



# **Airbnb and Prosumption**

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## **Abstract**

With digitalization, tourists nowadays embrace a variety of accommodation options, among which house sharing is one of the most convenient and financially fair ways. Airbnb is a popular platform for this approach. Looking from current trend, Airbnb is not just simply a platform to search for accommodation and to host other people, but a representative in influencing people's behaviors and the whole industry in the phase of digitization, which creates some implications to the transformation of social structure and processes. In this study, we are going to analyze this online platform by conducting a survey to people from different cultural backgrounds in both quantitative and qualitative ways. And then, we would organize and analyse the data and elaborate on the results. In the end, the implications of the results to the transformation of social processes from consumption to prosumption will be discussed.

## **Introduction**

The development of advanced technology and the deepening penetration of digitization have transformed to a large extent not only the whole industries, but also people's lives. As technology has given a diversity of meanings and limitless possibilities and potentials to the dynamics of social processes, many internet platforms emerge to meet the growing demand. Travelling, as one of the most favorable social behaviors, is more and more enriched by different options available for people in the phase of digitization. In a traditional way, accommodation options for a trip are usually restricted to hotels and hostels. However, with internet, more and more possibilities pop up, among which are sofa, house, studio sharing and so on. The appearance of these options have made travelling, especially for young travellers, much more convenient and economically fair. Viewing from a crowd of new online platforms, the most distinctive and popular one is Airbnb. Looking at this case, we are surprised not only by its popularity around the globe, but only by its influence in the society as whole, which is injected into different contexts of social processes. It is not only that one's travelling pattern is shifted to some extent, but also in a way that one is able to change others' travelling patterns. As we perceive from this phenomenon, it is not just about consumption, but also production, which is a two-way directional social interaction. This combination is coined as "prosumption" . So a research is to be conducted to analyze the Airbnb platform as a representative of online platforms about travelling accommodation. The quantitative and qualitative methods are applied to study people's perception of this platform and behavioral patterns. And in the end through the analysis of the data, the transformation from consumption to prosumption is to be concluded.

Since the invention of the internet, our society has changed in many ways. One of the main changes is the increase of connectivity and the immediate communication between individuals. This has led to a change in the interaction between consumers and producers, creating the so-called "sharing economy". This is an economic model in which consumers are able to rent or borrow assets owned by other individuals. It can be summarised in an article "what is mine is yours, for a fee". (The Economist, 2013). Its two main characteristics are the

temporary access to non-ownership of goods and services and the reliance on the internet, in particular, the Web 2.0, as this platform allows users to interact with each other. (Belck, 2014). Examples of this are Blablacar, Uber, Wikipedia, Facebook, Airbnb etc. All of these use online platforms to connect the consumer and the producer. What makes this economy different from any other market? Is that anyone can be a “producer”. Any person with a license and a car can become an uber driver, anyone with a camera can become a “youtuber”. The only requisite is to have access to the internet and to own something: from a house (Airbnb) to knowledge (Wikipedia). Therefore, these platforms allow the conversion from consumption to prosumption. The prosumer, a term established by Alvin Toffler in the 70s, can be defined as an individual who apart from being a consumer of a product or service, is involved also in the production of it (Kotler, 1986).

The world has adapted to these changes and to the new ways of consumption. This is especially noticeable for travelling. Nowadays, apart from checking the connections from one place to another with train or bus, people check Blablacar, which offers cheaper prices and more flexibility. In order to plan what things to do in the destination, instead of buying a guide in a bookstore, users check online blogs or youtube videos. Finally, to find a place to stay, now individuals have the option to instead of staying at a hotel or hostel, to stay at a local’s home with the platform Airbnb.

Airbnb, together with Uber, is the peer-to-peer platform with the highest increase. It was founded in summer of 2008 by Brian Chesky and Joe Gebbia when they decided to host people in their apartment in San Francisco as they could not pay rent (Brown, 2014). Eight years later, it is the most valuable accommodation company in the world worth \$25.5 Billion, overcoming the biggest hotel chain ‘Hilton’ by 25% and with a growth rate of 153%. It is global in scope as it hosts people over 57,000 cities, from Los Angeles to Hong Kong (Taylor, 2016).

