support re-consuming of pre-purchased products and cooperative behaviours, meaning that human beings with similar interests exchange and share for instance peer-to-peer accommodations, through internet or social network (Tussyadiah, 2016).

However, Oskam and Boswijk (2016) argue that organisations such as Airbnb or Uber cannot be considered as sharing organisations, because of the price the guests must pay to the hosts and moreover, the platforms allow the market economy to expand digitally by coordinating demand of products and services.

According to Guttentag (2015), Airbnb cannot be compared with traditional hotels regarding accommodation and even though nowadays the sharing economy represents a significant concept, there still exists a lack of information in the associated research about the people that are using the Airbnb service.

According to Airbnb, peer-to-peer accommodation rental could change travel behaviour. Various differences were observed between Airbnb travellers and those who were staying in traditional accommodation, taking into consideration the length of stay and local spending. There were also differences in the level of use, which meant that the frequent users knew better how to make a great experience out of the trip by saving money and make new social connections. Also, frequent use lead to increased: destination choice, travelling, staying and activities at the location. Moreover, many of their listings are located outside the central hotel districts, in order to offer as much authenticity as possible. Also, many hosts use the rental income to pay their own rent payments. Therefore, the peer-to-peer accommodation systems create income for the local community and assists the growth of economy (Tussyadiah and Pesonen, 2015).

The literature claims that the success of Airbnb is due to the benefit offered by the authentic experience that is based on three main factors or attributes: the accommodation, the economic benefits and the idealistic motives (Oskam & Boswijk, 2016). Also, according to Tussyadiah (2015), the main elements for customers to use peer-to-peer accommodation platforms are represented first by the financial motivation for both hosts and guests, together with the interaction with locals and sustainability. To Guttentag (2015), the experiential appeal also represents a significant characteristic to be considered in the decision of using Airbnb because of the fact that consumers tend to search for authentic experiences where they feel like travellers and not tourists.

According to Möhlmann (2015), the decision of using Airbnb is based on factors such as: economic considerations, familiarity, utility or the trustworthiness of the host about photos, reviews and, finally, the price policy. Hamari et al. (2016) discovered other elements such as sustainability, enjoyment, and economic benefits. To Olson (2013), the younger generations tend to participate more in the collaborative consumption, because of the fact that they are used to the privacy and trust issues stemming from the internet.

Tussyadiah (2015) claims that the educated travellers which are more open to new challenges are usually the ones who are taking part in the collaborative consumption but, in the research about the effect of peer-to-peer accommodation use on travel examples, Tussyadiah and Pesonen (2015) sustain that demographic characteristics of visitors do not change the travel patterns.

Regarding Airbnb, one should take into consideration the three key elements of the sharing economy. First of all, the company is typically offering an online platform, meaning that the costs to put people in contact with each other are reduced. Moreover, if the demand is constant and the supply is increasing, it means that prices could decrease. Therefore, Airbnb now has a larger diversity and number of rooms than some hotel chains. Third, peer-to-peer means that by being

travellers, guests and hosts could switch their roles the other way around. Finally, Airbnb is access-based, meaning that the access to a space is bought just for a limited amount of time (Richardson, 2015).

Participation in the community is based on the cultivation of a disposition, meaning that the action of meeting strangers must be adequate and attractive. In a community based on the value of sharing unique experiences, due to the peer-to-peer quality for Airbnb users, meeting and staying in each other's home represents an authentic experience. The uniqueness of the experience is given by the feeling of home and the local knowledge. As a function of the platform, the roles between guest and hosts could change. Besides authenticity, another two important factors for the guests are location and price. Moreover, some properties are on short term lease without any reciprocity from the landlord. Thus, participants of sharing economy platforms must be open for meeting with unknown people. Trust has an important role in the sharing economy, especially in the financial transaction where the platform represents a form of technological assurance (Bergold & Thomas, 2012).

According to Tussyadiah (2016), satisfaction and return intention represent important factors for commercial sharing services such as Airbnb, who are linked to peer-to-peer accommodation. The peer-to-peer accommodation platforms were created in order to unite regular people, who are different from usual business individuals in sharing their excess capacity of property resources to their peers (Tussyadiah, 2016).

According to Airbnb, they had more than 17 million guests world-wide in the summer of 2015, which means a growth of about 350% in a span of just five years. Moreover, the Airbnb online platform has 1.2 million rooms in its stock, which means that they represent a powerful opponent to any branded chain hotels (Freitag and Haywood, 2015).

The intention of returning and the feeling of satisfaction go beyond the action of just informing providers about the requirements that need to be fulfilled to retain guests (Tussyadiah, 2016). Hotels receive relevant information about their competitor's advantages, such as peer-to-peer services, which are different from regular hotel services. Peer-to-peer accommodation will create distinct expectations in relation to customer needs such as lower prices, more meaningful social experiences and more sustainable travel (Tussyadiah, 2016).

In the sharing economy sector, some of the impetus for participating in it are, according to research, represented by economic motivations, for example in car sharing platforms (Guttentag, 2016). Other researchers argue that sharing economy participation is based on environmental or social motivations, due to the interaction with local hosts that takes place during the accommodation sharing. Incentives for sharing economy participation differ for accommodation, car, ride, meal or tool sharing and they can also vary for different socio-demographic groups. Consumers of the sharing economy, can be both providers and users, at the same time (Guttentag, 2016).

The Self Determination Theory represents a motivation theory which claims that behaviour is driven by intrinsic and extrinsic motivations. Intrinsic motivations come from enjoyment of the activity and extrinsic motivations come from outcomes that are separate from the behaviour (Deci & Ryan, 2000). One example of outcome is represented by the environmental concern regarding the use of limited natural resources. Tussyadiah's (2015) classification of motivations for sharing economy is based on "economic benefits", "sustainability" and "community".

However, according to Tussyadiah (2016) and Möhlmann (2015), in their surveys on accommodation sharing there is no evidence yet which draws a connection between sharing economy participation and environmental motivations. Sharing economy forms of participation are based also on social aspects such as the interaction between users and providers of goods. For example, in the case of accommodation sharing, guests meet their local hosts who could introduce them into the local community. The ability to make new connections by meeting new people and friends is known as being a trigger for the shared economy (Botsman and Rogers, 2011).

In her study, Tussyadiah explains that not all accommodation sharing users are looking for places to stay that involve social interaction, but the exact opposite (Tussyadiah,2016). There are differences between shared goods due to their economic value, the environmental impacts of sharing them and the social interaction from the sharing process. Due to the economic value of the accommodation shared, a substantial amount of money could be charged for letting other people stay at your property in a popular location. Even so, in comparison with traditional accommodation such as hotel, sharing accommodation such as Airbnb is still cheaper and it creates financial benefits for the users (Guttentag, 2015).

After gaining this knowledge about some of the most representative theory for this chapter, meaning the sharing economy concept, next the concept of the Airbnb company will be presented.

2.2 Airbnb Company

Airbnb was established in August 2008 by Brian Chesky, Joe Gebbia and Nate Blecharczyk in San Francisco, California and it presented itself on their site as: "a trusted community marketplace for people to list, discover, and book unique accommodations around the world" (Airbnb, 2016). Airbnb represents a peer-to-peer marketplace in the sharing economy, where the revenue comes from both customers and owners for this service, meaning that renters reimburse a 9-12% service commission for every booking they make, which depends on how long their staying lasts, and proprietors pay a 3% service commission to cover the expense of handling fees. Airbnb enrolment is free for travellers and does not require a commission for owners to offer their common space or home for lease (Zervas & Prosperio, 2016).

Also, if they consider it necessary, Airbnb hosts can ask for a cleaning fee. Airbnb has four different kinds of cancellations and refunds, that are flexible, moderate, strict or super strict and they all can be found on each listing's "Pricing" section under "Cancellation". Some of the costs for Airbnb's service fees are allocated to the customer support 24/7, that can be reached through the online platform or by phone. Airbnb has some pet-friendly rentals and in order to find out if it is the case for a specific type of accommodation or not, the amenities should be consulted by the future guests. Airbnb hosts can also charge an additional pet fee or they can make a special offer to the pet owners (tripping.com, 2017).

On the online platform, there exist more than 1,000,000 listings of various types of properties, in no less than 34,000 cities and 191 countries. There can be some types of properties, like for example, an entire place, such as apartments, castles or villas, private rooms, shared rooms or even more unique accommodations like for instance, boats, manors, tree houses, tipis, igloos, private islands. The real estates are different regarding the level of comfort, meaning they can vary from simple to luxurious and they can be rented for days, weeks, or months, with the approval of the host, who can also decline the request without any penalties (Airbnb, 2016).

On the Airbnb website, one can search where they want to look for accommodation, including the destination, city and address, the time when they want to check in and check out and of course the number of guests, adults, children or infants that will take part on the trip. A list appears on the site with available places, the price, location, amenities, details, photos and reviews of the owner and of the other guests. After finding a suitable option, the customer sends a message to the owner, so they can talk about all the details they need to and the possible questions or requests. In the end, if everything is ok, the request and the payment are made through the Airbnb site, where both parties can search the publicly viewable user profile with description, pictures, personal data which includes when the user joined Airbnb and reviews from guests they have hosted and from hosts they have stayed with. For security reasons, users' identity is verified through Facebook, Google, LinkedIn, email address, phone number or a copy of the driver's license or passport (Airbnb, 2016).

The ratings and reviews are on a scale from one to five stars and they appear only when both parties supply a review for each other, or after 14 days have elapsed. Also, from each review only the text content is shown and the ratings, just the summary containing the whole number of reviews it has gathered, and, if the real estate has at least three reviews, the average rating is rounded up to the closest half-star. Airbnb reviews by owners and travellers judge both qualitative and quantitative information. Critics explain the Airbnb rental space established by correctness, sanitation, check-in, interaction, district, financial worth and stories. Owners lying about their homes is an uncommon occurrence due to the skilled photographers who were employed for the photography of Airbnb listings (Lehr,2015).

Airbnb launched the “Instant booking” tool, which allowed some rentals to be booked immediately without the necessity to wait for host approval and “Superhost” rank emblem for active and well-reviewed owners. Another encouraged change on the honesty of the reviews. Airbnb, has a partnership with business travel and expense management company Concur which is dedicated only for the business travel segment (Airbnb, 2016).

Since all booking elements, such as: communication between guests and hosts, the payments, the reservations, and the reviews, are made through Airbnb’s site, the business can follow every visit from beginning to end, in order to scan the site for potentially illegitimate listings. Airbnb’s analytics system considers various factors such as: different words from the conversations between guest and host, which can eventually be blocked, repeatedly booking rooms with one another or new hosts starting to book expensive reservations with a new user. Through Airbnb’s process, a risk is assumed on behalf of its customers and frees them from the responsibility of assessing each other’s trust-worthiness (wired.com).

