

# **The Motivations of Airbnb Hosts and the Effects on their Lives**

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Bachelor Thesis for Obtaining the Degree

Bachelor of Business Administration in

Tourism, Hotel Management and Operations

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## **Affidavit**

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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## Abstract

The popularity of sharing economy has increased dramatically in recent years. The values and mindsets of millennials created a new trend of shared accommodation, which opened the doors for people who never thought about linking their life to hospitality industry and allowed them to gain money, learn new cultures, find new friends and for some of them - even become entrepreneurs. One of the most prominent platforms that offers accommodation directly from hosts to guests, is Airbnb.

Because Airbnb is quite new, very limited research has focused on the important question of how Airbnb has changed the hosts' lives. This study aims to investigate hosts' motivations to rent out their accommodations via Airbnb in Vienna, group them accordingly, and find the answer to the question of how Airbnb influenced their lives, well-being and life satisfaction.

The study identified two potential motivations: economic and social ones, which can be further subdivided into groups. The following subgroups portray the main financial motivations of hosts: *Assistance seekers*, *Entrepreneurs*, *Idle Capacity Naysayers*. The social motivations can be subdivided into following groups: *Casual mornings lovers*, *Tourists in the home-town*, *Happy environment divers*, and *Talented hosts*.

In regard to the Airbnb influence on the hosts' lives, it certainly had a positive impact - the hosts improved their overall attitudes towards their life quality, jobs and habits. Moreover, Airbnb has an impact on the neighborhoods due to the increased number of tourists in non-touristic routes: this brings benefits to the restaurants and shops that usually are known and visited only by local residents.

This paper represents a useful starting point for understanding the main motivations of Airbnb hosts, as well as their perceptions, expectations and experiences, and for further studies related to the retrospective of Airbnb hosts and evolution of their motivations.

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## List of Abbreviations

- **CASH** - 'Collaboration', 'Access', 'SHaring'
- **DMO** – Destination Marketing Organization
- **P2P** – Peer-to-Peer
- **USP** – Unique Selling Proposition

# 1 Introduction

## 1.1 Background information

Sharing economy is a relatively new trend, which is rapidly growing and spreading around the world. Its popularity and success can be explained by the fact that it is essential for human beings to share. Parents teach their children from an early childhood 'what is good and what is bad'. Young boys who play football never think about buying a ball for each player, they share one or two balls and are happy about that.

Therefore, if sharing is essential and people are taught that it is good from an early childhood, it is absolutely reasonable that the idea of sharing the accommodation, co-working, freelancing and carpooling became an appealing alternative among adults. In the field of production and consumption of goods and services 'sharing economy' can be seen as a new pathway to sustainability (Heinrichs, 2013). It is an alternative to the traditional economy, which dictates the limited number of choices to the consumers by providing goods and services from long-established industries (Zervas et al, 2014). The sharing economy growth is fueled by increasing consumer awareness and proliferation of collaborative web communities. (Hamari et al, 2015). Some of the most prominent examples of sharing economy companies are Airbnb, DogVacay, Bla Bla Car and Uber. Platforms, such as Airbnb and Uber are experiencing explosive growth, which, in turn, has led to regulatory and political battles (Schor, 2016).

## 1.2 Research Objectives

This paper focuses on Airbnb - an online platform developed to allow service providers and users to connect to the benefit of both. It is a community marketplace for people to list, discover and book different types of accommodation starting from a couch in a shared room and ending with a castle for a unique unforgettable experience (Airbnb, 2017). Since it offers a wide variety of accommodation types, it can fit the paying capacity of almost every individual. Therefore, Airbnb is extremely popular amongst millennials (*according to Myers & Sadaghiani (2010) i.e.*

*'individuals born between 1979 and 1994, hence the first generation to have been born into households with computers and to have grown up surrounded by digital media')* due to relatively cheap accommodation prices and user friendly design. The trend of owning less and sharing more is growing, as millennials enter adulthood (Marr, 2016). Moreover, Airbnb is popular among millennials not only as a source of cheap accommodation, but also as a source of money, as an option to act as a micro-entrepreneur or simply meet new people, because the platform offers everyone a chance to be a host and welcome guests without any limitations. Additionally, Airbnb, the market leader and best documented case in P2P accommodation, managed to reach far beyond traditional markets due to the dematerialization and digitalization of our society (Oskam & Boswijk, 2016).

This paper focuses on Airbnb hosts, who rent out their accommodations in Vienna. Vienna is a popular destination for both tourists and business travelers with a growing number of arrivals of about 7.3 million people per year (TourMIS, 2016). The population of Austrian capital amounts to 1,8m people ('Vienna in Figures', 2016), while the number of listings in Airbnb is around 8000 ('Inside Airbnb: Vienna', 2017). According to Mercer's annual 19th Quality of Living Survey (2017), Vienna occupies first place for overall quality of living for the 8th year running. Therefore, the purpose of this paper is to investigate the motivations of Airbnb hosts, residing in Vienna, to engage into sharing accommodation practices, as well as analyze the retrospective to their expectations. Furthermore, the thesis aims to demonstrate how the sharing economy influences a community, changes the tourism landscape and furthermore enhances locals' life.

This means that the thesis has the following research question: *what are the motivations of hosts and how have hosting influenced their lives?*

Because Airbnb is quite new, very limited research has focused on the important question of how Airbnb has changed the hosts' lives. Moreover, the existing research has concentrated on the experiences and impressions, rather than on the match between current situation and former expectations. Therefore, only with a clear understanding of motivations of Airbnb hosts, it is possible to assess the present outcomes. Furthermore, very limited number of studies has investigated the

motivations of people to engage into peer-to-peer (P2P) accommodations practices from the supply side, in our case it is the motivations of Airbnb hosts.

Overall, the findings might be useful for further in-depth research of this topic, as well as for DMOs (Destination Marketing Organizations), local employers, and other tourism firms, as this paper highlights the new shaping trends in employment.

The paper begins with a brief review of what the sharing economy is, where it came from, what are the current trends, and why people are participating in it from both supply and demand sides. Moreover, a short overview of quality of life in Vienna is also provided in the beginning of paper in order to shape the image of the location to which the research was narrowed down. Further, the literature review overtakes the topics of peer-to-peer accommodations, their influence on the local neighborhoods, motivations of people to use P2P accommodations, hosting, entrepreneurship, well-being and life-satisfaction. The paper concludes with the discussion of research results and findings about the motivations of Airbnb hosts and the impact of Airbnb on their lives.

## 2 Literature Review

### 2.1 Sharing economy, Motivations for tourists to choose P2P, and Impact on travel experience.

#### 2.1.1 Sharing economy

Sharing economy is a growing phenomenon around the world. A couple of years ago sharing economy was already regarded as the new 'mega-trend' by investors, investing hundreds of millions into related start-ups (Hamari et al., 2015). Nowadays it is still a rapidly growing trend generating enormous amounts of wealth and having a major societal impact.

According to Schor (2016) it consists of four main ingredients: *recirculation of goods, increased utilization of durable assets, exchange of services, and sharing of productive assets.*

According to Frenken and Schor (2017) sharing economy can be defined as: consumers granting each other temporary access to under-utilized physical assets ('idle capacity'), possible for money. Typically, the goods are cars and homes.

Sharing economy is considered to be a transformative force that drives the shift from the ownership-based economy to the economy that supports the ideas of shared access, higher levels of utilization of already produced but underutilized goods and exchange of services that otherwise are hard to find on the formal market (Botsman & Rogers, 2011). Therefore, it is portrayed as a more sustainable way of living and running business, as it helps to expand products' life span through second-hand markets and thus reduces the need for production of new goods (Novel, 2014). Furthermore, sharing initiatives include peer-to-peer accommodation and transportation services, time banks, goods exchanges and other forms of collaboration (Schor & Fitzmaurice, 2015).

Belk (2014) suggests two types of sharing: '*sharing-in*' and '*sharing-out*'. Sharing, which takes place within the family or friends, can be defined as '*sharing-in*'. Alternatively, when sharing involves deciding something between strangers, it can

be described as 'sharing-out'. Thus, the degree of intimacy involved in sharing varies significantly.