What does Airbnb offer that the traditional industry does not, making it attractive to so many customers who through this platform become prosumers? The following research is going to address this issue.

## **Methodology**

For this research, we designed an online questionnaire on the platform “Survey Monkey”. Both quantitative and qualitative methods were applied in the design of the items. There were 10 questions in this survey. We applied quantitative method in questions that relate to facts that can be expressed in a numerical way, such as age and frequency. To study participants’ perceptions qualitatively, open-ended question was applied.

In terms of sampling, simple random sampling strategy was utilized. We searched for participants within Jacobs University which is comprised of students from more than 100 nations and states from different cultural backgrounds. And random sampling can assure that a variety of cultural background is included. As university students are aged between 16 and 30, it is exactly the age group that we target in this study. We sent out the surveys online within the university social network. It is a survey link accessible to everyone, while the results are kept confidential. In the end, we got 50 participants. The details of the sample would be further elaborated later in this study.

In data analysis, we focus on taking closer look at each kinds of data and their reflection. For the qualitative open-ended question, coding is applied to analyse the qualitative data. By coding, we identify the keys to all texts and categorize them to establish a framework of thematic ideas (Gibbs, 2007, p. 38). It is very helpful to organize and analyse the bundle of answers to the open-ended question.

## **Results**

The first two questions show the profile of the participants. All of the participants are between the age of 18 and 23. The majority are of age 19 (26%) and 20 (30%), while only 4% are 23 (Graph 1). Moreover, the second question shows the diversity of the 50 participants who represent 26 different nationalities from five different continents: North America, South America, Europe, Asia and Africa. The third question asked how many times

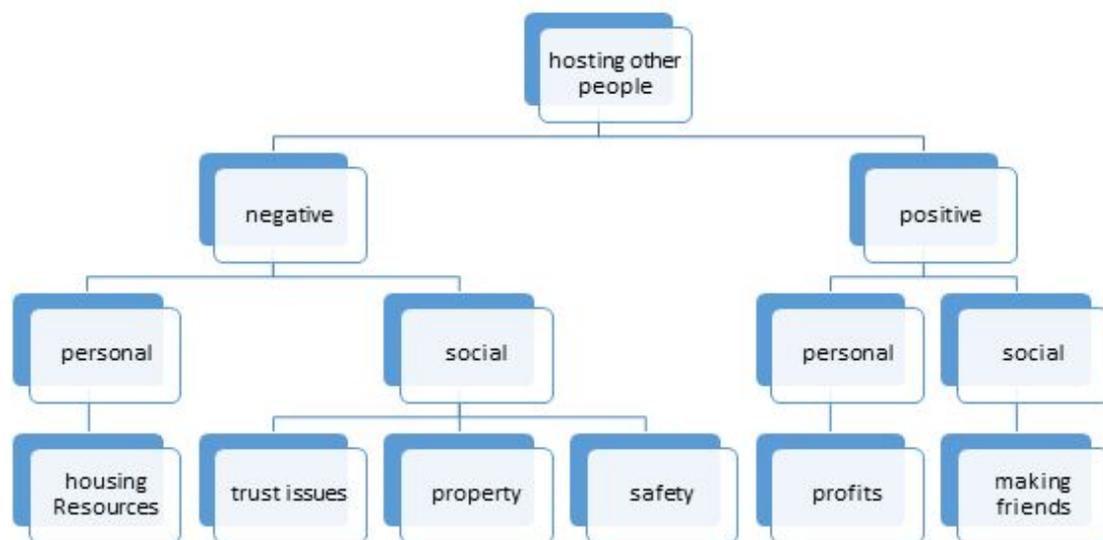
the participants travel per year. The answers show the majority of the participants are frequent travellers as 46% travel from 3 to 5 times in a year, 26% more than 5, and only 28% travel less than three times (Graph 2). The fourth question referred to the participants' preference of type of accommodation. The majority, with 56% prefer hotels. Airbnb follows the ranking with 32% and lastly, hostels are the less preferred by the participants (Graph 3). Now that the profile of the participants and their preferences on travelling are presented, the next six questions are focused only on Airbnb.

