

## **PEER-TO-PEER LODGING: BURNING HOST QUESTIONS, ANSWERED**

**Lisa Andrus, Andrus Hospitality, LLC  
Jacob Fait, Tusculum University**

### **ABSTRACT**

*This paper analyzes the concerns of experienced peer-to-peer lodging hosts. There is a growing body of knowledge in the published literature that focuses on the variables related to why consumers choose to stay in other people's houses when selecting travel accommodations. However, the published findings on the concerns of lodging hosts are limited. The Peer-to-Peer (P2P) economy continues to increase with the need for property hosts to understand guests' intentions while staying in their properties. The need to extend the literature focused on Airbnb and VRBO host-guest relationships is necessary to better understand the behaviors and trends of guest stays to improve both business for hosts and, ultimately, the guest experience. The results of this paper will provide P2P lodging hosts with valuable information to improve their guests' stays, protect their investments, and drive revenue.*

**Keywords:** Hospitality, Peer-to-Peer (P2P), Airbnb, VRBO

### **INTRODUCTION**

The lodging sector of the hospitality industry is seeing an increase in independently owned and operated lodging accommodations that are becoming an attractive option for travelers. The sharing economy, also known as collaborative consumption (Botsman & Rogers, 2010) or access-based consumption (Bardhi & Eckhardt, 2012), and the peer-to-peer (P2P) economy is finding incredible growth in mobile applications providing marketing capabilities for small, independently owned lodging properties to grow at an unprecedented rate.

Airbnb, a P2P lodging platform, started in the co-founder's apartment in 2007 in San Francisco and quickly grew into an international online booking platform within four years. Airbnb reported in December 2023 that more than 4 million hosts worldwide welcomed over 1.5 billion guests (Airbnb, 2024). Guttentag et al. (2018) define it as a platform on which individuals can rent their spaces as tourist accommodation, involving an entire place or a private room where the host is present. In 1995, Vacation Rentals by Owner (VRBO) was born and is now a global vacation brand with a unique selection of more than two million whole homes worldwide (VRBO, 2024).

VRBO only allows whole homes without the hosts' presence. The growing number of properties available for travelers to select from on the P2P platforms continues to increase, and the need to understand how to attract guests in the P2P economy is critical for independent property owners to be competitive.

While the vision of the Airbnb founders was for travelers to embrace a new way of traveling by connecting to communities "in a unique way" (Airbnb, n.d.), hosts are encouraged to list their extra rooms and properties to make extra income. Attracting guests is one concern of P2P lodging hosts; however, the current study found that hosts also have a variety of other questions regarding the behavior and expectations of guests. The intersection of the host-guest relationship seems to be misaligned, with the individual hosts being left to understand guest expectations and intentions. The role of the host has shifted from a traditional host who helps guests understand and explore the local community to a property manager anxious to ensure every guest experiences a 5-star stay. Published research focused on the host-guest relationship has found several contradictions and has posed more questions.

The authors of the current study are Airbnb and VRBO hosts, which affords them access to other Airbnb hosts' perspectives and a unique perspective of the host-guest relationship. This study explores the role conflict theoretical framework to better understand the shifts in the role of a P2P lodging host. The practical implications of this study may help hosts generate additional revenue while balancing the increased demands of guests, and fulfilling the requirements set forth in the policies and expectations of the P2P accommodation platforms such as Airbnb and VRBO.

## **LITERATURE REVIEW**

In his book *The Theory of the Business*, Peter Drucker (1994) explained that in some situations, "the assumptions on which the organization has been built and is being run no longer fit reality, (p. 95)" He explains that assumptions shape an organization's "behavior, drive the decision-making process, and define what the organization deems as meaningful results" (Drucker, 1994). Airbnb appears to be finding itself in this space as the company continues to show massive growth in the past decade by increasing the number of hosts across the globe that are allowed to own or manage one or more properties. While the original intent of the Airbnb platform was a unique home-sharing experience through a host, the company has not regulated the number or types of properties that hosts are permitted to manage. Cheng and Jin (2019) found little evidence of the intended initially authentic tourist-host interactions. They suggested that the host is now a facilitator rather than a social relationship builder in Airbnb transactions.

A general search of the Airbnb platform results in several property management companies that are now hosts and use Airbnb to market their properties, even hotels. Guests searching for properties must be aware of the differences in their selections, understanding that commercial properties and individual homestays are mixed into the search results. From a host perspective, the

professionally managed properties mixed with the homestays create an unfair advantage. In many cases, property management hosts on the P2P platforms can provide better amenities, locations, number of bedrooms and beds, and bathroom options, all at a lower rate than an individual host. Research has shown that travelers will select commercial properties such as hotels based on location, services, amenities, price, food and beverage, hotel image, security, and hotel marketing (Crnojevac et al., 2010; Dolnicar & Otter, 2003; Liu et al., 2013). Cheng and Jin (2019) found the same true when guests select Airbnb stays. From their review of past guest reviews, four major topics emerged in the reviews: location, amenities, host, and recommendation. Amenities rise to the top of the most common selection criteria in both commercial and P2P properties. To remain competitive and maintain a 5-star rating from past guest stays, individual property hosts must understand what amenities are most important to a guest. Unlike commercial property owners, hosts have limited financial resources to spend on supplies and other amenities that guests may or may not expect when staying in a commercial property.

