

Analysis of the Internet Sharing Accommodation Industry--Taking Airbnb as an Example

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ABSTRACT

The main research context of this paper is the analysis of the shared accommodation industry in the context of the sharing economy. Using Airbnb as a representative, this paper focuses on the current state of Airbnb in the context of the sharing economy and the analysis of industry chain issues, as well as analyzing the areas of supervision of Airbnb. This thesis uses literature analysis to explore the current state of the Airbnb industry and to analyze the related industry chain and areas of supervision. Furthermore, data analysis is used to explore Airbnb's business model and the impact they have on the hotel industry. The conclusion is that Airbnb has brought innovative services to the public in the sharing economy, but has also harmed the industry chain behind it. Airbnb should therefore create a more civilized environment in the field of sharing economy development.

Keywords: *Airbnb, Sharing, Landlord, Tenant, Regulation*

1. INTRODUCTION

The specific research topic of this paper takes Airbnb as an example to analyze the Internet sharing accommodation industry, specifically discusses the concept of sharing economy, the current situation analysis of Airbnb in the shared accommodation industry, the analysis of Airbnb's problems through the industry chain, and the analysis of Airbnb's related business analysis, including rental business, acquisition business and competitor analysis, and finally the regulation of Airbnb. With the popularization and application of Internet technology, although the research on the sharing economy is still in its infancy, the sharing economy is developing rapidly. This article mainly wants to study and analyze the concept of sharing. Sharing is an important topic in today's era. The significance of the sharing economy to society is very important. It can not only save social resources and protect the environment, improve the total supply capacity, but also improve the actual purchasing power of consumers. But at the same time, there are also some specific problems in the sharing economy. The first is the safety problem mentioned in the paper. When renting a house, travelers will worry about their personal safety. As well as the issue of conflicts of interest, as the growth of the shared accommodation industry leads to a decline in the turnover of the hotel

industry, these issues require multi-stakeholder adjustment.

In traditional society, sharing has existed for a long time, but it is limited to sharing information between friends and borrowing things between neighbors. With the advent of Web 2.0, this is a future-proof, human-centered innovation 2.0 model. The information sharing that began to appear in the online community, and today's physical sharing platform, eventually became today's sharing economy. The sharing economy is the logic of enabling people to access resources and facilitate exchanges through a platform by reducing transaction costs [1]. The neo-communitarians whose social identities and personalities are shaped to a large extent by community relations, supported technology-enabled sharing as a gift economy in the previous sharing economy. The provider of goods or services did not have a clear expected reward object or the expected reward content. It is not like in the commodity. In the economy, the purpose is to obtain profit [2]. Creative Commons, for example, has long been regarded Creative Commons as the key to creativity. After signing a non-commercial use agreement, works such as pictures are free to use. Nevertheless, the sharing economy in the current era is different. It is a brand-new market exchange economy. The platform has changed from free sharing at the beginning to get a particular reward as the primary purpose.

Of course, there are differences and disputes over the concept of sharing among different countries, cultures, and social groups. On the one hand, sharing can be considered anti-capitalist because it is motivated by factors other than monetary gains, such as altruism [3]. From the perspective of consumers to some extent offsetting the capitalist pursuit of profit or the pursuit of consumption, people may prefer temporary assets and experiences to fixed ownership [4]. On the other hand, sharing can also be a manifestation of high capitalism, maximizing its value, in other words, today's sharing economy. Among them, vehicles and houses appeared relatively early in sharing, so in the accommodation industry in the sharing economy, Airbnb is one of the typical representatives.

