



Airbnb: Why Tourists Choose It and How They Use It

What is the issue?

Every night, hundreds of thousands of tourists choose not to stay in a traditional tourism accommodation establishment (hotel, B&B, etc.), but rather pay to stay in the residence of a stranger, arranged online via the company Airbnb. However, little is known regarding what the motivations are underpinning such decisions, or whether there are different segments of Airbnb users exhibiting similar motivation patterns. Likewise, little is known regarding the degree to which Airbnb guests use the service as a substitute for existing accommodations. This research, based on an online survey of recent Airbnb guests, examined key motivations of choosing Airbnb and identified several motivation-based market segments.

What did the researcher do?

The researcher conducted an online survey of people who had used Airbnb within the previous year. The survey was conducted from July to October 2015. A total of 844 respondents were included in the final sample. The research was supported by the Social Sciences and Humanities Research Council of Canada. The research involved respondents rating the extent to which they agreed with different motivations for choosing Airbnb. These motivations were then grouped into underlying factors using an exploratory factor analysis. Subsequently, the respondents were divided into motivation-based market segments via cluster analysis.

What were the outcomes?

Airbnb guests tend to be most attracted by the service's practical appeals (e.g., low cost, convenient location, and household amenities), whereas the experiential side of the service (e.g., authenticity, interaction with

locals, and novelty) is generally perceived as secondary.

The research identified five segments of Airbnb guests – called *Money savers*, *Home seekers*, *Collaborative consumers*, *Pragmatic novelty seekers*, and *Interactive novelty seekers* – with each exhibiting a different pattern of motivations for using Airbnb.

Most Airbnb guests use the service as a substitute for budget and mid-range hotels.

Why is this research Useful?

Airbnb and its hosts can use this research to better understand their customers, and to design marketing strategies accordingly. Likewise, Airbnb has rapidly emerged as a significant new competitor to traditional accommodations, which can use this research to better understand why Airbnb guests choose the service and the extent to which they choose it as a direct substitute for an existing accommodation option. This knowledge will permit existing accommodations to respond more effectively to the new competition Airbnb poses.

About the Researcher

Dr. Daniel Guttentag is an Assistant Professor at the Ted Rogers School of Hospitality and Tourism Management. His research focuses on Airbnb consumer behaviour and policy questions.

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