SHARING ECONOMY: A QUALITATIVELY BETTER CUSTOMER EXPERIENCE MODEL, DEFINING THE NEWVOGUE (WITH REGARDS TO AIRBNB)

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Abstract:

The sharing economy is an emerging economic model in today's turbulent market conditions.It encourages peer-to-peer consumption by enabling sharing of resources and serves several benefits to the parties involved in this two-sided market. While a lot of researches have dived deep into the benefits that this emerging model has served to consumers, their intentions and motives of participation while having also addressed the concerns that it triggers with regardsto safety and trust, limited investigation has been done in this area to rethink the idea of ownership that the sharing economy is bringing about. In view with this perspective, this thesis employs the psychological theory of ownership to study the consumer behavior with regards to Airbnb that has been a disruptor in the hospitality and accommodation industry and has set new benchmarks of customer experiences. Since this new wave of business modelis based on 'access' over the traditional 'ownership' model, through this research we aim to understand the psychological behaviour of a consumer while making a choice of participatingin the sharing economy.

INTRODUCTION:

The Concept

Sharing economy can be defined as a different or an alternative type of movement which economic and social in nature and builds a platform to shares not used resources with others to make waste negligible or reduce it and ultimately contributes to the increase of common interests in society. To make it simple, it highlights an economy in which the commodity or experience are shared with those who need it or want to gain an experience of it, based on collaborative consumption, The idea of the "sharing economy" brimmed up in the early 2000s as a business model. It takes into consideration unused resources by offering to promise the benefits and the advantages of resources lying idle by sharing commodities, such as automobiles, apartments, books, and toys, with others. For example, people can access rooms or villas as per their budget and need (e.g., Airbnb, OYO), transportation, cars and taxis and autos (e.g., Ola, Uber), clothes and apparels (Flyrobe), Office spaces (Co Work, We Work, and Innov8). "Peer-to-peer goes to become the default manner individuals exchange things, whether it is space, stuff, skills, or services – Brian Chesky, co-founder and CEO of Airbnb"

Fig 1: Drivers of the sharing economy (Fast Company)

The sharing economy has shown progress over the years on the growth curve over the last few years and has been an inquisitive topic to the various stakeholders, regulators, and individuals across the globe. Emerging technology is centric to the growing concept of sharing economy, to enable scale, rise and contribute to the economic impact. A number of sharing platforms have come up that let individuals share the consumption of goods and services like cars and vehicles for transportation and travel, houses for accommodation, household products and services for needs. The increasing use of mobile phones has brought about has been a catalyst in the growth of such two-s i d e d market platforms to drive the market to an entirely new scale. The view of the sharing economy lies in the fact that the sharing a platform establishes an advantageous position for all the stakeholders. The haring economy promises an on-demand access to different variables such as commodities, experiences, goods and services, efficient utilization of unused stock of assets across industries, leading to a multiplier effect that would bring up more employment, increase micro entrepreneurship, consumerism and digital literacy.This concept is still budding for the Indian consumers in the environment. While sharing products of personal nature (such as one's own home or car) which is of indicative importance and use to the owner is still minimum when the proposition is compared tothe western nations and countries, the adoption of sharing platforms has been encouraging, promising and increasing. This was made possible by the existence of aggregator platforms that are a two-s i d e demand market like personal transportation and hotel room bookings. To be more adopted by the population, and acceptance in India, the sharing platforms will have to address a few key challenges. This includes building trust amongst the stakeholders being affected by the transaction. A platform that assures the users of the safety, privacy while not having to compromise on the quality will cause the users to rely and accept the concept with great enthusiasm and

open mindedness. We believe that the sharing economy will open up a number of interesting possibilities and paths across different activities in the economy and bring about a difference in the nature of work andthe patterns in collaboration. The sharing economy additionally is a shift of intensity within the employment market and permits several people to achieve paid employment through the increase of micro- entrepreneurship. The main idea being "The core concept is pretty simple – why buy depreciating assets, when you can rent and pay as per use!"

Sharing Economy:

In the Indian context, the personal asset ownership stands low with is a directimplication on the sharing economy's acceptance here. The sharing economy, by its very nature emphasizes on the re-use of these assets rather than absolute ownership, which helps individuals to enjoy the entitlement to the benefits of these assets without really undergoing the burden to own them. "On the supply side, the sharing economy is transforming the work force and is building the road to entrepreneurship, micro- entrepreneurship, more accessible for more people". The personal transport space has been the most affected and has been a disruptor in the sharing economy space, where the rise of these platforms has delivered both convenience and value to its stakeholders. The concept has also become very relevant to industries like accommodation, food and grocery, household goods and healthcare. It is also likelyto come up as a growth driver for other niche sectors or specialized services like medical appointments and supplies. "We believe this sector is poised to grow and the entire stakeholder community within the sharing economy ecosystem including the society, government and regulators will witness the underlying benefits this offers. The extent of success of the sharing economy will also depend on how the policy makers, governmentand regulators make laws to spread its outreach amongst the masses"

Airbnb:

Accommodation-rental and "sharing platform Airbnb" is said to be "a sharing economy exemplar, and has positioned itself as for the middle-class populace to get an edge and retain a place in expensive, luxury housing accommodation markets". This narrative stands important in the context of "global cities", where hosing is not fully developed but the demand for it and by tourists has risen considerably. However, critics claim several Airbnb listings are literally permanent short rentals. Thus, instead of enabling new efficiencies in the use of housing assets and providing financial security for existing residents. Airbnb may be a variation on an old theme: removing properties from the marketplace for long rental or purchase". The paper serves three aims: it critically interrogates the sharing economy construct in reference to Airbnb; it reviews the restrictive responses to Airbnb in 5 world cities; and it studies Airbnb's data listings in each city. Ultimately, the paper also addresses and argues that though some of the listingsdo work the sharing economy narrative, "others are part of the traditional economy of short-term letting."