Representing the consumption practice related to the idea of sharing economy, collaborative consumption is people coordinating the acquisition and distribution of a resource for a fee or other compensation (Belk, 2014).

Nevertheless, sharing economy is regarded to be a controversial phenomenon, as opposed to the aforementioned definitions, in reliance on the examples of Airbnb or Uber, it is also framed as an economy that creates unregulated marketplaces and unfair competition, enables tax avoidance and transfers risks to consumers (Martin, 2016). Therefore, the praisers claim that the online platforms such as Airbnb or Uber, enable the empowerment of ordinary people, efficiency, and lower carbon footprint, while the critics argue that they serve their own economic self-interest rather than sharing (Schor, 2016).

Overall sharing is an old phenomenon, but what brings the novelty to this term in the context of contemporary society is the so called '*stranger sharing*'. Historically, sharing was considered as the privilege of family, relatives and friends, thus the ones encompassing social network of the host. Nowadays people tend to share their cars, homes or food with unknown individuals through online platforms, that attempts to surpass the higher risk entailed by stranger sharing with the help of ratings and reputations (Frenken & Schor, 2017).

The rise of online platforms that promote sharing and collaboration has been empowered by the growth of Web 2.0 as well as the development of information technologies (Kaplan & Haenlein, 2010). Due to the positive symbolic value of sharing, platforms are interested in being referred to 'sharing economy'.

Collaborative consumption, based on the P2P online marketplace, has affected many sectors, and accommodation industry has experienced one of the most successful business developments (Meleo et al., 2016).

The companies that identify themselves as being part of sharing culture fall within two main categories shaped by their market orientation (for-profit vs. non-profit) and market structure (peer-to-peer vs. business-to-peer). Airbnb is one of the most successful for-profit platforms, valued at \$10 billions. By contrast, the non-profit

incentives in the sharing space, such as seed banks or tool libraries, aim to serve needs at a community scale (Schor, 2016). The next section will discuss the relationship between sharing economy and tourism.

### **2.1.2 Sharing economy and links to tourism**

An unfair competition is considered to appear between the sharing platforms and traditional operators in sectors like tourism, restaurants, short-stay and transport.

Locals, informally renting accommodation to tourists, always existed, but today due to the revolutionary rise of Internet and mobile technologies, virtual markets appeared and established the direct communication between hosts and guests (Guttentag, 2015).

P2P short-term rental companies and Airbnb represent part of the sharing economy. By introducing an innovative new product to the market, Airbnb has dramatically changed the entire tourism accommodation sector. Therefore, traditional accommodations should perceive Airbnb as a low-cost competitor and view it as a significant threat (Guttentag et al., 2017). Nowadays, Airbnb surpasses the major hotel chains in number of beds offered and in market valuation, thus being a disruptor for the traditional hospitality industry (Oskam & Boswijk, 2016). Nevertheless, there is a threat that tourists' spending may suffer because of cheaper accommodation offered (Guttentag, 2015).

Overall, locations benefit by increasing the number of visitors, by spreading them over the cities, and by financially empowering non-traditionally employed residents (Oskam & Boswijk, 2016).

#### **2.1.2.1 Hotels vs P2P accommodations**

Because of the fast growth of popularity of P2P accommodations, hotels start to lose customers, as P2P accommodation rentals affect the competitive landscape of accommodation services. Tussyadiah and Zach (2015) analyzed the competitive advantages of P2P accommodation rentals and hotels by comparing the important attributes from the tourists' point of view based on online reviews. While assessing the hotels, guests usually take into consideration more factual evaluation terms (e.g. old, big), but for P2P accommodation reviews they use more emotional terms (e.g.

lovely, sweet). Furthermore, P2P guests highlight the importance of community and social interaction, thus, the hospitality of the hosts, and the location (quiet neighborhood, short walking distances to local restaurants and shops). Conversely, the hotel guests put emphasis on conveniences, such as airport transfer, free parking, good breakfast options, and in-room services. Therefore, whereas guests value the same core services in the hotels and P2P accommodations (e.g. clean room, comfortable bed), they possess different competitive advantages, hence attract different types of visitors.

### 2.1.3 Effects of the sharing economy

Airbnb is a potential alternative for hotels, especially in the cheaper segment of the market, therefore in some cities where the Airbnb is growing, the hotel earnings tend to decline significantly (Zervas et al., 2015). Moreover, there are also potential effects on the price of housing, as this would mean that the residents meet the increased rents in neighborhoods, where home sharing is popular. Another negative outcome for the neighborhoods is the problem of locals experiencing nuisance and feeling danger from strangers. As a response to dissatisfaction of residents, the municipalities tend to introduce the strict regulations towards home sharing platforms (Frenken & Schor, 2017). On the other hand, in terms of location, Airbnb (2013) reports the vast majority of accommodations - 96 per cent - to be outside traditional hotel districts, thus creating the opportunity for a positive economic impact of tourist spend in non-tourist **neighborhoods** (Oskam & Boswijk, 2016). According to Lalicic and Weismayer (2017), the positive effects of P2P accommodations result in increasing popularity of unknown neighborhoods, active involvement of local host communities, and increase in tourist' expenses. Tourists, who choose to stay with a host, tend to spend more money, stay longer and travel more frequently.

Airbnb is encouraging its users to organize. The creation of organizing platform for guests, hosts, and employees has led to the appearance of numerous local groups of users who communicate both online and offline for different purposes, such as sharing advice or influence of public policy. **Online communities** can also serve as a place of organizing against unpopular policies, changes, and practices (Schor, 2016).

The next section will explain the tourists' motivations to choose peer-to-peer accommodations.

#### **2.1.4 Motivations for tourists to choose P2P**

The demand for peer-to-peer (P2P) accommodation is rapidly growing, thus taking away the potential consumers of traditional types of accommodation (e.g. hotels). Furthermore, it is not possible to ignore the direct economic effects that positively influence the hosts' and guests' intentions to engage in home sharing practices, as they are beneficial for both parties. Therefore, the increased interest in P2P can be explained by different motives, such as *monetary benefit* for both providers and consumers, *lower price level*, *novelty* and *trendiness* of the home sharing platforms, *the desire to increase social connections*, and *care about ecological impact* (Schor, 2016). Additionally, Nowak et al. (2015) considered *location* as one of the important motivations for consumers to choose P2P accommodation.

Given these points, it is of interest to narrow the broad topic of P2P accommodations to Airbnb, which is currently the leader of the online accommodation marketplace, and focus on its demand side. Thus, Guttentag et al. (2017) in a recent study related to Airbnb guests' motivations, suggest the following motivating factors: *interaction*, *home benefits*, *novelty*, *sharing economy ethos*, and *local authenticity*.

Hence, the consumers can be subdivided into five segments: *Money Savers*, *Home Seekers*, *Collaborative Consumers*, *Pragmatic Novelty Seekers*, *Interactive Novelty Seekers*. The *Money Savers*, being young and traveling without children, are attracted to Airbnb by its comparatively low cost. The *Home Seekers*, tending to be older and well educated, are attracted to Airbnb by household amenities, large space and homely feel. The *Collaborative Consumers* were attracted to Airbnb by a variety of motivations related to sharing economy: by the opportunity to interact with locals, and by the opportunity to have an authentic local experience. The *Pragmatic Novelty Seekers* are interested in a novel and unique product beyond what traditional hotels may provide. The *Interactive Novelty Seekers*, more likely staying in the shared accommodation, are logically strongly motivated by novelty and interaction with the host and other locals (Guttentag et al., 2017).

Oskam and Boswijk (2016) make a forceful case for the following success factors of Airbnb, that motivate visitors choice towards P2P accommodation: *chance to experience the place as a local, 'off-the-beaten-track' tourism, easy access, trusted marketplace, and the image of a warm and authentic community.*

Thus, the increasing need for tourists to live the life of locals and come closer to culture leads to a completely new way of travelling, tourists' mentality and exclusive experience. Therefore, it is crucial to investigate the way P2P accommodation can enhance a destination experience, the next section will explain this in more details.