Cheng and Jin (2019) found that Airbnb guests generally use the same attributes of their accommodations in a hotel as their stay in an Airbnb property. These findings suggest that hosts should have an understanding of hospitality industry service standards and implement the same standards on their property in order to meet the expectations of their guests. It has been found that efforts by hosts to try to implement similar service standards as hotels and communicate by posting signs throughout their properties, providing instructions in house manuals, and communicating house rules in the Airbnb platform for guests to review before booking a property. One example of a provided amenity is black wash towels to remove makeup to keep white bath towels clean. An additional example is asking guests not to flush objects down the toilet. These types of signs are common in hotels, and guests would expect to read them; however, the same signs in a P2P property have been found to be perceived by guests as a negative reflection of the host.

Golf-Papez and Culiberg (2023) explored misbehaviors in the sharing economy and how role expectancy theory relates to the host-guest relationship. Their findings suggested that guest expectations should not only be included in the house rules established by individual hosts but also that a broader communication of the guest expectations should be published on the Airbnb platform so as not to create tension directly between the guest and host.

Xue et al. (2022) support these findings in their examination of “good” guest behavior. They found that Airbnb hosts consider interactions with guests to be more of a business transaction than a way of building relationships with guests. They also suggested that the P2P platforms should develop general codes of conduct for the guests that would begin to co-create proper manners of guests.

## **RESEARCH QUESTIONS**

The current study seeks to answer an array of questions that will ultimately help P2P lodging hosts provide a better experience for their guests. The first question explored is a guest's intended or unintended treatment of their overnight accommodations and the property itself. Are guests inclined to treat a P2P lodging property better or worse than their home? Are the expectations of how they treat the property heightened or lessened than societal expectations of their own home or a traditional hotel?

The second question the researchers are trying to understand in this study is the guest's expectations of the property. Is there an expectation that a P2P property is maintained at or above that of a traditional hotel? Is there an expectation that amenities are above that of one's own home? Where exactly is the bar set?

The hypotheses for this study are:

*H1: Guests treat peer-to-peer properties differently than other overnight accommodations.*

*H2: Guests' expectations of peer-to-peer accommodations are greater than traditional overnight accommodations.*

## **METHODOLOGY**

A mixed methods approach was used to obtain the data needed to answer the aforementioned hypotheses. First, a panel of experts was assembled, the Smokey Mountains Area Airbnb Host Community on Facebook. The authors of this study, as Airbnb hosts, have exclusive access to the private Facebook group as a member of the community. This panel of experts brought forward a number of questions that fit into the aforementioned hypotheses. These questions were then condensed into a concise subset of questions that could be asked to a large group of travelers through a crowdsourcing service, CloudResearch's Connect. The authors chose CloudResearch as the platform due to the higher quality ratings of the collected data in previous studies, such as the results from Peer et al. (2021). Crowdsourcing for this study allowed the researchers to use the collective intelligence of a wide range of web users for the labor-intensive task of data collection through an online survey (Moss et al., 2020).

The current study also benefits from the use of the general public as research participants to understand a broader range of the traveling public. The researchers believe that research participants are valuable contributors to the discovery process and should be compensated for their time and effort. Therefore, the respondents were paid a competitive rate within CloudResearch's

Connect platform once they completed the quantitative survey. Three hundred eleven usable responses were collected from participants in this study.

The methodology of this study is unique because the researchers have used current Airbnb hosts and the general traveling public. Many previous studies that focused on Airbnb and the sharing economy obtained data from guest and host reviews published on the Airbnb platform. The current authors chose not to use guest and host reviews due to the low reliability of the reviews as accurate reflections of host-guest relationships.

## **FINDINGS**

It is important to understand the demographics and habits of the sample population studied so that any generalization of findings can be built upon. The largest group of respondents was in the 25-34 years old range, coming in at 32.80%, and the second largest group was the 35-44 years old range, coming in at 28.30%. Therefore, the majority of respondents, over 61%, were between 25 and 44 years of age. The male-to-female ratio was extremely close, with 51.45% of respondents identifying as male and 47.27% identifying as female. 1.28% of respondents identify as binary or would rather not self-identify.

The researchers were also interested in understanding the respondents' frequency of travel. The largest group of respondents indicated that they travel approximately twice annually, 45.98%. The next largest group of respondents indicated traveling monthly, 23.15%. These majorities were followed by 'very rarely' at 14.47%, 'once per year' at 10.93%, and 'more than once per month' at 5.47%.