Theoretical Lens - Psychological Theory of Ownership

This section deals with the theories that guide the formulation of this research theoretical framework. The psychological theory of ownership is studied and applied to identify the underlying motives of participation of the people in being a consumer to the sharing economy. We explore the concept of motives, experience, convenience and benefits that connect actions of individuals, or their inclination to be a participant, with their own reasoning's. We present this theoretical framework by putting together the important elements from the theory and outline the overview of these theories is summarized in the figure below.
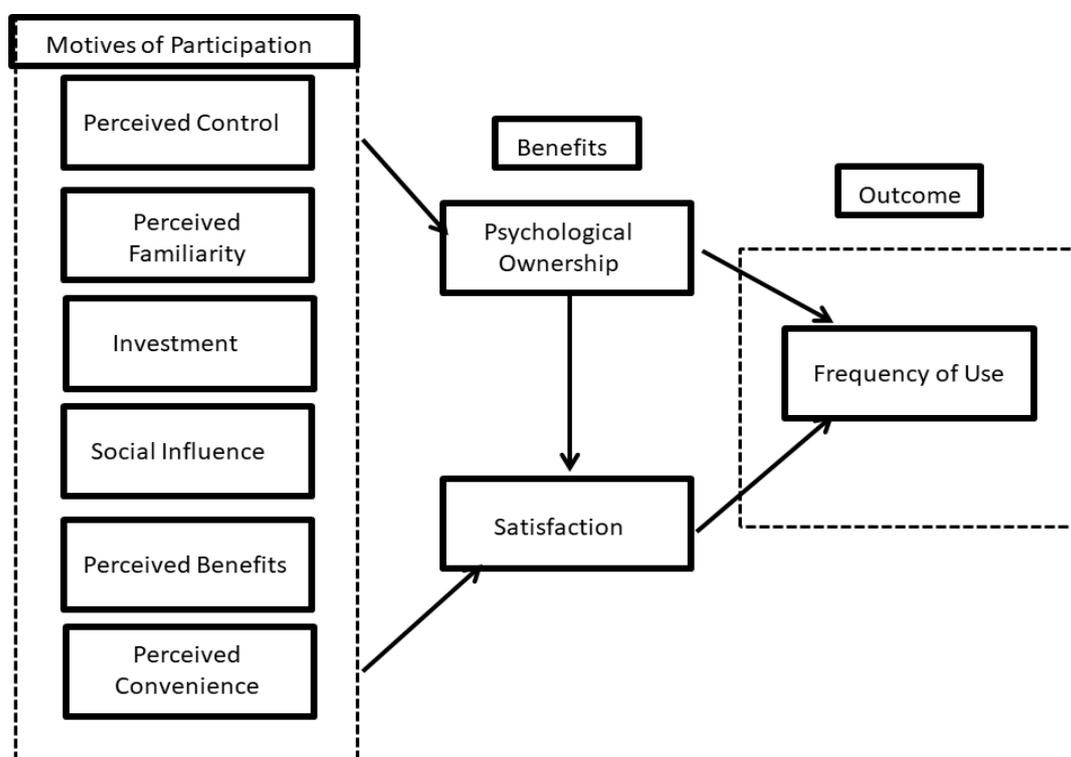

Fig 2: Variables impacting the decisions of outcome

Building up on the observation, general and studies through research (both primary and secondary) the theory states that individuals feel the sense of owning towards a variedtarget (products & services), we list down findings, that though conditional, can develop a sense of ownership by giving out access and various organizational factors. We define psychological ownership, identify its origin and roots and the main purpose of its inclusion in the sharing economy through which it develops, and proposes certain outcomes. We investigate the uniqueness of the concept of psychological ownership on the basis of a set of related constructs of variables and suggest a certain implication of theory that underline behavior of individuals participating in the concept.

LITERATURE REVIEW

Sharing Economy

The concept of sharing economy was included in the Oxford Dictionary in 2015 and is described as: "A national economy during which assets or services are shared between personal people, either for free or for a fee, typically by means of the internet." Internet has been the main reason behind the dynamic growth of the shared economy, which has reduced the gap between supply-demand and made it cheaper & easier. Sharing is an old concept, whereas collaborative consumption and sharing economy started in the Internet age. According to Geron (2013), sharing economy created markets that were not seen before as possessions which could generate revenue. People share: cars (OLA, Uber), spare rooms (Airbnb, Couchsurfing), dogs (DogVacay, Rover), and food (Feastly), boats (Boatbound), houses (Airbnb). Uber was supported in 2009 within the us and it created a mobile perform through whichindividuals submit journey petitions to Uber drivers with their own cars WHO then transfer customers to their destination. The most popular models of peer-to-peer accommodation sharing in the accommodation marketplace are represented by Airbnb and Couchsurfing.