### **2.1.5 Impact on Travel Experience**

Guests consider the interactions with local people to be very influential in the assessment of the destination, the quality of their experiences, future destination choice and on-site expenditures. Local people play a crucial role in shaping the experience of visitors, by acting as service providers, sellers, and craftspeople. Moreover, residents often have deep knowledge of local environments, social and cultural traditions, and have experience in dealing with arising local issues. Therefore, guests tend to interact with locals to broaden their views, acquire more knowledge of the place, and enrich their travel experience. Additionally, visitors with higher education and of a younger age are more likely to be interested in the on-site host-guest interactions (Su & Wall, 2010). Airbnb has brought disruptive innovations to the offer of tourist accommodations and to the way guests experience their stay in a destination: contact with locals, being part of a community, and staying in residential neighborhoods (Oskam & Boswijk, 2016).

Moreover, hosts need to have a better understanding about the right way of providing an authentic impression, as due to their rich knowledge of local environment, social and cultural traditions, they have an impact on tourists' experiences and satisfaction. Additionally, host factors, such as hospitality and service quality, tend to be more significant than brand factors in perceiving authenticity (Lalicic & Weismayer, 2017).

Tucker and Lynch (2005) consider the psychographic matching between hosts and guests to be of high importance for the experience of both guests and hosts, as they

see home-hosted accommodation to be more than 'just a bed'. The authors stress that quality of experience is strongly dependent on the success of interaction between guests and hosts. Therefore, the right matching is quite beneficial for both parties. The next section will explain the hosting in more details.

## 2.2 Hosting

### 2.2.1 Motivations for locals to host

Sharing economy is expected to solve several societal problems such as hyper-consumption, pollution and poverty by lowering the cost of economic interrelation within communities. Sharing communities are mainly characterized by willingness to do good to people and for environment, thus sharing, helping others, and performing in a sustainable way. On the other hand, they can also provide economic benefits which are considered to be another equally important motivation (Hamari et al, 2015).

The term 'motivation' essentially refers to the reasons why someone engages in a particular behavior (Hawkins et al. 2007).

According to self-determination theory motivations can be distinguished as intrinsic or extrinsic. The intrinsic values are addressed to the enjoyment received from a given activity, whereas the extrinsic motivations are related to the external influence, such as monetary gain (Ryan & Deci, 2000).

Similarly, Frenken and Schor (2017) argue that the enthusiasm about the home sharing can be triggered by the *sustainability impacts*, *social benefits* and *direct economic effects*. Sharing is perceived to be eco-friendly and bring environmental benefits, as it is assumed to reduce the demand for new goods or the construction of new facilities (e.g. hotels or shared spaces). Moreover, the *social benefits* play a major role in motivating people to become hosts and share their accommodation with strangers. Sharing practices allow the appearance of new social ties: meeting people, making friends and getting to know each other, as well as the increase of social mixing, due to the potentially different socio-demographic background of guests and hosts. Furthermore, Airbnb is regarded to be the most successful at creating new social ties. Focusing on an interview with Airbnb hosts, Schor (2015)

finds that almost for half of the respondents social interaction was the central motivation of hosting. More precisely, these hosts socialized with their guests, shared a meal, organized the excursions, and even became friends with them. Socially-oriented hosts are qualified to be large for interaction with foreign guests who are 'comfortably exotic', i.e. different enough to be exotic, but similar enough to be comfortable (Frenken & Schor, 2017). Böcker and Meelen (2016) find that people who decide to share their accommodation often have both social and economic motivations. Additionally, early adopters seem to be more open to interactions and social connections, but as long as the number of platform users grow, more and more participants tend to use it for *economic reasons*. Therefore, it is not possible to ignore the direct economic effects that positively influence the hosts' intentions to engage in home sharing practices, as they are beneficial for both parties.

Additionally, Schor (2016) argues that the *trendiness and novelty* of the platforms, as well as *pull of new technologies* motivate hosts to engage in home sharing experiences. Moreover, Airbnb allows accommodation providers to earn money in ways that had not previously been safely or easily available.

Finally, Oskam and Boswijk (2016) claim that the *image of a warm and authentic community* plays an important role in persuading hosts and guests to join the network.

The next section will discuss the strategies for hosts' branding.

### **2.2.2 Host Branding**

The dramatic growth of popularity of social media platforms taught users to create and manage an online identity, thus their personal brand. Nowadays, hosts have to use different strategies to attract the guests' bookings, such as lower prices, nice pictures, instant booking options, etc. According to Tussyadiah (2016), Airbnb hosts have a unique position to represent their own identity in a way they consider being successful from the two strategic perspectives: personal branding and its association with service provider brand. Moreover, it is important to communicate an online identity that is consistent with expected online impression in order to meet the expectations of guests, and support the reputation of a trustworthy and reliable

host. Additionally, attributes of personal strength and uniqueness are crucial in personal branding. The study determined five clusters of host self-presentation: *The Global Citizen*, *The Local Expert*, *The Personable*, *The Established*, and *The Creative*. *The Global Citizen* profile is represented by the openness of the hosts to meet new people from different cultural backgrounds. *The Local Expert* profile reflects the competency in welcoming guests and introducing all that the city has to offer (e.g. restaurants, music, art). *The Personable* profile describes the hosts' basic demographic characteristics, such as age, gender, family, etc., and random facts about the hosts. *The Established* profile communicates the image of individuals with certain levels of achievement, as they usually put emphasis on occupation, education, nationality information, etc. Moreover, the strategy in this cluster indicates honest self-presentation. *The Creative* profile describes the host in terms of professional occupation or interests in the area of creative industry. Overall, it is of high importance for hosts to maintain honest self-presentation in order to ensure a consistent image both online and offline (Tussyadiah, 2016).

The next section however will explain the dark side of hosting.

### 2.2.3 Dark Side of Hosting

However, home sharing platforms may be harmful for existing social ties. There is yet not enough research done on this topic, but some interviewees reported being unhappy about having their friends or relatives staying at their apartments for an extended period because of the *money lost*. While before idle capacity was available for family and friends for free, researchers beware the termination of non-monetized sharing as people prefer to earn money (Frenken & Schor, 2017).

Additionally, the peer-to-peer nature of home sharing may also influence the increase of *peer-to-peer discrimination*. One study of Airbnb in United States reported that male Afro-American hosts earn 12% less than other hosts for the same type of accommodation in the same type of location (Edelman and Luca, 2014) and African-American guests are more frequently getting a refuse while booking an accommodation (Edelman et al., 2015). Furthermore, the *threat of rents rise* in the cities exists because of the Airbnb expansion: households find it more profitable to rent on a short-term basis and an increase in rent prices might force the long-term

tenants to leave (Meleo et al., 2016). Therefore, the social benefits of sharing platforms are questionable and complex.

Whatever the case, hosting becomes more and more popular among millennials, as they see the opportunity to easily open up their properties and host tourists in exchange for monetary gain. Hence, they become micro-entrepreneurs without huge risks. This decision definitely has an impact on their life satisfaction level, well-being, lifestyle, as well as on the neighborhoods.

## **2.3 Entrepreneurship, well-being and life satisfaction**

### **2.3.1 Entrepreneurship**

Mandelman and Montes-Rojas (2009) argue that self-employed workers are generally regarded as creative and highly qualified individuals, who have left the salaried positions to invent new products, production process, and distribution methods.

In regard to motivations of becoming an entrepreneur, high unemployment rate might be considered as a push factor for individuals to start their own business. However, under condition that unemployment levels are low, individuals with entrepreneurial ability may voluntarily select self-employment, knowing that if the idea fails, turning back to salaried position is still an option. While, economic recessions increase the likelihood of more educated individuals starting an entrepreneurial activity due to accumulated assets required to start a business, economic booms are characterized by less-educated young individuals becoming self-employed, as they would be worse positioned for finding good salaried job. Furthermore, it is possible to subdivide the self-employed sector into two segments: individuals with entrepreneurial abilities, and low-qualified individuals with poor chances to be employed (Mandelman & Montes-Rojas, 2009).

According to Hagel III (2016) the definition of entrepreneur is someone who sees an opportunity to create value and is willing to take a risk to capitalize on that opportunity. On the one hand, exponential changes in technology introduce the rise of new opportunities, but on the other hand they increase the risk and uncertainty.

