

Platform Economies and Tourism

A case-study of Airbnb

Università degli Studi di Trieste - Dipartimento di Studi Umanistici
Geografia del Turismo
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Dr. Maartje Roelofsen
Universitat Oberta de Catalunya, Barcelona, Spain



airbnb

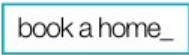
average market share of 80 %–95% in European cities



Booking.com



9flats.com



Pre-Internet

<i>Servas</i>	1949
<i>Hospitality Exchange/Hospex</i>	1960
<i>Friendship Force International</i>	1977
<i>Pasporta Servo</i>	1979
<i>WomenWelcomeWomen</i>	1984
<i>LGHEI</i>	1991
<i>The Affordable Travel Club</i>	1992
<i>WarmShowers</i>	1993



Online Experiences

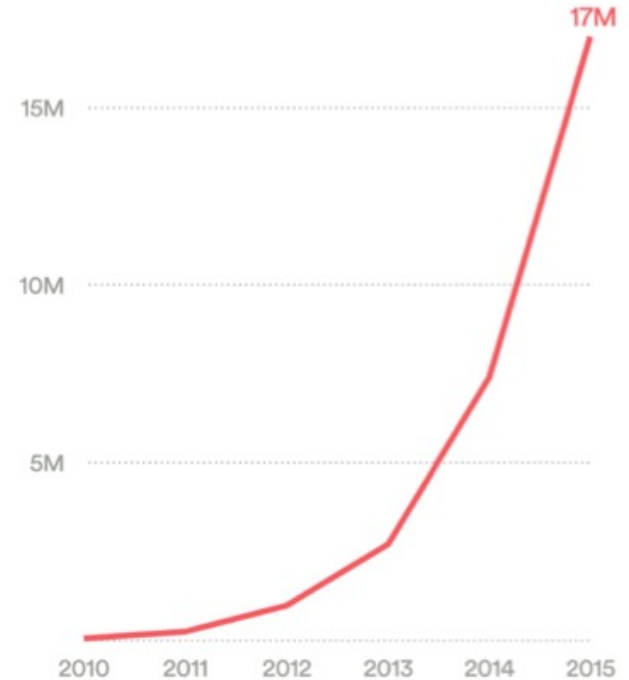
Join unique interactive activities led by one-of-a-kind hosts—all without leaving home.



Airbnb Travel Stats

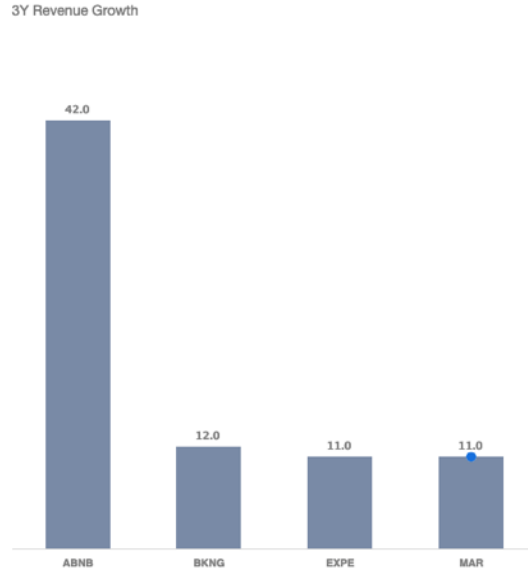
- 📁 founded in 2008
- 📁 summer 2010 approx. 47,000 guests
- 📁 summer 2015 approx. 17 million guests
- 📁 2015 approx. 55 million stays
- 📁 2019: 500 million guest arrivals (since 2008)
- 📁 2019: 2 million+ people staying on Airbnb per night on average
- 📁 2019: 7 million listings in over 100,000 cities
- 📁 **2021: 6 million listings in over 100,000 cities**
- 📁 **1 billion guest arrivals since 2008**

“Summer travel on Airbnb has grown
353 times over”



NASDAQ April 2021:

- ▶ Airbnb currently valued at over \$113 billion (compared to \$31bn in 2017 – still more than the Hilton and Marriott international hotel chains at the time).
- ▶ Airbnb's revenue grew at an average rate of 42% over the last 3 years prior to the pandemic, compared to 12% for Booking, 11% for Expedia, and 11% for Marriott.