Questions focusing on Airbnb involve the usage and perspectives of participants. The fifth question asked about how many times the participants have used Airbnb. The results expose 30% of the participants have never used Airbnb. However, 53% of them want to use it in the future. Moreover, 42% have used it from 1 to 3 times, 24% from 3 to 10 times, and only the 4% have used it more than ten times (Graph 4). Following, the participants were asked about their opinion on this platform. The replies exhibit the main reasons for choosing Airbnb are saving money (35 responses) and the flexibility it offers (26 responses). Moreover, it is also preferred because of the better housing experience (16 responses) and because of the possibility of learning about different cultures (13 responses). Furthermore, six participants think it is easier to make friends through Airbnb. Despite all these benefits, for many, security (15 responses) and quality (13 responses) are a concern (Graph 5). The seventh question asked the participants to rate their Airbnb experience in general. Of those who have used it (37 participants), 70% believe it was good, 13% think it was fair and another 13% consider it was excellent. Only one individual rated as an awful experience (Graph 6). The eighth question refers to the sharing experience of the platform. As this type of sharing economy is based on the users' opinions and evaluations of their stay. The 44% confirm they usually share their Airbnb experience, 29% are neutral about this statement, and 26% disagree (Graph 7). The next question asked if they would host other people, as it has already been explained, in this platform all users are prosumers. Just like everyone can be hosted, everyone has the option to host. However, the results reveal people are more reluctant to host other users. 51% of the participants would not host anyone, 41% claim maybe they would and only 12% confirm they would (Graph 8). Finally, the participants were asked about their opinion in terms of hosting other people. On the one hand, the majority do not like the idea of having strangers in their house, as security and privacy are important concerns (16 responses). Some

participants claim if they knew for sure the person they were hosting was reliable they would not hesitate. Moreover, other problems for the participants are the time and effort it requires or the availability of a free space to be able to host someone. As all the participants are students, they do not own a house or an apartment with enough room to have guests. On the other hand, users would like to host other individuals as they believe it is a great opportunity to meet new people from different backgrounds and stories. Lastly, some participants highlighted it would be a great opportunity to earn extra cash money.

To better analyse the data extracted from participants' answers to the qualitative open-ended question in the survey, the strategy of coding is applied to identify and exemplify the same ideas and linking of the texts. By creating codes among many texts of response, a coding framework combining typologies is created to better organize the information. As it is illustrated in figure 1, there are different attributes to the positive and negative opinions, which are categorized into personal and social factors. On one hand, security, trust issues, housing resources and property are the concerns for people that would not like to host other people. On the other hand, people are willing to host other people because they can not only make profits out it but also make new friends.

**Figure 1**



## **Discussion**

Viewing from the data sample collected from a diverse body of university students, we get to take a closer look at their perspectives. A significant amount of people would like to consider Airbnb for accommodation due to its flexibility, good quality, fair price and higher exposure to local people and cultures, despite of some concerns over the issues of security and quality. People basically have positive opinions. And it is surprising to see that there is a number of students, though not big, that are willing to share their living space with travellers on Airbnb. Those who do not want to share, have their concern of protecting their safety and properties. But the most common reason is that they do not own an apartment or a house at the moment. In regard of the perspective of prosumption, there are people who are influenced to take the initiatives to host travellers and a lot more people who would like to react on internet to share their Airbnb experience. And these behaviors have elevated the social process from pure consumption to prosumption.

