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Motivations to select an Airbnb

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Why Travelers Choose Airbnb

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Abstract

This literature review explores the phenomenon of the sharing economy, specifically the popular

home-sharing concept of Airbnb. Peer-reviewed articles were used that report on the results of

studies conducted via data research by studying Airbnb listings and third-party hotel data and

various online surveys that reveal what drives traveler's decisions to select Airbnb

accommodations over traditional hotels. "Airbnb describes itself as a trusted community

marketplace for people to list, discover and book unique accommodations around the world"

(Zervas, Proserpio & Byers, 2017, p.689). This paper also looks at the company and the

availability of booking Airbnb accommodations across the world. The uncovered motivations for

selecting Airbnb include price, authenticity and household amenities. Several other opportunities

for additional research are also presented.

Keywords: sharing economy, Airbnb, customer delight, motivations

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Introduction

Within the tourism industry, trends materialize from time to time. This literature review will explore the trend of the sharing economy, specifically, what motivates travelers to select an Airbnb. "The rise of the sharing economy is significantly impacting the tourism and hospitality industry" (So, Oh, & Min, 2018, p.224). With AirBnB's emerging into the market and not just in tier one, large metropolitan cities, but everywhere, you would be hard-pressed to find a community without an Airbnb. It is very safe to say Airbnb has infiltrated the world. "How did they do it" one might ask? Simply stated, "several technological improvements and changes in economic and social contexts have fostered the advent of a sharing economy" (Magno, Cassia & Ugolini, 2018, p.609).

First, it is important to define and give some information on Airbnb, the company and the concept. "The company was started in response to consumer demand for affordable rentals in niche markets so that travelers can access unique locations and interact with local cultures" (Anwar, 2018, p.62). "Airbnb is one of the world's largest marketplaces for unique, authentic places to stay and things to do. Airbnb promotes people-to-people connection, community and trust around the world" (About Us, 2019, para.1). Airbnb recently celebrated its eleven-year anniversary in August 2019. In those eleven years, Airbnb boasts over seven million Airbnb listings worldwide, more than 100,000 cities with Airbnb listings and more than 191 countries or regions with Airbnb listings (Fast Facts, 2019). It is important to also include that to date, an average of more than two million people are staying in an Airbnb per night (Fast Facts, 2019).

Review of Literature

Several articles referred to the sharing economy, peer-to-peer accommodations as well as collaborative consumption (Blal, Singal & Templin, 2018; Guttentag, Smith, Potwarka & Havitz,

2018; Poon & Haung, 2017). Xie & Kwok (2017) describe that in the sharing economy phenomenon, Airbnb provides travelers with an alternative for their accommodations, therefore the hotel and Airbnb battle for the same pool of potential travelers, pushing supply up thus forcing a lower the price point for the listings on Airbnb. Interestingly, Poon & Haung (2018) explain that peer-to-peer accommodation is not new. "Back in the 1800s, in the American South, it was custom or even considered a "duty" for people to receive travelers in their private homes" (p. 2425). Over the years, there have been a plethora of peer-to-peer accommodation platforms, to include CouchSurfing, HomeAway, 9flats, FlipKey and Roomarama (Poon & Haung, 2018, p. 2425). Mao & Lyu (2017) state "As the most prominent hospitality firm in the sharing economy, Airbnb provides short-term accommodations to guests an alternative to hotels (p. 2464). Given the past research explored, this literature review will attempt to uncover the answers to the research topic at hand, why do travelers choose Airbnb over traditional hotels.

Motivations

Through the previous research, Airbnb is clearly extending incentives that drive bookings that traditional hotels are not offering. Ultimately, these incentives are the motivations, the why, that drive travelers to select an Airbnb over a traditional hotel. Motivations included in this review are price, authentic and local experience, and household amenities.

Over half of the selected articles highlighted at least two of the three themes that will be presented here. There was one article that stood out which referred to customer delight. This deserves a brief explanation and how it plays into the over-arching motivations that were uncovered for this review. Customer delight is more than just satisfaction within their visitor experience. Customer delight defined as "more positively correlated with customer loyalty, positive word of mouth and repeat purchase or visitation" (Crotts, Pan & Raschild, 2018, p.463).

"Customer delight has the most potential to influence future customer behavior" (Crotts et al., 2018, p.464). In today's world of so many options, guest satisfaction is typically measured by whether or not their expectations were met and even exceeded. All visitor service organizations should strive to meet and exceed visitor expectations in every aspect (Crotts et al., 2008). With customer delight being defined earlier, here is where the dots get connected, travelers or customers want a positive experience more than just getting what they expected to receive. They want to get what they purchased and then some, which prompts them to give positive reviews and loyalty to the brand they purchased from. When an Airbnb owner provides above and beyond, the guest will give a positive review on the Airbnb site, which is ultimately what an Airbnb host wants, positive reviews so that they can continue to secure more bookings.

Price

Over half of the articles reviewed for this topic cited price or value as the primary driver or motivator for guests selecting Airbnb over a traditional hotel. Consumers want to know they are getting high value for a relatively low price. The benefit that Airbnb has is the host has the flexibility to manipulate their rate as they see fit, whereas a hotel has standards and guidelines and more times than not, their rate is not flexible. Price value and perceived value are main driving factors with selecting to use Airbnb (Blal, et al., 2018; Guttentag, et al., 2018; Magno, et al., 2018; Mao & Lyu, 2017; Poon & Haung, 2017; So et al., 2018; Xie & Kwok, 2017). A point in case, recently a co-worker traveled to Aruba for Thanksgiving. The co-worker is an Airbnb host as well. He chose an Airbnb in Aruba which was across the street from a main *touristy* area and very close to many hotels and resorts. His rate per night at his Airbnb was eighty-five dollars when the going rate at the hotels across the street was well over two hundred dollars per night. By securing an ideal location and rate which he considered very reasonable, he was able to go on

vacation for two weeks, in Aruba. The selected Airbnb was a separate guest house with a

separate entrance and a bedroom, a sitting area, free wi-fi, and a full kitchen.

