

CONSUMER BEHAVIOR IN TOURISM SYMPOSIUM – CBTS 2020

Consumers' travel behavior in transition: Between persistence and change

| Virtual Conference | December 16th – 18th, 2020 |

# Airbnb in America during the COVID-19 pandemic: The Guest Perspective

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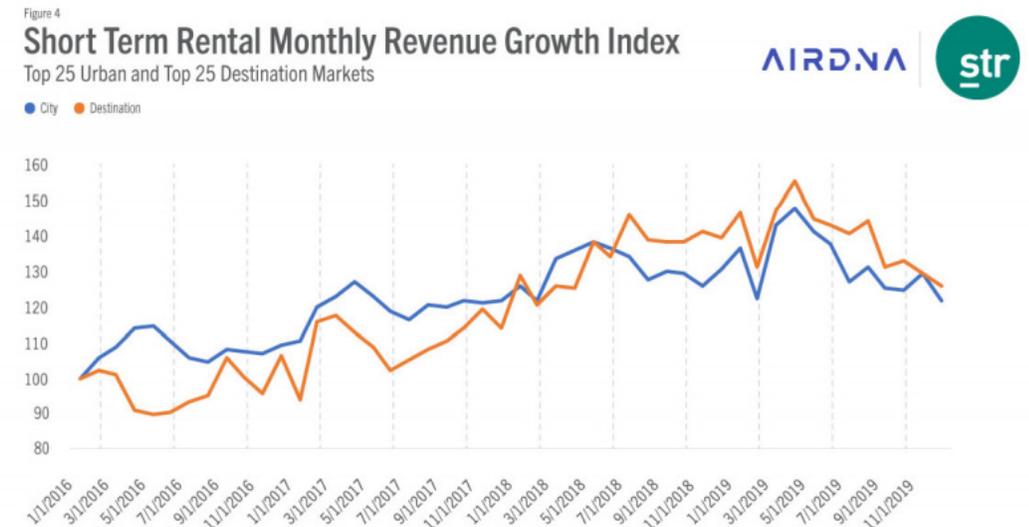
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# Introduction

- In December of 2019, an unknown pneumonia was first reported from Wuhan, China to the World Health Organization (WHO).
- March 11, 2020 marks the day the WHO's Director-General officially declared COVID-19 a pandemic (WHO, 2020c).
- Before the outbreak of the COVID-19 pandemic, scholarly papers and AirDNA report highlighted the unquestionable growth of Airbnb (Andreu, Bigné, Amaro & Palomo, 2020; Buhalis, Andreu & Gnoth, 2020)
- The global tourism system went from a state of over tourism (Dodds & Butler, 2019; Seraphin et al. 2018) into a sudden collapse of the entire sector (Higgins-Desbiolles, 2020).



Prior to this year's COVID-19 pandemic, the short-term rental industry had just wrapped up a half-decade sprint of nearly 300% total growth driven by travelers seeking more affordable and unique experiences. While 2019 saw its fair share of slowed growth and volatility, the industry as a whole remained remarkably strong (Figure 4).