## **Conclusion**

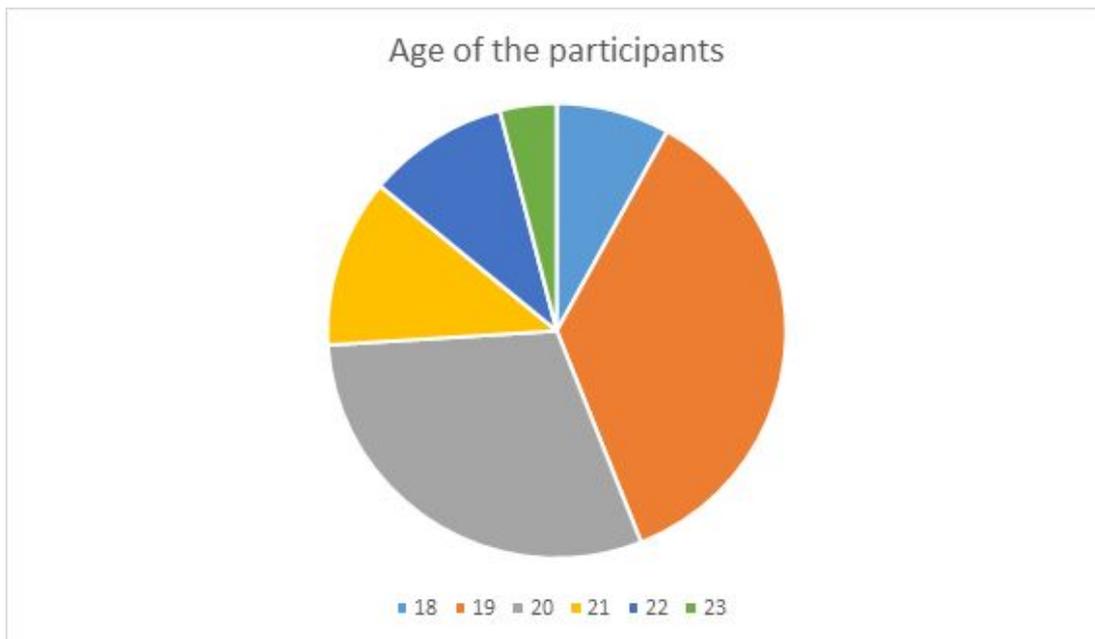
Airbnb is preferred by people mostly because its cheapness and the opportunity it offers to learn more about the culture and locals. However, hotels are still more preferred among Jacobs's students, mostly because of security reasons, as this platform is based on user's good will and trust. These have a huge impact on the peer-to-peer platform as research show trust reduces control and coordination costs and it is positively correlated with cooperation and reduced conflict levels (Möllering, 2016). As sharing economies rely mostly on trust, they highly benefit from this as for example, their costs are very low in comparison to the traditional sector.

Nevertheless, it is also highly affected by this as cases of vandalism, prostitution and rape have been reported, weakening the trust within the community. Besides, the company does not consider itself responsible as it is only seen as an intermediary, offering the users any kind of support in these situations. For example, in July of 2015, an american student was sexually assaulted by his Airbnb host in Madrid. The mother called the platform asking for

help and the address of the apartment. Yet, the platform denied her with this information and only provided her with the police number. Furthermore, after the incident Airbnb, did not assist the young man with any help (El Confidencial, 2015). These events make the users of the platform more reluctant to choose this alternative way of accommodation as they do not feel secure, making the negative aspects overcoming the positive ones. Therefore it is very important for Airbnb and for any sharing-economy platform, in order to continue to grow, to overcome the security problems and become more involved and responsible about the problems it can generate, in order to build a trustworthy community. However apart from the negative points of view towards Airbnb, there is still a significant number of people taking the initiatives to share their Airbnb experience and engage in hosting travellers. They are the prosumers emerging in the trend of growing Airbnb usage in the age of digitization. As a matter of fact, Airbnb is leading to an inevitable and gradual transitions from pure consumption to prosumption.