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

Another example of a sharing service is Uber, a leader in the transportation sector, more exactly car travel, where drivers and passengers are linked directly for on-demand rides,ride sharing or carpooling. (Report on Tourism in European Cities, 2016). The online rental peer-to-peer lodging service within the sharing economy concept is represented by Airbnb. Sharing economy is viewed in different ways, starting from a potential pathway to sustainability and finishing with a frightening form of neoliberalism (Martin, 2015). According to Martin (2015), the sharing economy is also considered a niche field of related innovations and the intermediaries who support and promote thedevelopment of these innovations. Through Airbnb, hosts rent their places on a short-term basis and at lower prices thanhotels (Permalink, 2013). Therefore, there exists a win-win scenario for each party concerned within the sharing economy method.

However, one in all the foremost necessary problems for state is expounded to establishing the validity of Airbnb procedures through existing laws and policies, since the legitimacy

of Airbnb has led to legal discussions in varied cities (Guttentag, 2016). Another important concern for governments is the manner in which sharing economy will affect the tourism industry. According to Zervas, Proserpio, and Byers (2014), Airbnb began to take the place of low-end hotels, and then moved on to high-end, business or luxury hotels.

Airbnb could put its areas of operation at a disadvantage with the fact that it doesn'tneed employees, thereby potentially increasing the unemployment rate in those areas. However, the advantage of Airbnb is that it attracts a lot of tourists WHO would pay a lot of day's motion within the cities wherever Airbnb operates.

(Airbnb, 2016) In a few cities, application and enforcement of regulatory and tax policies regarding the accommodation-sharing sector are imposed while in others, self-regulation is preferred. Some municipalities such as New Jersey, New Mexico, New York, Virginia, and Hawaiistarted to regulate the new industry by enacting occupancy limits or by registration requirements. Tennessee has a legislation dealing with short-term rentals which states: "residential dwellings of any type, including, but not limited to family residences,apartments, tents, temporary structures or cooperative units, in which a person can obtain, for consideration, sleeping accommodations for less than thirty consecutive days(Leach, 2017).

Contrary to the present, the New York state government body authorized a measure in June 2016 that would heavily punish owners on Airbnb and other short-term rental sites, which post listings that violate the New York's short rental laws, that prohibit most residences (constructions with 3 or a lot of components) in big apple town from being chartered for fewer than thirty days. Thus, most of the listings that one finds on Airbnb would be treated as illicit, particularlyif they can be reserved for a period of less than 30 days (Report on Tourism in European Cities, 2016). According to Edelman and Geradin (2015), initially Airbnb was considered to be a danger to the affordability and safety of the local population. Secondly, Airbnb was accountable for making housing shortages and displacing future tenants. Government agencies and hotels also treat Airbnb as a threat for the hospitality businesses and traditional tourism because Airbnb hosts do not have to follow the standards set by hotels (Queensland Tourism Industry Council, 2014).

The literature regarding the sharing economy concept could be divided into various sub-sections such as: the psychological approach of sharing and the legal and financial perspective or on subjects regarding the typical features of the peer-to-peer sharing transactions. According to Botsman (2013), collaborative consumption represents: "an economic model based on sharing, swapping, trading, or renting products and services, enabling access over ownership", which includes various online platforms which are supported sharing the consumption of products and services, and thereforethe sharing economy represents "an economic model supported sharing underutilized assets from areas to skills to stuff for monetary or non-monetary benefits". According to Belk (2007), collaborative consumption "is people coordinating the acquisition and distribution of a resource for a fee or other compensation" and sharing represents "the act and process of distributing what's ours to others for his or her use and/or the act and method of receiving or taking one thing from others for our use'', that means there exists a major difference between the two concepts (Belk, 2007)

while Botsman and Rogers (2010), h a v e s u g g e s t e d t h a t there are 3 forms of collaborative consumption systems: product service systems sustain no-ownership of products, redistribution markets support re-consuming of pre-purchased products and cooperative behaviours, meaning that humans with similar interests exchange and share for instance peer-to-peer accommodations, through internet or social network (Tussyadiah, 2016). However, Oskam and Boswijk (2016) argue that organizations like Airbnb or Uber can't be thought-about as sharing organizations, attributable to the value the guests should pay to the hosts and furthermore, the platforms enable the economy to expand digitally by coordinative demand of merchandise and services.

According to Guttentag (2015), Airbnb cannot be compared with traditional hotels regarding accommodation and even though nowadays the sharing economy represents a significant concept, there still exists a lack of information withinthe associated analysis concerning the those who square measure exploitation the Airbnb service.

According to Airbnb, peer-to-peer accommodation rental could change travel behaviour. Various differences were observed between Airbnb travellers and those who werestaying in traditional accommodation by taking into consideration the length of stay andlocal spending. There were differences in the level of use which meant that the frequentusers knew better how to make a great experience out of the trip by saving money andmake new social connections. Also, frequent use leads to better destination choice,travelling, staying and activities at the location.