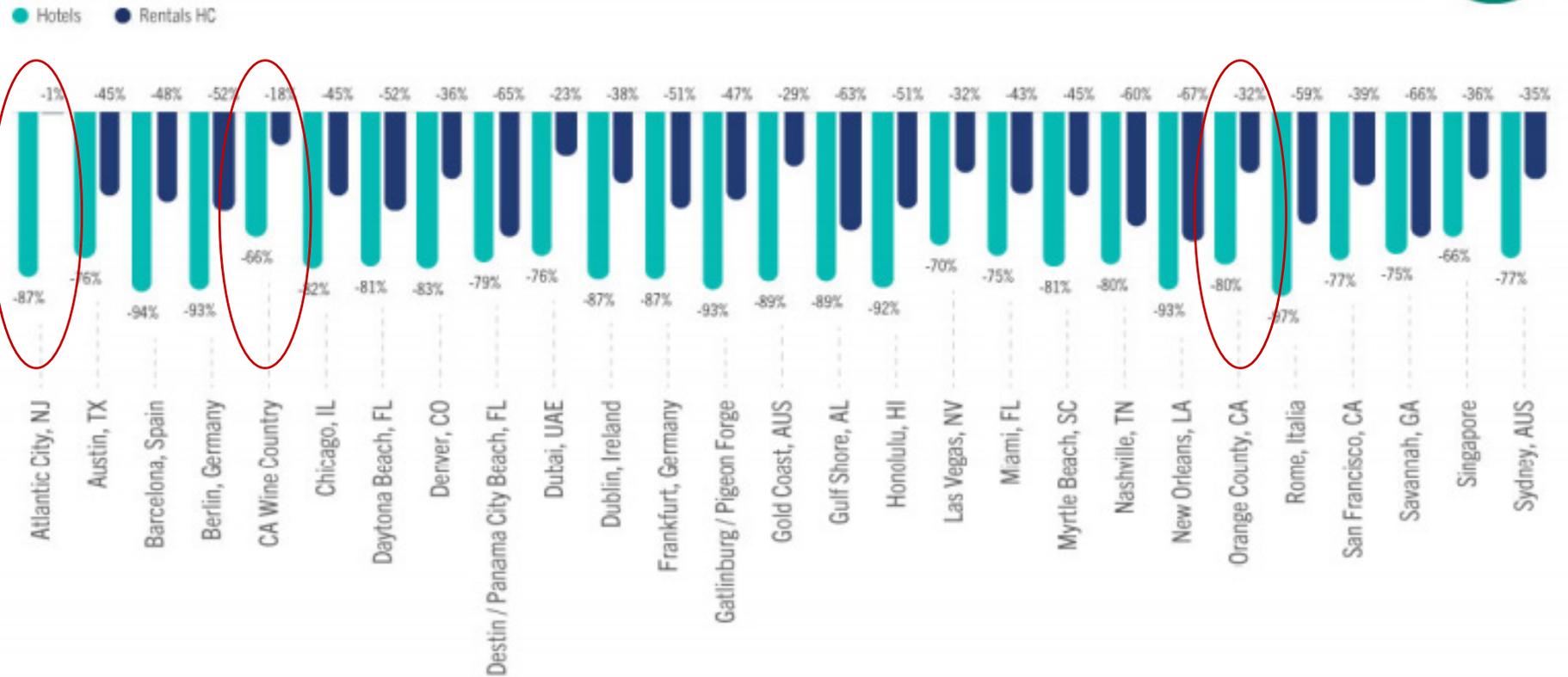


Due to the **magnitude of the COVID-19 threat** and its global impact, it is timely to investigate the change in consumer intentions to book Airbnb accommodations.

Figure 7

## Percent Change in Weekly Occupancy

Week of March 31, 2019 through COVID-Low (March to April 2020)



Rentals HC = "Hotel Comparable" (Studio & 1BR short-term rentals that are comparable to traditional hotel rooms)

Source: STR and AirDNA

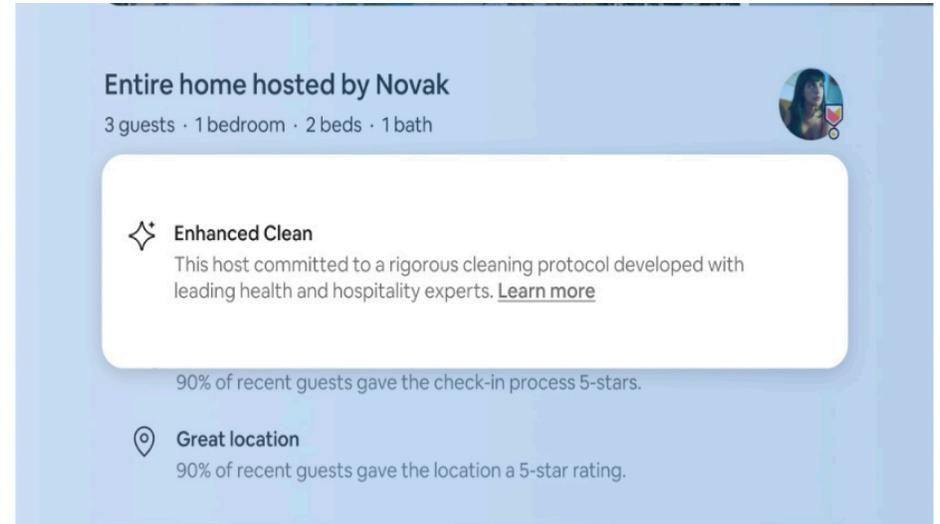
**Airbnb's industry-leading enhanced cleaning protocol** is now available in over 60 languages and dialects



