Expanding the Profile of Short Term Vacation Rental (STVR) Hosts in Savannah, GA

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Introduction

The short term vacation rental (STVR) market place, has received attention over the past few years not only because of its exponential growth (Smolka & Hienerth, 2014), but also because of its environmental impacts (Leismann, Schmitt, Rohn, & Baedeker, 2013), economic impacts (Zervas, Proserpio, & Byers, 2014) and social impacts (Dawers, 2017) on communities in which it exists. The nature and extent of these impacts might be best understood through a triple bottom line approach, which simultaneously considers the environmental, economic, and social impacts of a given activity (Elkington, 2004; Dwyer, 2005). Palgan, Zvolska, & Mont (2016) previously integrated this framework into their investigation of STVR impacts; however, their work focuses on STVR platform users’ and operators’ alignment with this framework. Research suggests that comprehensive stakeholder input is vital to understanding tourism impacts (Bramwell & Sharman, 1999; Cole, 2006; Hunter, 1997; Sharpley, 2000). Of particular importance is the residential stakeholder whose perceptions of tourism have long been linked to its success (Ap, 1992; Belisle & Hoy, 1980; Nunkoo & Gursoy, 2012). Research into residents’ attitudes towards STVRs is nascent, but has already revealed that residents’ might think about STVR impacts in this way as well (Jordan & Moore, 2017). In Palgan et al.’s (2016) and Jordan and Moore’s (2017) research, the STVR operator is distinguished as a stakeholder different from the residential community stakeholder. These STVR operators are both residents and member of the tourism industry inviting tourists into the neighborhood. This results in residential identities that are fluid and comprised of many roles (Huh & Vogt, 2008). With this fluidity in mind, a literature review is presented that outlines multiple research angles being employed to understand the complex identity of the STVR host. Hosts are first considered in their role as entrepreneurs. Their role as residents’ within the communities that they operate is then examined. Finally, hosts’ potential role as sustainable entrepreneurs is explored through their experiences as both entrepreneurs and residents of their communities.

Literature Review

Research Angle 1: STVR Hosts as Entrepreneurs

Entrepreneurs are seen as innovators in their communities (Greenfield & Strickon, 1981) and their increased agency in local supply chains are thought to benefit communities through their increased use and valuation of local cultural and natural resources (Kokkranikal & Morrison, 2002; Morais et al., 2012; Morrison, 2016). Moreover, entrepreneurs are thought as important contributors to economic growth (Kokkranikal & Morrison, 2002; Lordkipanidze et al., 2005; Wennekers & Thurik, 1999). Their identity has long been shaped by their image as institutional rule-breakers driven by their recognition and exploitation of a market failure and a desire to better their own condition (Elert & Henrekson, 2016; Schumpeter, 1935; Zhang et al., 2009). STVR hosts fit this description of the entrepreneur by their commodification of their homes to provide affordable and/or authentic lodging experiences that guests might not find elsewhere in the marketplace (Pentescu, 2016). Increasing research on host participation in shared lodging and the general activity of collaborative consumption reveals a consistent trend of economic motivations (Bock, Zmud, Kim, & Lee, 2005; Dubois, 2015; Hamari, Sjöklint, & Ukkonen, 2015; Ikkala &
Lampinen, 2015; Kankanhalli, Tan, & Wei, 2005; Van der Heijden, 2004; Wasko & Faraj, 2005). These mirror the economic motivations identified in the entrepreneurship literature (Elert & Henrekson, 2016; Schumpeter, 1935; Wakkee & Van Der Veen, 2012).

Researchers have also pointed to intrinsic motivations of entrepreneurial pursuits (KC, 2015; McGehee, 2007) that rank high on importance for entrepreneurs such as independence and role modeling (Carter, Gartner, Shaver, & Gatewood, 2003) and educating the public about the activity at hand (in the case of STVRs, one’s neighborhood and home) (McGehee, 2002; Nickerson & Kerr, 2001). McGehee (2007) offers Weber’s Theory of Formal and Substantive Rationality as a balanced approach towards simultaneously considering these extrinsic and intrinsic motivations for entrepreneurship. Formal (extrinsic) motivations for participation in the sharing economy and specifically shared lodging are well documented (Giesler & Pohlmann, 2003; Belk, 2010; Rogers & Botsman, 2010; Lamberton & Rose, 2012; Schor & Fitzmaurice, 2015; Tussyadiah, 2015) and include reasons such as loss of primary income and the ability to save money with extra income (Hamari et al., 2015; Schor & Fitzmaurice, 2015). Substantive (intrinsic) motivations for participation have also been discovered such as trust and reputation (Lamberton & Rose, 2012; Rogers & Botsman, 2010; Schor & Fitzmaurice, 2015; Tussyadiah, 2015) and the desire to belong to a community (Giesler & Pohlmann, 2003).