Therefore, entrepreneurs should be willing and able to cope with those risks. The author puts emphasis on the rapid transition of modern society from employee to entrepreneurial one. In other words, the increasing number of entrepreneurs leads to a more dynamic and faster changing world, thus creating a need for even more entrepreneurs.

In the same way, Tobak (2015) defines a successful entrepreneur as the one who took a risk, started a business and gained money. The author emphasizes the importance of having a business and bearing risks and, therefore, suggests the equation for being a modern entrepreneur: *'Entrepreneur + Capital = Products + Customers = Business'*. The most important characteristics of an entrepreneur are self-belief, adaptability, flexibility, hard work, understanding of money management, networking abilities, and risk taking.

### ***2.3.1.1 Sharing economy and Entrepreneurship***

In regard to sharing economy, in recent years, it has opened new opportunities for individuals and companies. According to Meleo et al. (2016) P2P platforms have created a new field, where a new concept based on what can be called CASH - 'collaboration', 'access', 'sharing' rather than - 'ownership', forms the basis for sharing consumption online and creates new work opportunities. Therefore, the acronym CASH reflects two points - a new way of consumption and the opportunity for individuals to collect money in addition to their monthly salary.

Furthermore, sharing economy is closely connected to entrepreneurship. It serves as a source of new business models offering particular opportunities that can be successfully used or implemented by entrepreneurs. Moreover, the digital content makes it easy for entrepreneurs to step into the process, share it through social networks, and effortlessly adapt it to consumer needs, as no extra premises are needed (Richter et al., 2015). Emerging technologies enable the rise of new venturing opportunities, economic transformations and improved quality of life (Cohen & Amorós, 2014).

In fact, Airbnb is a short-stay holiday rental platform by private individuals and entrepreneurs, that coordinates the supply and demand of accommodations, that in the present form were previously unavailable on the market. It allows people to rent

out their houses, thus enabling the hosts to become entrepreneurial (Oskam & Boswijk, 2016).

### **2.3.2 Well-being and Life Satisfaction**

In case of tourism development, the well-being of local residents is associated to both positive and negative effects, such as economic, environmental, and social impacts (Shani & Uriely, 2012). Similarly, Frey and Stutzer (2000) put emphasis on three main determinants of life satisfaction: personality and demographic factors, micro- and macroeconomic factors (i.e. employment, income level, inflation rate, and institutional conditions in economy) and society.

Carter (2011) suggests that the non-monetary benefits of being an entrepreneur, such as independence, flexibility, task identity, task variety, and enhanced job satisfaction levels, lead to a better work-life balance and, therefore, might improve the quality of life. The author argues that in order to obtain a more comprehensive view of entrepreneurial rewards, economic wellbeing should be measured by multi-dimensional measures, which consist of both static (incomes or wealth) and highly subjective and individualized measures of consumption, lifestyle and living standards.

Lifestyles are defined as patterns of living influenced by many factors, such as income, employment, educational attainment, attitudes, interests and opinions (Tucker & Lynch, 2005).

Nowadays, people tend to have fast-moving and flexible lifestyle. The structural change in society from sociological perspective dictates the shift of an industrial economy with a focus on product ownership towards an experience economy, a transformational economy with a focus on higher purpose and searching for meaningful living. These changes cause a higher awareness and engagement in society: social innovation of educational system, health care, and well-being (Oskam & Boswijk, 2016).

Home-hosting is considered to be a lifestyle choice. Entrepreneurs, who open 'lifestyle businesses' are usually following both economic and social goals, and take highly individual approach to running their enterprises. Lifestyle segmentation can

potentially be used in order to achieve psychographic matching between guests and hosts in small accommodation enterprises (Tucker & Lynch, 2005).

Hosting of strangers is a relatively new trend, but the phenomenon of hosting relatives and friends exists for a long time. It has a strong influence on the lifestyles and life satisfaction of hosts, their wellbeing and happiness, in both positive and negative ways, mainly because of the intimate nature of the visits (Shani & Uriely, 2012). Living in a tourism destination results in a high frequency of hosting friends and relatives. According to Shani and Uriely (2012), in order to go in line with their own lifestyle, hosts tend to follow one of four behavioral patterns: *focusing on in-home hospitality*, *maintaining the normal course of daily life*, *servicing as a local tourist guide*, or *becoming a tourist in one's own backyard*. The representatives of the first segment - 'focusing on in-home hospitality' - prefer to center their experience within the bounds of their homes. The representatives of second segment - 'maintaining a normal course of daily life' - are less committed to the satisfaction of their guests and wish to maintain their normal routine. In contrast, the hosts, who are willing to play the role of 'local tourist guides', feel responsible for their guests and tend to invest time and effort. Lastly, the hosts from the 'becoming a tourist in one's own backyard' segment, maintain their own desire to act and feel like tourist without the necessity of traveling.

To get back to the point of positive and negative influence on the hosts life satisfaction, the local hosts may experience some difficulties, such as loss of privacy, mental stress, and extra expenditures. On the other hand, the positive impacts are various benefits, such as the joy of communication, a sense of pride, and a justification to 'go out' and 'have fun' with the guests. Under such circumstances, the authors suggest that the evaluation of quality of life in communities should be relied not only on economic, environmental, and cultural indicators, but also take into account the residents' social and psychological condition that are associated with the hosting.

## 3 Methodology

### 3.1 Interviews

Because Airbnb is quite new, very limited research has focused on the important questions of how Airbnb has changed the hosts' lives and hosts' motivations to rent out their accommodations. Therefore, in order to find the answers to the aforementioned questions, there was a need of conducting a primary research. Primary data are new data gathered specifically for a current research challenge (Hair et al., 2013).

For the purpose of this study a qualitative research design was selected in order to gain meaningful insights and to probe more deeply. The advantage of qualitative research is the richness of data: data about respondent's attitudes, beliefs, emotions, and perceptions. The potential disadvantages of qualitative research are lack of generalizability and low reliability (Hair et al., 2013).

The literature review was very helpful in developing and understanding of the research topic, as well as in the preparation for the interviews, and creation of the questions list.

The term literature review refers to a comprehensive examination of available secondary information related to the research topic, while secondary data refers to data gathered for some other purpose than the immediate study (Hair et al., 2013).

Six in-depth interviews with Airbnb hosts from Vienna were conducted in the time period between April 30, 2017 and May 31, 2017. The in-depth interviews helped in conducting more detailed discussions. The format of the interview contained 35 open-ended questions covering seven related topics, such as general information about the respondent, motivations to becoming a host, the role of a host (experience, expectations), influence on well-being, identity of entrepreneur, and social identity, Airbnb community, and Airbnb in general. The full list of the questions can be found in the appendix section of this paper. The interviews were completely anonymous and interviewees were encouraged to share any additional comments or discuss any further issues related to the topic. The warm and friendly atmosphere in the spirit of the one encouraged by Airbnb was supported, the respondents were in a convenient setting either at home, or in a cafe. Furthermore,

some of respondents were interviewed via phone. The respondents were also informed about the time frame of the study and offered to receive the full text of this paper by the end of research.

### **3.2 Sample**

The geography of sample was limited to one area, hence to one city - Vienna. Therefore, only the hosts who rent out their accommodation (shared room/private room/entire place) and have their listings present on Airbnb fitted to the sample requirements.

In regards to the sampling design, for the purpose of this paper a mix of two sampling designs was chosen: the judgement sampling and the snowball sampling. Speaking of judgement sampling, respondents were selected, because they meet the requirements of the study. Thus, the majority of respondents were found via Facebook group for Airbnb hosts in Vienna. Due to the fact, that the community group is quite small and Airbnb is relatively new, thus only a small proportion of the population engage into sharing accommodation practices via the platform, the desired respondents were considered as a 'hard-to-reach' population (Marpsat & Razafindratsima, 2010). Therefore, a need for the snowball sampling arose: the respondents, who already participated in the interviews, were asked to identify additional people, hence other potential respondents.

A quantitative research might be used to follow up this study in order to quantify and verify the qualitative findings.

## 4 Findings

### 4.1 General profile of the hosts

In this section the basic profile of the hosts is explained. First, with regards to the demographics of the interviewees the following can be stated. There were 5 male and 1 female interviewees, which were all middle aged (i.e., older than 30), educated, and all had either previous or current working experience.