# Research Objectives

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1. To investigate the change in consumer intentions to book Airbnb accommodations with the added perceptions of COVID-19.
2. To analyze if the factors traditionally significant in booking a property have changed due to the pandemic.
3. Based on an extended model using the Theory of Reasoned Action (TRA), to analyse the effect of attitude toward Airbnb, subjective norm, attitude toward health and sanitation, and trust on booking intentions.



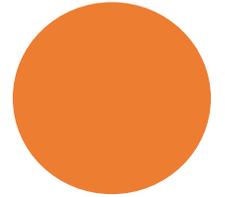
# WHY AIRBNB BEFORE?

Factors	Definitions	Literature
<b>Price Value/Economic Benefits</b>	The cognitive tradeoff between the perceived benefits of the offering and the monetary cost for using it (Venkatesh et al., 2012).	Tussyadiah and Pesonen (2016a), Satama (2014), Yang and Ahn (2016), Mao and Lyu (2017), and Guttentag et al. (2017)
<b>Authenticity/Local Authenticity</b>	The perceptions of Airbnb consumers' cognitive recognition of 'real' experiences of staying at an Airbnb place (Liang et al., 2018).	Liang et al. (2018), Guttentag et al. (2017), Poon and Huang (2017), and Mody, Suess, and Lehto (2017)
<b>Novelty</b>	The degree to which a consumer desires to obtain information or experiences about new products (Manning et al., 1995).	Guttentag et al. (2017), Johnson and Neuhofer (2017), and Mao and Lyu (2017)
<b>Enjoyment/Hedonic motivations</b>	The fun or pleasure a consumer derives from using a product (Venkatesh et al., 2012).	Tussyadiah and Pesonen (2016a) and Satama (2014)
<b>Social interactions/Community</b>	Interacting with the host and local people and getting insiders' tips on local attractions (Poon & Huang, 2017).	Guttentag et al. (2017), Johnson and Neuhofer (2017), Camilleri and Neuhofer (2017), Poon and Huang (2017), Mody et al. (2017), and Tussyadiah and Pesonen (2016a) Satama (2014)
<b>Social Influence/social value</b>	The degree to which a consumer's important others (friends, family etc.) believe he or she should use the product (Venkatesh et al., 2012).	Satama (2014)
<b>Home benefits</b>	Functional attributes of a home e 'household amenities,' 'homely feel,' and 'large space' (Guttentag et al., 2017).	Guttentag et al. (2017) and Johnson and Neuhofer (2017)
<b>Sustainability</b>	The beliefs that collaborative consumption reduces the development of new products and the consumption of raw materials as well as supports local residents and local economy (Tussyadiah & Pesonen, 2016a).	Tussyadiah and Pesonen (2016a) and Hamari et al. (2016)
<b>eWOM</b>	Personal conversations among consumers about products/ services (Sen & Lerman, 2007).	Mao and Lyu (2017)
<b>Sharing economy ethos</b>	The ethos of the sharing economy are money spent to locals, environmental friendliness, and philosophy of Airbnb (Guttentag et al., 2017).	Guttentag et al. (2017)
<b>Familiarity/unfamiliarity</b>	A person's feeling about an entity and is often based on previous interactions, experience and learning regarding the what, who, how and when of what is occurring (Gefen, 2000; Komiak & Benbasat, 2006).	Mao and Lyu (2017) and Tussyadiah and Pesonen (2016a)
<b>Perceived risk</b>	The felt uncertainty regarding possible negative consequences of using a product or service (Featherman & Pavlou, 2003).	Liang et al. (2018), Mao and Lyu (2017), and Tussyadiah and Pesonen (2016a)
<b>Distrust/Lack of trust</b>	Lack of interpersonal trust (guestsehosts), lack of trust toward technology, lack of trust toward the company (Tussyadiah & Pesonen, 2016a).	Tussyadiah and Pesonen (2016a) and Satama (2014)