Bellotti et al. (2015) provide us with the first attempt to simultaneously consider these extrinsic and intrinsic motivations for participation in online sharing economy platforms using a combination of Maslow’s hierarchy of needs (Maslow, 1943; Maslow, Frager, Fadiman, McReynolds, & Cox, 1970); The Theory of Planned Behavior (Ajzen, 1985); Self Determination Theory (Deci & Ryan, 2010); Reciprocal Altruism (Trivers, 1971); and Social Exchange Theory (Emerson, 1976). Bellotti et al.’s (2015) use of Maslow’s Hierarchy of Needs implies that formal motivations must be met before substantive ones are formed, however, this is not the chronology of all entrepreneurial enterprises. Cases have been noted where businesses begin with social or cultural motivations (substantive rationality) and evolve into a secondary or primary income for participants (formal rationality) (Busby, 2003). The application of WTFSR to Belloti et al.’s framework in this study bypasses the chronological assumption in motivation creation posed by Maslow’ Hierarchy of Needs but also supports Belloti et al.’s (2015) proposed range of extrinsic and intrinsic motivations for participation. Through the addition of the WTFSR to Belloti et al.’s framework, a comprehensive range of intrinsic and extrinsic motivations emerge to compare to Savannah hosts’ motivations for participation.

**Research Angle 2: STVR Hosts as Residents**

While motivations for participation are an important aspect to better understanding STVR hosts, Casson and Giusta (2007) recognize the individuality of the entrepreneurial journey, which is highly contextualized since there are a diverse set of socio-cultural elements that exist in the landscape of every community (Burt, 2000; Hoskisson, Covin, Volberda, & Johnson, 2011; Ulhøi, 2005). One particularly important socio-cultural element is social networks that can provide the support needed to pursue entrepreneurial ventures (Casson and Giusta, 2007) but can also help residents exercise social resilience to maximize the benefits of disruptions in their communities such as STVRs (Holladay & Powell, 2013). Social resilience depends upon social learning – the ability for residents to build knowledge through “communal” activities such as conflict resolution...
or imitation of values and norms of the system. These communal activities require networks of individuals that are built on trust, communication and equity between stakeholders. If STVR hosts are also residents, it stands to reason that they might possess individualized social networks within their community that contribute to its degree of social learning to deal with STVR development. The ability to build these networks can be understood through a resident’s sense of community (SOC) which is determined by how one relates to others in a community and the quality of those relationships (Durkheim, 1893; Gusfield, 1975). SOC is built upon four tenants: membership; influence; integration and fulfillment of needs; and shared emotional commitment (McMillan & Chavis, 1986). An assessment of hosts’ sense of community informs overall purpose of understanding their role as residents in the communities in which they operate.

McMillan and Chavis (1986) indicate that perceived belonging to a community is directly related to one’s investment in it. While exploring STVR hosts’ sense of belonging and investment in their neighborhoods, it is important to consider that communities are not always physically bound and can occur across many places and can even be ideological in nature (Massey, 2010). For instance, STVR companies such as Airbnb attempt to foster a sense of community among hosts through “Airbnb Open”, an annual host convention that connects hosts, provides workshops and celebrations for attendees (Airbnb, 2016). With this in mind, this study explores hosts’ sense of belonging not only to their neighborhoods, but also other potential communities that they might identify with as part of their larger assessment of their perceived sense of community through the lens of the resident identity.

Influence is defined by participation in voluntary associations or governmental groups which ultimately buys more “ownership” of the community (McMillan & Chavis, 1986). Savannah contains many civic organizations such as historic preservation societies and neighborhood associations in which hosts might participate. These potential nodes of influence are of particular interest when examining motivations for participation and perceived impacts of STVRs as these hosts could hold an influential position on future STVR growth.