Moreover, several of their listings square measure placed outside the central edifice districts, in order to offer as much authenticity as possible. Many hosts use the income to pay their own rent payments. Therefore, the peer-to-peer accommodation systems create income for the local community and assist the growth of economy (Tussyadiah and Pesonen, 2015). The literature claims that the success of Airbnb is due to the benefit offered by the authentic experience which is based on three main factors or attributes: the accommodation, the economic advantages and therefore the idealistic motives (Oskam & Boswijk, 2016). According to Tussyadiah (2015), the main elements for customers to use peer-to-peer accommodation platforms are represented first by the financial motivation for both hosts and guests together with the interaction with locals and sustainability. Guttentag (2015), the experiential appeal also represents a significant characteristic to be considered in the decision of using Airbnb because of the fact that consumers tendto search for authentic experiences where they feel like travelers and not tourists. According to Möhlmann (2015), the decision of using Airbnb is based on factors such as: economic considerations, familiarity, utility or the trustworthiness of the host about photos, reviews and the price policy. Hamari et al. (2016) discovered other elements such as sustainability, enjoyment, and economic benefits. To Olson (2013), the younger generations tend to participate more in the collaborative consumption, because of the fact that they are used to the privacy and trust issues stemming from the internet. Tussyadiah (2015) claims that the educated travelers that square measure additional hospitable new challenges square measure typically those UN agency square measure participating within the cooperative consumption however, in the

research about the result of peer-to-peer accommodation use on travel examples, Tussyadiah and Pesonen (2015) sustain that demographic characteristics of tourists don't modification the travel patterns. Regarding Airbnb, one should take into consideration the 3 key elements of the sharing economy.

First of all, the corporate is often providing a web platform, meaning that the costs to put people in contact with each other are reduced. Moreover, if the demand is constant and therefore their requirement is increasing, it means costs might decrease. Thus, Airbnb now has a larger diversity and number of rooms than a few hotel chains. Third, peer-to-peer means that by being travelers guests and hosts could switch their roles the other way around. Finally, Airbnb is access-based, meaning that the access to a space is bought just for a limited amount of time (Rich-ardson, 2015). Participation within the community is predicated on the cultivation of a disposition, which means that the action of meeting strangers should be adequate and enticing. In a community supported the worth of sharing distinctive experiences, thanks to the peer-to-peer quality for Airbnb users, meeting and staying in each other's home represents an authentic experience.

The uniqueness of the experience is given by the feeling of home and the local knowledge. As an operator of the platform, the roles between guest and hosts might amendment. Besides credibility, another 2 vital factors for the guests are location and value. Moreover, some properties are on short term lease with none reciprocity from the owner. Thus, participants of sharing economy platforms should be open for meeting with unknown individuals.

Trust has a crucial role within the sharing economy, particularly within the money group action wherever the platform represents a type of technological assurance (Bergold & Thomas, 2012). According to Tussyadiah (2016), satisfaction and come intention represent vital factors for business sharing services like Airbnb, who are linked to peer-to-peer accommodation. The peer-to-peer accommodation platforms were created so as to unite regular individuals, who are different from usual business individuals in sharing their excess capacity of property re-sources to their peers (Tussyadiah, 2016). The intention of returning and therefore the feeling of satisfaction transcend the action of simply informing suppliers concerning the wants that require to be consummated to retain guests (Tussyadiah, 2016). Hotels receive relevant info concerning their competitor's benefits, such as peer-to-peer services, which are different from regular hotel services. In the sharing economy sector, a number of the impetus for collaborating in it are, according to re-search, represented by economic motivations, for example in car sharing platforms (Guttentag, 2016). Other researchers argue that sharing economy participation is based on environmental or social motivations, due to the interaction with local hosts that takes place during the accommodation sharing. Incentives for sharing economy participation dissent for accommodation, car, ride, meal or tool sharing and they can also vary for different socio-demographic groups. Consumers of the sharing economy, can be both providers and users, at the same time (Guttentag, 2016). The Self Determination Theory represents a motivation theory that claims that behaviouris driven by intrinsic and extraneous motivation. Intrinsic motivations return from enjoyment of the activity and extraneous motivations return from outcomes that are break away the behaviour (Deci &

Ryan, 2000). One example of outcome is painted by the environmental concern concerning the utilization of restricted natural resources.

Tussyadiah's (2015) classification of motivations for sharing economy is predicated on "economic benefits", "sustainability "and "community". However, consistent with Tussyadiah (2016) and Möhlmann (2015), in their surveys on accommodation sharing there is no evidence yet which draws a connection between sharing economy participation and environmental motivations. Sharing economy sorts of participation are based mostly conjointly on social aspects like the interaction between users and suppliers of products. For example, in the case of accommodation sharing, guests meet their local hosts whocould introduce them into the local community. The ability to create new connections by meeting new individuals and friends is understood as being a trigger for the shared economy (Botsman and Rogers, 2011). Tussyadiah explains that not all accommodation sharing users are trying to find places to remain that involve social interaction, however the precise opposite (Tussyadiah, 2016). There are differences between shared goods due to their economic value, theenvironmental impacts of sharing them and the social interaction from the sharingprocess. Due to the economic value of the accommodation shared, a substantial amount of money could be charged for letting other people stay at your property in a popular location. Even so, in comparison with traditional accommodation such as hotel, sharingaccommodation such as Airbnb is still cheaper and it creates financial benefits for theusers (Guttentag, 2015). After gaining this knowledge about some of the most representative theory for this chapter, meaning the sharing economy concept, next the concept of the Airbnb Company will be presented.