Source: NASDAQ and Trefis.com

critique to commodification of places and cultures
critique to mass-tourism

A booming form of tourism and hospitality that speaks to the demands of the “post-tourist,” a figure on a quest for more meaningful travel experiences in everyday and homely environments produced and/or evaluated by peers

(Feifer 1985; Richards 2017)



Modern Man's [sic] alienation of his own life has led him to search for "reality" and "authenticity" in the purer and simpler lifestyle of other cultures

(MacCannell 2013 [1976])



"Alternative tourism speaks to a growing desire among tourists to have more authentic, individualized, and intimate embodied experiences with the people and places they visit"

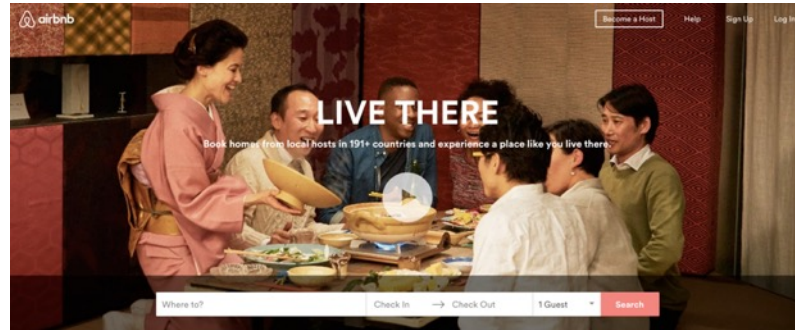
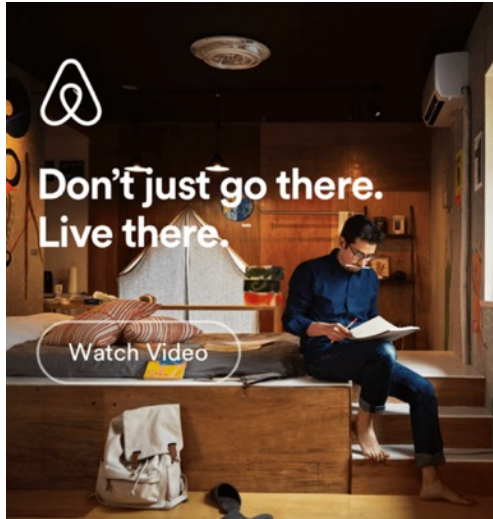
(Molz 2013, 212)



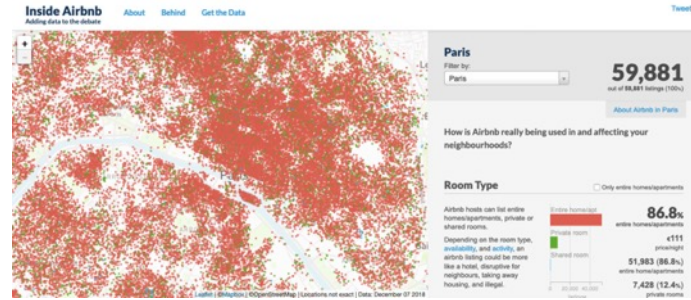
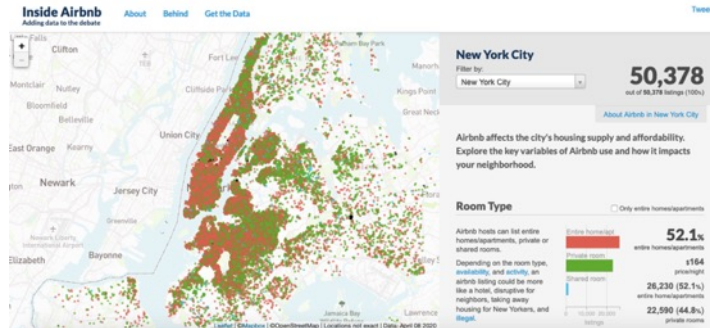
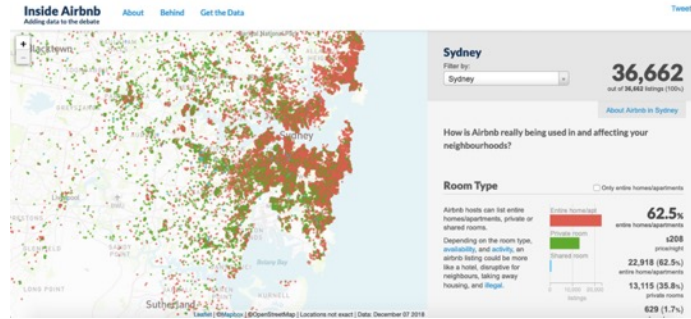
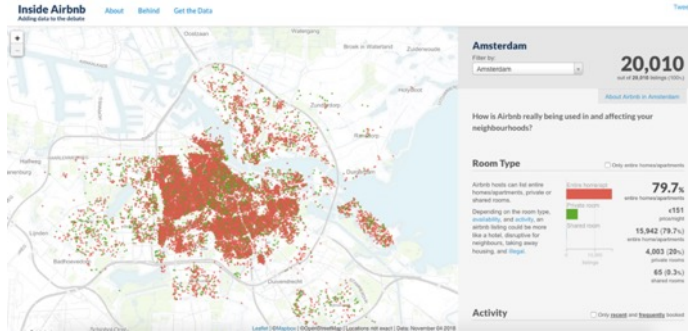
“the paradox of showing things that were never meant to be displayed, ‘exhibitions’ whether of objects or people, display of artefacts”