Source: So, Oh, & Min, 2018 (p. 227)

# WHY AIRBNB NOW

- With the health crisis created by COVID-19, customers now have **new priorities when traveling.**
- As the COVID-19 virus spread worldwide, **hygiene and cleaning protocols are quickly becoming an essential factor** for the tourism and hospitality industries.
- A study by Naumov et al (2020) showcases the importance of SANITATION AND HYGIENE, in a post-COVID WORLD, as critical factors in Bulgarian tourists' decision making process.
- Within the hotel industry, chains are investing in autonomous sanitizing robots, having a mandatory 24-hour gap between check-out and check-ins, and some chains are going as far as cancelling their breakfast buffets (Bagenera et al., 2020).
- Airbnb has posted articles to their Resource Centre for hosts and travellers to use and ensure health safety for everyone and provide cleaning protocols (Airbnb, 2020).



# Factors influencing consumers intention to use Airbnb

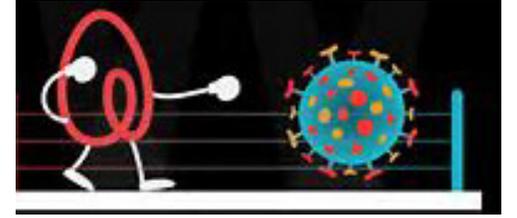
- Following the Theory of Reasoned Action – TRA (Ajzen, 1991):
  - **Attitude toward Airbnb** (i.e. favourable/unfavourable evaluation appraisal)
  - **Subjective norm** (i.e. the impact others have on a person's intention towards the behaviour in question)
- In addition, we include other four dimensions that affect consumers' Airbnb booking intention (Zemke et al., 2015; Mao et al., 2020; Lee et al., 2012;):
  - **Attitude toward health and sanitation in Airbnb** (i.e. the perceived concern toward sanitation, hygiene and travel accommodation cleanliness)
  - **Trust-in-host** (cleaning trust)
  - **Non-pharmaceutical interventions** (social distancing, wearing masks)
  - **Perceived Risk** (Perception of COVID-19)



# Research Questions

RQ1

- To what extent have travellers used Airbnb during the pandemic (i.e. March 2020 – September 2020)?



RQ2

- How the threat of COVID-10 has changed consumers' perceived importance of Airbnb attributes during the pandemic?

RQ3

- Based on the TRA model and research in the context of previous influenzas, which determinants influence consumers' booking intentions towards Airbnb during the pandemic?



# Methodology

- Recruited by Amazon Mturk, American consumers who had travelled during the last 12 months, dated in October 2020.
- An online survey was created using Internet-based Qualtrics™.
- The survey items were primarily Likert scale and multiple-choice. The questions focused mainly on a respondent's repurchase intention towards Airbnb travel accommodations since the COVID-19 outbreak in March 2020.
- The questionnaire was organized into four sections.
  1. The first section consisted of screening questions, such as the use of Airbnb for travel accommodations before the COVID-19 pandemic, the risk perception of COVID-19 and risk perception of travel).
  2. The second section was a question related to attributes of Airbnb that are important to travellers when making their booking decision in the new context (COVID-19) adapted from Guttentag et al. (2018).
  3. The third section contains the measurement of the extended TRA model constructs.The last section was comprised of questions related to socio-demographic information.