Airbnb increased its security measures with a multi-factor authentication system during log in from new devices which means that, hosts and guests logging in from new devices to the Airbnb site will have to verify their identity with a second account, either via SMS or email. Airbnb is now using predictive models, trained using machine learning techniques that look for uncharacteristic behaviour such as an abnormal number of login attempts or a login from a foreign country. Airbnb’s system might ask for additional confirmation that the person logged in is truly the host. With this latest update, users will now receive SMS alerts, enabling them to stay up to date about changes made to their account in the event a stranger has gained unauthorised access (Airbnb, 2017).

In 2016, Airbnb has bought a Barcelona-based travel start-up named Trip4real, which was founded back in 2012. Trip4real offers unique experiences for the tourists that want to have another type of trip than the traditional one, meaning that they want to have a journey from the local’s perspective, like for example living in a real local’s house rather than stay in a hotel and eating or visiting authentically. Airbnb also has launched a new program named City Hosts, which permits Airbnb guests to rent private tour guides to discover hidden places, that are not famous and maybe are known only by local people from the area they’re in, like for example in London, Paris or Tokyo. Now, there exist 36 available experiences like this, for example a Vietnamese cooking lesson with a Parisian chef, and they are all charged per person and they are required to reserve a location to stay through Airbnb in the city where the experience is taking place. Depending on the selected City Host, the tour could be used in conjunction with other Airbnb customers or the entire experience could be individual and most of the price of the experience is provided by the initial instalment of the fee. Also, after reserving an excursion, the website will show a record of places near to the action where people can book a few nights to stay (Matney, 2016).

At the end of 2016, Airbnb announced the launch of new offering called AirbnbTrips, composed of three different features. The first feature is Homes, meaning what Airbnb is doing since 2008. The second one is Places, based on the creation of user-generated information guides. Finally, is the experience feature. The new 'experiences' feature in the Airbnb application allows hosts and locals to offer different tours, events and other things along those lines, that are displayed through a sort of carousel of cinematic posters, that are meant to give an overview of the experience, which can end by being booked, usually under \$200. As CEO Brian Chesky said, the goal of it is to give travellers guidance on what they are supposed to do when they finally get to the destination. Another new feature of the Airbnb application is that every reservation booked goes into an itinerary, at which people can look to see what they should do next, what they have already done, in one word, they can relive their whole complete experience, once again (Lynley, 2016).

According to Airbnb, their online platform has more than 1.100 Experiences in 24 different cities that are active for booking. Also, until now the most expensive excursion cost \$91 per person. Also, Airbnb's new Trips service which provides local and unique tour experiences for its users, had a faster growth in its first year than the core Airbnb Homes business did in its first year (Ovefelt, 2017).

Another new investment that Airbnb made is in Resy, an application for restaurant reservations, which will be integrated into the Airbnb application in the coming months. Until then, the founders already partnered together on Trips, in order to enhance the Airbnb efforts to provide a more comprehensive travel experience (Roof, 2017).

In the beginning of March 2017, Airbnb launched "Music Experiences," which includes admissions to sold out events and private live concerts, in 13 cities worldwide. London, Los Angeles, San Francisco, Barcelona, Nairobi, Cape Town, Detroit, Miami, Paris, Havana, Tokyo, Florence and Seoul are the first cities where travellers can sign up for the experiences (Smirke, 2017).

The Airbnb online platform started a new competition in partnership with The Williams Formula 1 team, which implies that the winner of the one-hundred-word story competition, will: "spend the night in the team's garage at Silverstone during the 2017 British Grand Prix weekend and will also get track-side tickets for the weekend and a meet-and-greet with Massa and the Williams mechanics and engineers" (Sturart, 2017).

Sweden has presented its whole countryside on Airbnb, such as a location where everyone can go for free activities, even if they are not Airbnb users. This rule of "everyman's right" also applies to the other Nordic countries such as Denmark, Finland and Norway and it is valid on both public and private land, with some warnings. Moreover, Sweden did not have to pay for the listing that also presents a video tour of the country which is supposed to bring visitors to the Swedish Airbnb listings (Weise, 2017).

Yannopoulou, Moufahim, and Bian (2013) argue that social media represents an important factor in the existence of Airbnb, because through its users can get a hold of relevant data such as pictures, videos and reviews, which empower the trust between the two sides involved. Multi-sided platforms are characterised by the direct interaction between two or more customers who are creating something specific during the entire process (Hagiu,2014), meaning that Airbnb represents a perfect fit, because through it, hosts and renters can connect with each other.

When hotel beds are in short supply for big events, Airbnb is providing accommodation, for example Airbnb had an official agreement to provide 20.000 affordable places for over-night stays during the 2016 Rio de Janeiro Olympic games, and it is also a partner for the Edinburgh Fringe Festival. Use of the Airbnb platform is also encouraged amongst employees, in companies like Google and Facebook or by the British government and of course within Airbnb. According to McClure (2016), Airbnb is already working with a few distribution platforms such as apartment rental site Padmapper and on travel search engine Hipmunk (McClure, 2016).

According to Airbnb, the majority of their advantages have been more “social” including: developing individual companionships and contacts between visitors and owners, helping owners with loan agreements, allowing increased travel for budget tourists, building micro-entrepreneurial businesses globally, generating extra accommodation supply during popular events when cities might not satisfy the demand, during events such as: Super Bowl, World Cup or the Summer and Winter Olympics (Airbnb,2016).

According to the Airbnb web site, some service is expected from the hosts to build a trusting relationship with tourists, such as: precision, making sure that the listings are made safe throughout: pictures taken by trained photographers, different kinds of property or the number of rooms and general description that should display correctly the customer experience, interaction, meaning that all inquiries and booking inquiries should be answered within 24 hours, availability means that constant updates of the listing’s calendar with the opening dates are made, engagement meaning guarantee that assurances are stable before agreeing on a booking and if a cancellation is necessary then the hosts will help customers to find new accommodation to stay in. Other examples include : cleanliness, ensuring that a guarantee exists that the accommodations’ bedrooms and common places are sanitized before every new arrival, containing changed linen and sanitary washing areas in bathrooms and kitchens, amenities which requires that all comforts, machines, features promised at the booking are ready for use and functional during the visitor’s stay, guests are supplied with sterile bedding, towels, soap, and toilet paper at the time when the customer arrives, welcome, which means that the listing is for sure available at the exact time it was promised and last but not least, honest reviews which represent the vital element of Airbnb and that should also be left within 14 days (Airbnb,2016).

In recent months, the Airbnb site had some changes made to its interface, which means that before continuing, both new and old Airbnb users should show respect and involve everyone in the Airbnb community by accepting or declining, the following: I agree to treat everyone in the Airbnb community – regardless of their race, religion, national origin, ethnicity, disability, sex, gender, identity, sexual orientation or age – with respect, and without judgment or bias” (Airbnb, 2017).

A Harvard Business School study from 2016, has shown that, in sharing economy platforms, such as Airbnb, people of colour are discriminated by higher cancellation rates or longer waiting times than others. An Airbnb study revealed that customers with African-American-sounding names had a probability of only 16% to be accepted by owners than customers with white-sounding names. Also, on the Airbnb site, hosts and guests can rate each other, meaning that when a guest has at least one good review on their profile, it mathematically removes racial discrimination against them. According to the Airbnb study, when guests had no information on their profile page, white customers had a 48% acceptance rate, whereas black customers had only 29% acceptance rate. Moreover, when guests had at least one good review, the acceptance rates turned out to have a similar percentage for both groups: 56% and 58% and when the review contained bad information, both guests faced the same struggle to find a host (Li, Zhang and Cui, 2017).

One of Airbnb’s approaches to combating discrimination is to no longer display photos of hosts alongside featured images of hosts on the search listing page. The importance of photos during the booking process is reduced and other objective information from host and guest’s profiles are presented, such as traveller reviews and identity verification. Even so, profile pictures are important due to their security feature which helps guests and hosts to recognize each other. Another change against discrimination is represented by the increased number of instant bookings on the site. Thus, it reduces the chances to reject a guest because of bias and also creates a better position in the competition with traditional accommodation, such as hotels (McGee, 2017).

Another recent study from 2017, by Rutgers University, shows that travellers with disabilities who want to use the online platform service of Airbnb have a greater chance of being rejected and even less chance to be preapproved. A study conducted in May 2017 included the creation of some user accounts, through which they disclosed that they have one of the four disabilities; blindness, cerebral palsy, dwarfism, spinal cord injury or no disability at all. After the study was over, the results revealed that the percentage of preapproval rate for someone without a disability was 75 percent, whereas, for someone with a disability it was only 25 percent. Moreover, the rate of being outright rejected by hosts occurred 17 percent in profiles that had no disability compared to 60 percent of those with a disability (Locklear, 2017). According to Airbnb, their company has various partnerships with different disability organisations, such as California Council of the Blind California Foundation for Independent Living Centres. In order to develop

host education tools and make it easy for any person to find a listing that meets their needs, Airbnb, will launch new accessibility listing and also filtering features in the summer. Last but not least, Airbnb will continue to make sure that their community is accessible and open to anyone who wants to join it (Airbnb, 2017).

Airbnb recently joined fifty new government partnerships starting with Barcelona, London, Amsterdam and finishing with San Francisco. According to their agreement, Airbnb will be launching a pass-through registration system in 2018. The system will require new hosts to register with a city-issued number when they first try to sign up to rent out their home and will delete existing owners from the site that failed to enrol with the city authorities. Airbnb has a deadline of four months to assure that all new hosts are registered with the city and eight months to remove existing hosts who do not comply. Due to its new on-boarding system that will allow Airbnb hosts to register directly on their online platform, the additional paperwork from the city hall and the city's \$250 fee will be removed. Finally, even though the implications of the deal are not yet clear, this compromise helped Airbnb with its legitimacy and gave it a green light to operate in the short term (Alba, 2017).

Airbnb is occupying the first position in the 2017 CNBC Disruptor list and it is also believed that by 2020 it would attain \$3 billion in profit. In 2016, Airbnb was evaluated at \$31 billion, which means that Marriot with its \$39 billion appraisal is the greatest in the lodging industry. One of the Airbnb CEO's and co-founder Brian Chesky dreams that "one day we will redefine how we fly." (Overfelt, 2017).

After gaining important information about the Airbnb Company itself, the concept of the consumer decision making process will be examined through theory and useful examples.

2.3 Consumer decision making

Researchers Howard and Sheth (1969), state that consumers have a logical thinking regarding the decision-making process, thus, they tried to design a conceptual framework, to include all the steps that are required for the consumer decision making process. According to Engel, Blackwell and Kollat (1978), there are five main steps which a consumer will go through in order to make a choice: problem recognition, search, alternative evaluation, choice and outcomes. These researchers are stating that the decision process before the choice outcome is a conscious one, because the outcome is already known. According to the literature, consumer decision making process depends on various factors such as choice-set, individual factors or situational factors. Moreover, Woods (1960) argues that the characteristic of the product and the personality of the purchasers represent the two determinants in the choice outcome.