Barbara Kirschenblatt-Gimblett (1998: 2)





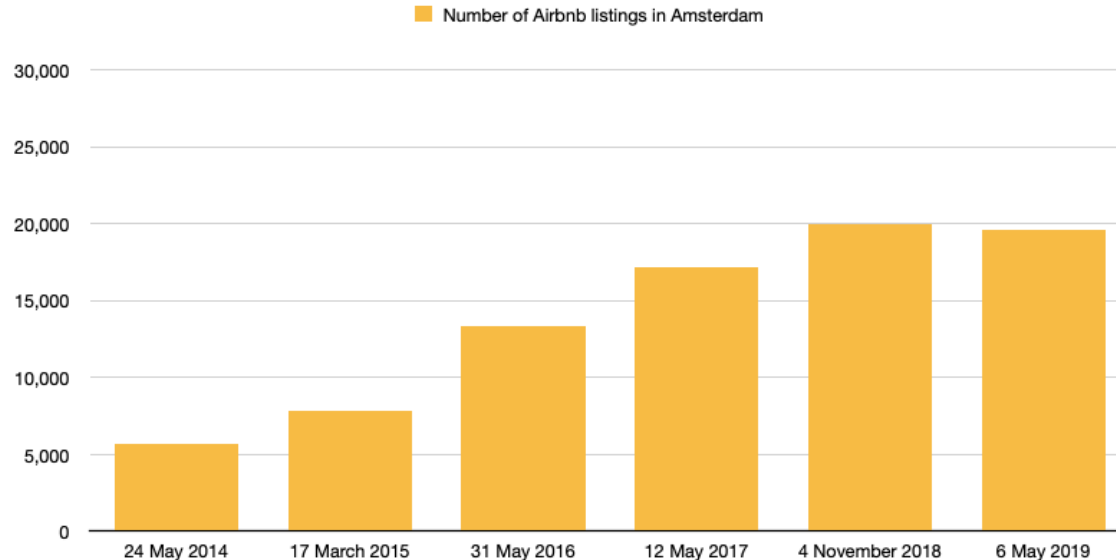
Increased Popularity of Short-term Rental Platforms in Cities



Increased Popularity of Short-term Rental Platforms in Cities

Airbnb listings - Amsterdam Survey dates

2014 May 24 (5645 listings) **➔** 2018 November 4 (20.010 listings)



Airbnb Controversies

Different types of externalities:

- Anti-social behaviour (noise, disruption) by tourists
- Impact on local milieu
- Public health, safety, fire risk
- Impact on local services and tax revenue
- Impact on tourism industry (unfair competition)
- Impact on housing availability and affordability (tourism gentrification)

The impacts of platforms like Airbnb will differ according to:

- local neighbourhood
 - housing market contexts
 - the type of home sharing arrangement offered (i.e. (shared) rooms or entire homes))
 - local political climate and measures taken
-

Airbnb Controversies

Tourism Gentrification

a process by which certain urban areas, including residential housing, amenities and services have been re-developed and re-purposed to attract, entertain and accommodate short-term visitors and middle-class consumers at the expense of lower-income residents.

Cocola-Gant 2020



Airbnb Controversies

Professionalization

Airbnb has become a powerful enabler of new business opportunities for: real estate investors, tourist companies, property managers, landlords and other professional actors

Renting accommodation to tourists is considered more lucrative than renting out to long-term tenants:

- higher (untaxed) income
- tourists pay in advance
- short-term contracts (no long-term commitments)
- possibility of 'rating' guests, incentivizing proper behavior

Cocola-Gant 2020; Bosma 2021



Airbnb Controversies

What does the Airbnb accommodation supply look like around the world?

- a large majority of Airbnb listings (**more than 70%**) concern **entire homes** such as apartments, houses, bungalows etc. rather than rooms
- more than 50% of the listings are **owned by people who have multiple listings on the platform**
- a small percentage of listings concern private or shared rooms within a host's home
- the most popular or commonly booked listings are **entire homes**