Integration and fulfillment is thought to be a function of the extent to which one believes their fellow community members share the same values (McMillan & Chavis, 1986). Through coverage of STVR regulatory activities, Savannah media has presented a polarization of values and interests between residents and STVR hosts (Curl, 2016). However, it is not clear whether hosts perceive this polarization at the individual street level, nor how these perceptions might differ by district. Therefore, this study aims to examine hosts’ perceptions of their neighbors’ feelings towards STVRs and whether STVRs align with the neighborhood’s norms and values.

The emotional closeness affecting a resident’s SOC is thought to be created through frequency and quality of interactions between community members (Ahlbrandt & Cunningham, 1979; McMillan & Chavis, 1986). STVR hosts’ residential status can vary greatly from second or multiple home ownership to owner-occupied thereby creating a range of frequency and quality of interactions that they may have with their neighbors. Before the most recent installment of STVR regulations in Savannah, an owner-occupied provision was considered a priority issue in addressing STVR growth management (City of Savannah, 2016). The presence of STVR owners on premise of their listings was thought by some as vital to maintaining neighborhoods’ sense of community. Enforcement of this provision proved tricky in that the length of residency, relationships with neighbors and frequency of visits to listings varied tremendously across hosts. This study intends to fill this gap of the host profile in order to potentially inform future STVR growth conversations and regulations within Savannah.
Through an evaluation of hosts’ perceived SOC, it is possible to assess STVR hosts’ role in their community’s ability for social learning and ultimately its capacity for social resilience in the face of changes incurred by STVR development.

**Research Angle 3: STVR Hosts as Sustainable Entrepreneurs**

Through the dual identity of STVR hosts as entrepreneurs and residents, this research explores STVR hosts’ perceived effects, if any, of STVRs on their community and the subsequent impacts of these perceptions on hosts’ behavioral intentions. These intentions include motivations for continued participation as hosts and their interest in implementing individual changes to their listings to minimize their impacts on the community. These behavioral intentions are considered as values that affect STVR hosts’ future activities in their venture, thus creating another potential identity for hosts – the sustainable entrepreneur (Schaltegger & Wagner, 2011). Sustainable entrepreneurship finds roots in both social and institutional entrepreneurship literature. Social entrepreneurship literature describes social enterprises as those that seek equitable distribution of resources over social and economic gain (Ridley-Duff, 2008). Institutional entrepreneurship intends to change traditional market or institutional conditions (Battilana, Leca, & Boxenbaum, 2009; Ostrom, 1990; Seo & Creed, 2002). Through these two definitions, sustainable entrepreneurs are defined by strong environmental and social values that affect all aspects of their ventures (Schaltegger & Wagner, 2011). Previous research has investigated the influence of hosts’ perceived environmental sustainability on their intention for continued participation (Hamari & Skiljinto, 2015; Belloti et al., 2015). This study expands the line of inquiry to include hosts’ perceived social and economic sustainability of STVRs. Additionally, it aims to discover hosts’ potential intentions to implement tangible updates to their listings that might benefit their community i.e. reducing their number of listings in a given area or installing solar panels on their roof to reduce energy consumption during the hot summer months.

The potential for sustainable entrepreneurship through STVR hosts is important considering the entrepreneur’s role as an innovator in how people, ideas, and money converge into networks of value creation (Schaltegger & Wagner, 2011). As sharing economy sectors such as STVRs become more mainstream, the STVR host entrepreneur has the opportunity to step into the role of a “sustainable entrepreneur” that can bridge the gap between not only market and environmental progress (Schaltegger & Wagner, 2011) but also social and economic progress in their communities.

**Methods**

STVR hosts were solicited and verified through identification of STVRs on shared lodging platforms (e.g. Airnbnb) (Dubois, 2015) and crosschecked with Savannah’s Tourism Management and Ambassadorship Department’s (TMAD) STVR map available to the public (City of Savannah, 2017). This research attempted to identify a sample of STVR hosts proportionate to the density of STVR permits in each zone. Participants were contacted via STVR platforms (Dubois, 2015) and snowball sampling (Babbie, 2013). These three sampled districts are currently the only areas in Savannah that are zoned for STVRs. At the time of sampling, there were a total of 585 registered STVRs in Savannah including: 76% in the Historic District, 22% in the Victorian District, and 2% in the Mid-City District. Interviews lasted 60 to 90 minutes and occurred at a location and time...
convenient for hosts. Upon agreement from participants, a total of 25 interviews were recorded with a digital recorder with one unrecorded. Hosts were also given the option for a phone, Skype, or Facebook Video interview if they were not able to meet in person (Moylan, Derr, & Lindhorst, 2015).

