Summer 5-20-2016

Why tourists choose Airbnb: A motivation-based segmentation study underpinned by innovation concepts

Daniel Guttentag
University of Waterloo, dguttent@uwaterloo.ca

Follow this and additional works at: https://scholarworks.umass.edu/ttracanada_2016_conference

Part of the Tourism and Travel Commons

Retrieved from https://scholarworks.umass.edu/ttracanada_2016_conference/27

This Refereed academic paper for presentation is brought to you for free and open access by the TTRA Canada at ScholarWorks@UMass Amherst. It has been accepted for inclusion in TTRA Canada 2016 Conference by an authorized administrator of ScholarWorks@UMass Amherst. For more information, please contact scholarworks@library.umass.edu.
Why tourists choose Airbnb:  
A motivation-based segmentation study underpinned by innovation concepts

Introduction
Every single night, hundreds of thousands of tourists elect not to stay in a traditional tourism accommodation establishment, like a hotel, but rather pay to stay in the residence of a stranger, found online through the company Airbnb. Airbnb is an online platform through which ordinary people rent out their spaces as accommodation for tourists. Established in 2008, Airbnb has grown very quickly over the past several years, such that it is now frequently discussed in terms of its existing or future impacts on the traditional accommodation industry.

Due to its recent emergence, very few researchers have explored the important question of why so many tourists use Airbnb. Therefore, the purpose of this study was to investigate why tourists choose to stay in Airbnb accommodations. The study focused on exploring the pull motivations that draw tourists to Airbnb, segmenting Airbnb users in accordance with such motivations, and then profiling the resultant segments.

Literature
Previous research into motivations to use Airbnb has been undertaken by Lamb (2011), Quinby and Gasdia (2014), Guttentag (2015), Nowak et al. (2015), Tussyadiah (2015), Tussyadiah and Pesonen (2015). However, this research is all characterized by various limitations. For example, several of the studies examine the use of all peer-to-peer short-term rentals, rather than Airbnb specifically, but the peer-to-peer short-term rental market is quite diverse so motivations may differ between different services. Moreover, these studies have portrayed Airbnb guests as forming a single, homogeneous group, and thereby failed to consider the possibility that, like many other consumer populations, Airbnb users can be divided into meaningful market segments based on their motivations for choosing the service.

This research was underpinned by concepts associated with disruptive innovation and the diffusion of innovations. Disruptive innovation describes a process through which new products, which underperform in comparison with existing products’ key attributes, encroach upon a market by introducing an alternative package of benefits generally centred around being cheaper, simpler, smaller and/or more convenient (Christensen, 1997; Christensen & Raynor, 2003). This framework provides a natural lens through which to view the rise of Airbnb, as traditional accommodations seemingly outperform Airbnb in many key areas, but Airbnb tends to be cheaper and offer some additional alternative benefits (Guttentag, 2015). The diffusion of innovations is a broad field examining topics related to how and why innovations spread and are adopted. Most relevant for this study, the diffusion of innovations literature has shown that an innovation’s “relative advantage” and its “compatibility” with adopters directly influence its adoption (Rogers, 2003). In addition to these two innovation concepts, this study also draws on topics and concepts including accommodation choice (e.g., Dolnicar & Otter, 2003), tourist authenticity (e.g., MacCannell, 1973), and the sharing economy (e.g., Botsman & Rogers, 2010).

Method
The research instrument used for this study was a ten-minute online survey that was completed by tourists who had stayed in an Airbnb accommodation during the previous year. Respondents were recruited through various online sampling frames, with most of the final sample coming from Facebook and Mechanical Turk. Over 900 completed surveys were received. The analysis
involved an exploratory factor analysis that revealed relationships between the motivational items considered, followed by a cluster analysis that divided the respondents into distinct market segments. A variety of other descriptive and inferential statistics were subsequently used to profile the segments.

Findings/Results
The survey included 17 different motivational items related to the choice to use Airbnb, and the exploratory factor analysis grouped them into five factors – Interaction, Home benefits, Novelty, Sharing economy ethos, and Local authenticity – with two additional important items (‘low cost’ and ‘location convenience’) excluded due to a lack of inter-item correlations. Looking at the aggregate levels of agreement with the different motivations, respondents indicated that they were most strongly attracted to Airbnb by its practical attributes, and somewhat less so by its experiential attributes. The subsequent cluster analysis divided the respondents into five segments – Money savers, Home seekers, Collaborative consumers, Pragmatic novelty seekers, and Interactive novelty seekers – based on their relative levels of agreement with the different motivations. Numerous significant differences were detected when profiling the different segments; for example, compared to the other segments, the Home seekers tended to be older, have more Airbnb experience, be on a longer trip, and be in a larger travel party.

Conclusion
The findings have numerous practical and conceptual implications. In particular, the primary importance of Airbnb’s practical benefits, compared to the secondary importance of its experiential benefits, provides important insight into the consumer motivations of Airbnb guests and sharing economy participants more broadly. An understanding of these motivations is important not just for Airbnb and other peer-to-peer short-term rental services, but also for traditional accommodation firms that compete with Airbnb. Indeed, the hierarchy of motivations detected is inconsistent with Airbnb’s current marketing practices, which tend to focus on the experiential side of the service. The motivational characteristics and more general profiles of the five segments additionally provide direct marketing implications for Airbnb, its hosts, and traditional accommodations. For example, Collaborative consumers appear to represent a segment that hotels may struggle to attract and which is not especially likely to use a hotel anyways, whereas Home seekers are quite likely to have otherwise used a hotel but desire hospitality features that will require future innovation on the part of traditional accommodations.
References