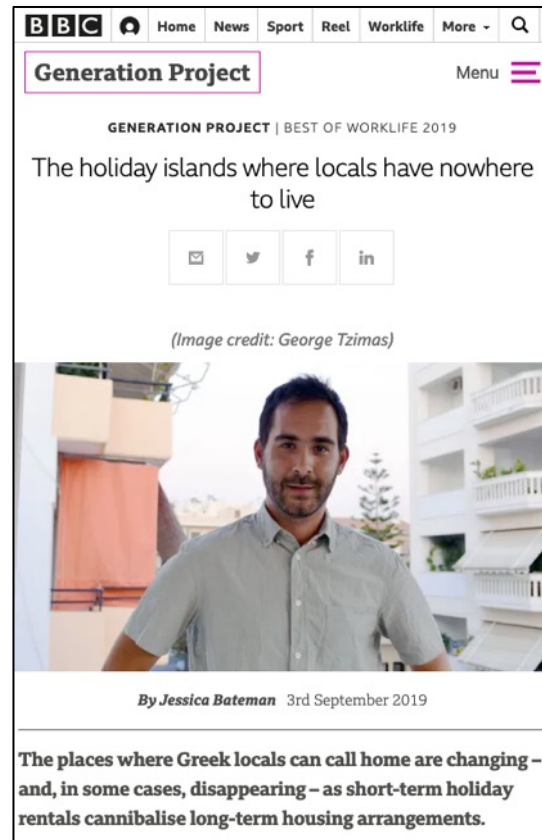
Table 1. Structure of active Airbnb listings in 167 countries.

Type of listing	Type of host	Type of property	% of listings
Single-rooms	Single host	Private, shared or hotel room	7.9
Single-homes	Single host	Entire home/apartment	33.2
Multi-rooms	Multi-host	Private, shared or hotel room	17.5
Multi-homes	Multi-host	Entire home/apartment	41.5

- ▶ Housing is moved from long-term to short-term rental markets adding to the already **problematic local housing availability** of certain cities.
- ▶ Higher demand for long-term rental housing incentivizes rent increase
- ▶ Local residents are **directly and indirectly displaced** through rent increase, nuisance, and other pressures

'George Tzimas, 28, an architectural student at the University of Crete in Chania, says that students feel discouraged from applying to the university because of the housing shortage. "People either have to pay very expensive rent or live in Airbnbs themselves," he says.'

BBC 2019



The screenshot shows a BBC mobile website interface. At the top, there's a navigation bar with 'BBC' logo and links for Home, News, Sport, Reel, Worklife, and More. Below this, the article title 'Generation Project' is highlighted in a pink box, with a 'Menu' icon to its right. The main heading reads 'GENERATION PROJECT | BEST OF WORKLIFE 2019'. The sub-heading is 'The holiday islands where locals have nowhere to live'. Below the text are social media sharing icons for email, Twitter, Facebook, and LinkedIn. A credit line says '(Image credit: George Tzimas)'. The main image shows a man, George Tzimas, standing in front of a modern white building. Below the image, the author is listed as 'By Jessica Bateman' and the date as '3rd September 2019'. At the bottom, a bolded text block states: 'The places where Greek locals can call home are changing – and, in some cases, disappearing – as short-term holiday rentals cannibalise long-term housing arrangements.'

Airbnb Controversies

Actively promoting homeownership and housing as income-generating activity

Capitalizing on crises, homes, and everyday life

The Great Recession

“Airbnb was founded in San Francisco in the midst of the Great Recession as a way for people to turn their greatest expense, their home, into a more fully used asset—a way to cover the household expenses, pay the rent or mortgage, and even avoid eviction or foreclosure.”

(Airbnb 2017)