Second, the interviewees' engagement with Airbnb is explained. The majority of respondents started with hosting practices in 2016, thus having the whole year of experience by the time they were invited for the interview. Two of the respondents stayed for a longer time with Airbnb, namely since approximately three years.

Third, the accommodation types offered by Airbnb were asked. Airbnb types are subcategorized into three options: entire home, private room, and shared room ('Inside Airbnb: Vienna', 2017). The majority of interviewees rent out the entire apartment or some of them rent out their private rooms in their current apartment to the guests. Furthermore, interviewees were asked to give an indication with regards to the occupancy rate. The reported occupancy of accommodation they share through the online platform is mainly close to 90 per cent, the only outlier was the apartment located far from the inner city area with the monthly occupancy around 70 per cent.

### 4.2 Motivations to becoming a host

Then, interviewees were asked to explain what motivated them to engage with hosting. In general, all of the interviewees undoubtedly decided to rent out their accommodation because of the *opportunity* they had. Almost no one rented a special flat or house for the purpose of renting it out through Airbnb. The exception is one respondent who sub-rented a flat from an associate. A quote reads as follows:

*'I did not think about renting before, but back then everybody was talking about Airbnb. I had the opportunity of getting an apartment and I decided to try!'*

Some of respondents had the *hotel background*, when they decided to start with Airbnb experience: they either worked in a hotel, or studied tourism in the university. Therefore, as soon as the opportunity to become a host appeared, they took it.

Moreover, one respondent also referred to not being alone because his brother moved out, and he decided that Airbnb would be a good alternative.

The study identified two potential motivations: *economic* and *social* ones, which can be further subdivided into groups.

#### **4.2.1 Economic reasons**

*Financial benefits* can certainly be considered as one of the major motivations for hosts to rent out their accommodation, to earn additional income or even the main income. Even though, the subject of monetary gain through P2P accommodation sharing platforms has already been discussed by many scholars (Frenken & Schor, 2017; Hamari et al, 2015; Meelen, 2016; Ryan & Deci, 2000), the purpose of this study was to dive deeper into the motivations and specify them.

Therefore, the financial aspects of motivations and the effect on the hosts' well-being, can vary according to the way the person is willing to spend the gained income. The following subgroups portray the main financial motivations of hosts: *Assistance seekers, Entrepreneurs, Idle Capacity Naysayers*.

##### ***'Assistance seekers'***

For example, one person reported that *'Airbnb helped him to earn enough money for the therapy to fight depression, hence helped him to resolve the problem, which had a negative impact on his wellbeing'*.

Consequently, the motivation for this person was not purely financial, but rather deeper - to improve the quality of life and solve the health issues with the help of online platform, which can bring additional income to the person.

### ***'Entrepreneurs'***

Controversially, Airbnb might be also a chance for persons with entrepreneurial character to fulfill their potential. For this reason, even though the major motivation for entrepreneurs is monetary benefits, the platform also allows themselves to act as entrepreneurs without large initial investments and high risks. One interviewee said:

*'Even if Airbnb fails, I feel that I've learned enough skills to continue and feel much more secure...'*

### ***'Idle Capacity Naysayers'***

Moreover, people are motivated to become hosts because of the idle capacity. Usually, their family members move to another place (e.g. city, country), but regularly come back to visit the rest of family. In this case, the ones who stay in the apartment do not want to lose the chance to get some additional income and partly cover the bills with the earned money:

*'I started thinking about renting out a room in my apartment six months before my brother left to continue his studies in another country...'*

Additionally, some hosts decide to share their apartments with guests, while they (hosts) have long lasting vacations and want to cover some costs, or even pay the bills. The goal is still financial, but targeted more on reduction of routine costs, rather than having additional income.

#### **4.2.2 Social reasons**

Conversely, another potential motivation of hosts to rent out their accommodation is the need to socialize and interact with people, thus – ‘social’. The majority of respondents of the interviews highlighted the importance of interaction between guests and hosts, as well as the incredible opportunity it creates to get to know new people, new cultures, without traveling away from their homes.

Therefore, from the social perspective, it is possible to subdivide hosts into following groups: *Casual mornings lovers*, *Tourists in the home-town*, *Happy environment divers*, and *Talented hosts*.

##### ***‘Casual mornings lovers’***

Nowadays, the younger generation is not willing anymore to work on a nine-to-six job; they tend to be more flexible. Therefore, the Airbnb hosts, who are mildly depressed with the office job, and tired of bureaucracy and stressful working environment, choose another way of living and earning money: they like to be free, motivated, and not narrowed down to one path. Thus, for these people, the willingness to have more free time for themselves and meetings with friends, to live without distinct limits and learn something new on a daily basis, results into a dramatic change of the way they live. They enjoy the opportunity to build their own schedule and can easily spend a couple of additional hours for sleep. One interviewee explains it as follows:

*‘I studied economics in the university and have been working for a commercial bank for 6 years. Every morning it was harder and harder to wake up and I needed more and more coffee. Now I can enjoy my casual mornings and do a lot of freelance stuff on the side’.*

##### ***‘Tourists in the home-town’***

Furthermore, some respondents put emphasis on the pleasant opportunity of organizing city walks for the guests and spend time together, walking around the habitual places, but looking at them from a touristic perspective. These walks are

completely voluntarily organized and bring a lot of real enjoyment to the hosts. One interviewee quoted it as follows:

*'I've learned to understand guests' wishes: sometimes I leave them alone, but sometimes take them to a city walk. I really enjoy this opportunity: it gives a lot to me!'*

#### **'Happy environment divers'**

Additionally, the guests' attitude plays an important role in the attraction of hosts' involvement in the process of their stay. Visitors create 'happy environment' around themselves, as usually they come with a leisure purpose: they are on holidays, therefore completely relaxed and have no stress. Hence, the hosts enjoy the positive atmosphere and tend to experience good times. One interviewee explains it as follows:

*'Sometimes I take the guests to city walks. I really enjoy meeting and hanging out with them, as it gives a lot to me. I like the happy environment'.*

#### **'Talented hosts'**

Some of hosts are motivated to use Airbnb simply because they believe it is their vocation and they are good in welcoming guests. These people have open-house mentality and enjoy inviting people, and hosting them. One of respondents said:

*'I believe I have a talent for hosting people. Someone is doing it just for money, but for me hosting is a matter of talent, my goal is to do it really cool...'*

Unfortunately, some hosts reported the decreasing interest in interaction with guests, as the number of visitors grows. In the beginning, they were extremely open to create a social connection with their guests. However, as more guests arrived over time, the social interactions became less and less personal, and the hosts decided to not engage as much as they did in the beginning of their hosting.

One of the interviewees said:

*'I met a couple of interesting people, and talked a lot to them, but now guests contact me only if there are any questions... before we could have dinner, but now I am more distant.'*

### **4.3 Motivation to use Airbnb**

In regard to the preference of hosts towards the Airbnb platform compared to the traditional rental, the importance of *control* over the time limits when the flat can be rented out is significant. Many respondents reported *the possibility to control the arrival's length* to be one of the major motivations for them to start hosting through Airbnb:

*'Airbnb is cool, because I can control when I host the guests and let them come to my place, and when it is not available for visitors...'*

Furthermore, Airbnb is preferred because of *user-friendly interface, simplicity* of the whole process, and *the quick reaction of consumers*, in contrast to advertisements, as they need more time to get the reaction from the consumers. The quote of one of the interviewees is:

*'Airbnb was very easy to use. The first guests arrived on the next day after I posted the offer!'*

Interestingly, some respondents, who rent out private rooms, put emphasis on the fact, that they can allow themselves to do that until they have children.

*'...If we had a child, we would need the extra space. Until the moment we have children, I am happy to be a host'*

*'We will continue to rent the apartment until marriage and family life with our children'*

Incidentally, in order to understand how Airbnb has influenced the hosts' life, it is also crucial to understand the way respondents see themselves as hosts, their experience and competencies.

#### **4.4 The role of a host**

Most commonly, the respondents described themselves as *'easy going'*, *'flexible'*, *'friendly'*, *'nice'*, but *'strict'*, and *'professional'*. Majority of hosts reported the importance of being strict in some areas, such as check-in/check-out time, refund potential.