Authenticity

Authenticity, or local experience, is another motivation uncovered through these

articles. Mody, Seuss, & Lehto, (2017) said it best with "experience is at the heart of the

hospitality and tourism industry" (p. 2379). Travelers want a memorable experience. They want

more than just the cookie-cutter museum, they want to go where the locals go, those places that

are authentic to the place that they are in. With Airbnb stays, the hosts are taking it upon

themselves to guide their overnight guests to those places, the places you are only going to find

in that destination. Mao & Lyu (2017) profess that their "findings indicate that unique

experience expectation affects repurchase intention (p. 2476). It (the need for authentic

experiences) started with what is referred to today as a foodie culture and now its crossed over

the line to consumers want local music, art, culture, experience the lifestyle of the place they

are in (Mody, et al., 2017). They also use the term *localness* (p. 2382). In the example given

earlier, the co-worker of the author visited with the homeowner who was born and raised in

Aruba and shared a lot of stories about the island. The homeowner also offered many

suggestions of things to do and places to eat while on the island.

Household Amenities

Household amenities was another top motivation that convinced guests to select Airbnb

over a traditional hotel. According to both Guttentag et al., (2018) and So, Oh & Min, (2018)

being in a home environment, either shared space with the homeowner or being able to have the

whole space was very attractive when traveling. Poon and Haung, (2017) also state that Airbnb

was attractive because the homes are usually not in commercialized areas, which also touches on

the *localness*. When traveling with more than a couple of people, being able to stay in one place,

together, instead of each being in their own room was a benefit (Guttentag et al.,2018; So et al.,

2018). Being able to select a home environment also can help with travel anxiety. Having access

to a washer and dryer, a full kitchen rather than what's available in an extended-stay hotel

property and just the overall feel was more attractive to guests. Airbnb is your "home away from

home" (So, et al., 2018, p. 226).

When these motivations are met and exceeded, this is when we see customer delight,

which strengthens the loyalty a customer has for selecting an Airbnb over a hotel. And mind you,

not all three have to be met in order to create that customer delight. Price and authenticity were

mentioned in half the articles used and home benefits mentioned a couple of times.

Methodology

Based on the articles used in this review, there was a variety of methods of research used.

Several articles used data from hotel properties and Airbnb listings in particular cities to include

San Francisco, California, Austin, Texas and Verona, Italy. Three articles referenced used online

surveying platforms to those that used an Airbnb within a specified time frame and users were of

a certain age. The online survey used the Likert scale, which is a "type of rating scale used to

measure attitudes or opinions" (Stephanie, 2016, para.1). Another article used in the review used

a mixed-methods approach, where they used focus group interviews with open-ended questions

as well as an online survey that used the Likert scale approach.

Limitations

There is a huge opportunity for more research on this topic. A mixed-methods approach

would garner the most valuable results. Mixed methods are the use of both qualitative (narrative)

and quantitative (numbers) research. There is a story to tell here, which is where the qualitative

approach comes in. Through focus groups, being asked specific questions about Airbnb usage,

this story can be told. Finding people that have used Airbnb, on multiple occasions, within a

specific time frame (within the last 12 months) would be ideal for the focus group sessions. A

survey to a defined group of consumers gives the researcher the statistical facts about this topic.

Ideally, it would be an on-line survey to consumers that have used Airbnb within a determined

amount of time, so the experience was fresh in their minds and details had not yet been forgotten.

It would be ideal if the researcher could partner with Airbnb, itself, and allow a survey to be sent

to consumers. Based on the number of consumers that have consumed at Airbnb listing within

the last 12 months would be ideal. Based on that number, the researcher can determine what the

sample size needs to be to have a statistically sound collection size. When both of those methods

are pulled together, the motivations for choosing an Airbnb could be refined even further.

What is also important to mention within this review is that a couple of the articles

referred to a segment of travelers not swayed by the Airbnb model as well as which hotel types

are seeing the most influence from Airbnb. In an article by Zervas et al., (2017) they state,

"independent hotels that do not cater to business travelers and lower-end hotels are all more

heavily affected by Airbnb" (p. 698). Additional research about the actual type of traveler using

Airbnb could also be performed. In a recent article on Airbnb's news page, they recently

acquired Urbandoor, which is a platform that offers accommodations to corporate clients (Airbnb

acquires Urbandoor, 2019).

Conclusion

Traveling is very cumbersome and most of the time halfway through the trip, travelers

even question why they took the trip. Prior to 11 years ago, traditional hotels or staying with

friends and family were really the only options when traveling. With the evolution of the sharing

economy, Airbnb has given travelers another option. In today's economy, most travelers are

looking for great value, wanting local experiences and wanting a home away from home feeling

when they travel. So much so, they are willing to take a non-traditional route to an alternative

accommodation model that's only been around for just over a decade and who is still working

out kinks. Airbnb is fulfilling the features that the current leisure traveler is looking for.

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