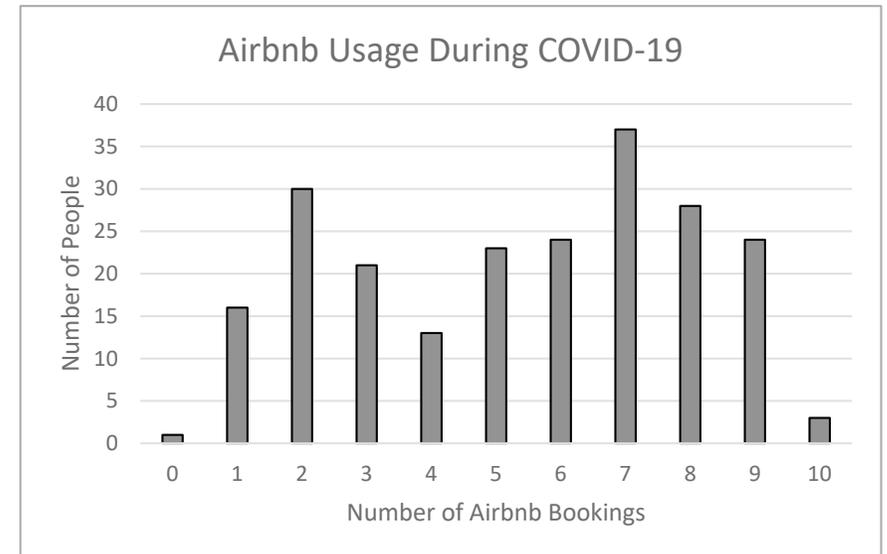
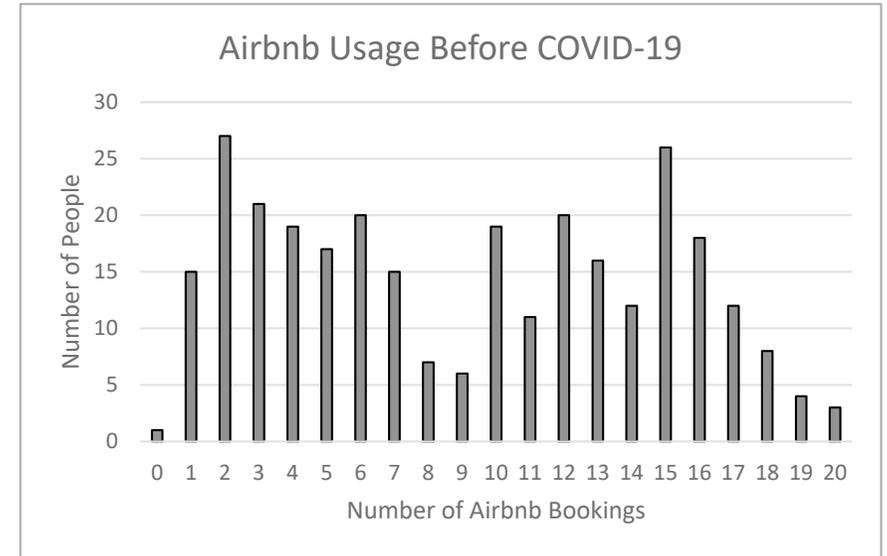


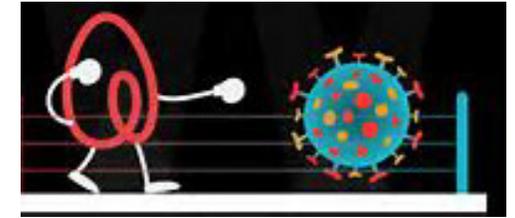
# Data Analysis

RQ1

To what extent have travellers used Airbnb during the pandemic (i.e. March 2020 – September 2020)?

		US Sample (N=297)	
Characteristics		N	%
Gender	Male	178	59.9
	Female	119	40.1
Age	18-34	116	55.9
	35-54	115	38.7
	55 +	41	5.4
Used Airbnb during COVID	Yes	220	74.1
	No	77	25.9