Nevertheless, some of them believe, that flexible check-in/check-out times might be regarded as their USPs (Unique Selling Proposition), and, therefore, try to provide guests with more or less flexible time limits.

Interestingly, the hosts, who rent out a private room to their guests, and, therefore, live in the same apartment during the whole stay, believe that there is no need for strict rules (except for smoking), as due to the personal presence of the host, the guests are very sensitive and try to behave nice.

Moreover, the hosts highlight the great opportunity to meet people from different parts of the world, learn their culture as a very important experience they get due to Airbnb.

In regard to the **selection of visitors**, the hosts have two strategies: *thorough check* and *instant booking*.

The first one, so-called *'thorough check'* implies a full inspection of a guest: check reviews, visual perception of profile picture, description of purpose of visit, age, children, ID requirement, etc.

The second one, so-called *'instant booking'* implies lack of involvement of hosts in the selection process. The only thing some of them still require is the ID of guests,

the rest is accepted automatically and proceeded by the Airbnb platform. The quote of one of interviewees is:

*‘According to my experience, higher price brings higher quality guests, who respect the apartment’.*

Another host, who sticks to ‘instant booking’ strategy, believes:

*‘...the way the apartment is located and furnished shapes the guests profiles...mostly families, rarely groups of friends...’*

However, the tendency is towards ‘instant booking’, as in the beginning of hosting, many hosts try to stick to the first strategy, i.e. ‘thorough check’, but over time many of them move to the ‘instant booking’ option, as it is more convenient and saves time.

Additionally, it was disclosed, that some hosts feel quite satisfying, when guests share the experience they got after visiting the property, or after following the suggestions and recommendations from the host about local must-visit places.

#### **4.5 Plans for the future**

Speaking of plans for the future of the hosts, it is possible to divide them into 2 groups: the ones, who relate themselves to Airbnb and want to grow and continue being a hosts, and the ones, who consider hosting to be just temporarily source of income.

Moreover, those who see Airbnb to be just a short-term business either think so because of the legal situation and the doubtful potential of Airbnb to continue operating successfully without harming the interests of hosts, or because of the convenience of service, e.g. some respondents consider Airbnb to be just a source of ‘easy money’ and do not plan to continue renting practices in the future.

One interviewee stated:

*'I focus mainly on my studies and Airbnb is just a source of income on the side. It is convenient, but I do not plan it for a long time...'*

Controversially, some hosts act as real entrepreneurs: they turned the idea of renting out their apartments into a business and in the future plan to enlarge their portfolio and offer more apartments through Airbnb.

## **4.6 Influence on Daily Life & Wellbeing**

### **4.6.1 Expectations**

Generally, everyone who decides to start being a host and uses Airbnb to rent out the apartment has certain expectations, thus a dream picture in the mind. It is crucial to have a look at the retrospective and understand if those expectations were met and how the whole experience changed the life of hosts. First of all, a deeper look at the expectations of hosts prior to getting any experience showed that for many of the interviewees saw it as an experiment. Overall, hosts are very satisfied with the results, and believe their plans regarding Airbnb to be on *'upward trajectory'*. The only outlier is a host, who rents out a private room in his apartment: the expectations were a little bit higher in terms of income, as during the three months (January, February, March) as he usually has a very low occupancy and considers it to be a drawback of Airbnb, compared to permanent monthly renting.

### **4.6.2 Influence**

Airbnb allowed some of respondents to leave their routine job and start doing what they like. For example, nevertheless, his position was very well paid and had a potential for career growth, one of respondents left this boring nine-to-six job and started to rent out the apartment through Airbnb. The income he generates with the help of Airbnb is his main income, but in the meantime, he has enough time to work at a low-paid job, but the job he really enjoys a lot - he is a journalist! He stated as follows:

*'I had a stable permanent job, but it was not good enough. Every morning it was harder and harder for me to wake up... now I work at a very low-paid journalist job, but it is important for me, it is very much fun!'*

Conversely, this person enjoys being a host and invests a lot of time and effort in order to create friendly and homey atmosphere for the guests, the quote is as follows:

*'At the beginning, the decoration of apartment was completely chaotic...now it brings pleasure'*

To return to the subject of the Airbnb influence of the lives of the hosts, there is another example of a respondent, who first was involved in the community work voluntarily, supported the new and existing Airbnb hosts from Vienna, helped them to clarify legal issues related to the taxation, and ran the community Facebook page, but lately, when the position of regional Community Organizer opened, was employed officially by Airbnb, the statement reads as follows:

*'While running the Facebook group I felt very natural: I had the feeling that I can help people being connected to each other'.*

Even though the job profile did not really fit to her, she honestly admitted that to the employers, but at the same time, expressively described what her strengths were. Due to the previous experience as being self-employed, the important issues of taxation and rules needed no additional clarification. Therefore, she decided to organize workshops in order to share the experience and inform those, who were not aware of all regulations related to hosting through Airbnb:

*'I was always self-employed and knew how to do it, but people, who were new for this industry, were confused and overwhelmed. I felt a need to inform them'.*

Overall, the whole life of a host was changed due to a decision made *'just as an experiment'*, but later turned into a dream job, the quote reads as follow:

*'I am an Airbnb person! Airbnb has really changed my life, and gave me new opportunities'.*

However, not all of the respondents reported only positive influence of Airbnb on their daily lives. One interviewee complained that his private life is affected, as he has no free time in the evenings, as people usually arrive on Thursday or Friday evenings, and therefore, has no chance to meet with existing friends and girlfriend. On the other hand, this interviewee also believes that Airbnb helped him to become more disciplined and organized, he learned practical skills, good habits, and even how to say 'no' to people. The interviewee states:

*'I had many negative experiences, but realized that there is a need to be clear in communicating certain things. When people miss the bus and ask me for refund, I am sorry for that, but learned to say no'.*

Therefore, the respondent summed up the whole experience and influence of Airbnb at his life in one self-explaining term - *'healthy compromise'*.

As mentioned previously, the decision to rent out the property through Airbnb helped a person to gain enough money for therapy against depression, and therefore had a dramatic impact on his quality of life.

Hence, Airbnb has changed the daily life of hosts, even if at the beginning they had a negative experience. For example, one host admitted that he was first annoyed by the presence of strangers in his property, but later he got used to it.

#### **4.7 Social Identity**

Given these points, Airbnb has an impact on the lives of the hosts and therefore shapes their attitudes towards employment, interactions with strangers, sharing habits, identity of entrepreneurs, and even social identity.

The respondents agree that the role of host is an important part of their lives, but it does not dominate their identity. Usually, they tend to have various interests, and often have a main job, therefore Airbnb is just a part of the whole picture.

*'For me, it is nothing more, than a part-time job. I am just a student, who does any kind of part-time job, while studying'*

Nevertheless, some of respondents agreed, that their friends usually identify them as 'Airbnb persons', therefore bearing in mind the idea of dominant position of Airbnb in the lives of the hosts. Furthermore, one host complained, that the relatives are very skeptical about the changes in his life, and about the whole concept of Airbnb. It brings additional difficulties to explain everything to the relatives and annoys the person a little bit. The statement reads as follows:

*'They believe I had a good career, but everything changed... It is a little bit annoying to explain everything to my family members, but that is a question of generations...'*

Moreover, the majority of hosts consider themselves to be 'entrepreneurial' type of person. However, in contrast with traditional entrepreneurship in the other fields, where the need to be a risk-taker exists, for Airbnb hosts the risk is minimized, and they can take the advantage of the available opportunity without serious investments.

In regard to minimized risk, it is also crucial to emphasize the important role of community in the success of hosts.

#### **4.8 Community**

Airbnb community can be defined as a group of Airbnb hosts, who support each other, share experience and give useful recommendations in regard to legal regulations, popular trends in renting services, as well as the marketing tricks. In some countries, a position of Community Organizer exists, who is in charge of organizing meetings and events for local hosts, identifying potential partners in the

neighborhoods, explaining local laws and regulations, and building strong relationships with home sharing hosts. However, in some countries there is simply a group of volunteers who maintain the Facebook groups for Airbnb hosts. These communities bring huge value to the new users and are available for everyone who has a listing in the respective place. In case of the Viennese Airbnb community, for a long time, there was just one Facebook group and volunteers who organized the meetings and workshops for the hosts from Vienna. Nowadays, the position of Community Organizer was officially opened by Airbnb and a local person has been hired.