Airbnb Company

Airbnb was established in San Franciso, California, in 2008, by Joe Gebbia, Brian Chesky and Nate Blecharczyk is the company Airbnb. The vision of the company is to create "a trusted community marketplace for people to list, discover, and book unique accommodations around the world" (Airbnb, 2016). The registration for the fellow travelers and the owners cum suppliers is free of any charge or commission (Zervas & Prosperio, 2016). The concept of Airbnb is peer-to-peer marketplace in the sharing economy, where both the owners and the customers contribute towards the revenue. To put it in a number perspective, the customers pay a service commission of 9-12% on every booking they make and the owners cover the handling fees expense by paying a service commission of 3%. Owners on Airbnb can also charge fees like a cleaning fee, additional pet fee. Some portion of the service fees, as mentioned above, is apportioned to their 24/7 customer support service. To give an overview of Airbnb's cancellation and refund policies, they differ on the basis of four mentioned models- flexible, moderate, strict or super strict.

In approximately 34,000 cities of 191 countries, there exist over a million listings online of various properties. They range from short term to long term, from basic to luxurious, from tree houses and igloos to villas and castles. The property, however, can only booked once the owner approves and he has every right not to without any penalty. The search process works in the following way- Any individual can put in his/her criteria in terms of length, type, people, price

and area of accommodation. The result will consist of a list matching all of those criteria. Detailed descriptions of the owner, location, amenities etc can be found under any listing. "Super host" rank is for active and well-reviewed owners. The individual can they either choose to message the host to talk or confirm details and wait for the pre-approval or they can directly book through the instant booking tool. Once the booking request and subsequently, the payment are done through the website, the booking goes through and further details are made available to both the parties. Due to concerns of security, users' identity is verified through various platforms like Facebook, LinkedIn, email address, phone number or a copy of the driver's license or passport (Airbnb, 2016). The review and ratings, based on qualitative and quantitative factors, appear either when 14 days have elapsed or when both parties give a mutual review. The average rating is rounded up to the closest half-star on a scale of 1-5 stars, if the property has at least a total of three reviews. Airbnb also has a partnership with Concur, a business travel and expense management company. (Airbnb, 2016). Since the entire process right from the search to confirmation of a booking is done through Airbnb's site, it's undemanding for them and their analytical system to follow a transaction end to end, consider various factors such as conversations and weed out the potential illicit listings. This risk assessment makes it easier on the customer to go ahead with a booking. A multi-factor authentication system put in place to check for logins from new devices was put as an additional security measure, which asks the users to verify their identity via email or message. The company has also put in place machine learning techniques which uses predictive models and singles out abnormal behavior in terms of the amount of login attempts or a change in location or other factors. Due to this, users now receive messages helping them stay updated about any major activities or changes made to their accounts thus reducing the probabilities of unauthorized access (Airbnb, 2017).

Trip4real, a Barcelona based travel start up founded in 2012 that offers tourists the opportunity to experience the city from a local's perspective was acquired by Airbnb in 2016. To make it more authentic, Airbnb launched a feature called City hosts wherein the guests were allowed to book private tour guides. Airbnb also launched a new feature named Airbnb Trips in late 2016 which offers Homes, the usual business of Airbnb; Places, based on user generation information guides and lastly; Experience. Currently, 36 of such experiences are available, for example, a Vietnamese cooking lesson or Bachata dancing lessons with a local. The Airbnb experiences charge per person. Depending on the city host chosen, it can either be an individual experience or with a group of fellow Airbnb renters. Based on the experience chosen, Airbnb also shows recommended accommodation options nearby (Matney, 2016). To put it in a number perspective, there are now more than 1100 experiences in more than 24 cities, making It the fastest growing feature of Airbnb (Ovefelt, 2017). In order to enhance the travel experience, Airbnb has invested in an application called Resy for restaurant reservations which will soon be integrated with it. Another addition was the Music Experience in 2017 which allows admissions to private live concerts and sold-out events in 13 cities worldwide. Airbnb has commenced quite a few campaigns namely: The 100-word story competition winner gets to spend the night in the The Willians Formula 1 team's garage during the 2017 British Grand Prix with the added bonus of a meet and greet with Massa and the Williams technical staff and track side tickets (Sturart, 2017). Nordic Countries, headlined by Sweden presented their whole

countryside on Airbnb to one and all. Airbnb has also entered into several agreements with popular events like 2016 Rio de Janerio Olympic games, Super Bowl, Edinburgh Fringe Festival etc. to provide affordable accommodations.As per Airbnb, it's gains have been more social thus including pluses like cultivating the relationships between the owners and customers, alleviating owners with various loan agreements, fostering micro entrepreneurial businesses and making travel affordable forpeople on a budget.

A 2016 study from Harvard Business School shows that in sharing economy platforms, the cancellation rates or the waiting times are more or longer for the people of color. A study by Airbnb itself revealed that only 16% of the customers with African American sounding names had a chance to be accepted in comparison to white-sounding names. Also, when the guests have no information on their profile, black customers have only 29% acceptance rate as compared to a 48% acceptance rate for white customers. However, because of the reviews,a good review leaves a similar percentage of acceptance and a bad review leads to the same struggle for both groups. (Li, Zhang and Cui, 2017). Recently, Airbnb renewed its policy and made existing and new users accept the following before continuing: "I agree to treat everyone in the Airbnb community – regardless of their race, religion, national origin,ethnicity, disability, sex, gender, identity, sexual orientation or age – with respect, and without judgment or bias" (Airbnb, 2017). One of the other approaches to fight discrimination was to no longer show the host's image on the search page thus making itmore objective. They have also increased the number of Instant Booking features on the site thus reducing the probability of a race-based discrimination against the guest and thereby,also improving its position in the competition with accommodations of traditional models. (McGee, 2017).