Booking for customers represents a selection between various aspects, meaning that they had to finalize their selection by making trade-off decisions in order to choose one attribute over another. Through Airbnb, customers have more variety and efficiency regarding the booking of the service. According to Bailetti (2012), the three factors that helped Airbnb grow, are: the issues they addressed were spread worldwide, they allowed buyers to behave entrepreneurially, and they chose to support creative web-based processes and services, to allow them to innovate gradually and effectively. Airbnb's owners list their accommodation and earn money from renting them at a cheaper price than hotels, which also helps guests to save money. In industries such as tourism, the major trend will ultimately be that end users will have more power than systems operators. According to Guttentag (2015), Airbnb is providing its customers with a feeling of home, that leads to a feeling of belonging. Airbnb's aim is to make customers feel like home and interact with the community. Renters are advised to: "treat guests like friends or family," "share favourite places with guests," and "teach guests something local and unforgettable" because there is nobody who knows the neighbourhood and the local places better than the local population (Airbnb, 2017).

The desire for social belonging represents one of the most relevant human needs due to its high place in the hierarchy of needs, right after survival and safety. Researchers pointed out that when traveling away from home people could feel disconnected or alone, which could lead to a reduced experience regarding their psychological well-being. In that case, it is better to experience a sense of belonging by interacting with a local host or having a coffee in a real home kitchen, than staying in traditional accommodation such as hotels, where you are being served by uniformed employees. Airbnb also creates a unique experience for their travellers, through their one of a kind accommodations, that reflect the host's lifestyle, personality, and culture. People want to differentiate themselves from others, so Airbnb's various types of accommodation, offer them different experiences than the ones lived in traditional hotels, in order to satisfy their need for uniqueness. Marketing researchers claimed that belongingness and uniqueness have relevant roles in consumer judgments and decision-making processes, which makes Airbnb the perfect choice, due to its "belongingness" and "uniqueness" concept, regarding traveller's experiences. According to hospitality literature, the customer value, represents: "the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given" (Zeithaml, 1988), which is a relevant value in the understanding of consumer decision making process. The transaction is actually an exchange, that is valued through the report between services and price. Meanwhile, for some customers an important value is represented by the availability of a restaurant, for others, the reputation of the hotel chain is more important. According to research, extrinsic attributes such as review ratings, review frequencies, and review variations could be more important than intrinsic attributes such as star-ratings or price. Thus, price is not the most relevant determinant in the consumer decision making process of choosing a hotel. Sometimes, the decision to decrease the price is a mistake because customers associate high prices with high quality services (Chan & Wong, 2006). They also claim that together with price, location and services represent the factors that decide the final choice. Their

suggestions for hotels located in a bad area include improving service transportation from and to airports or shopping centres, additional services in high season and professional staff (Chan & Wong, 2006).

According to Lockyer (2015), consumer decision making regarding hotels, is based on two factors: must haves and trigger points. Must haves represent key factors that influence the selection of any accommodation and trigger points represent reasons of customers to choose accommodation. Studies revealed that hotel products and prior experience are more relevant for men and frequent customers than for first-time users and women. Recommendations are more important for leisure and lower level education than for business travellers, meanwhile, higher education travellers make their own research before booking (Chan & Wong, 2006). Regarding Airbnb, customers find more relevant the social media, meaning another guest review shared on social media or user-generated branding that represents: "the strategic and operative management of brand related user-generated content to achieve brand goals" (Burmam & Arnhold, 2009, p. 66).

The hotel choice literature (Chu & Choi, 2000) presents a various number of primary attributes which are taken into consideration when choosing a hotel, like: cleanliness, price, location, room comfort, service quality and security. There were also discovered some secondary attributes that are not that significant but are still taken into consideration, such as: fitness amenities, parking facilities, restaurant quality and the check-in and check-out processes or the internet connection and online reservations. According to Han, Hsu, and Sheu (2010), nowadays more people tend to choose to stay at environmentally-friendly hotels while, according to Kim and Perdue (2013), affective features such as excitement contributes to the intention of choosing a hotel.

In a touristic destination, the location of hotels influences tourists' movements, hotel selection and customer satisfaction. Consumers usually choose the product which they consider to be the best, from various market alternatives. The same way of thinking is followed by tourists, who choose the hotel with the best location. Another similarity between consumers and tourists is represented by the decision-making process, which is rational or affective or bounded rational with experiential aspects in their decisions (Yang, Luo, & Law, 2014). Spatial location represents one of the most important characteristics for hotels due to its effect on the business efficiency, competitive advantage or chance of survival. The role of hotel location in the location decisions are multidimensional in nature and represents a burden for hotel managers and investors (Yang, Luo, & Law, 2014). The consumer demand for hotel location is directly proportional with tourists' expectations and preferences which involve factors such as: transportation accessibility and parking convenience, closeness to the city's main attractions, for instance, cultural resources and shopping entertainment centres or socioeconomic development of the geographic area (Yang, Luo, & Law, 2014).

The choice to use non-hotel accommodation such as Airbnb, is based more on the unique experience that tourists are living rather than on the practical attributes. According to McIntosh and Siggs (2005), alternative users appreciated most the homely feel they got during their stay at the accommodation, the personal interaction with the hosts or the knowledge from the locals. According to Stringer's (1981) Bed and Breakfast research and some other researches about CouchSurfing, customers enjoyed a unique experience and the economical price the accommodation provided them with. According to Ajzen (1992), choice decisions in leisure decisions from the theory of planned behaviour include affective and cognitive components. Also, more and more recent researches support their findings by showing the importance of emotional factors in the decision-making process. Tourist behaviour model is based on the information processing theory which claims that the consumer represents a thinking problem solver going through the stages of input, process, and output (Sirakaya & Woodside, 2005).

Regarding consumer preferences, according to Levitt (1983), an increase in income would lead to a higher homogenisation of consumer decisions and also that technology would guide to patterned products that have good quality and small cost. In contrast, de Mooij and Hofstede (2002) argued that increased income would guide to heterogeneity of consumer decisions, while culture is a basic determinant in buying decisions. They agree with the fact that technology will enable customisation at lower cost. The convergence of Airbnb is present because of the preference for the familiar and obligatory or the novel and symbolic, depending on the cultures of different nations (Mak, Lumbers, & Eves, 2012). When it comes to the decision of renting accommodation, factors can range from food to the level of assumed risk. Moreover, hotel brands are more familiar and less risky, Airbnb is cheaper, offers more specific accommodation traits and creates trust between the host and the guest through the Airbnb online platform. Even so, Airbnb customers come from all around the world, they support more listings in their own country. Last but not least, people with higher income also look for services such as Airbnb, meaning that income should not represent a trigger (Guttentag, 2017).

According to Woodside and Dubelaar (2002), the theory of tourism consumption systems represents: "The central proposition of a theory of [tourism consumption systems] is that the thoughts, decisions, and behaviours regarding one activity influence the thoughts, decisions, and behaviours for a number of other activities" (p. 120). For example, using Airbnb rather than hotels could be more useful for parents who require more functional attributes for their children. Another important factor in the decision of staying with Airbnb or not, is represented by the length of stay. Airbnb for instance could allow guests to stay longer than originally planned before maybe when hotels were considered as the type of accommodation or the other way around, when tourists know that they have to go on a longer trip they book accommodation on the Airbnb online platform (Guttentag, 2016).

After gaining all this literature knowledge, we will proceed to the empirical study.

3 METHODOLOGY

3.1 Data Collection

The purpose of this study is to find out what drives people to choose to stay with Airbnb and what the qualities are that they are looking for in Airbnb. The research instrument used for this study is going to be a self-administered online survey (See Appendices) that will be completed by tourists who had stayed and who had not stayed before in Airbnb accommodation through the snowball sampling method.

Consumer surveys represent sources of information that provide data. The questions of the survey can be asked face to face, by telephone, online or through direct email. In this case of Airbnb, the questions were asked through an online survey, which brought hundreds of responses at a very low cost. Even though the survey method is a useful one, it also presents some limitations. The first limitation is represented by sample bias, which means that the questions are good but they are addressed to the wrong people. One way to avoid it, is by random sampling, which means that from the market segment, only a relevant sample will be questioned. The second limitation is represented by response bias, meaning that respondents choose the answer they think the researcher wants to hear or customers try to have an influence in the decision-making process. Either way, the consumers response does not reveal their real preferences. The third limitation is represented by response accuracy, meaning that the consumer does not know how they will react to different changes, so their answer could prove to be dissimilar to what it would be in real life (SM, Chapter 4).

Since Airbnb is relatively new, it has been tried just by a limited group of people. The population was hard to reach and that is the reason why the data was collected through the snowball sampling method. According to Vogt's definition, snowball sampling can be simply defined as: "A technique for finding research subjects. One subject gives the researcher the name of another subject, who in turn provides the name of a third, and so on." (Vogt, 1999). The Snowball sampling represents a non-probability sampling technique that it is based on two phases. The first step is based on the identification of potential subjects in the population like family and friends. After that, the second step consists in asking those subjects to recruit other people because of the fact that the sample for the study is limited to a specific subgroup of the population (Vogt, 1999).

Respondents were recruited from Facebook, which proved to be effective in recruiting respondents from hard-to-reach populations. The social media website, produced a high-quality data that was also cost-effective. The survey questions were based on short open-ended questions, multiple choice or Likert scale, which use six response categories (1. Strongly disagree, 2. Disagree, 3. Somewhat disagree, 4. Somewhat agree, 5. Agree, 6. Strongly agree).

The two self-administrated online surveys were developed using Google Docs and the questions were in English, which means that the respondents would need to understand English. The first seven open-ended questions of the Airbnb survey were in focused upon the customers most recent stay with Airbnb. They were asked about the city and the country where the trip took place, the main purpose of their trip, how many nights their stay with Airbnb lasted, what type of accommodation they used and how many other people stayed in the Airbnb accommodation with them, not including the Airbnb host. The subsequent questions made use of the Likert scale, which uses six response categories, from 1 strongly disagree to 6 strongly agree. The first question was about the over-all satisfaction with the Airbnb stay. The next three questions explored the lower price of Airbnb in comparison with other traditional accommodation. The next four questions were about functional attributes, such as: convenient location, access to household amenities, homely feel and large amount of space. The next five questions were about the unique and local authenticity (community): authentic local experience, useful local information and tips from the host and friend in the local neighbourhood. The next questions focus on novelty: excitement, unpredictability, unique (non-standardized) experience and something new and different to tell friends or family about. The next five questions were about sustainability: reduction of energy consumption and other resources while travelling, a more socially responsible traveller, reducing the negative impacts of travel on the environment, support the local community and build a more sustainable business model. The next multi choice question was based on the Morgan Stanley survey, about the accommodation alternatives that Airbnb replace, such as: hotel, bed and breakfast or hostel, friends or family, extended stay at hotel, other vacation rental, Home Away or another rental site.