# Appendix

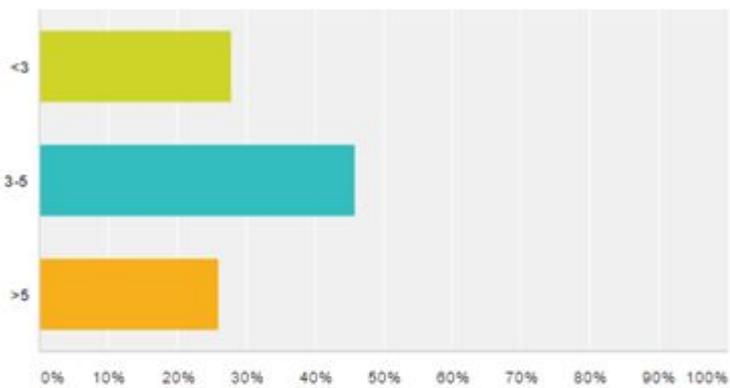
## Graph 1



## Graph 2

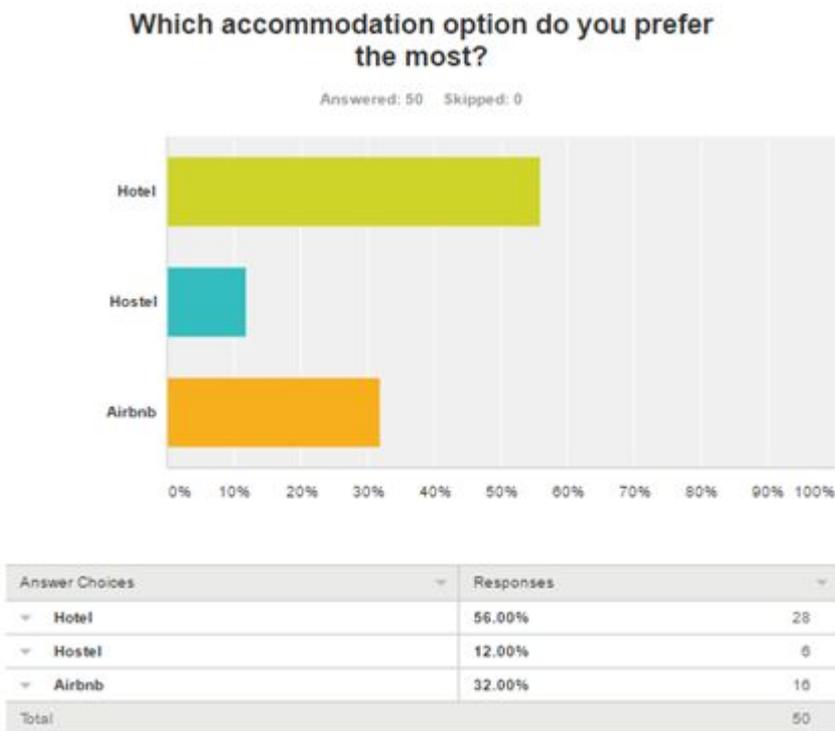
### How many times do you travel every year?