Airbnb recently entered into partnerships with around 50 governments starting with Barcelona, Amsterdam and finishing with San Francisco. According to the agreement, Airbnb will be launching a pass-through registration system in 2018. The system would force new hosts to register with a city-issued variety after they 1st attempt to check in to loan their home and can delete existing homeowners from the positioning that didn't inscribe with the town authorities.

Airbnb has a deadline of four months to assure that all new hosts are registered with the city and eight months to remove existing hosts who do not comply. Due to its new on-boarding system that will allow Airbnb hosts to register directly on their online platform, the additional paperwork from the city hall and the city's $250 fee will be removed. AT the end even though the implications of the deal are not yet clear, this compromise helped Airbnb with itslegitimacy and gave it a green light to operate in the short term (Alba, 2017).

In the 2017 CNBC Disruptor List, Airbnb came first. It is also estimated that it would achieve a $3 billion profit by 2020. The company was evaluated at a staggering $31 billion, thus implying that Marriott was the greatest in the lodging industry with a $39 billion appraisal.

After accumulating and analyzing the information, the concept of the decision- m a k i n g process will be further examined with relevant theory and examples. After gaining important information about the Airbnb Company itself, the concept of the consumer decision making process will be examined through theory and functional examples.

Consumer decision making

A conceptual framework that incorporates all required steps for the decision-making process undertaken by a consumer, was devised by the renowned researchers Sheth and Howard (1969) who believe that the consumers approach this process in a logical conduct. There are five key steps that are adhered to by a consumer for a decision, namely: "problem recognition, search, alternative evaluation, choice and outcomes" as stated by Engel, Black- well and Kollat (1978). All the researchers above conclude that since the result is known to the consumer, it is a deliberate and a well-considered decision-making process. The choice could be influenced by numerous factors comprising of situational and individual ones.Furthermore, the two determinants for the decisions are the purchaser's personality and the products characteristics as contended by Woods (1960).

Since a judgement must be made in the form of a choice, the booking becomes a selection process for consumers who make the decision by choosing one feature over the other. One such company that offers not only variety but also competency in providing a booking service is Airbnb. The chief factors that helped the company excel were: the addressal of the issues existing around the world, acknowledgement of entrepreneurial behavior of the customers and the support displayed for the innovative web-based services and activities, as stated by Bailetti (2012).

The business model of Airbnb allows the owners of the properties to list their housing online at a price cheaper than that of the hotels thus not only allowing them to earn money but also helping the guests save it. As tourism is a consumer centric industry, the ultimate users will always have more dominance and influence. Airbnb is giving its clientele a feeling of 'Home away from home'. The company's main goal is to make its users feel like they're local and that they belong to the community. It also recommends that the owners should try and give the renters a local and an authentic experience because after all, they are the best guide there can be.

As per Maslow's Hierarchy of Needs, the belongingness and love needs are high ranking in the triangle. When you travel to a different place, you are likely to lose your sense of comfort. This reduced sense of familiarity might lead to a diminished experience. Therefore, when a local makes the tourist feel like they belong there, the lost familiarity tends to grow back. And this is what Airbnb tries to capture. It designs a distinctive experience through its accommodations, for their travelers. Since all individuals have different preferences, the company tries to find diverse accommodations to tend to their every need. As per a literature on hospitality, the representation of the consumer value is as follows: "the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given". As observed, every individual has different preferences. While some may value the reputation, some look for the restaurant reviews. More often than not, price is not one of the major deciding factors. Extrinsic attributes, for instance, review ratings and their frequencies tend to be more relevant and influential than intrinsic attributes like star ratings, as per various researches. Though, due to the psychological association of high price with high quality service, decreased prices might affect the positive outcome that the supplier hopes for.(Chan &Wong, 2006).

Two factors defined as trigger points and must haves influence the decision-making process, as also stated by Lockyer (2015). While 'trigger points' symbolize the reasons for choosing a particular accommodation, the 'must haves' characterize the chief features that shape the decision-making process. As per certain studies, it was noted that for men and for frequent customers, prior experience and hotel services had more credence than for the women and first-time users. It was also noted that the more educated the traveler, the more research was conducted by them before booking whereas for leisurely travels, recommendations held more weight (Chan & Wong, 2006). For Airbnb, the users were seen to rely more on the reviews that were shared on social media platforms or on "the strategic and operative management of brand related user generated content to achieve brand goals" (Burmann & Arnhold, 2009, p. 66).

The literature on hotel choice (Chu & Choi, 2000) describes numerous fundamental elements which are considered when making the choice for a hotel, for instance, location, and quality ofthe service, hygiene, price and security. The not so fundamental elements like check in/check out process, parking facilities, ease of online reservations, fitness facilities are also considered though are of less substance. However, the current trend shows that more travelers choose to stay at hotels that are environment friendly (Han, Hsu, and Sheu, 2010) but this is also opposed by Kim and Perdue (2013), where they state that the appealing features influences the choice more. In the modern world, with the excessive options available, the consumer evaluates them all and chooses the best according to him/her. In this case, the tourists, acting in a similar manner, try to opt for the best hotel in terms of location, convenience and price. Yet another parallel between them is the awareness, rationale and deliberateness in the process of decision making (Yang, Luo, & Law, 2014). The main competitive advantage in this industryis the spatial location which is also highly contemplated by not only the hotel managers but also the investors. The preferences and the expectations of the tourist are in direct proportion to the demand by the consumers for the location of the hotel. The preferences usuallyencompass aspects like closeness to the city centre, parking, accessibility and so on and so forth.