The second survey was dedicated to the tourists that have not been with Airbnb, yet. The Likert-scale questions were about the main reasons for not staying with an Airbnb accommodation. The first four questions were about trust: safety, privacy, not trusting the host and not trusting the online platform to execute the transaction. The next two questions were about economic benefits: more expensive than staying at hotels and not saving enough money. The next two questions were based on the Stanley Morgan paper and were about functional attributes: lack of amenities and lack of availability. The next four questions were about efficacy: not enough information about how it works, not knowing what it is and lack of ease in searching for the list of vacation rentals online.

Until this point here, there were described the questions of each one of the two surveys, which are not common ones. Now, in the next part, there will be described the questions that the two surveys have in common. The first Likert-scale question was about the accommodation specific attributes that contributed to the decision to stay or not with Airbnb in-stead of a different form of accommodation (e.g., hotel, hostel, or B&B). There were 18 accommodation specific attributes, which needed to be rated from 1 strongly disagree to 6 strongly agree. They were the

following: overall rating of the accommodation, number of photos of the accommodation, number of reviews about the accommodation, host reviews, having the instabook function (one click booking), amenities (e.g. air conditioning, washing machine, hair dryer,...etc.), maximum number of guests, response time from the host, response rate from the host, location of the accommodation (e.g. distance from attractions, residential neighbourhood... etc.), distance from the city centre, access to public transportation, price, minimum stay, number of blocked days, number of available days, extra fees (e.g. cleaning, extra person ..etc.) and cancelation policy.

The next question was regarding the age of the respondent, and there were six categories from which it was possible to choose: 20 or under, 21-30, 31-40, 41-50, 51-60 and 61 or over. In the next question, respondents were asked to choose their gender: male or female. The next question was about the highest level of completed education. There were four categories: high school or less, university / college, graduate / professional degree or doctorate/ PhD. The last question was about the total household income before taxes during the past 12 months. There were seven different options: less than € 20,000, € 20,000 to € 34,999, € 35,000 to € 49,999, € 50,000 to € 74,999, € 75,000 to € 99,999, € 100,000 to €, 149,999 and € 150,000 or more.

Only the common variables from both surveys were used in the logistic regression analysis, done with the SPSS Statistical software package. Next, it will be introduced into the study framework.

3.2 Study Framework

This study framework is based on two self-administered online surveys, so there are two different models for the logistic regression. The first one is made for the nights stayed with Airbnb. The dependent variable is represented by the answer yes for the question related to the Airbnb stay. There are five independent variables, among which, the functional attributes from Stanley Morgen's paper. The other four independent variables are represented by: price, authenticity, novelty and sustainability.



FIGURE 3-1 MODEL FOR THE LOGISTIC REGRESSION OF THE NIGHTS STAYED WITH AIRBNB

The second model for the logistic regression is made for the nights not stayed with Airbnb. The dependent variable is represented by the answer no for the question regarding the Airbnb stay. This time there are just four independent variables, among which, the same functional attributes from Stanley Morgen’s paper. The other three independent variables are represented by: efficacy, trust, and economic benefits.

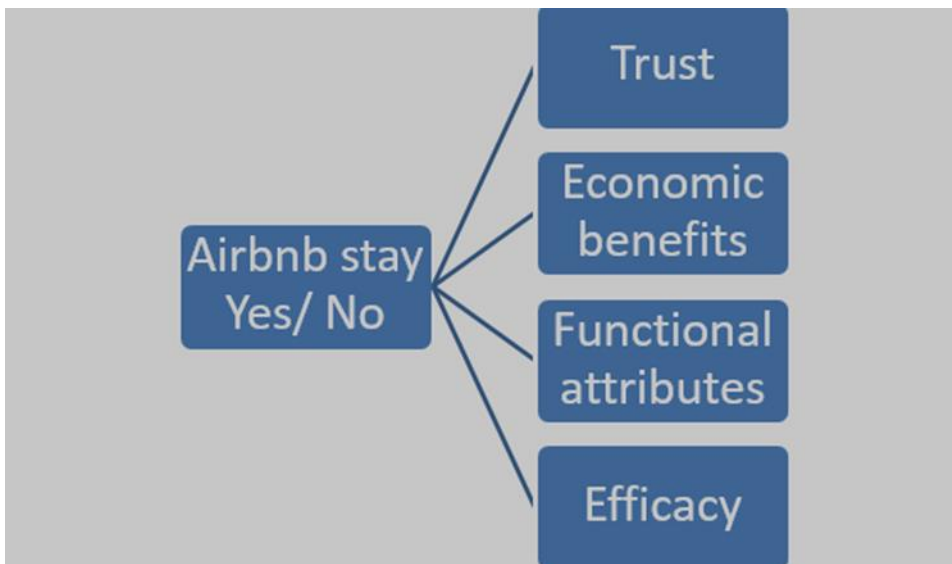


FIGURE 3-2 MODEL FOR THE LOGISTIC REGRESSION OF THE NIGHTS NOT STAYED WITH AIRBNB

3.3 Logistic Analysis

The method that will be used in the end in order to get results is the logistic regression model. According to Field (2009), it is: “multiple regression but with an outcome variable that is a categorical dichotomy and predictor variables that are continuous or categorical”, meaning that with some additional information it can be forecasted on which of two different groups a person is most likely to be a part of (Field, 2009, p.218).

The logistic regression model is represented through a class of generalized linear models that are based on three factors: a random component, meaning that the dependent variable follows one of the distributions from the exponential family such as normal, binominal or inverse. The linear component, meaning the description of how the function of the demand of the dependent variable, depends on a collection of predictors and a link function that describes the transformation of the dependents variable. The identity link function does not change the dependent variable, influencing the general linear model for constant outcome, whereas, the logit link function changes the outcome variable to the natural log of the odds, which guides to the logistic regression model (Fox, 1997).

This logistic regression equation includes several predictors in which:

$$Y_i = (b_0 + b_1X_{i1} + b_2X_{i2} + \dots + b_nX_n) + \epsilon_i$$

FIGURE 3-3 LOGISTIC REGRESSION EQUATION

SOURCE: FIELD, 2009

Y_i represents the possibility of Y happening, e represents the foundation of natural logarithms and the other coefficients shape a linear association. In the bracketed portion of the equation, there exists: a constant (b_0), predictors variable ($X_{i1}, X_{i2} \dots, X_n$) and coefficients (weights) attached to that predictors ($b_1, b_2 \dots b_n$). According to Field: “the logistic regression equation expresses the multiple linear regression equation in logarithmic terms, so it overcomes the problem of violating the assumption of linearity” (Field, 2009, p.219).

In this specific case of Airbnb, the dependent variable will be the positive or negative response regarding the staying in an Airbnb accommodation before or not. For the logistic regression to be possible, the independent variables need to be the common ones between both surveys: accommodation specific attributes (e.g. price or location) gender, age, education and income.

The price usually has much to say in the decision on which accommodation to choose, especially in the Airbnb, whereas it is considered to be more convenient than the traditional accommodation, such as hotels or hostels. By location is meant if the accommodation is situated in a convenient place, like for example in the centre of a city, with access to various amenities, if the place itself felt like a second home and also if there was interaction with the host about local things to do in the area.

A logistic analysis attempts to form the probability of an event's occurring and to approximate the impacts of independent variables on these probabilities. The odds for an event represent an outcome that compares the possibility that an event happens to the possibility that it does not happen. When the odds of success are bigger than the odds of failure, the probability is bigger than 1.0, if the two outcomes are evenly probable than the probability is 1.0 and if the odds of success are smaller than the odds of failure, the probabilities are smaller than 1.0. To analyse the impact on the odds of an independent variable, the odds ratio is built, in order to compare the odds for distinct values of the explanatory variable (O' Connell, 2006).

Statistical packages such as SPSS provide maximum likelihood approximates the intercept and regression weights for the variables in the model. Maximum likelihood estimates are derived using an iterative method that returns "the values for the population parameters that best explain the observed data (Johnson & Wichern, 1998, p. 178). The likelihood symbolizes the possibility that the observed outcomes can be anticipated from the set of independent variables (Hosmer & Lemeshow, 2000).

For the analysis of the frequencies (%) of Airbnb variables that are not common, it was used the SPSS Statistics software package program. In the menu: Analyse – Descriptive Statistics – Frequencies. "A binomial logistic regression, predicts the possibility that an observation falls into one of two classifications of a dichotomous dependent variable based on one or more independent variables that can be either continuous or categorical" (statistics.laerd.com).

In this case, binomial logistic regression is used in order to understand whether staying in Airbnb could be anticipated according to specific accommodation attributes, gender, age, income and education achieved. Here, the dependent variable is "During the past 12 months, have you stayed in an Airbnb accommodation?", measured on a dichotomous scale – "yes" or "no" – and there are 21 independent variables. The first 17 independent variables are in regards to accommodation specific attributes : "Overall rating of the accommodation", "Number of photos of the accommodation", "Number of reviews about the accommodation", "Host reviews", "Having the instabook function (one click booking)", "Amenities (e.g. air conditioning, washing machine, hair dryer,...etc.)", "Maximum number of guests", "Response time from the host", "Response rate from the host", "Location of the accommodation (e.g. distance from attractions, residential neighbourhood... etc.)", "Distance from the city centre", "Access to public transportation", "Price", "Minimum stay", "Number of blocked days", "Number of available days", "Extra fees

(e.g. cleaning, extra person ..etc.)” and “Cancellation policy”. The last four independent variables are in regard to demographic characteristics such as: gender, age, income and level of education.

In order to use a binomial logistic regression, the data needs to fulfil some initial assumptions that are demanded for binomial logistic regression to proffer a genuine result. The first assumption is based on the fact that the dependent variable needs to be measured on a dichotomous scale such as Airbnb response to the question: " During the past 12 months, have you stayed in an Airbnb accommodation?", variables include two groups: "yes" and "no". The second assumption is that one or more independent variables, should be continuous, requiring that they be represented by an interval or ratio variable, or categorical, meaning that the variables must be ordinal or nominal, to fulfil this second assumption (statistics.laerd.com).

In the particular case of Airbnb, the independent variables are categorical. Examples of ordinal variables are represented by Likert items, referring to the 6-point scale from "strongly disagree" to "strongly agree", a 6-point scale explaining what age a client has, varying from " 20 or under to 61 or over" or a 6-point scale explaining what was the total household income before taxes during the past 12 months, ranging from "Less than € 20,000 to € 150,000 or more". Some examples of nominal variables are for instance gender, meaning the two groups of male and female, or education, meaning the four groups of High school or less, University / college, Graduate / professional degree and Doctorate/ PhD). The third assumption implies that the data base has independence of observations and the dependent variable should have restricted types together with complete classifications (statistics.laerd.com).