2. ANALYSIS OF THE CURRENT SITUATION OF THE INTERNET SHARED ACCOMMODATION INDUSTRY--- TAKING AIRBNB AS AN EXAMPLE

Founded in the United States in 2008, Airbnb is an online platform for people to stay. Airbnb's business logic is to rent and share idle resources and maximize benefits by improving the utilization of idle resources. It provides a contact platform for users and homeowners of rental houses, and users can book houses on the mobile application according to their needs. Airbnb hosts may ask visitors to pay them through this third-party app, such as Venmo, Paypal, WeChat, Alipay, bank cards and so on. Therefore, the platform effectively solves the problem of low housing vacancy rates and occupancy rates and improves housing utilization rates. For travelers, Airbnb has accurately identified the pain points of fewer rental channels and short-term rentals, and they can find suitable short-term rentals faster through this platform. According to data analysis, there will be 2.9 million Airbnb users and over 7 million listings worldwide in 2022, with 220 countries and territories with active Airbnb listings providing travelers with short-term accommodation options, even though Airbnb has more listings than the top five major hotel brands combined [5]. Even as shown in Table 1, Airbnb can be a significant force in some local economies, with the following ten countries experiencing the most significant economic impact of Airbnb. Airbnb's business model is a multilateral business model that connects multiple platforms—connecting the mass market with tenants and landlords and digital channels to help people with different needs. Peer-to-peer accommodation networks are not a new and revolutionary business model. Instead, they have successfully redefined and developed the existing short-term rental service and redesigned how it is transacted as the number of tenants increases. The number of hosts will increase accordingly, allowing Airbnb to build a rich pool of buyers and sellers [6]. Airbnb's leading source of revenue is the fees it charges guests and hosts for booking services. Different booking

sizes and housing types determine the non-refundable service fees that platforms receive, typically less than 14.2% for guests and 3% for hosts when renting an apartment [7]. Not only that, but they also create as much value and revenue as possible by keeping the cost of running the platform low. In terms of value creation, the Airbnb platform understands the needs of guests and hosts as much as possible and helps them improve the platform's functionality [6].

2.1. Industry Chain Analysis

However, there is complex and contradictory logic behind the success of Airbnb, which is related to the public interest, labor employment, and regulatory balance challenges from multiple perspectives. The most relevant for the Airbnb industry chain are tenants, landlords, and other stakeholders. The emergence of the Airbnb platform has brought great convenience to travelers, but the problem of user information leakage has become a significant problem for them. It is usual for a platform like Airbnb to ask users to provide detailed personal information. However, it may lead to user information leakage due to improper supervision of the Airbnb platform. The second is the safety of the tenants themselves. A small number of landlords' homes will have unsafe conditions, such as hidden cameras that cause tenant violations, landlords who have racial discrimination or LGBTQ and other incidents of discrimination against tenants, and some criminals who use rental housing to kidnap or sex tenants. Infringements and so on. Although Airbnb reported permanently banning these dangerous hosts' accounts, some Airbnb users still report that abusive Airbnb hosts can quickly sign up for a new account under a different name [5]. Finally, there is the issue of arbitrarily charging users. In 2019, a writer found that some scammers used profiles and reviews to scam guests out of money. Airbnb hosts may ask guests to pay them a deposit on a third-party app, such as Venmo, Paypal, WeChat, Alipay, bank cards and so on. Other expenses or some hosts will make false claims against guests for damaged items [5], then the platform cannot reasonably regulate and ask hosts for refunds.

Also, there are problems with landlords who have interest in tenants. First and foremost, like tenants, landlords are concerned about their privacy being compromised. Hotel landlords' data was reportedly leaked on the internet, and even other hosts' sensitive information, including passwords, phone numbers, and so on, was spread. Even landlords wrote in the community that this appears to be a significant security issue, but he does not think Airbnb is too concerned [8]. Such data breaches violate landlords' data privacy rights, as they do not know where their data is stored or how it is being used. Furthermore, according to the IGMS report, some guest practices can have a negative impact

on landlords' occupancy and rental income, such as last-minute cancellations by tenants before moving in, dealing with noise complaints in the middle of the night, damage to property in the house, restrictions on hosting parties and other issues that can lead to landlords' rights being compromised [9].

Finally, the most relevant for other interests is the hotel industry. According to a 2018 report by Forbes, Airbnb has revolutionized the accommodation market by controlling hotel prices during peak periods when hotel rooms are sold out, and prices are rising, offering more rooms when rental demand is high, as hotels move from traditional. Generally speaking, the most extraordinary profits are made when rooms are scarce, and customers are forced to pay higher prices, according to published research showing that in the ten cities where Airbnb has the largest market share in the U.S., the entry of Airbnb led to a 1.5% reduction in hotel revenue [10], so Airbnb has stimulated hotel competition by grabbing some of the hotel's guest sources. Not only that, but as more tenants and landlords enter the hotel industry, where demand for rooms fluctuates due to fixed investment costs and changing travel seasons, Airbnb's top-line revenue is becoming increasingly lucrative. However, it is inefficient for hotels to build enough capacity to meet peak demand.

