

# AIRBNB, SWEET AIRBNB. HOSTS' PERSPECTIVES ON MANAGING COMMERCIAL HOMES AND OFFERING EXPERIENCES.

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## **Abstract**

*Short-term house rentals provided by non-professional individuals through online platforms is a recent trend in tourism that has sparked discussions in various tourism stakeholders' cycles. The role of the individuals that cooperate with these platforms in order to host tourists in their own homes has so far remained unexamined even though these individuals are the core producers of the offered services. Having as a point of departure questions that regard the relationship that hosts have with their houses as a home, as an enterprise and as a product, this paper presents a study on Athenian hosts that are active in the most popular platform, Airbnb. The findings shed light on the hosts' motives, strategies, ideals and ideas on Airbnb. The paper also provides novel hermeneutical schemes such as the notion of "hosting stages" and "hosting fatigue".*

## **Introduction**

If we attempt to identify the single most successful company that took advantage of recent developments in IT and in tourism demand we could easily name Airbnb. The company is already more valuable and has a bigger rooms-portfolio than traditional major hotel companies even though it counts only 8 years of operation and is still at its initial stages<sup>1</sup>. Furthermore, the company achieved the above without owning a single room.

To provide the authentic, homely experience that it does, Airbnb recruits people willing rent their property through the company's site. Half of the offerings are of houses where the host and the guest share the space. In this way the guest not only experiences how local houses look like but also get a glimpse in a destination's everyday life. So far there has been no research on how the hosts that co-operate with Airbnb shape the product they co-sell with the company.

In this study we examine how this strange product where a person sells part of their home comes to be. To study was guided by the following questions:

- A) What kind of relationship do Airbnb hosts have with their homes?
- B) How do hosts manage their homes as an enterprise?

## **What is Airbnb**

The platform functions as a typical online marketplace. Accommodation can be searched for according to characteristics such as travel dates, price, neighbourhood etc.

It is very important to note that Airbnb's ordering of search results is determined by a complex set of parameters. These include aspects that have to do with the quality of the listing like reviews from previous guests, the ease of booking, speed of response, and finally possible common social connection through Facebook.

People that hosted and got hosted can leave references for each other after the end of the stay. All the monetary transactions are mediated by the company and no exchanges taking place on site. The company is charging a small commission for every booking that is made through the site.

## **Method**

To conduct the research, semi-structured, in-depth interviews with hosts was found to be the most suitable way to examine a phenomenon that has not previously been researched.

A literature review, which due to space limitations will not be presented here, was conducted to inform the questions. That focused on studies on homes and houses, commercial homes and the sharing economy.

The questions were designed around the idea of examining separately the main aspects of the phenomenon, that of the 'home' and that of the 'commercial enterprise' with an attempt to see how and where these two interact. Regarding the home aspect, participants were asked about their relationship with their house, how homely it feels and what home means to them, whether Airbnb affected these feelings, the social interactions that take place in their house and how Airbnb affected their social life.

Regarding the commercial aspect of their house, participants were asked about how they manage it, how do they decide their pricing, what strategies they follow to make it more appealing to guests, what is their relationship with the Airbnb company and whether they felt part of the tourism sector.

The geographical focus of the study was that of central Athens. Interviews took place in participants' houses so that visual leads would be available and lasted between 40 minutes to one and a half hour.

Possible participants were contacted through the site and fifteen agreed to participate. Participants' age ranged between 21 and 50 and their socioeconomical background was very diverse. 10 of the participants were female and only five were male. Thematic analysis was used to categorize and analyze the data.

Some of the main themes that emerged from the research are presented below.

## **Findings**

### **Airbnb home as residence, shelter and emotions**

Hosts claimed that their incentives for being on the platform were of course monetary but almost all of them claimed that social reasons are playing a significant part on their decision to host. Some participants used the platform as a way to make international friends and escape from the daily routine. Other participants stated that through hosting people that travelled they got to feel as if they were travelling themselves. For these participants, the monetary element was just something that added extra value to their decision to host.