When analysing the data base using a binomial logistic regression in SPSS Statistics, it should be clicked on the main menu: Analyse – Regression – Binary Logistic. The dependent variable Airbnb is transferred into the Dependent box and the rest of 21 independent variables such as accommodation specific attributes, age, gender, education or income, into the Covariates box. Some logistic regression options have to be ticked in the statistics and plots area: classification plots, Hosmer-Lemeshow goodness-of-fit, casewise listings of residuals and ci for exp(B). A logistic regression was performed to make sure of the impacts on accommodation specific attributes, age, gender, education and income on the likelihood that respondents have stayed in Airbnb or not. The part of the output, Block 0: Beginning Block, presents the “null model”, meaning that the model has no predictors but it has the intercept. The difference between the two steps of the SPSS logistic regression model, is in regards with the predictors that are included. Step 0, the first one, includes just the intercept and no predictors.

In the next chapter, the results will be examined in more detail.

4 RESULTS AND DISCUSSION

4.1 Findings

Because the actual study on Airbnb preference is so restricted, this study is therefore an exploratory one and is based on a mixture of ideas, procedures and applications. The survey period began in the middle of January 2017 and concluded in late February 2017. A total of 200 surveys were received, completed via Facebook. The two different surveys were made with Google Docs. The initial 100 responses were regarding the motivations to choose Airbnb. Meanwhile, the last 100 responses were regarding the motivations not to choose Airbnb. From the total of 200 surveys received, only 183 were taken into consideration while the other 17 were returned incomplete.

The results of this study will show demographic information of the tourists like: age, gender or income, accommodation preferences such as entire place, private bedroom or shared space, trip characteristics including attending a convention, conference or other major event, business, leisure or visiting friends and family or the Airbnb usage history: once, more than once or never.

The motivations to choose Airbnb will include factors such as: price, functional attributes, authenticity, novelty or sustainability and the motivations to not choose Airbnb will include factors such as: trust, economic benefits, functional attributes (Stanley Morgen paper) or efficacy.

For the first survey, the respondents were required to have stayed during the past twelve months in Airbnb accommodation and to write down the city and country where the most recent Airbnb stay took place. The most common destinations were: Amsterdam, Prague, Malaga, Vienna and other cities from Belgium (Brussels), Spain (Mallorca, Adeje - Tenerife), Italy (Rome, Venice, Florence), France (Paris, Lyon, Chamonix, Strasbourg), United Kingdom (London), Scotland (Edinburg), Germany (Berlin), Romania (Cluj, Bucharest, Brasov, Oradea, Sibiu), Hungary (Budapest), Slovakia (Bratislava), Netherlands (Maastricht), Greece (Naxos Island), Portugal (Porto), Croatia or Iceland. Responses were received from countries outside of Europe such as: United States (New York City, Scottsdale – Arizona), Canada - Quebec City, Africa (Naivasha - Kenya), Asia (Phnom Penh – Cambodia) and Turkey (Istanbul).

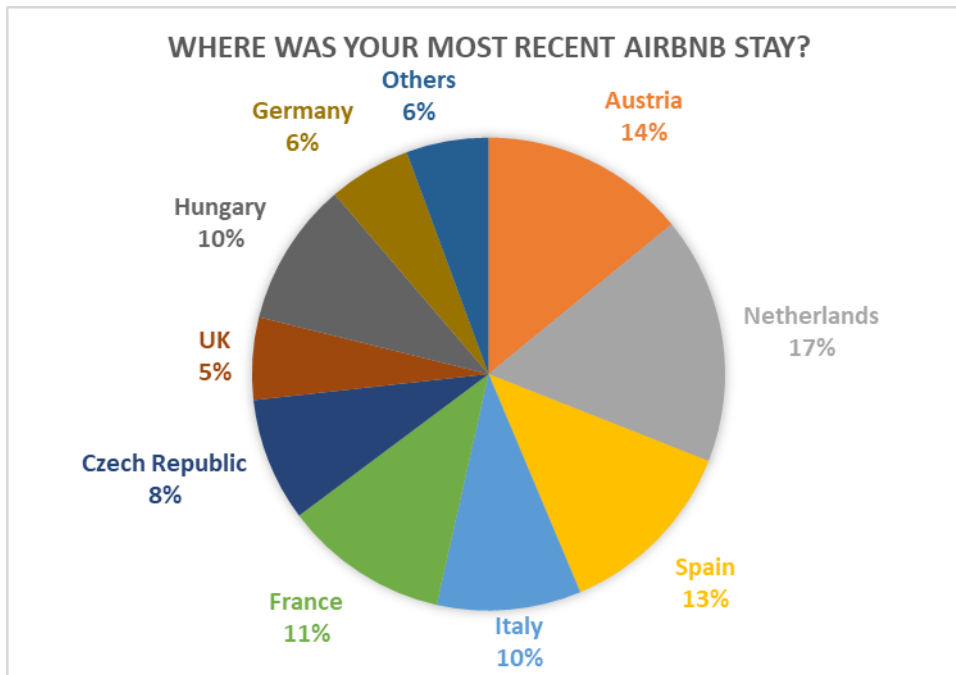


FIGURE 4-1 PIE CHART FOR THE CITY WHERE WAS THE MOST RECENT AIRBNB STAY

The Airbnb stay was usually for 3 days and after that 2 days, followed by 1 or 4 days. Other responses included 5, 6, 7, 8, 10, 13 or 14 days. Usually, 1 or 2 people stayed in the Airbnb accommodation with the guest, not including the host. Other responses were: 0, 3, 4, 5, 6, 7 or 8 guests.

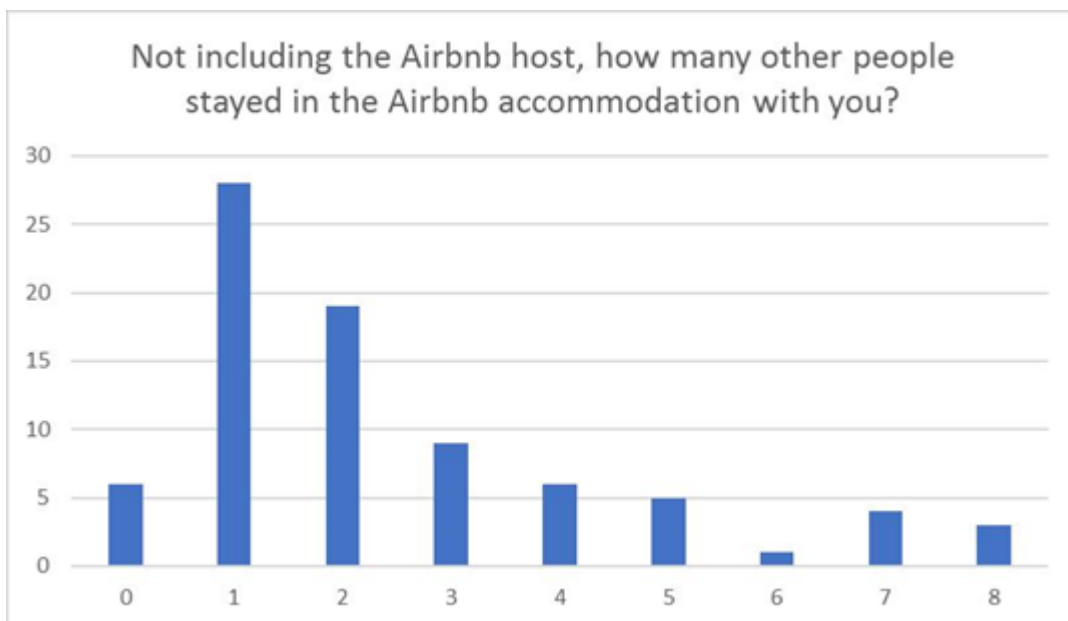


FIGURE 4-2 CLUSTERED COLUMN FOR THE NUMBER OF PEOPLE WHO HAVE STAYED IN AIRBNB

To identify the frequencies of the six variables: main purpose of the trip, type of accommodation, gender, age, education and income, the SPSS Statistics software package was used, Analyse – Descriptive Statistics and Frequencies.

The main purpose of the trip was represented more than half by leisure, with a percentage of 63.4%, followed by 17.1% for visiting friends and family, 12.2% for business and 7.3% at-attending an event.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Attending a convention, conference, or other major event	6	6.1	7.3	7.3
	Business (other than a convention, conference, or other major event)	10	10.1	12.2	19.5
	Leisure	52	52.5	63.4	82.9
	Visiting friends/family	14	14.1	17.1	100.0
	Total	82	82.8	100.0	
Missing	System	17	17.2		
Total		99	100.0		

TABLE 4-1 MAIN PURPOSE OF THE TRIP

The most used type of Airbnb accommodation was the entire place with a percentage of 58.5%, followed by 40.2% for private bedroom and less than 1.2% for the shared space.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Entire place (home, apartment, etc.)	48	48.5	58.5	58.5
	Private bedroom	33	33.3	40.2	98.8
	Shared space (e.g., futon in a living room)	1	1.0	1.2	100.0
	Total	82	82.8	100.0	
Missing	System	17	17.2		
Total		99	100.0		

TABLE 4-2 TYPE OF AIRBNB ACCOMMODATION

According to the Likert scale, which uses six response categories ranging from 1 strongly disagree to 6 strongly agree, the level of agreement within the elements which influence the choice

of non-traditional Airbnb as a substitute of traditional touristic accommodation, are listed below.

Airbnb purchasers agreed and strongly agreed that they were satisfied with their stay. In regard to the choice of staying with Airbnb rather than with another type of accommodation, such as hotels, users agreed the most with the comparatively low cost and the fact that they would want to have better conditions. In regard to the factors that influenced their decision when choosing Airbnb accommodation, the most agreed factors were the availability of and the number of photos, the response time and rate from the host, access to the public transportation and minimum stay. According to Morgan Stanley, as accommodation alternatives Airbnb replaced first the hotel and afterwards the bed and breakfast.

For the second survey, the respondents were required not to have stayed in Airbnb accommodation during the 12 past months. Some of the main reasons for not staying in an Airbnb accommodation, according to what respondents agreed, are: the safety and privacy (IT), trusting the online platform to execute the transaction and the list of vacation rentals online was not easily found. Moreover, they disagreed that it played a role that it was more expensive than staying at hotels, it did not save enough money or the lack of amenities and availability. Regarding which factors would have influenced their decision to stay at Airbnb accommodation, the respondents agreed with the overall rating, the number of photos and reviews, host reviews, amenities, location, distance from the city centre, access to public transportation and price.

In the demographic characteristics of the overall sample, 68.6% of the respondents were females and 31.4% were males.