2.2. Business Analysis

In addition, for Airbnb to continue to expand its listings and increase its turnover, it has also developed several shared accommodation-related businesses. First of all, Airbnb has its own payment company in the United States, which can provide users with better information security measures. Secondly, because customers spend the most prominent part on food during travel, Airbnb decided to provide support for restaurant reservations by Resy, expanding the ability to book restaurants in the United States. The report shows that guests in 44 cities from 2016 to 2017 The restaurant industry bring in \$6.5 billion in revenue [11]. Therefore, with the increase of restaurants across the United States, guest consumption can bring more economic benefits to the community. Through the continuous improvement and improvement of the Airbnb software, the user retention rate is greatly improved. Likewise, well-funded Airbnb is making its investments and acquisitions. By the end of 2022, Airbnb has made 25 acquisitions and 13 investments, covering a variety of fields, including online travel, social platforms, food technology, and so on, such as the acquisition of Luckey Homes in 2018 and the acquisition of HotelTonight in 2019 and Guest [12]. Airbnb is expanding its own industry through continuous investments and acquisitions and continuously improving Airbnb itself to bring a better experience to its users. Airbnb has long been the leader among other competitors, but according to the survey, Airbnb's top

five competitors are HomeAway, Vrbo, Booking.com, Expedia, and TripAdvisor. Among them, HomeAway is considered to be the main competitor of Airbnb. The platform operates in 190 countries and has more than 2 million listings. The main difference from Airbnb is the type of housing offered. They only offer private vacation homes [13]. HomeAway can become a significant competitor because HomeAway has different types of housing from Airbnb and provides different housing for different customer needs, which is also HomeAway's highlight.

According to the above, it can be seen that there are still some drawbacks in the development trajectory of the sharing economy. Over the years, the sharing economy or capital companies have attempted to circumvent the guise of government regulation. Therefore, when analyzing interests, it may be found that there are different problems with different stakeholders. This problem primarily reflects the loopholes in regulation. In addition to the most crucial self-regulation, the central regulatory agencies in the shared accommodation industry also have government, trade unions, and other supervision.

3. HOW TO OPTIMIZE THE REGULATION OF THE INTERNET SHARED ACCOMMODATION INDUSTRY

3.1. Leveraging the Regulatory Role of the Government

The first is Airbnb's self-regulation. To enhance the guest experience, Airbnb has launched an industry-leading enhanced cleaning program by partnering with leading experts in health care. Hosts can review the guidelines. After completing the test and certification, guests can know Airbnb will have enhanced cleaning and hygiene [14]. Therefore, as an intermediary platform between tenants and landlords, Airbnb needs to increase its platform complaint mechanism and punishment mechanism and provide multiple audits.

3.2. Improving the Effectiveness of Internal Company Regulation

Improving the effectiveness of internal company regulation is of great importance to the whole industry. Different countries have different approaches to Airbnb regulation. London limits the maximum number of days per year for rentals, and they are concerned with protecting affordable housing; Amsterdam limits the number of rental nights and requires hosts to stay on-site for at least six months per year to avoid commercial investors turning homes into STRs, intending to protect residential dwellings; while U.S. cities strictly require STRs to be licensed because Airbnb has been active in the U.S. for longer, which may have a more significant impact on cities and require stricter regulation [15].

3.3. Implementing the Supervisory Role of Trade Unions

Implementing the supervisory role of trade unions is necessary for the internet shared accommodation industry. Airbnb has advanced negotiations with the Service Workers International Union (SEIU), one of the most powerful unions in the U.S., in which they will promote unionized housekeepers in their short-term rentals and support what SEIU says is a \$15-an-hour minimum wage, But Unite Here, a union merged by employees working in the service industry in the US and Canada, and other critics argued that Airbnb allowed people to illegally turn their homes into hotels, which would have eliminated permanent housing from the market, so in the end, the SEIU did not agree to contract terms with Airbnb [16] because this will exacerbate the shortage of affordable housing in the city and destroy the ecological balance of the market.

4. CONCLUSION

In general, the success of Airbnb combines the changes of the new era and launched innovative shared accommodation services according to the needs of the public. Although it is the originator of the shared accommodation industry, it involves different industrial chains behind the sharing economy to the benefit of multiple parties. Moreover, Airbnb also faces this self and multi-party regulation while facing many challenges. Therefore, Airbnb not only needs to pay attention to its development trend and let the public have a different travel experience, but also should further clarify the regulatory standards for regulating the sharing economy model, strengthen the public awareness of regulating sharing, and create a civilized environment for the development of the sharing economy.

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