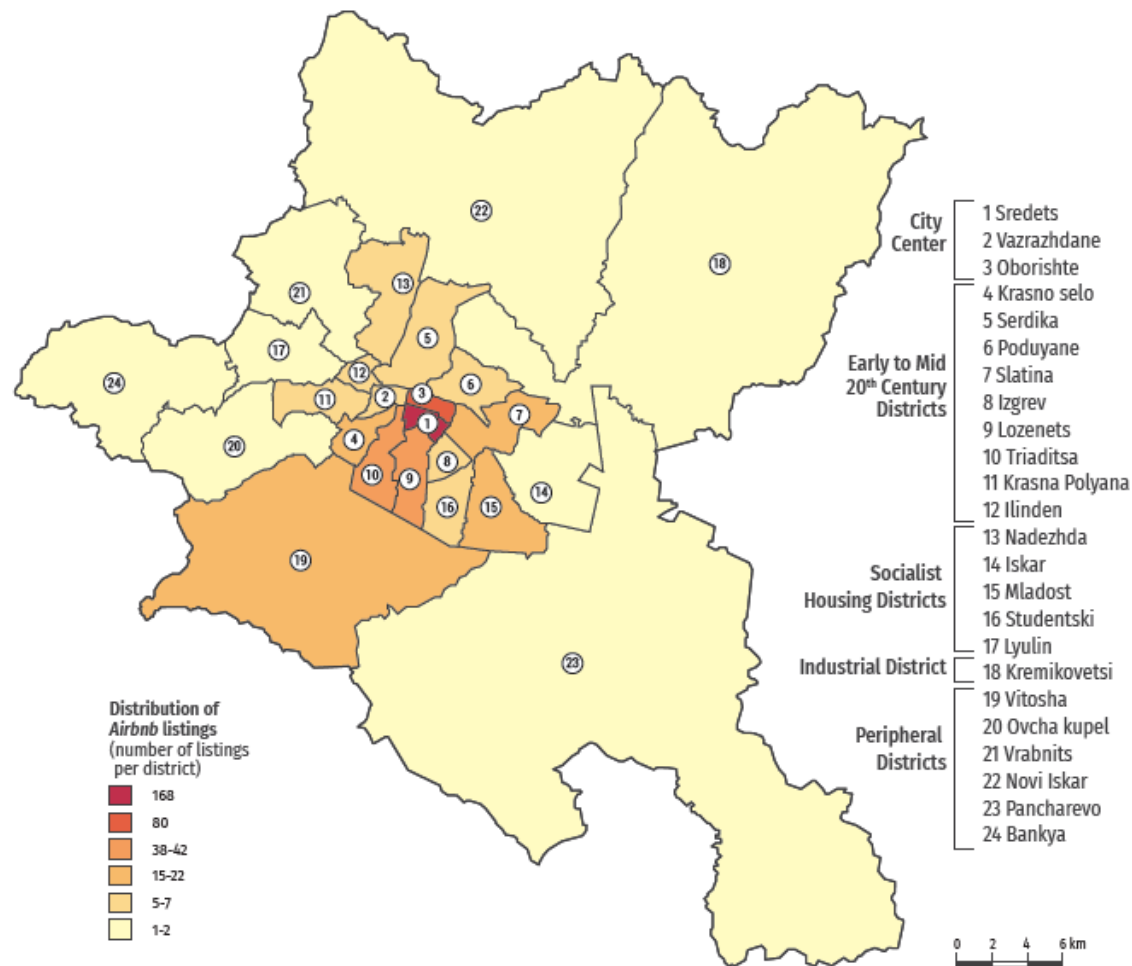
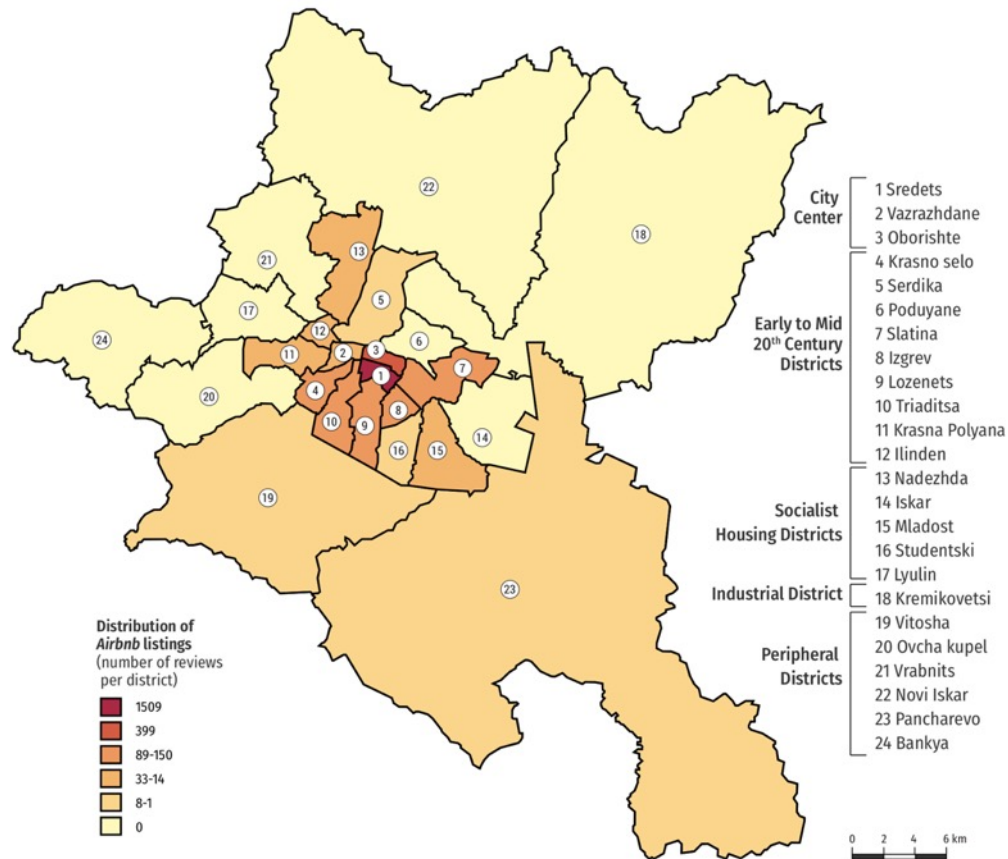


Fig. 2: Distribution of Airbnb listings by district in Sofia (Bulgaria) May 2015. Source: the author's own map compiled from Airbnb listing data extracted in May 2015.