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	116	64.1	68.6	68.6
	Male	53	29.3	31.4	100.0
	Total	169	93.4	100.0	
Missing	System	12	6.6		
Total		181	100.0		

TABLE 4-3 GENDER OF THE RESPONDENTS

The sample was also relatively young, 69.8% of the respondents were aged between 21-30 years old, the percentage of respondents with ages between 20 or under was 8.9% and 31-40 years old, 5.9% of respondents were aged between 41-50 years old, 4.7% of the respondents were aged between 51-60 years old and just 1.8% of the respondents were aged between 61 or over.

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 or under	15	8.3	8.9	8.9
	21-30	118	65.2	69.8	78.7
	31-40	15	8.3	8.9	87.6
	41-50	10	5.5	5.9	93.5
	51-60	8	4.4	4.7	98.2
	61 or over	3	1.7	1.8	100.0
	Total	169	93.4	100.0	
Missing	System	12	6.6		
Total		181	100.0		

TABLE 4-4 AGE OF THE RESPONDENTS

The sample was additionally well-educated, with 50.9% having at least a university or college degree, 27.2% of the respondents had a graduate or professional degree, 19.5% of the respondents had high school or less and 2.2% of the respondents had a doctorate or PhD.

		Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highschool or less	33	18.2	19.5	19.5
	University / college	86	47.5	50.9	70.4
	Graduate / professional degree	46	25.4	27.2	97.6
	Doctorate/ PhD	4	2.2	2.4	100.0
	Total	169	93.4	100.0	
Missing	System	12	6.6		
Total		181	100.0		

TABLE 4-5 EDUCATION OF THE REPENDENTS

The sample was relatively wealthy with a percentage of 62.1% earning less than 20,000 euros as the total household income before taxes during the past 12 months, 21.3% of the respondents had an income from 20,000 euros to 34,999 euros, 11.2% of the respondents earned between 35,000 euros and 49,999 euros, 4.1% of the respondents, their income ranged from 50,000 euros to 74,999 euros and 0.6% of the respondents had an income from 5,000 euros to 99,999 euros and from 100,000 euros to 149,999 euros. There was no valid percentage found for those earning 150,000 euros or more as the total household income before taxes during the past 12 months.

		Income			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Less than € 20,000	105	58.0	62.1	62.1
	€20,000 to € 34,999	36	19.9	21.3	83.4
	€ 35,000 to € 49,999	19	10.5	11.2	94.7
	€ 50,000 to € 74,999	7	3.9	4.1	98.8
	€ 75,000 to € 99,999	1	.6	.6	99.4
	€ 100,000 to € 149,999	1	.6	.6	100.0
	Total	169	93.4	100.0	
Missing	System	12	6.6		
Total		181	100.0		

TABLE 4-6 INCOME OF THE RESPONDENTS

The Case Processing Summary is based on three columns and five rows. In this Airbnb example, 169+12 = 181. The second row shows that 12 participants are missing data on some of the variables included in the analysis but this still leaves 169 cases to analyse.

Case Processing Summary			
Unweighted Cases ^a		N	Percent
Selected Cases	Included in Analysis	169	93.4
	Missing Cases	12	6.6
	Total	181	100.0
Unselected Cases		0	.0
Total		181	100.0

a. If weight is in effect, see classification table for the total number of cases.

TABLE 4-7 CASE PROCESSING SUMMARY TABLE & DEPENDENT VARIABLE ENCODING

Hosmer & Lemeshow test of the goodness of fit demonstrates that the model represents a good fit to the data as $p=0.128 (>.05)$.

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	12.564	8	.128

TABLE 4-8 HOSMER AND LEMESHOW TEST

The Omnibus Tests of Model Coefficients role is to demonstrate if the new model (with descriptive variables involved) represents an upgrade over the baseline model or not. In the case of Airbnb, the chi-square is highly significant (chi-square=96.232, df=21, $p < .000$), which means that the new model is significantly better.

		Chi-square	df	Sig.
Step 1	Step	93.895	21	.000
	Block	93.895	21	.000
	Model	93.895	21	.000

TABLE 4-9 OMMIBUS TESTS OF MODEL COEFFICIENTS

The logistic regression model made clear 56.9% (Nagelkerke R²) of the variance in Airbnb stay and classified right 82.8% of cases. In the Model Summary table, there are presented two methods of computing the variation: The Cox & Snell R Square and Nagelkerke R Square values. Nagelkerke R² represents an adjustment of Cox & Snell R² due to the fact that the last one does not reach a value of 1. Finally, because of this, the Nagelkerke R² value is favoured to report.

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	140.241 ^a	.426	.569

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

TABLE 4-10 MODEL SUMMARY

More useful is the Classification Table, which is based on the model that contains descriptive variables. The results from the "Classification Table", involve: overall success rate, sensitivity meaning the percentage of happenings which were expressed right, specificity represents the percentage of non-occurrence's that were expressed right, positive predictive value represents the percentage of predicted developments that are wrong and negative predictive value represents the percentage of predicted non-occurrence's that are wrong.

Overall Success Rate: $\frac{65+75}{169} = \frac{140}{169} = 82.8\%$

Sensitivity: $\frac{75}{75+12} = \frac{75}{87} = 86\%$

Specificity: $\frac{65}{65+17} = \frac{65}{82} = 79\%$

Positive Predictive Value: $\frac{17}{17+15} = \frac{17}{32} = 53\%$

Negative Predictive Value: $\frac{12}{65+12} = \frac{12}{77} = 15\%$

FIGURE 4-3 OVERALL SUCCESS RATE, SENSITIVITY, SPECIFICITY, POSITIVE AND NEGATIVE PREDICTIVE VALUE

The full model shows a good outcome for 82.8% of the cases in comparison to 51.5% in the null mode. This Classification Table demonstrates that 65 cases were noticed to be positive (yes) and were expressed good, 75 cases were noticed to be negative (no) and were expressed good to be negative (no), and 17 cases were noticed to be positive (yes) but were negatively expressed (no); 12 cases were noticed to be negative (no) but good expressed (yes) (The Institute for Digital Research and Education, 2017).

Classification Table^a

		Predicted		
		Airbnb		Percentage Correct
Observed	Airbnb	Yes	No	
	Step 1	Yes	65	17
No		12	75	86.2
Overall Percentage				82.8

a. The cut value is .500

TABLE 4-11 CLASSIFICATION TABLE

The Variables in the Equation table, represents the most relevant part from all the output because it specifies the regression coefficient (B), the Wald statistic and the Odds Ratio (Exp (B)) for every variable category. The "Sig." column, which presents the mathematical importance of the test, that price (p=.000), minimum stay (p=.000) and age (p=.010) added considerably to the prediction, but the maximum number of guests (p=.068) or all the other variables did not add essentially to the model. The Overall Percentage of cases that are expressed good by the model has increased from 51.5 for the null model to 82.8 for the full model.

		Variables in the Equation						95% C.I. for EXP(B)	
		B	S.E.	Wald	df	Sig.	Exp(B)	Lower	Upper
Step 1 ^a	Rating	-.239	.310	.596	1	.440	.787	.429	1.445
	Photos	.029	.392	.006	1	.941	1.029	.478	2.218
	Reviews	.077	.372	.043	1	.836	1.080	.521	2.239
	Host	-.264	.250	1.109	1	.292	.768	.470	1.255
	Booking	-.213	.215	.984	1	.321	.808	.531	1.231
	Amenities	.128	.268	.228	1	.633	1.137	.672	1.921
	Guests	-.465	.255	3.331	1	.068	.628	.381	1.035
	Response	.651	.455	2.048	1	.152	1.918	.786	4.679
	Location	-.405	.430	.884	1	.347	.667	.287	1.551
	Distance	.583	.433	1.815	1	.178	1.792	.767	4.188
	Accessibility	.020	.315	.004	1	.950	1.020	.550	1.892
	Price	-2.252	.556	16.422	1	.000	.105	.035	.313
	Stay	1.360	.364	13.929	1	.000	3.895	1.907	7.953
	Blocked	.588	.339	3.010	1	.083	1.800	.927	3.496
	Availability	-.649	.364	3.169	1	.075	.523	.256	1.068
	Fees	.184	.319	.332	1	.565	1.202	.643	2.248
	Cancelation	.076	.249	.094	1	.759	1.079	.663	1.758
	Age	.784	.305	6.618	1	.010	2.191	1.205	3.981
	Gender	.172	.490	.123	1	.725	1.188	.454	3.106
	Education	-.310	.317	.959	1	.327	.733	.394	1.364
	Income	.294	.247	1.419	1	.234	1.342	.827	2.179
	Constant	2.124	1.539	1.907	1	.167	8.368		

a. Variable(s) entered on step 1: Rating, Photos, Reviews, Host, Booking, Amenities, Guests, Response, Location, Distance, Accessibility, Price, Stay, Blocked, Availability, Fees, Cancelation, Age, Gender, Education, Income.

TABLE 4-12 VARIABLES IN THE EQUATION

For instance, if we consider the value of 0.10 to be the maximum value at which a variable would be significant instead of the classical 0.5, then not only the three variables price ($p=.000$), minimum stay ($p=.000$) and age ($p=.010$) would add significantly to the model/prediction. Also, another three variables would be considered to be significant, meaning to have values less than 0.10: number of maximum guests ($p=.068$), availability ($p=.075$) and number of blocked days ($p=.085$).

In order to see if there is a correlation between the positive and negative responses regarding Airbnb stay and demographic characteristics such as age or gender, a crosstabulation was made. It was made with SPSS Statistics software package. Analyse – Descriptive Statistics – Crosstabs.

From the crosstabulation between the use of Airbnb and the gender of the respondents, it seems that, there exists meaningful dissimilarities between the number of females and the number of males who responded to the surveys. This difference is present due to the 68.6% of the female respondents and only 31.4% male respondents. There is no significant difference between the number of females that responded positively to the Airbnb and those that responded negatively. Also, the same applies in the case of males, meaning that there is no significant difference between the number of males who responded positively to the Airbnb and those who responded negatively.

Airbnb * Gender Crosstabulation

Count		Gender		Total
		Female	Male	
Airbnb	Yes	56	26	82
	No	60	27	87
Total		116	53	169

TABLE 4-13 AGE^GENDER CROSSTABULATION

From the crosstabulation between the use of Airbnb and the age of the respondents, it seems that, there are significant differences between the age categories regarding their positive or negative answers about the Airbnb stay. More than half, of the respondents were aged between 21-30 years old. This category was the only one who had more positive responses than negative ones regarding their Airbnb stay. In the other categories, 20 and under and 31 to over 61, the number of negative responses were higher than the positive ones, regarding the choosing of the Airbnb Company. Both 20 or under and from 31 until 40 categories, have two times more responses on the no survey than in the yes survey and both also present the same number of answers per category of age. In the 41-50 years category, there are just a few responses and the no survey has also almost double number of responses than the yes survey. In the last two categories, from 51 until 61 or over there is no positive response regarding the Airbnb stay. This characteristic of the age group, is due to the lack of information and experience of the elderly people, regarding the use of technology and the its many benefits.