Answered: 50 Skipped: 0

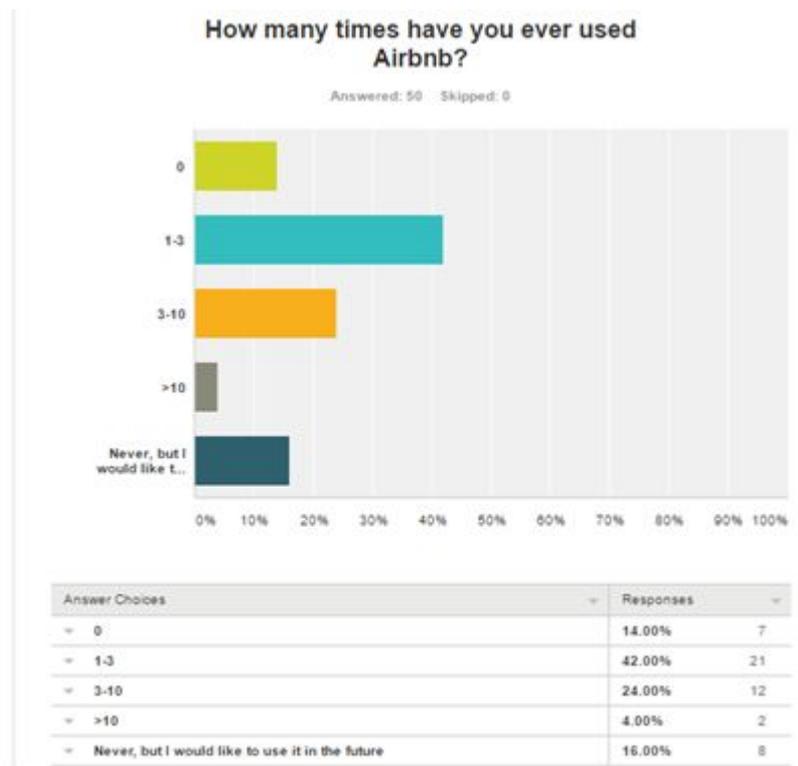


Answer Choices	Responses
<3	28.00% 14
3-5	46.00% 23
>5	26.00% 13
Total	50

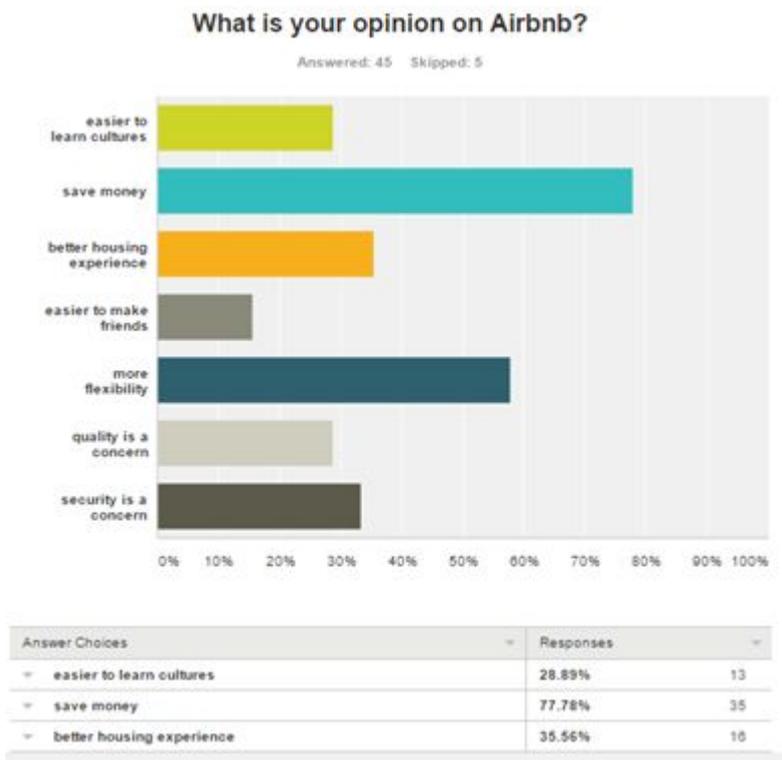
Graph 3



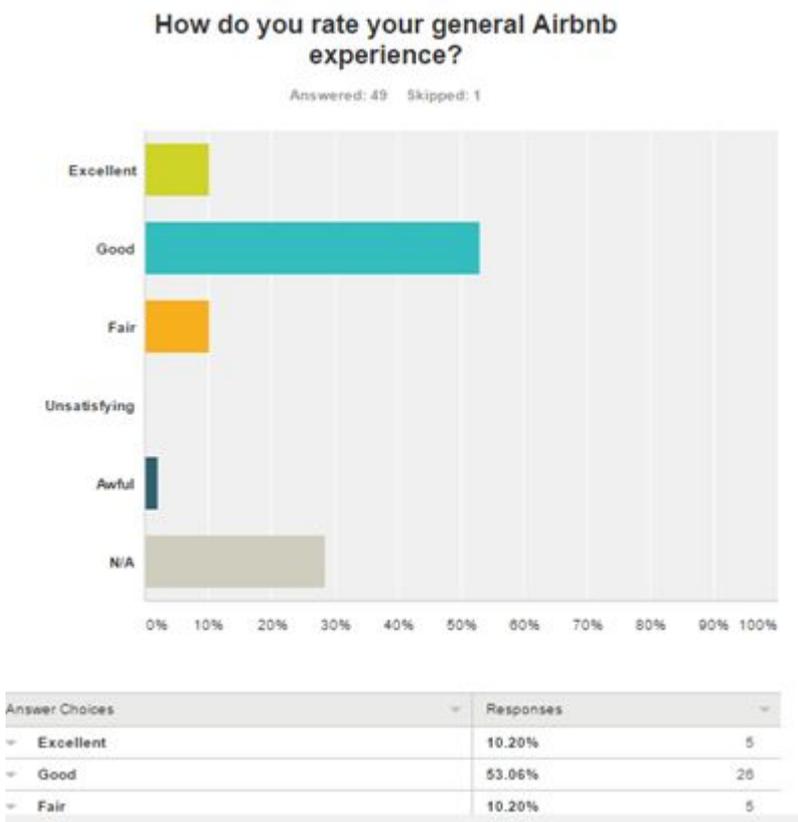
Graph 4



**Graph 5**



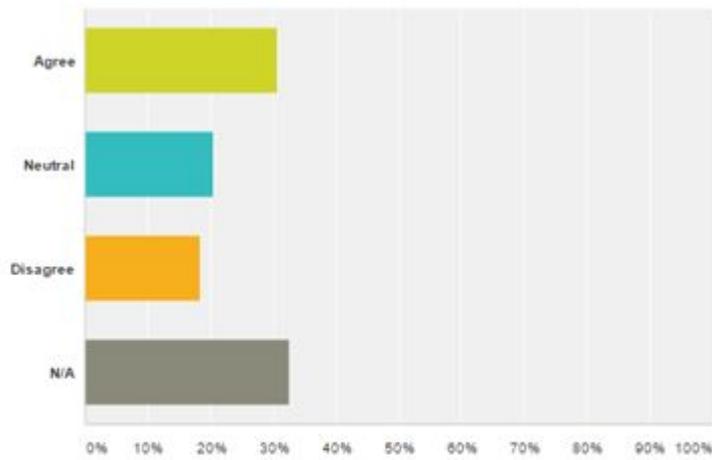
**Graph 6**



### Graph 7

#### Do you usually share your Airbnb experience?

Answered: 45 Skipped: 1