Sofia city

Distribution of *Airbnb* listing reviews per district, May 2015





My Properties 0

Research

Overview

Occupancy

Rates

Revenue

Price

Smart Rates

Pacing

Seasonality

Invest

Rentalizer

Top Properties

Market Comparison

Pricing

Resources

Contact

Market Grade

Overall

Rental Demand 67

Revenue Growth

Seasonality

Regulation



Average Daily Rate

€40



View Rates →

Occupancy Rate

67%



View Occupancy →

Revenue

€471

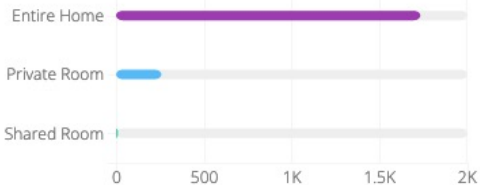


View Revenue →

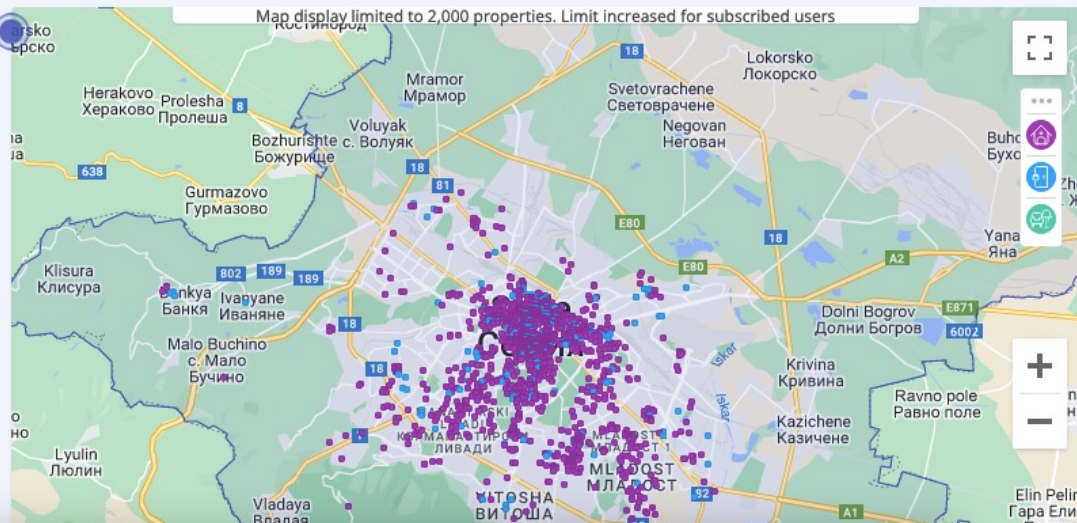
2,006 Active Rentals

Rental Type

86% Entire Home rentals



Rental Channel



World Bank Housing Sector Assessment of Bulgaria

(World Bank study published in 2017)

“Less than 5% of the country’s housing stock is leased out in the rental market, something that affects housing affordability.”

“a large portion of the population cannot afford to buy or even rent housing: some 42% of single person households, and 31% of tenants of market priced rentals face housing cost overburdens”

The screenshot shows the top portion of a World Bank news article. At the top, there is a blue banner with the text "Learn how the World Bank Group is helping countries with COVID-19 (coronavirus). Find Out >". Below this is the World Bank logo and navigation links: "WHO WE ARE", "WHAT WE DO", "WHERE WE WORK", "UNDERSTANDING POVERTY", and "WORK WITH US". The article title is "A Roof Over Our Heads: Ensuring Adequate Housing for All Bulgarians", dated "NOVEMBER 1, 2017". A vertical stack of social media sharing icons (email, print, Facebook, LinkedIn) is visible on the left side. The main image shows a man standing in front of a building entrance.