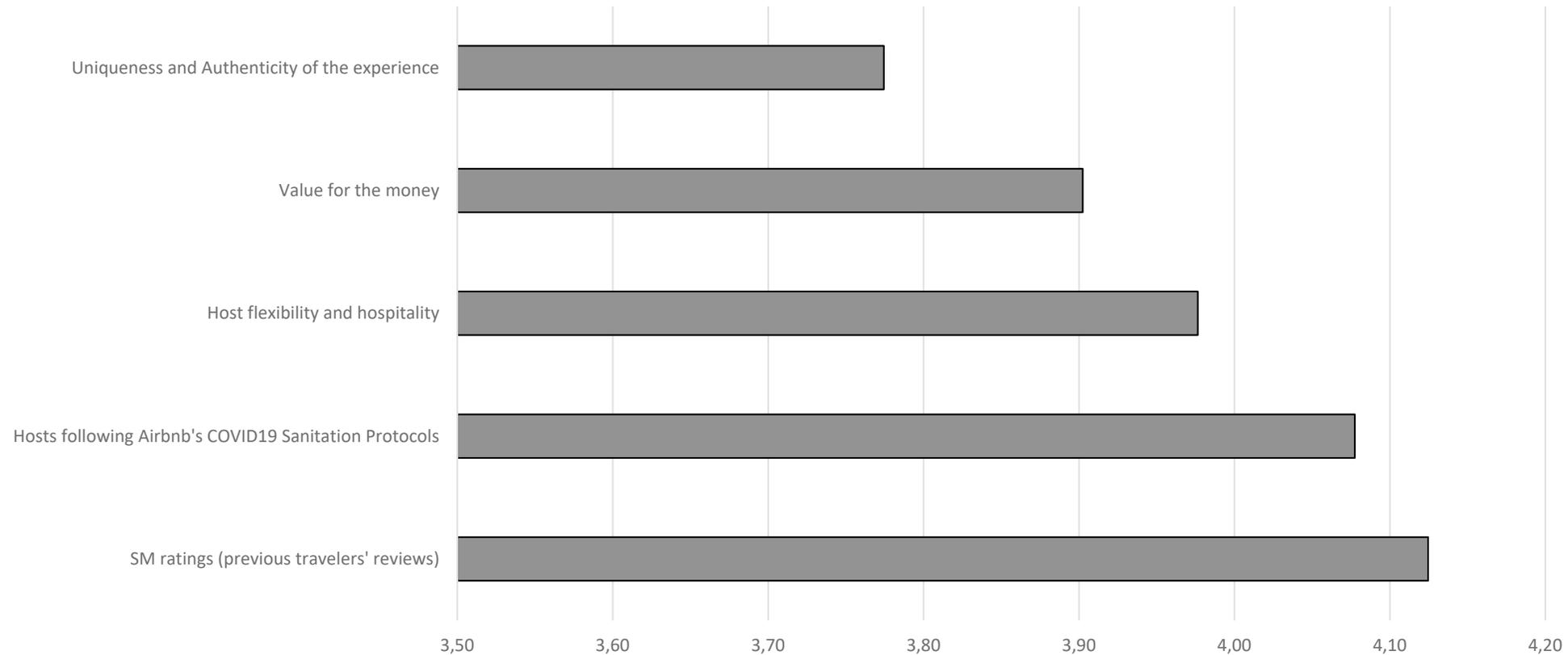




# Data Analysis

RQ2

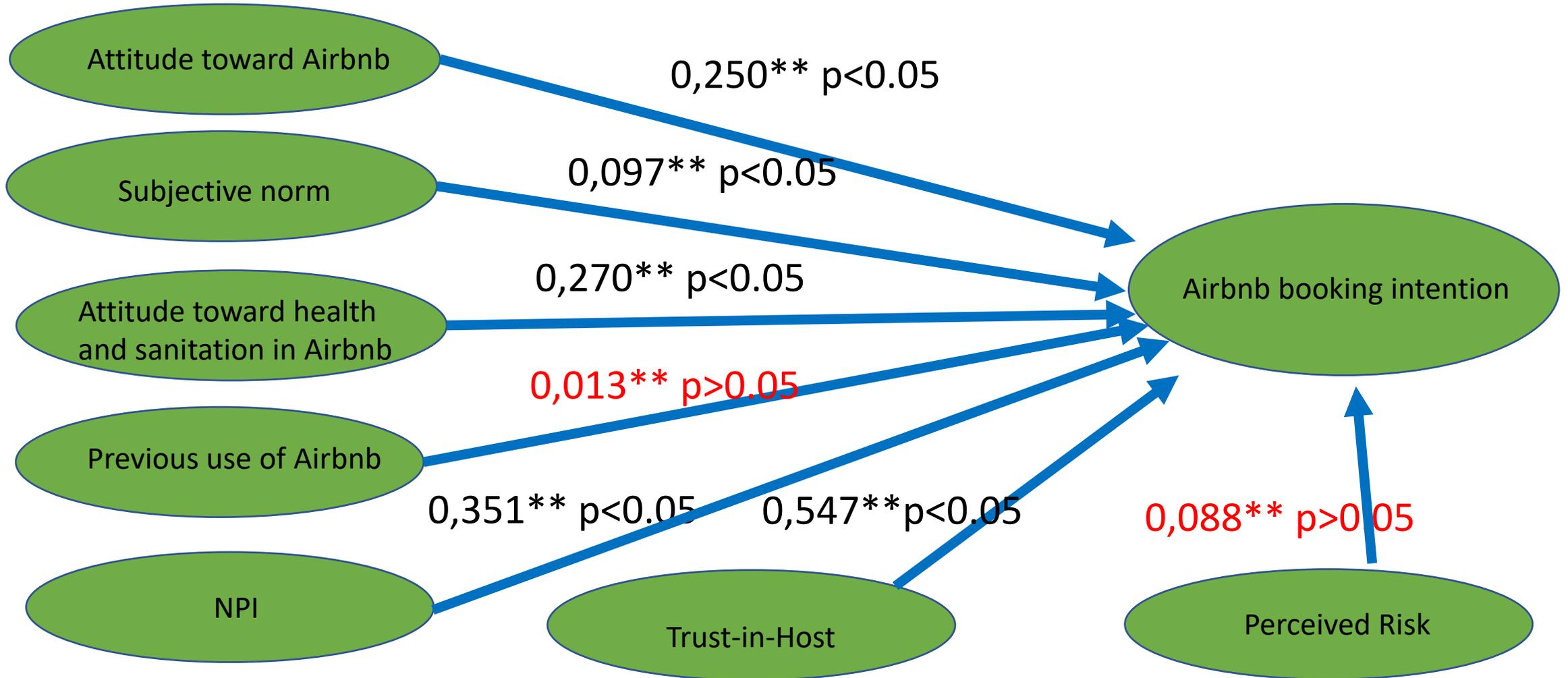
How the threat of COVID-10 has changed consumers' perceived importance of Airbnb attributes during the pandemic?



# Data Analysis

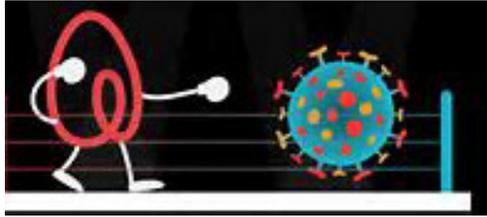
RQ3

Based on the TRA model and research in the context of previous influenzas, which determinants influence consumers' booking intentions towards Airbnb during the pandemic?



Note: Linear regression of booking intention in Airbnb

# Conclusions



Airbnb is becoming more relevant in tourists' booking accommodation choices. Although hotels are still the most preferred option, Airbnb has been consolidated. 74.1% of the Americans have used Airbnb Airbnb **during the 2020 pandemic.**



American travellers Rank eWOM as the first factor in importance for booking this P2P accommodation followed by **anti-COVID-19 protection measures.**

The **perception of COVID19 as a perceived risk did not have a significant relationship with purchase intention towards Airbnb.**

**Previous use of Airbnb** did not have a significant relationship with purchase intention towards.



Attitude towards Airbnb and subjective norm (TRA factors) influence on future booking intentions in Airbnb.

Attitude towards health and sanitation in Airbnb, NPI, Trust-in-host have a positive influence on booking intention.

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## Research limitations and further research

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Results should be used with caution because of the simple composition.

This study has not explicitly addressed the type of destination. It might be possible to find some differences based on destinations (i.e. rural versus urban areas).

The booking time might influence some of the results because, during the last months, the pandemic situation has evolved over weeks and has been differently affecting depending on locations.

Future studies should address both the type of destination and time-series analysis to monitor changes over time.



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**Thank you for your attention!**