Airbnb * Age Crosstabulation

Count		Age						Total
		20 or under	21-30	31-40	41-50	51-60	61 or over	
Airbnb	Yes	5	69	5	3	0	0	82
	No	10	49	10	7	8	3	87
Total		15	118	15	10	8	3	169

TABLE 4-14 AIRBNB^AGE CROSSTABULATION

According to Morgan Stanley's paper, the accommodation alternatives that Airbnb did replace, were: Hotel, Bed and breakfast or hostel, Friends or family, Extended stay at hotel, Other vacation rental, Home Away or another rental site or the guest would not have taken this trip if it was not for Airbnb. Hotels were the first type of traditional accommodation that guests have replaced Airbnb with a percentage of 39.9% of the alternatives. On the second place, there were situated the Bed and Breakfast and Hostels, with a percentage of 27.5% of the accommodation alternatives. Airbnb replaced other vacation rental for a percentage of 9.2% of people. Airbnb replaced the traditional staying at friends or family for a percentage of 8.5% of people. Having

an extended stay at a hotel was replaced with Airbnb by a percentage of 9.5 % of people. Home Away was replaced by Airbnb for a percentage of 5.2% of people. Last but not least, 3.3% of people would not have taken the trip if it was not for Airbnb. Airbnb represents a threat to traditional accommodation such as hotels, bed and breakfasts and hostels.

		Accommodation alternatives			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hotel	28	34.1	65.1	65.1
	B&B/Hostel	10	12.2	23.3	88.4
	Friends/Family	1	1.2	2.3	90.7
	Other vacation rental	1	1.2	2.3	93.0
	Home away	1	1.2	2.3	95.3
	Not have taken the trip	2	2.4	4.7	100.0
	Total	43	52.4	100.0	
Missing	System	39	47.6		
Total		82	100.0		

TABLE 4-15 ACCOMMODATION ALTERNATIVES

After all the findings were described in detail, the next chapter will present a discussion about the results that were found during this study.

4.2 Discussion

The study questioned recent users of Airbnb and also consumers who have not used the Airbnb online platform yet. The primary objective of the survey was to find out why people choose or choose not to stay with Airbnb rather than in traditional accommodations, such as hotels, motels etc. The results present some of the reasons for which users decide to go for Airbnb, such as, price or the minimum stay.

Regarding demographics, the 68% female representation of respondents in this Airbnb study suggests that usually females have a bigger impact on the planning of a trip (Mottiar & Quinn, 2004). The predominant group aged 21-30 with the high education and income among the respondents are in accordance with the fact that the sharing economy is generally used by well-educated, middle-class persons (Lahti & Selosmaa, 2013). The Morgan Stanley study on Airbnb (Nowak et al., 2015) discovered that Airbnb customers used to be richer. In regard to the journey features, 63.4% of respondents had most recently used Airbnb for a leisure trip, and they had also stayed in their most recent Airbnb accommodation with at least one other person.

Some general characteristics of Airbnb users can be derived from the results that were generated. First, Airbnb is used by young adults between 21-30 years old, with university education, which also characterize the sharing economy users. On the one hand, the fact that younger users

are the main customer, could lead to the future expansion of Airbnb, because they just started the independent travel, which will continue in years to come. On the other hand, the online platform Airbnb is not well known by senior travellers, perhaps because of the amount of technology that it requires. The seniors could represent the perfect Airbnb hosts, because they usually own traditional homes, which are very appreciated by the Airbnb users, who want to have an authentic local experience. Secondly, most of Airbnb customers are using the service for leisure and not for attending a convention, conference, or other major event, as far as providing accommodation for this type of events was the major aim of Airbnb in its beginning (Botsman & Rogers, 2010). Also, the percentage of business travellers, are supporting Zervas (2015), who claimed that Airbnb is representing a threat only for hotels that are not business oriented.

The fact that the majority of respondents had stayed in an entire home instead of sharing the accommodation, suggests that Airbnb represents a different kind of sharing economy service. Also, the majority of respondents, stayed a short period of time, which contributes to bring Airbnb more in line with traditional accommodation such as hotels. Last but not least, the fact that the respondents were not staying for more than 30 days, presents a legal issue due to the illegality of unlicensed rentals in many areas.

The 21 motivation items revealed that there is a possibility to have three or six significant variables. On the one hand, if the maximum value at which a variable is significant, is the classical 0.5, then three variables are considered to be significant: price ($p=.000$), minimum stay ($p=.000$) and age ($p=.010$). On the other hand, if the maximum value at which a variable would be significant is 0.10 then, another three variables are considered to be significant: number of maximum guests ($p=.068$), availability ($p=.075$) and number of blocked days ($p=.085$).

One of the most strongly agreed upon motivations for choosing to stay with Airbnb rather than different form of accommodation is represented by price, which was also found in other studies regarding Airbnb, peer-to-peer short-term rental or the general concept of sharing economy. Thus, Airbnb should be considered a low-competitor to traditional accommodations such as hotels. Another issue is represented by the rates which are sometimes higher for Airbnb than for hotels and a good example to illustrate this is Vienna.

The price represents an important characteristic, because it is one of the factors that makes the difference between Airbnb and traditional accommodations. Airbnb is known for their lower prices, in comparison to the prices offered by hotels, motels, bed and breakfasts etc. The minimum stay also represents a relevant factor in the decision making of choosing a non-traditional accommodation such as Airbnb, over different types of traditional accommodations. For example, if someone wants to book an apartment for a few days in the summer holidays, in order to be able to go to a musical festival, which takes place during an entire weekend, then Airbnb represents the best choice. Usually, if you want to book an apartment, the stay must begin in a day of Saturday and end after a week. The issue here, is that the festival is during the weekend,

from Friday to Sunday so if the apartment would be booked, then one day out of three one, would be lost. In the case of Airbnb, the beginning day of the stay does not represent an issue, because guests can choose the beginning and end day and date of the journey on the online platform of Airbnb. In this particular case, the stay could be booked for three nights, from Friday until Monday. Airbnb, included the option of hosts to set a mini-mum night requirement that can vary from season to season. This optional requirement is useful, especially in the low seasons, when hosts could request for longer stays. Let's assume for example that, a host accepts only 5-night stays over the summer and 7-night stay in the winter.

Age represents a crucial determinant in the Airbnb decision making process, because first of all not all seniors are aware of what Airbnb is or secondly, how it functions. In fact, Airbnb is a relatively easy platform to use if someone knows how to use the internet to navigate through the different listings of Airbnb's accommodations. Usually, younger people, between 21-30 years old are the main market for Airbnb. One of the reasons could be that younger generations are not afraid to challenge themselves into unknown experiences. They are also more used with online transactions and the online talking between host and guest, because of the online social medias, such as Facebook, where you can connect with people one does not know before that. It is perfect opportunity to meet, know and even make friends with new people, like for instance, your own host, the guests with whom you might share the apartment or locals.

The positive impact of Airbnb is that it has the power to bring more visitors to a destination due to its non-traditional types of accommodations and the fact that more persons can stay together there than in hotels. The negative impact of Airbnb is that it could steal away guests from other types of traditional accommodation. In regard to the local population, the disadvantages are the decreased housing stock and deterioration of the local fabric, whereas the advantage is represented by the increasing amount of money that travellers are spending when they visit their destination and engage in touristic activities, such as going to monuments or museums, eating food in local restaurants, buying souvenirs or enjoying leisure activities (Guttentag, 2016).

This Airbnb study found out that Airbnb customers use it more as a replacement for hotels than any other form of traditional accommodation. The results of the study are in accordance with Morgan Stanley study (Nowak et al., 2015). From a destinations point of view, the fact that Airbnb represents a substitute for other types of traditional accommodation, means that Airbnb could decrease the amount of money which travellers spend in a destination. According to Airbnb, visitors are spending their savings in the destination, meaning that they end up helping the economy of the community and also the local tourist industry at the destination. Airbnb also claims that it helps destinations to have more visitors and such an example is represented by London 2012 Olympics (Shankland, 2013).

Last but not least, Airbnb does not consider itself as a threat for the hotel industry: "I think [that idea of competition with hotels is] a huge misconception. If you have a pie chart of available

accommodations, it's not like we're taking a slice out of the pie. We're making the pie bigger." We're helping people travel in a new way. I don't view it as a direct competition with hotels" (Trenholm, 2015). On the one hand, the American Hotel and Lodging Association (AHLA) has started a campaign against Airbnb across the United States., by doing research exploring illegal Airbnb practices. On the other hand, various hotels react to Airbnb differently, some of them perceive it as a threat, whereas others do not.

Hilton Worldwide's CEO and President declared that: "We do not believe there is a material impact on the bulk of our markets or with our core business and leisure customers. ... I think it's extremely hard for Airbnb to replicate what we are doing. And I don't think our core customers suddenly woke up ... and said we really don't care about consistently high-quality products and we don't need service and we don't need amenities ". Our belief is that lodging rental websites like Airbnb are stimulating demand, rather than displacing existing demand" (Weed, 2015).

Also, Doubletree's Global Head declared that: "We haven't seen any effect of [Airbnb] on our business. The research we've done shows it as a different kind of traveller typically for a different trip purpose" (Vivion, 2014). The President of Four Seasons declared that: "Our guests don't want the Airbnb feel and scent" and noted Four Seasons customers expect a "level of service that is different, more sophisticated, detailed, and skilful" (Carr, 2014)

Thus, Airbnb does not perceive itself as a competitor of traditional touristic accommodations such as hotels and also does not want to become one and some hotel chains do not see Airbnb as a threat, especially for the business sector, while it is obvious that there is a competition between the two of them. In order to be able to "compete" with hotels, Airbnb is always coming with something new regarding their products but they also should not forget that its brand is characterized by the authenticity of the local experience, meaning the homely feeling and the interaction with the community. Airbnb wants to offer an as professional as possible experience for its guest, so according to the literature, they concentrate on attributes such as cleanliness or instating booking. Usually, the listings that have the highest ranks, include the instabooking function or the renter which is a Superhost, meaning that it is very active person and has good reviews on the Airbnb online platform. Nowadays, Airbnb allows its hosts to choose if they want to enable or not the instabooking function (Guttentag, 2016). Airbnb tried in the summer of 2016 to pilot package deals similar to other hospitality booking sites through Sonoma Select project. The listings offered Instant Booking, 24-hour check-in, and local amenities such as treats, wine, upgraded bath products, and a guidebook. The Guidebooks tool, provides renters with local business recommendations and reviews, in order for them to have a hotel-like experience. Due to Airbnb's low appeal from the business travel market, hotel chains do not consider the online platform service to represent a significant threat for them. However, Airbnb started to make various improvements regarding the business sector, especially because the younger tourists from now will evolve into the next generation of business travellers (BI Intelligence, 2016).