Host profiles

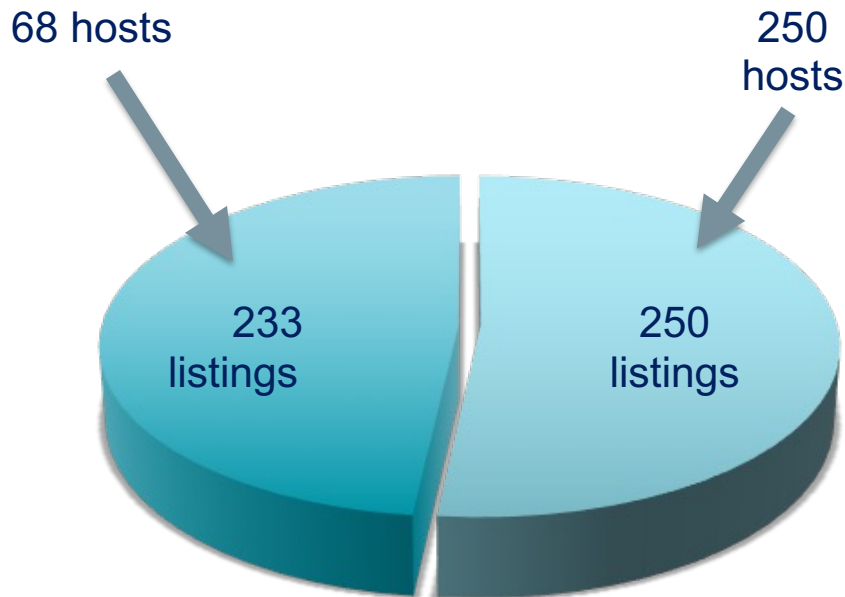
Professionalization

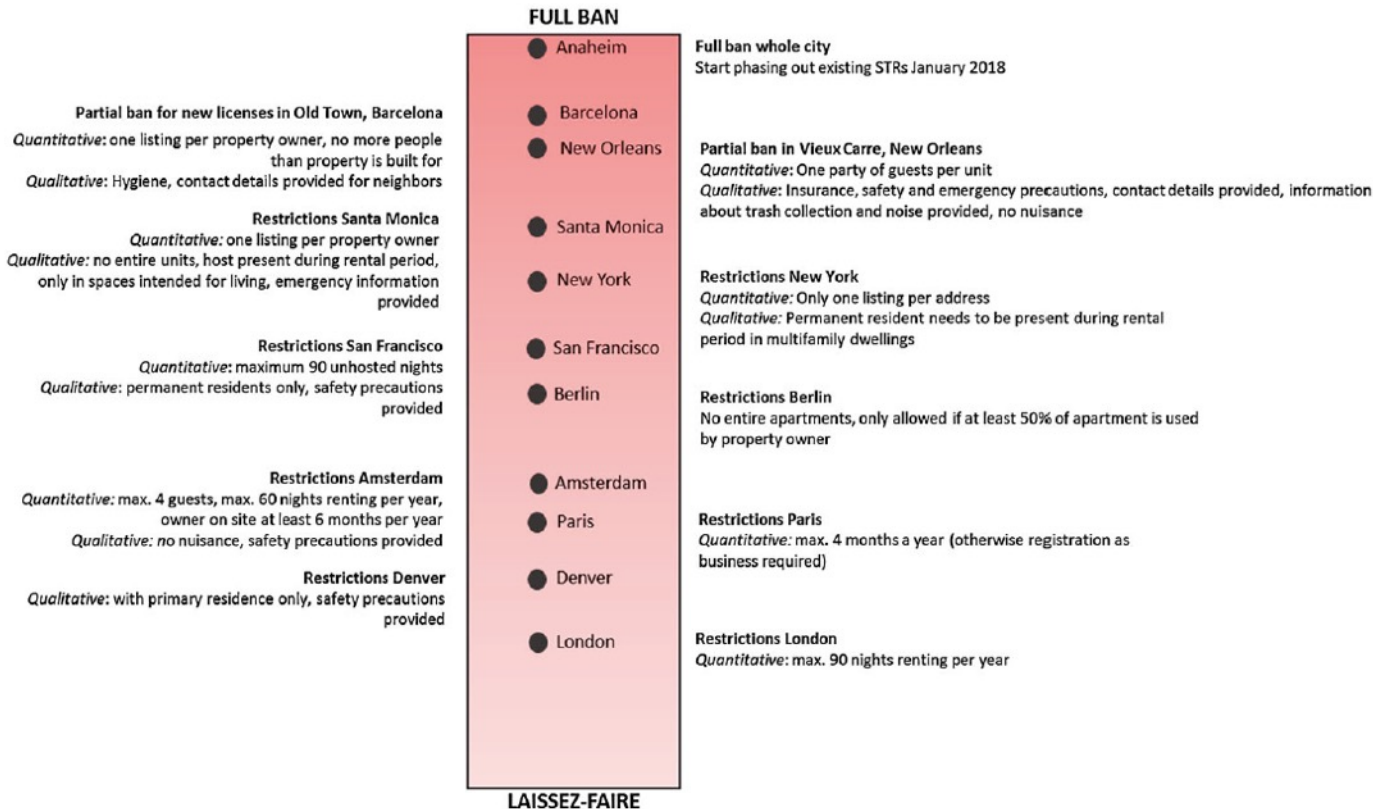
318 unique hosts

Mostly residents from Sofia

Highly educated individuals: lawyers, IT- and software specialists, artists, designers, journalists, marketing- and PR specialists, property managers and hostel owners.