Participants were asked whether they set rules for their guests to follow and they most usually said that they did not have any explicit rules but expected their guests to act as if visiting their friend. A common practice among hosts was to use discrete ways to signify what is out of limits for their guests. Most of the interviewees said that they tended to spend more time in their private rooms and less time in spaces like the kitchen or the living room. Nevertheless they would not change the way they used their house. They would, for example, continue to have dinner in front of the TV in the living room and not use the dining room.

It was obvious that hosting people becomes an important part of hosts' lives. In some cases participants were keeping a visitors book next to the entrance or had postcards sent by guest on the fridge door. In various ways guests have left their mark in the house.

Some participants said that at times, having to cater to their guests needs and the fact that they were under the threat of a bad review made their homes become sites of repression. An example of this was the case of a participant who described a very traumatic experience that she had when she happened to host rude and demanding guests. After having to accept a lot of disrespectful behaviour she ended up staying in her bedroom, crying.

### **The social and affectional functions of Airbnb homes**

In houses where more than two hosts lived together, the interactions between them changed. For example, one participant admitted she had to become more committed in doing the house chores in order to accommodate her guests better, something that was appreciated by her roommate.

In most cases hosts said that Airbnb is not affecting the pattern of friendly visits to their houses. In some cases friendly visits became even more frequent since having guests from abroad gave a nice opportunity to invite their friends and organize dinners and parties.

Some participants described experiencing feelings of attachment to their guests and separation from the ones with whom they had become friends had been painful to them.

It was noted that hosts' relationship with their neighbourhood and their city changed. In a lot of cases hosts changed their opinion about their city by seeing it through the visitors' eyes. Very often they would discover places that they did not know they existed, they found about nice restaurants or visited places they hadn't for years. Some participants felt more inclined to participate in the public life.

### **Airbnb home as an enterprise**

The participants were asked about what they believe makes their houses attractive, what are their houses' selling points. Their answers were very similar answers. A lot of participant claimed that the house "sells itself" either because of its location or because of how good it looks in the pictures. Their profile and reviews were also considered to play a very important role in attracting guests.

In regards to their pricing strategy, they usually said that in the beginning they checked what other hosts in their area are charging and set their price slightly lower so they could be more competitive and start accumulating positive reviews. When

this was achieved, they would set their price according to what they felt is fairer for what they offered.

To compliment their service, some participant were offering a lot more than a place to stay. Hosts would offer airport pickups, meals or tours to the city as a way to upgrade their product and keep their guest extra happy.

Participants were generally not occupied with competition by other hosts nor did they view them as any sort of colleagues.

Almost all of the participants claimed that they had absolutely no intention in changing the decorative elements or the functionality of their apartments to attract more guests. Only minor details were changing in their houses, for example they had around the house. None of the participants mentioned having or wanting to do any major investment on their commercial home besides buying some extra linen and towels or some extra chairs.

### **Airbnb as a job**

A lot of hosts claimed that hosting demands dedication even when they do not have guests in their house. A lot of participants expressed how they were constantly worried about having a booking request that they had to answer to as quickly as possible so they had to check their phone very often.

Another negative aspect of the hosting job that participants mentioned was that having guests made them more inflexible and tight to their house.

About the manual aspects of the job, hosts usually found it easy to cope with or even made them better house owners.

During the interviews it became apparent that hosts became involved in what is described in the literature as “emotional labour”. Participants confessed that whenever they have guests, especially in short-term stays, they feel like they have to be smiley and friendly even if they have just returned to their home from a very bad day at work.

Hosts had troubles handling problematic situations that occurred between them and their guests. The feedback that each of the sides can leave to the other led to a difficult situation. On the one hand because of the availability of feedback guests have to act properly but whenever they misbehave, hosts are afraid to leave negative

comment because that might cause a negative-comment retaliation from the guests. Most usually they turned a blind eye to minor problems.