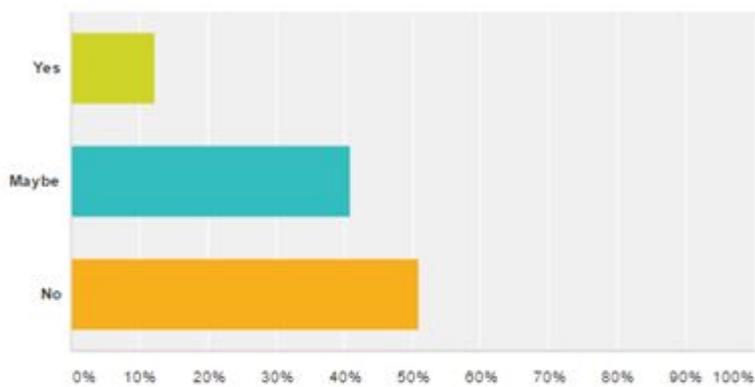


Answer Choices	Responses
Agree	30.61% 15
Neutral	20.41% 10
Disagree	18.37% 9
N/A	32.65% 15

### Graph 8

#### Would you like to host other people?

Answered: 49 Skipped: 1



Answer Choices	Responses
Yes	12.24% 6
Maybe	40.82% 20
No	51.02% 25

Total Respondents: 49

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