

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](mailto:dguttent@uwaterloo.ca)

Follow this and additional works at: [https://scholarworks.umass.edu/ttracanada\\_2016\\_conference](https://scholarworks.umass.edu/ttracanada_2016_conference)



Part of the [Tourism and Travel Commons](#)

---

Guttentag, Daniel, "Why tourists choose Airbnb: A motivation-based segmentation study underpinned by innovation concepts" (2016). *2016 Conference*. 27.

Retrieved from [https://scholarworks.umass.edu/ttracanada\\_2016\\_conference/27](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 2016 Conference by an authorized administrator of ScholarWorks@UMass Amherst. For more information, please contact [scholarworks@library.umass.edu](mailto: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

- Botsman, R., & Rogers, R. (2010). *What's mine is yours: The rise of collaborative consumption*. New York, NY: Harper Business.
- Christensen, C. M. (1997). *The innovator's dilemma: When new technologies cause great firms to fail*. Boston, MA: Harvard Business School Press.
- Christensen, C. M., & Raynor, M. E. (2003). *The innovator's solution: Creating and sustaining successful growth*. Boston, MA: Harvard Business School Press.
- Dolnicar, S., & Otter, T. (2003). Which hotel attributes matter? A review of previous and a framework for future research. In T. Griffin & R. Harris (Eds.), *Proceedings of the 9th Annual Conference of the Asia Pacific Tourism Association (APTA)* (pp. 176-188.), University of Technology Sydney, Australia.
- Guttentag, D. (2015). Airbnb: Disruptive innovation and the rise of an informal tourism accommodation sector. *Current Issues in Tourism*, 18(12), 1192-1217.
- Lamb, Z. (2011). *Rethinking authenticity in tourist experience: Analyzing the motivations of travelers in person-to-person hospitality networks*. Master's thesis, The University of Chicago, Chicago, IL.
- MacCannell, D. (1973). Staged authenticity: Arrangements of social space in tourist settings. *American Journal of Sociology*, 79(3), 589-603.
- Nowak, B., Allen, T., Rollo, J., Lewis, V., He, L., Chen, A., Wilson, W. N., Costantini, M., Hyde, O., Liu, K., Savino, M., Chaudhry, B. A., Grube, A. M., Young, E. (2015). Global insight: Who will Airbnb hurt more - hotels or OTAs?. *Morgan Stanley Research*. Retrieved from [http://linkback.morganstanley.com/web/sendlink/webapp/f/9If3j168-3pcc-g01h-b8bf-005056013100?store=0&d=UwBSZXNIYXJjaF9NUwBiNjVjYzAyNi04NGQ2LTExZTUyYjFlMi03YzhmYTAzZWU4ZjQ%3D&user=bdivpwh9kcvqs-49&\\_\\_gda\\_\\_=1573813969\\_cf5a3761794d8651f8618fc7a544cb82](http://linkback.morganstanley.com/web/sendlink/webapp/f/9If3j168-3pcc-g01h-b8bf-005056013100?store=0&d=UwBSZXNIYXJjaF9NUwBiNjVjYzAyNi04NGQ2LTExZTUyYjFlMi03YzhmYTAzZWU4ZjQ%3D&user=bdivpwh9kcvqs-49&__gda__=1573813969_cf5a3761794d8651f8618fc7a544cb82).
- Quinby, D., & Gasdia, M. (2014). Share this! Private accommodation & the rise of the new gen renter. *Phocuswright*. Retrieved from <http://www.phocuswright.com/Travel-Research/Consumer-Trends/Share-This-Private-Accommodation-the-Rise-of-the-New-Gen-Renter>.
- Tussyadiah, I. (2015). An exploratory study on drivers and deterrents of collaborative consumption in travel. In Tussyadiah, I. & Inversini, A. (Eds.), *Information & Communication Technologies in Tourism 2015* (pp. 817-830). Switzerland: Springer International Publishing.
- Tussyadiah, I., & Pesonen, J. (2015). Impacts of peer-to-peer accommodation use on travel patterns. *Journal of Travel Research*. Published online October 12, 2015.
- Rogers, E. M. (2003). *Diffusion of innovations* (5<sup>th</sup> ed.). New York, NY: Free Press.