### **Airbnb as business partner**

Hosts usually had a difficulty to even think in these terms. Interviewees were expressing a mixed set of feelings about their cooperation with the company. The site offers an up to a \$1.000.000 guarantee in cases of property damage, something that host find very reassuring. Also, the company is taking care of the payments and in that way they hosts do not have to get involved and also makes the situations between them and the guests feel more friend-alike.

On the negative side, participants talked about how Airbnb is changing its rules every so often so they have to constantly keep up with the changes.

Participants were asked if they fully comply with the rules imposed by the site. The only way in which hosts did not follow these rules had to do with arranging extra night stays after personal contact with their guests.

### **Hosts' place in the tourism sector**

Almost all of the participants said that their relationship with the tourism sector of the country in general was not really affected. When asked if they feel somehow connected to the industry, their usual reply was that they never thought of themselves as being parts of it.

The Airbnb experience thought made some participant start to think about having a career in hospitality like having a hostel or small hotel.

The Airbnb experience made them different as clients of the sector. A lot of hosts come to the realization that when visiting a place, a meaningful experience is not visiting any famous monuments but to experience less touristic places with more character and "real life"

## **Discussion**

As it emerged from the findings, hosts wanted to keep their house first and foremost a home even in the cases that through hosting they continued to afford to pay their rents. To them, their home was part of their identity and it was something to be protected.

It can be said that maybe their homes were not any more as much of a private place as it used to be but on the other hand it gained some new functions. One of these extra functions was that their home became a place for meeting new people and socializing with foreigners.

Regarding 'brand loyalty', it needs to be said that hosts, even when they were not happy any more with the Airbnb platform, would not easily jump to another one for the very practical reason that they could not transfer their feedback, an intangible asset in which they had heavily invested in.

The fact that hosts perceive the city through the eyes of their guests and because due to hosting they are more probable in participating in touristic activities makes them act like tourist in their own city. This might have effects in the tourism and general economy of a city some ways. For example because the locals start acting like tourists, touristic places might become more popular. On the other hand, tourists acting like locals might increase the visitation in establishments and activities that address to locals, are more dispersed in the city and out of touristic 'ghettos'.

A process that I will call 'hosting stages' could be identified. People started their experience with Airbnb feeling afraid to participate, then slowly started taking bookings before they moved on to being completely accepting to the idea of having strangers around all the time. This experience resembles a lot of similarities to what is described in HR textbooks regarding new employees that need some time to be part of their working environment and take some time before they get acclimatized and become properly productive. They find ways to do their job by trial and error in slow manner.

Similar to the 'hosting stages idea', it was noted that some kind of 'entrepreneurial ladder' phenomenon is developing. People moved from being afraid to host to using Airbnb in a more and more professional way. In some cases people claimed that they already have aspirations of opening up a traditional hospitality establishment. In other words we can notice people climbing the entrepreneurial ladder while moving from the sharing economy to the traditional economy.

It remains a question whether hosts, in the long term, experience some type of 'hosting fatigue'. It would be interesting to find out how many guests it takes before a host stops wanting to share his or her life stories or how many short-time friends to be separated from before they start being more uninterested in providing a homely experience to their guests. That could lead to more homogenized hosting attitudes and a 'mcdonaldization' of the Airbnb experience thus setting the ground for the next type of tourism product to arise.

To conclude, I would like to make a slightly unrelated remark that I consider fertile ground for future research. In the core of Airbnb's business model we see the case of a company operating worldwide while providing specific quality standards that are applied by the various co-producers. This model could provide us with insights on how to organize tourism destinations where a multitude of stakeholders are acting and have to competitively cooperate following the rules set by a central authority.

## References

1. Financial times. 2015. Hyatt and Wyndham invest in home-sharing rivals to Airbnb. [ONLINE] Available at: <http://www.ft.com/cms/s/0/27bfc262-1b4c-11e5-8201-cbdb03d71480.html#axzz3zFuhPtUU>. [Accessed 16 September 15].