32 hosts on the platform were representatives or personnel of commercial entities such as hostels, hotels, B&B's, guesthouses and rental agencies (92 listings)





Regulating Airbnb

Full prohibition

Laissez-faire approach: no concrete measures are taken (sometimes local governments impose legislation or taxation)

Limitation:

- Limiting the amount of listings/accommodation in a city/area
 - Limiting the amount of visitors in an accommodation
 - Limiting the number of nights (Amsterdam 30-night cap)
 - Locational restrictions (confine to certain areas/neighbourhoods)
 - Density restrictions (limit the number of listings allowed in an area)
 - Limit according to type of listings (whole apartment/house)
 - Permit/licensing only (Barcelona)
-

Alternative Tourism Platform Futures

Platforms that **nudge** tourists and travelers towards more ethical or sustainable forms of consumption and behavior:

- ▶ **Platforms** that apply non-extractive, cooperative or alternative business models that counter monopolistic platforms or purely for-profit business models (examples: Fairbooking.com Fairbnb.com)

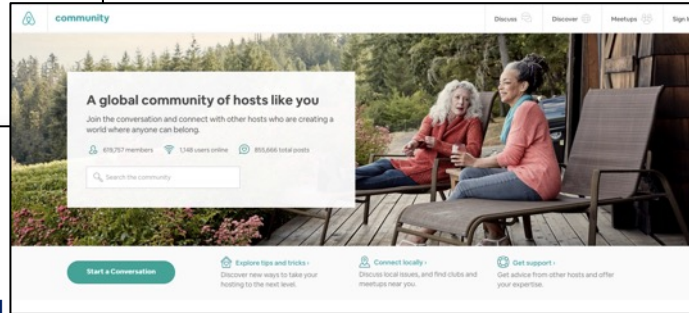
For examples see:

- <https://fairbnb.coop/about-us/>
- Petruzzi, M. A., Marques, C., & Sheppard, V. (2021). TO SHARE OR TO EXCHANGE: an analysis of the sharing economy characteristics of airbnb and fairbnb. coop. *International Journal of Hospitality Management*, 92, 102724. <https://doi.org/10.1016/j.ijhm.2020.102724>



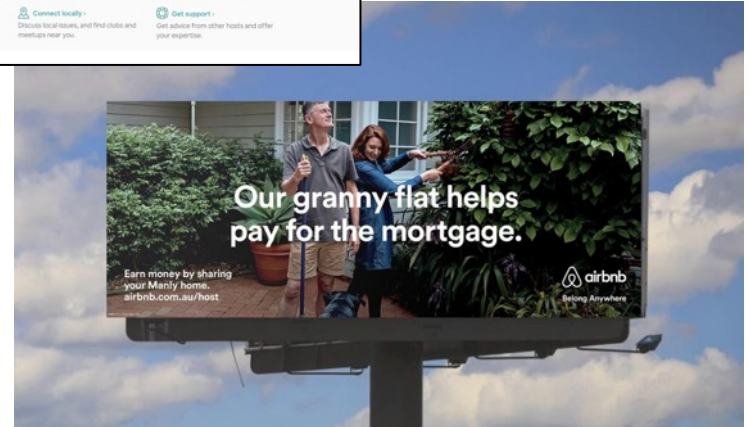
Airbnb is an *urban institution* which has become a powerful social player in the governance of many cities.

Source: Van Doorn 2020



Platforms like Airbnb exert their institutional power by means of lobbying, marketing campaigns and mobilizing user groups (hosts in particular) to advocate for the companies' objectives. One of the key aims is to influence policy and the regulatory landscape in which these platforms operate to their advantage.

Source: Van Doorn 2020




COVID-related impacts on AIRBNB

- ▶ Shifted liability towards hosts when bookings were cancelled because of the COVID restrictions.
- ▶ The platform has also placed further demands on hosts to become infinitely flexible and liable, to allow guests to cancel their bookings last minute.
- ▶ New cleaning and health protocols, impacting tourism labour and hospitality standards
- ▶ Shift towards mid-term and long-term stays

Learn cleaning techniques for your home

Learn more about the five-step cleaning process through this short video. We cover the cleaning basics and show you how it's done.

[Check out the video](#)

An illustration of a cleaner in a room. The cleaner is wearing a green shirt, a black apron, yellow gloves, and a face mask. They are using a vacuum cleaner on a light-colored floor. To the left is a yellow armchair with a red and orange striped cushion. To the right is a dark wood bookshelf with books and a small potted plant on top.

- ▶ Who benefits from a specific platform economy, and, who does not?
- ▶ What are the social, environmental and economic impacts of the platform?
- ▶ Where lies the responsibility to “regulate” the platform economy of tourism?
- ▶ What does a more just and equitable platform economy look like?

What remains is a challenge to imagine and conceptualize platform economies of tourism that support human, environmental and economic flourishing.

Maartje Roelofsen

NOUTUR Research Group

Faculty of Economics and Business

Universitat Oberta de Catalunya, Barcelona, Spain

mroelofsen@uoc.edu

www.tourismplatforms.com

www.sharing-spaces-caring-places.com



@spacesharing