Respondents were asked to self-identify what was most important regarding any overnight accommodation. Responses indicated the following in order of importance to guests: cost, location, customer reviews/ratings, amenities, convenience of booking, and uniqueness of property. When specifically asked about the most important factors in P2P bookings, these top five remained the same, with number six emerging as communication with hosts.

It is common for hosts to use signage throughout the property to convey property rules and host desires, often to help eliminate property damage. Respondents indicated that 97.75% of guests read the signs, and 97.11% said they abide by them. When asked about paying for property damage, 24.76% of respondents felt that guests should always be charged for damages, 1.93% of respondents felt they should never be charged for damages, 24.76% felt they should be charged only when the damages exceed \$100, and lastly, 48.55% indicated that they should be if they do not follow a sign or house rule causing damage.

Respondents were also asked what amenities make a difference in their booking. Interestingly, having a king bed was ranked the highest by 39.23% of respondents, followed by a hot tub by 28.30% of respondents, and lastly, a bathtub at 11.90%. This question allowed

respondents to open it with an open-ended dialogue box, and several responses indicated shower, wifi, and washer/dryer.

A 5-point Likert scale was used to inquire about the importance of previous reviews to a guest when booking. The scale ranged from important to moderately important to not important at all. 59.49% of respondents indicated importance, 19.61% indicated between important and moderately important, with only 16.72% indicating moderately important. Additionally, they were asked how concerned they were about the rating they received as a guest. The average was 70%. This tells us that host reviews matter more than guest reviews, to guests.

A recurring theme of host reviews is how well the P2P property is stocked with consumables such as toilet paper and coffee. Respondents were asked which items should be stocked for the entire length of their stay as opposed to just a 'starter pack.' Responses were as follows: toilet paper (85.81%), garbage bags (77.10%), paper towels (68.06%), kitchen detergents and soaps (66.77%), bath soap/gel (32.58%), coffee/sugar/creamer (30.97%), shampoo/conditioner (30.32%), and 22.58% agreed that a 'starter pack' would be suitable for all of those above.

It is no surprise that guests are expected to do check-out chores, and this is a point of contention amongst P2P guests. However, the researchers set out to explore which expectations are reasonable. The two items that seem most resented are starting a load of laundry and taking off bed linens. 62.89% and 57.39% of respondents, respectively, indicated that they should not have to perform this activity. Other honorable mentions were sweeping the floor and taking out trash, with 52.92% and 29.55% of respondents, respectively, indicating that they should not have to perform this activity.

Lastly, the researchers asked respondents how they consider themselves in the guest/host paradigm. Do they see themselves as a guest in someone else's house or a participant in a business transaction very similar to a hotel? 58.90% of respondents chose the former and, therefore, see themselves as guests in someone else's home.

When considering the original hypotheses of this study, both of the presented hypotheses were confirmed based on the responses of the 311 survey respondents.

*H1: Guests treat peer-to-peer properties differently than other overnight accommodations.*

*H2: Guests have the same or greater expectations of peer-to-peer accommodations than traditional overnight accommodations.*

Study findings reveal that guests treat peer-to-peer properties differently and have a heightened expectation of accommodations over traditional overnight accommodations.

## **IMPLICATIONS OF THIS STUDY**

Airbnb, as an organization, has created role ambiguity for hosts. Is the role of a P2P host to provide a welcoming home for guests to stay in or to be a hospitality professional keeping up with industry standards? Airbnb and other P2P platforms have defined what a host should do and have developed specific criteria for the role. The P2P organizations evaluate host performance based on the criteria and provide public recognition for their efforts. As guests continue to use the P2P platforms more consistently for accommodations, guest expectations will continue to increase, and hosts must meet and exceed those expectations. Hosts without the resources or understanding of hospitality industry cleanliness, service, and amenities standards may be frustrated and struggle to attract guests if guest reviews decline. Xue et al. (2022) pointed out in their study of what makes a “good” guest that academics and professionals must understand what the host is experiencing within the P2P platforms by deciphering guest behaviors that lead to host dissatisfaction and higher intention of quitting.

### **FUTURE RESEARCH AND LIMITATIONS**

The limitations of this study are fairly straightforward, and the survey methodology has to deal with three aspects: generalizability, population of respondents, and quality of responses. First, the hope of any study is that the findings can be generalized to a greater population and have a meaningful impact on practitioners across the board. For this study to have results that are generalizable to a greater population, more demographic questions will need to be examined, and the sample size will need to be expanded. Secondly, the population of respondents may be more indicative of individuals with a propensity to earn income through Cloud Research’s Connect than those frequenting P2P accommodations. Lastly, one has to ask, does this population take the surveys seriously or perhaps rush through them for the financial reward, thus skewing the findings? Future research in this area expanding guest behavior questions to the traveling public would benefit practitioners. Questions that would compare and contrast guest behaviors at hotels, motels, and other commercial properties to understand how they differ would be interesting to explore. The authors would like to expand this research in the future by expanding the panel of experts that developed the questions and by segmenting respondent groups regionally to see if there are differences in regional populations.

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