Contrary to popular belief that Airbnb hosts compete to each other, the interviewees claim there is almost no competition among the hosts.

First of all, the competition is not a big issue, because of the amount of visitors. Hosts believe, that there is enough guests for everyone, therefore there is no need to fight for the guests. The statement reads as follow:

*‘There is not so much competition happening, because people do not seem to face the shortage of guests. There is always enough guests for everyone’*

Second, the communication among hosts allow them to share guests among each other, thus improving the occupancy of the ones, who have available accommodation for the period of time, when the others are fully occupied. The statement reads as follow:

*‘If I already have a booking for this week, I will definitely ask if anybody has a free space and will redirect my potential guests to another host’*

Third, the suspicious newcomers, who visit the community meetings for the first time very quickly recognize that it is better to cooperate and support each other, rather than try to work on their own or even against the other hosts.

*‘It is good to work together, rather than against each other’*

Despite of the fact, that some hosts consider the community meetings to be thief of time, others consider them to be quite helpful. Thus, some hosts visit community meetings, because of the difficulties with legal regulations and lack of knowledge in the field of taxation. Others believe that these meetings are important, as they are source of fresh ideas, as well as some useful recommendations and expertise, for example: researches about the features of most booked apartments, what kind of pictures look more attractive to the guests, etc.

#### **4.9 Neighborhood & Tourism**

Overall, Viennese Airbnb hosts see lots of tourists on a daily basis. The mass-tourism is a very well-known phenomenon in Vienna, as the majority of tourists are always following the same routes and patterns (e.g. using same bus-lines, hotels, visiting same theaters, opera, etc.). Airbnb guests have a different approach, as they are more independent group of travelers and have interest in getting local and authentic experience. This type of mentality helps to bring tourists to the neighborhoods, which normally are not popular among the visitors. The statement reads as follow:

*‘There is a little restaurant next to my house. I always recommend it to my guests and in consideration of my positive contribution, the owner helps me with the key transfer, when I cannot personally welcome the guests’*

Local people engaged in tourism due to their role of Airbnb hosts, consider hotels to be thing of the past. They believe, that hotels do not pay enough attention to the reviews and feedback of guests, and therefore do not tend to improve and adapt to their needs and demands. In contrast, Airbnb hosts understand the utmost importance of ratings and reviews hence can enhance the tourist experience. One interviewee quoted it as follows:

*‘In Airbnb everything is about ratings. It makes the tourist experience better’.*

Compared to the mass-targeted hotels, Airbnb hosts are local people, who can help guests see the location from a native perspective and due to personalized approach - try to determine the interests of the guests. One interviewee said:

*'We perceive ourselves as part-time concierges'*

Furthermore, some hosts provide their guests with maps, which contain a lot of valuable information (e.g. interesting places in the city with comments, the time needed to reach a certain place, restaurants with cheap prices, yet quality food, etc). The statement reads as follow:

*'I give people a personalized view. It is hard for hotels to do that in the same manner'*

#### **4.10 Recommendations to Airbnb**

The respondents emphasized the importance of a proper selection of Airbnb users, who are allowed to list their accommodation on the platform. The reason for such selection process is the growing number of hotels and big businesses (with more than 50 listings) using the platform on equal terms with individual hosts. Overall, this is against Airbnb mentality.

Some of respondents reported the importance of 'ease of use' as one of the main reasons why they are loyal to Airbnb. One of the interviewee said:

*'If regulations become too complicated for me, I will simply finish renting my apartment through Airbnb and will rent on a monthly basis'*

Overall, the hosts are anxious about the current situation related to taxation regulations, as well as the data protection by Airbnb. They are afraid of the government policy against the sharing accommodation practices and hope that there will be no transmission of the hosts' data to the government authorities. Moreover, a potential solution to the taxation issue is the agreement with the city tax deducted automatically during the payment process.

*'I believe that in the future, there will be an automated deduction of all taxes.*

*If they change something, it would be a shame, but I will accept it'*

## 5 Conclusion

The sharing economy is a growing phenomenon that has brought disruptive innovations to different sectors of human life. Airbnb is one of the most successful disruptive innovations offering tourist accommodation and the way visitors experience their stay in a destination (Oskam & Boswijk, 2016). Given that Airbnb is quite new, there is limited understanding of why so many people decide to rent out their accommodation through Airbnb. This also means that there is no clear understanding why people engage into sharing accommodation practices, but also how this decision has an influence on their lives. Given this research gap, this paper mainly examined the motivations of Airbnb hosts to rent out their accommodation, and to what extent it influenced their lives.

Through six in-depth interviews with Viennese hosts, based on their past and current experiences various insights were generated.

First, the study identified two potential motivations: economic and social ones, which can be further subdivided into groups. The *financial aspects* of motivations and the effect on the hosts' well-being can vary according to the way the person is willing to spend the gained income or the main purpose of generating this income. The following subgroups portray the main financial motivations of hosts: *Assistance seekers, Entrepreneurs, Idle Capacity Naysayers*.

- *The Assistance Seekers* use Airbnb in order to fulfill the more or less non-routine financial needs, thus having an additional income for certain purpose.
- *Entrepreneurs* see Airbnb as a chance to fulfill their entrepreneurial potential, run a business and increase their wealth.
- *Idle Capacity Naysayers* use Airbnb in order to get rid of free available space in order to reduce routine costs, e.g. partly cover the bills.

Second, the *social aspects* of motivation fulfill the need of hosts to socialize and interact with people. Therefore, from the social perspective, it is possible to subdivide hosts into following groups: *Casual mornings lovers, Tourists in the hometown, Happy environment divers, and Talented hosts*.

- *Casual mornings lovers* use Airbnb as an opportunity to leave nine-to-six job and be more flexible: build their own schedule, and can easily spend a couple of additional hours for sleep.
- *Tourists in the home-town* put emphasis on the pleasant opportunity of organizing city walks for the guests and spend time together, walking around the habitual places, but looking at them from a touristic perspective.
- *Happy environment divers* strive to spend time with people (i.e. guests), who are not stressed by working routine, but conversely visit the city for the purpose of relaxation and enjoyment, thus creating the atmosphere of happiness and holiday around themselves.
- *Talented hosts* use Airbnb, because they believe that hosting is their vocation and they enjoy welcoming the guests.

Third, with regard to the preference of hosts towards the Airbnb platform compared to the traditional rentals, the major reasons are *the control over the arrival length, user-friendly interface, simplicity*, and the *quick reaction* of consumers.

Fourth, the engagement with Airbnb shows to have an influence on the hosts' lives, in general it has a positive impact. Overall, the hosts improved their overall attitudes towards their life quality, jobs and habits. Airbnb helped some of them to become more disciplined and organized, others to find a dream job or improve the health.

Fifth, the study demonstrated that Airbnb has an impact on the neighborhoods due to the increased number of tourists in non-touristic routes: this brings benefits to the restaurants and shops that usually are known and visited only by local residents.

Sixth, the Airbnb community is considered to be a very valuable source of answers on any questions related to regulations, taxation, popular trends, and know-hows, the hosts may have. It plays an important role in increasing the awareness of hosts about current market and legal situation, as well as decreasing the competition among hosts.

Overall, Airbnb gives a chance to individuals to become micro-entrepreneurs without high risks: it gives them the opportunity to present their offers in the era of 'huge businesses'.

The study of Guttentag et al. (2017) identifies five potential motivations of tourists to use Airbnb: *interaction, home benefits, novelty, sharing economy ethos, and local authenticity*. Hence, the authors subdivide tourists into five segments: *Money Savers, Home Seekers, Collaborative Consumers, Pragmatic Novelty Seekers, and Interactive Novelty Seekers*.