Customers usually prefer Airbnb or a similar style of accommodation as it is based on a rather enhanced and authentic experience than on the convenient features. Concurring with Mcintosh and Siggs (2005), the interaction with the hosts and the locals inclined to give moreof a personal experience thus giving them the homely sentiment. The lower prices also facilitate a user to opt for Airbnb.

As per Ajzen (1992), cognitive and affective components have an impact on the alternatives made for decisions regarding leisure. Infact, numerous researches show that emotional dynamics are of great consequence in making a decision. The information processing theory, which involves the three known stages of input, process and output is also the basis for the Tourist behaviour model as well (Sirakaya & Woodside, 2005). Levitt (1983) asserts that the income is directly proportional to homogenization of the decisions taken by a consumer. He also states that prefigured products with good quality and low cost are and will be a result of technology. However, de Mooij and Hofstede (2002)argue that income is directly proportional to the heterogeneity of the decisions taken by a consumer and that culture is the primary influence in decisions regarding a purchase. They, however, agree that technology will indeed

result in lower cost with higher customization. Depending on the diverse cultures existing, the predilection towards either the requisite and accustomed or the novel and emblematic leads to the convergence of Airbnb. (Mak, Lumbers, &Eves, 2012). When it comes down to the final evaluation of the accommodation, the factors range dynamically. Lastly, income does not seem to be a deciding factor implying that higher earning individuals also show a preference for Airbnb (Guttentag, 2017).

According to Woodside and Dubelaar (2002), "The central proposition of a theory of [tourism consumption systems] is that the thoughts, decisions, and behaviors regarding one activity influence the thoughts, decisions, and behaviors for a number of other activities" (p. 120), represents the theory of systems for tourism consumption. For instance, parents requiring more practical attributes for their kids would find an Airbnb more beneficial than a hotel. The length of the stay is also a determining factor for choosing Airbnb since it can consent to its guests staying longer than what was pre-planned and alternatively, tourists who have their length of stay defined for a lengthier time prefer Airbnb to book (Guttentag, 2016).After gaining all this literature knowledge, we will proceed to the empirical study.

RESEARCH METHODOLOGY

Research Objective:

The purpose of this study is to find out with the help of drivers and motivators the major psychological push that makes people participate in the sharing economy here, why they choose to stay with Airbnb and what convenience and experiential factors contribute to their behavior.

Research Hypothesis:

H_0: Access is the new ownership (Sharing economy model for Airbnb provides better experience than traditional models)

H_1: Access is not the new ownership (Sharing economy model for Airbnb does not provide better experience than traditional models)

Research Design & Sampling Plan

The research instrument used for this research thesis was to a self-administered online survey that was filled in by respondents who have previously stayed with Airbnb and those who haven't stayed before in Airbnb lodgings.

The sampling method was snowball sampling where respondents were reached through referrals. Similar surveys showcase information sources that provide data. The questions of the survey were designed to know the rising acceptance of the sharing economy with regards to Airbnb. In this case of Airbnb, the questions were asked through an online google form questionnaire, which engaged hundreds of responses.

Data Collection and Analysis:

As per Vogt's definition, snowball sampling can be simply defined as: "A technique for finding

research subjects. One subject gives the researcher the name of another subject, who in turn provides the name of a third, and so on." (Vogt, 1999). This method of sampling is representative of a non-probability sampling technique, characterized under two phases. The first phase is the step were based on the identification of potential targets of the population, we reach out to family and friends. The second step thereafter consists of asking those subjects to refer to other people as the factthat the sample for the study is limited to a specific subgroup of the population. Respondents were recruited on Facebook, through email and WhatsApp which turned to be effective in identifying social respondents from difficult to reach populations. The social media websites provided us with an enriched high-quality data that was also cost-effective and efficient to carry the research and reach conclusions. The survey questions included shortopen- ended questions, Likert scale rating and ranking methods and multiple-choice questions with options to choose from, with precisely five response categories (1. Strongly disagree, 2. Disagree, 3. Neutral, 4Agree, 5. Strongly agree).

Why do people prefer/do not prefer to stay with Airbnb?

The online surveys were developed using Google Docs platform and the questions. The first section of the survey focused on getting the demographic details of the respondents and see who is it (the target audience) that is using the sharing economy or being a participant in it. All the open-ended questions of the Airbnb survey were in focused upon the respondents stay experience with Airbnb and getting to know their idea of travel stay. They were asked about what came to their mind when they thought of Airbnb and how they would rate their type of accommodation and what was their idea of a local community experience. The subsequent section inquired into the respondents travelling interest and the last one in specific about Airbnb.