Analysis

Interviews were transcribed through Express Scribe. The qualitative data analysis software (QDAS) Atlas.ti.7 for Mac (atlas.ti, 2016) will aid data analysis by way of creating memos, a codebook, and mapping connections between themes. QDAS has been chosen for analysis, because of the volume of data collected and because of the transparency it affords through the ability for digital dissemination of any set of analyses (Zhao, Li, Ross, & Dennis, 2016).

Deductive qualitative analysis (DQA) (Gilgun, 2010) will be used to guide coding and interpretation of the interview data and is expected to be completed by February and reported on at the Annual TTRA conference in Miami, FL.

Preliminary & Expected Results

A total of 26 interviews were conducted with a total of 27 respondents because one couple host in a listing together. Interviewees varied in terms of District, hosting versus managing STVRs, owner-occupied status, residential status, length of residency, age and gender (Table 1).

Table 1. Demographics of STVR host interviewees.

<table>
<thead>
<tr>
<th>District</th>
<th>Host or Manager?</th>
<th>Host or Manage Owner-Occupied Listing</th>
<th>Live in Town?</th>
<th>Length of Residency</th>
<th>Age</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>H:</td>
<td>Hosts: 22</td>
<td>Yes: 11</td>
<td>Yes: 23</td>
<td>Range: 2 mos to 30 yrs</td>
<td>18-24: 3 respondents</td>
<td>F: 19 respondents</td>
</tr>
<tr>
<td></td>
<td>13 respondents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V:</td>
<td>Managers 2</td>
<td>No: 13</td>
<td>No: 3</td>
<td>Avg: 6.75 yrs</td>
<td>25-44: 8 respondents</td>
<td>M: 8 respondents</td>
</tr>
<tr>
<td></td>
<td>9 respondents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M:</td>
<td>Both: 2</td>
<td>Both (multiple properties): 2</td>
<td></td>
<td></td>
<td>44-64: 13 respondents</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 respondents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>No Zone:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>65+: 2 respondents</td>
<td></td>
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<tr>
<td>1 respondent</td>
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</table>

Note: Ages were categorized according to the 2010 Census age categories (U.S. Census Bureau, 2018).
Preliminary results reveal that for most participants, extrinsic motivations are the catalyst for hosting but intrinsic benefits become integral to the enjoyment of hosting and an important motivator for continued participation. The chronological development of motivations differed between respondents who were sixty-five and over and those that were in the range of forty-four to sixty-five years old. The former explained their participation as a desire to meet new people whereas the latter were often very reliant upon STVR income and often owned multiple properties.

In terms of residential sense of community, most hosts identified with their neighborhood and expressed specific traits that attracted them to that part of Savannah with the exception of one participant who was a tenant, rather than an owner of their STVR listing. Most hosts participated across a variety of civic organizations i.e. neighborhood associations or hobby-specific groups creating opportunities of “influence” in their communities. The results are mixed in terms of whether hosts’ neighbors like or agree with STVRs in their neighborhood. Some owner-occupied hosts have refrained from any conversations about it with their neighbors to avoid neighbor hostility. Whereas many non-owners-occupied hosts describe peaceful understanding with neighbors after transparent conversations with neighbors and prudent management of property aesthetics and guests. Lastly, the emotional commitment through host-neighbor interactions vary greatly. Several non-owner-occupied hosts describe attempts to be neighborly such as frequently checking on properties, taking neighbors trash out to the curb or giving their personal cell phone number to neighbors in case of emergency. Some owner-occupied hosts lament the loss of neighbors on their own street due to STVRs but find difficulty in faulting the tradeoff of the new well-maintained STVR properties on their street that increase curb appeal and neighboring property values.

Conclusions

Greenfield (1981) points out that there are actually very few times that an entrepreneurial innovation gains mainstream popularity. But, when they do, they “may change the population-environment interaction so as to result in massive far-reaching changes [in behaviors]” (p. 498). In the case of STVRs, hosts could play a pivotal part in maximizing the benefits and minimizing the costs of the STVR population on the community environments in which they exist. This study posits that their other role as residents equips them with intimate knowledge of the community and primes them for managing the potential positive and negative impacts from STVRs. Moreover, hosts’ affiliation with the residential identity might induce altruistic characteristics of a sustainable entrepreneur who is willing to maintain a socially, environmentally, and economically mutually beneficial venture structure between themselves and their community.

References


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