Moreover, some hotel chains try to adopt some Airbnb characteristics and some examples are provided by Hilton and Marriott, which started Tru and Moxy brands, with inexpensive small inferior places and community spaces for communication. In 2014, Marriot Hotels & Resorts, launched Moxy Hotels in Europe and United States, that are represented by seven mid-priced urban hotels, which have open-plan communal spaces and plan to open in 2017, 13 more locations. Hilton Hotels & Resorts, is working on their new midscale-priced brand, Tru by Hilton in 2017 with more than 300 locations, which represents a modern-designed chain with more than 300 locations in the works aimed at budget-conscious millennials. Tru succeeds the current launch of Curio Collection, a Hilton idea, that proposed worldwide boutique hotels for wealthy tourists (Guttentag, 2016).

Through this new development, hotel chains address to the same segment as Airbnb, meaning the people which are looking for authenticity and low costs. In the same time, the offer better attributes specific to hotels such as the guarantee of a higher quality and the power to resolve surprise issues. In the end, this represents just another proof of the effect that Airbnb has on the tourism sector and especially on the traditional accommodations such as hotels (Guttentag, 2016).

The final chapter will present concluding remarks, suggestions for future research and limitations of this Airbnb study.

5 CONCLUSION

5.1 Concluding Remarks & Future Research

Nowadays, Airbnb is having such a significant impact on the tourism accommodation industry that it is important to discover the incentives from the consumer side for using this innovative service. There still exists the question of why people tend to choose Airbnb rather than a traditional accommodation and what will be the future impact of it for the traditional accommodation industry. This study has been trying to find some answers to these questions by revealing the motivations that lay behind the choice of Airbnb as a substitute for traditional touristic accommodations such as hotels.

This study reveals some of the most relevant motivations to be the price, the minimum stays or the age of the guests, whereas the experiential motivations were on the second place. This result is questioning first of all Airbnb's marketing, according to which they do not want to compete with the hotel industry and second, the fact that hoteliers do not consider Airbnb as a competitor for them, because it addresses a different market segment than hotels. Last but not least, the fact that hotels do not see Airbnb as a threat for them is a big mistake, because according to this study, many respondents have said that they used it as a hotel substitute.

Airbnb represents a very actual topic in the tourism sector, even though many of the papers that were quoted in this thesis, were just published in the last few years. This Airbnb study presents numerous possibilities for future researches. For example, the list of the 18 motivations could be increased with other types of motivations which lead to the usage of Airbnb's online platform. Also, research in Africa or Asia for example could help to see what are the similarities or differences between the different continents. Similarities between this and other Airbnb studies, could be considered an assurance that the general findings from this study are reliable, even though possible preferences should be taken into consideration, when the findings are being examined.

On one hand, future research could be undertaken by comparing different accommodation types, which are similar to Airbnb, such as Couch Surfing for non-traditional accommodation and hostels for traditional accommodation. On the other hand, comparison of Airbnb guests with hotel guests would be relevant, in order to find out if there is or not a competition between the two of them.

Last but not least, research regarding the decision-making process should be done, in order to explore, what people are taking into consideration before deciding to book a non-traditional Airbnb accommodation or in contrary, a traditional type of touristic accommodation.

5.2 Limitations

One of the first and most important limitations is the fact that social media was the singular source from which the multidimensional data was gathered. In this case of Airbnb, the data for the survey was collected only from Facebook. The issue there was that not everyone who knew and used Airbnb were interested in answering the questions about it online at the moment that it was posted on social media. After the first half of the responses were collected, I had to ask personally everyone who did not complete the survey until that time, to do it when they have the time for it. In the end, when the results from Excel were checked, I saw that there were some surveys that were completely empty, without any answer inside them. Another issue was about one case, in which one survey was registered ten times with responses that were identical to each other.

The second limitation is demonstrated by the use of the non-probability snowball sample because the targeted sample for the study is limited to a specific subgroup of the population. Due to its relatively new entrance on the market, Airbnb still represents a relatively new topic for some people. For example, during my research, I was surprised to discover that a significant part of the potential respondents did not have prior knowledge about the existence of Airbnb.

Thirdly, the sampling frames will have led to an almost exclusively European final sample, meaning that other Airbnb users from various geographic areas could use the online server for alternative purposes than Europeans users. In that sense, a good example is represented by the Tussyadiah and Pesonen (2015) research about the dissimilarities between users regarding the peer-to-peer short-term rental.

Last but not least, there also exists a preference in participation, meaning that Airbnb users who were supporting it, were more interested in the subject of the study and in conclusion in cooperating. Moreover, their performance expectations of Airbnb, could have been directly proportional with their recent Airbnb experience.

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APPENDICES

Appendix 1: Airbnb Survey – have stayed

During the past 12 months, have you stayed in Airbnb accommodation? Yes
 No

If yes, then continue:

Please answer the following questions **thinking only about your most recent Airbnb stay.**

In what city and country was your most recent Airbnb stay? City: _____
Country: _____

What was the main purpose of your trip?

- Attending a convention, conference, or other major event
- Business (other than a convention, conference, or other major event) or Leisure
- Visiting friends/family

For how many nights did you stay with Airbnb? _____

What type of Airbnb accommodation did you use? Entire place (home, apartment, etc.)

- Private bedroom
- Shared space (e.g., futon in a living room)

Not including the Airbnb host, how many other people stayed in the Airbnb accommodation with you? _____

Overall, how satisfied were you with your Airbnb stay?

Very Unsatisfied	Unsatisfied	Somewhat Unsatisfied	Somewhat Satisfied	Satisfied	Very Satisfied
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate your level of agreement with the following statements regarding your decision to stay with Airbnb instead of a different form of accommodation (e.g., hotel, hostel, or B&B).

Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Price
I chose Airbnb because of its comparatively low cost
Staying at an Airbnb helped me to lower my travel cost (IT)
I chose Airbnb because I would like to have a higher quality accommodation with less money (IT)
Functional attributes
I chose Airbnb for the convenient location
I chose Airbnb for the access to household amenities
I chose Airbnb for the homely feel
I chose Airbnb for the large amount of space
Unique and local authenticity (Community)
I chose Airbnb to have an authentic local experience
I chose Airbnb to receive useful local information and tips from my host
I would like to get to know people from the local neighborhoods (IT)
Novelty
I thought the experience would be exciting
To do something new and different
I thought the experience would be unpredictable
To have experience I could tell friends/family about
To have a unique (non-standardized) experience
Sustainability
I would like to reduce the consumption of energy and other resources while travelling
I would like to be more socially responsible traveler
I would like to reduce the negative impacts of travel on the environment
I would like to support the local community
It was a more sustainable business model

Which factors influence your decision when choosing Airbnb accommodation?
 Please indicate your level of agreement with the following statements regarding your decision to stay with Airbnb instead of a different form of accommodation (e.g., hotel, hostel, or B&B).

Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Accommodation specific attributes:

- Overall rating of the accommodation
- Number of photos of the accommodation
- Number of reviews about the accommodation
- Host reviews
- Having the instabook function (one click booking)
- Amenities (e.g. air conditioning, washing machine, hair dryer, etc.)
- Maximum number of guests
- Response time from the host
- Response rate from the host
- Location of the accommodation (e.g. distance from attractions, residential neighborhood... etc.)
- Distance from the city center
- Access to public transportation
- Price
- Minimum stay
- Number of blocked days
- Number of available days
- Extra fees (e.g. cleaning, extra people, etc.)
- Cancellation policy

You stated that you have used Airbnb in the past 12 months; which of the following accommodation alternatives did it replace? Select all that apply. (Morgan Stanley)

- Hotel
- Bed and breakfast/ hostel
- Friends/family
- Extended stay at hotel
- Other vacation rental
- Home Away or another rental site
- Other
- I would not have taken this trip if it was not for Airbnb

- Your age.
- 20 or under
 - 21-30

- 31-40
- 41-50
- 51-60
- 61 or over

Your gender.

- Female
- Male

Your highest level of completed education.

- High school or less
- University / college
- Graduate / professional degree
- Doctorate/ PhD

What was your total household income before taxes during the past 12 months?

- Less than € 20,000
- € 20,000 to € 34,999
- € 35,000 to € 49,999
- € 50,000 to € 74,999
- € 75,000 to € 99,999
- € 100,000 to € 149,999
- € 150,000 or more

Thank you very much for completing this questionnaire. Your participation is extremely valuable.

If you happen to know of anyone else who has stayed with Airbnb during the past 12 months and would be interested in completing this survey, please feel free to forward them the following link: [survey link].

Appendix 2: Airbnb Survey – have NOT stayed

During the past 12 months, have you stayed in Airbnb accommodation?

- Yes
- No

If No, then:

What are your main reasons for not staying in Airbnb accommodation? (Select all that apply)

Reasons for not staying with Airbnb

Trust
I was concerned about safety (IT)
I was concerned about privacy (IT)
I did not trust the host(s) (IT)
I did not trust the online platform to execute the transaction (IT)
Economic benefits
it was more expensive than staying at hotels (IT)
it did not save me enough money (IT)
Functional attributes: (Stanley Morgan paper)
Lack of amenities
Lack of availability
Efficacy (IT)
I did not have enough information about how it works
I did not know what it is
It was not easy to search for the list of vacation rentals online

Other: _____

Which factors would have influenced your decision if you were to stay at an Airbnb accommodation?

Please indicate your level of agreement with the following statements regarding your decision to stay with Airbnb instead of a different form of accommodation (e.g., hotel, hostel, or B&B).

Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Accommodation specific attributes:

Overall rating of the accommodation
Number of photos of the accommodation
Number of reviews about the accommodation
Host reviews
Having the instabook function (one click booking)
Amenities (e.g. air conditioning, washing machine, hair dryer, etc.)
Maximum number of guests
Response time from the host
Response rate from the host
Location of the accommodation (e.g. distance from attractions, residential neighborhood... etc.)
Distance from the city center
Access to public transportation
Price
Minimum stay
Number of blocked days
Number of available days
Extra fees (e.g. cleaning, extra person. etc.)
Cancellation policy

Your age.

- 20 or under
- 21-30
- 31-40
- 41-50
- 51-60
- 61 or over

Your gender.

- Female
- Male

Your highest level of completed education.

- High school or less
- University / college
- Graduate / professional degree
- Doctorate/ PhD

What was your total household income before taxes during the past 12 months?

- Less than € 20,000
- € 20,000 to € 34,999

- € 35,000 to € 49,999
- € 50,000 to € 74,999
- € 75,000 to € 99,999
- € 100,000 to € 149,999
- € 150,000 or more

Thank you very much for completing this questionnaire. Your participation is extremely valuable.

If you happen to know of anyone else who has stayed in an Airbnb during the past 12 months and would be interested in completing this survey, please feel free to forward them the following link: [survey link].