There were questions were about functional attributes, such as convenient location, access to hospitality services, homely feel and convenience along with experience. The questions also included community exposure, safety regards, authentic local experience, useful local information and importance of referrals while choosing a stay. The next questions emphasized on novelty and motives of participation: excitement, unique experience with different exposure at every community and trip and something both cost effective and worthwhile. The questions also covered areas of sustainability while being environmentally conscious and being a responsible individual while reducing the cons or negative impacts of travel on the environment support the local comnuty and build a more sustainable business model. The next multi choice question was.The questions in the survey also covered areas for non-travelers to check if they would see themselves be a participant in the coming years soon. The Likert scale questions covered questions why would an individual not participate in the sharing economy and their concerns for the same. The first few questions were about privacy, lifestyle, safety or lack of hospitality services.SPSS was used to study the impact of dependent variables (Motives, experience, benefits andconvenience) on the outcome.

Results:

<table>
<tr><th colspan="5">Table 1: Inter Correlations Among Items</th></tr>
<tr><th></th><th>Motivation</th><th>Convenience</th><th>Experience</th><th>Benefits</th></tr>
<tr><td>Motivation</td><td>1</td><td></td><td></td><td></td></tr>
<tr><td>Convenience</td><td>.519**</td><td>1</td><td></td><td></td></tr>
<tr><td>Experience</td><td>.678**</td><td>.250**</td><td>1</td><td></td></tr>
<tr><td>Benefits</td><td>.609**</td><td>.829**</td><td>.569**</td><td>1</td></tr>
<tr><td colspan="5">Note: N=120, ** P<0.01</td></tr>
</table>

<table>
<tr><th colspan="6">Table 2: ANOVA Results</th></tr>
<tr><th></th><th>Sum of Squares</th><th>df</th><th>Mean Square</th><th>F</th><th>Sig.</th></tr>
<tr><td>Regression</td><td>0.863</td><td>4</td><td>0.216</td><td>5.129</td><td>0.001</td></tr>
<tr><td>Residual</td><td>4.837</td><td>115</td><td>0.042</td><td></td><td></td></tr>
<tr><td>Total</td><td>5.7</td><td>119</td><td></td><td></td><td></td></tr>
</table>

Dependent Variable: Do you see yourself being a consumer in the sharing economy in the next two years

Predictors: (Constant), Benefits, Experience, Motivation, Convenience

<table>
<tr><th colspan="11">Table 3: Regression Results</th></tr>
<tr><th></th><th></th><th></th><th></th><th colspan="6">Change Statistics</th><th></th></tr>
<tr><th>R</th><th>R Square</th><th>Adjusted R Square</th><th>Std. Error of the Estimate</th><th>R Square Change</th><th>F Change</th><th>df1</th><th>df2</th><th>Sig. F Change</th><th>Durbin-Watson</th></tr>
<tr><td>1</td><td>0.348</td><td>0.122</td><td>0.205</td><td>0.151</td><td>5.129</td><td>4</td><td>115</td><td>0.001</td><td>1.954</td></tr>
<tr><td colspan="10">a. Predictors: (Constant), Benefits, Experience, Motivation, Convenience</td></tr>
<tr><td colspan="10">b. Dependent Variable: Do you see yourself being a consumer in the sharing economy in the next two years?</td></tr>
</table>

As per the regression model, r value is 58.9% which is close to 60%, so the variables are highly related and they explain the correlation between the variables i.e. Motivation, Experience, Convenience and Benefits.

Discussion and Summary of Results:

As per the survey, qualitative analysis and quantitative analysis, the impact of psychological theory of ownership stands valid for the sharing economy model with respect to Airbnb. We can positively conclude that access is the new ownership and the users are now moving to this model as compared to traditional model, with regard to accommodation, travel and other such platforms. Motives of price, quality of service, benefit of experience, convenience and the feeling of home away from home was a positive response from the respondents in the questions in the survey asked.

As per the regression model, r value is 58.9% which is close to 60%, so the variables are highly

related and they explain the correlation between the variables i.e Motivation, Experience, Convenience and Benefits. Alpha value is lesser than 0.05, which shows that the value is significant, so we accept the null hypothesis which shows access is the new ownership (Sharing economy model provides better experience than traditional models).

Sharing of the resources, as agreed to by 84 percent of the population is beneficial to the environment in ways that the traditional methods of consumption might not be.

When questioned specifically about the accommodation and experiential travelling space, causes to 43 percent of the respondents considered homestay as an option with close to 48 percent willing to experience it with the choice "somewhat agree".

Limitations

Even though the survey method is a relevant way to gauge understanding, it also is restricted by some limitations. They are as follows:

The research is restricted to a constrained population clustered majorly at an ae group which might not be relevant to all the other age groups or to people who are not from the modern urban landscape. Which means that despite the questions being good they are addressed to a restrictive segment? One way to avoid it is by undertaking a random sampling method, which means that from the market segment, only a relevant sample will be questioned.

The research might also be represented by response bias which means that respondents might have chosen the answers they think the researcher wants to hear in order to appear coherent in the decision-making process. Which is why, the individual response might not reveal people's real preferences.

Conclusion:

As per the survey, qualitative analysis and quantitative analysis, the impact of psychological theory of ownership stands valid for the sharing economy model with respect to Airbnb. We can positively conclude that access is the new ownership and the users are now moving to this model as compared to traditional model, with regard to accommodation, travel and other such platforms. Motives of price, quality of service, benefit of experience, convenience and the feeling of home away from home was a positive response from the respondents in the questions in the survey asked.

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