Interestingly, the motivations of demand side, *i.e. tourists*, have similarities with the motivations of supply side, *i.e. the hosts*. Thus, it is possible to build a parallel between the hosts, who are attracted by social benefits (*Casual mornings lovers, Tourists in the home-town, Happy environment divers, Talented hosts*) and the guests who value interaction, novelty and chance to experience local authenticity. Furthermore, the match between these types of hosts and guests might be beneficial for both parties.

Nevertheless, the financial aspects also show similarities in the attitudes towards Airbnb usage. Thus, the *Assistance Seekers* subgroup can be linked to *Money Savers* in their pursuit of money savings, and the *Idle Capacity Naysayers* definitely bear in mind the '*sharing economy ethos*'.

Overall, the match between the motivations of hosts and guests allows Airbnb to meet the interests and needs of both parties. Moreover, such factors as interaction, sharing economy ethos, local authenticity and financial benefits tend to be important for both the supply and the demand sides.

Previous studies show the main motivations of hosts to share their accommodation, such as *direct economic effects, social benefits, sustainability impacts, trendiness and novelty of the service, and the image of a warm and authentic community* (Böcker & Meelen, 2016; Frenken & Schor, 2017; Oskam & Boswijk, 2016; Schor, 2016).

This paper focuses on two main motivations: *social* and *economic ones*, but describes in detail the subgroups of hosts' motivations.

The deeper examination of hosts' major motivations provide valuable information, that broadens the description of hosts' main expectations, goals and the role of

hosting in their lives. Furthermore, the subgroups of financial reasons reflect the idea of how the motivations could differ one from another based on the way the person is willing to spend the gained income. Moreover, the subgroups of social motivations suggest that some hosts share their accommodation because of the willingness to interact and be helpful, while others are rather egocentric (*e.g. Casual mornings lovers*) and do that just to change their daily life. Thus, this study can be a beneficial addition to the aforementioned existing theories, as it provides a detailed description of hosts' profiles in dependence of their main motivations.

## 6 Recommendations

### 6.1 Recommendations to the city of Vienna

Since Airbnb is a fast growing phenomenon, it is of utmost importance to apply the regulations that would not harm the numerous benefits which Airbnb brings to the city. The issue of taxation can be solved in cooperation with Airbnb. For example, it is possible to implement the automated deduction of the city tax during the booking process. Additionally, another potential solution might be the organization of meetings with community heads in order to educate them in the field of taxation, so that they can further spread the information to the hosts. Moreover, the hosts bring additional income to the businesses in the neighborhoods, thus bringing economic benefits to the locals. It would be of interest to cooperate with the community, share important information about the city events, get the feedback, and determine the new patterns in travelling habits. However, the government needs to prevent the excessive interference into the local community operations, as it might be in conflict with the main concept of Airbnb.

### 6.2 Recommendations to Airbnb

This study aimed to understanding of hosts' major motivations to use Airbnb, as well as the influence of Airbnb on their daily life. The hosts profiles related to their main motivations might be useful for marketers to attract more people to participate in the sharing accommodation practices through Airbnb. Moreover, the understanding of person's main motivation creates a potential for Airbnb to further develop in that trajectory, for example, if hosts use Airbnb in order to act as entrepreneurs, it is possible to offer online guidance for them. Conversely, the hosts who are willing to interact, socialize, and spend time together with guests (*e.g. Happy Environment Divers*) might get an award, or sign of special recognition on their Airbnb profile.

Furthermore, there is a need of proper selection of Airbnb users, who are allowed to list their accommodation on the platform, as there is a growing number of hotels and big businesses (with more than 50 listings) using the platform on equal terms with individual hosts. Overall, this is against Airbnb mentality.

## 7 Limitations and Future Research

### 7.1 Limitations

This paper shows the major motivations of Airbnb hosts, the role of community in their experience, as well as the influence of sharing accommodation practices on the basis of Airbnb on their lives. However, the study also has some limitations.

The first limitation is the geographic boundaries of the research. The study was conducted with the Airbnb hosts, who rent out their apartments through Airbnb platform in Vienna. Even though, some of respondents had listings in another cities or countries, for the purpose of this paper this information was not taken into consideration. Since Vienna has a very high quality of life, its own legal regulations, taxation laws, and specific characteristics, therefore, it is important to be careful with generalizing the results and applying them for other destinations.

The second limitation is the low number of respondents. According to the methodology, the qualitative research design with six in-depth interviews was selected. The interviews allowed us to get a feel of interviewees' moods, emotions, and capture verbal and non-verbal cues, behavior. All details helped to discuss the topic of motivations in detail and thus provided the full answer to the research question. This might be extremely helpful in shaping further quantitative research, but is definitely not enough for generalizing the results to the whole population of Airbnb hosts.

## **7.2 Future research**

This paper represents a useful starting point for understanding the main motivations of Airbnb hosts, as well as their perceptions, expectations and experiences, and for further studies related to the retrospective of Airbnb hosts and evolution of their motivations.

Therefore, it would be of interest to broaden the boundaries of research from Viennese hosts to a larger sample of respondents. Moreover, results from other capitals of European countries could be compared with the present study to help gauge the generalizability of the findings. Additionally, since, during the research process, the regulations, policies, difficulties caused by proper taxation, and concerns of Airbnb hosts regarding the data protection arose, it would be useful to conduct an additional research after a certain period of time (four to six months) to determine possible changes in motivations of hosts, influenced by changes in aforementioned items.

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## Appendices

### Appendix 1

#### Interview questions Airbnb hosts

##### General:

- 1) For how long have you been a host for Airbnb?
- 2) How do you rent out (room (s), whole apartment, other second home)
- 3) How often do you rent out a room?
- 4) Do you also use Airbnb for yourself?

##### Motivations to becoming a host:

- 5) Why did you decide to become a host?
- 6) What are the motivations for you to be an Airbnb host?
- 7) Have you always wanted to rent out your house?
- 8) Do you have another job or jobs besides your hosting?

##### The role of a hosts, i.e., experience, expectations and competencies:

- 9) If you had to describe yourself as a host, how would that be? (i.e., strict rules, try to socialize, try to also be authentic as Airbnb states)
- 10) How do you position yourself as a host? Any strategies applied?
- 11) Do you feel like you have the competencies of being a good host?
- 12) If you had to describe the experience in general of being a host, how would that look like?
- 13) How do you select visitors and why so?
- 14) How much hours per week on average you spend on being a host?
- 15) Which activity is the most time consuming of hosting?
- 16) Which part of hosting do you enjoy the most and which one the least?
- 17) How do you see the future (i.e., do you worry about the future?, or any plans)

##### Influence on daily life – well-being:

- 18) Did you had any expectations of becoming a host, and looking back, do you feel like your expectations are met?
- 19) In which way do you feel like your life has changed from the moment you became a host?

- 20) Are there also any positive and/or negative consequences (burdens or costs) after becoming a host? What kind and how does this impact you and-or your family?
- 21) How do you perceive the sharing of your apartment interferes with own personal space and time and from any family members? How does this affect you?
- 22) How do you combine being a host with other domains in your life? And how does this work out? How do you feel about that?

**Identity of entrepreneur and social identity:**

- 23) Have you always aspired to become independent–(micro)entrepreneur?
- 24) How do you perceive yourself as a host?
- 25) Is your host role a part of yourself or it dominates your overall identity?
- 26) How would you like others to see you? - How do you think others perceive you?

**Airbnb community:**

- 27) Is there a community of other hosts in the city? Do you feel a part of this community and how? Is the community supportive or competitive?
- 28) Do you feel any social pressure of being a popular host in the community? And how does that affect you?
- 29) How important is the host community for you?
- 30) How do you feel to be a part of the Airbnb community in general? Is there any pressure coming from Airbnb to behave in a certain way? Do you feel happy that Airbnb facilitates your hosting?

**Other: Airbnb in general:**

- 31) How concerned are you with the regulations of Airbnb: legal versus illegal issues?
- 32) Do you also rent out your apartment to other platforms besides Airbnb?
- 33) In which way has your role as a host, changed your view of tourism in the city?
- 34) How do you think your role as a host but also the Airbnb practices in general has changed your neighborhood and your perception/attitudes of contributing to tourism?

35) What would you like to see different in the future with Airbnb? How do you think your future will look like?

36) Any other comments.....