

ASSESSING THE IMPACT OF PERCEIVED BENEFITS OF AIRBNB ON INDIAN TRAVELLERS ABROAD, WITH REGARDS TO DESTINATION FACILITIES AND TOURIST SATISFACTION

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Abstract

Fulfilling travel experiences has taken a forefront today where Indian travellers not only want to see new places but get immersed in the places that they visit in the truest essence. What better way to do it than living like a local. Hotels in all their elegance and glamour still have some pieces missing when they can't match up to the authenticity that a traveller may experience as a local. It is also important with Airbnb for the guests to place their trust and confidence with the hosts and not just the property.

The aim of this research paper is to present and identify the perceived benefits for Indian travellers abroad when they are making a booking through unconventional methods such as online through Airbnb.

Keywords: alternative accommodation, local experiences, international travel, Airbnb.

Introduction

With the number of Indian outbound travellers increasing each year and the craving to experience an exceptional holiday, the concept of Airbnb seems to have a marketplace of its own. Airbnb has slowly but steadily risen to be a leader in the accommodation sector, where guests can rent homes, properties or spare rooms from their hosts. There are a variety of factors which made Airbnb immensely popular, primarily the financial one. With regards to the guests, there is large pool of options to choose from where one would get good value accommodation at a reasonable rate, wherein from the host's point of view, possessing a spare bedroom or space can be cashed on.

Apart from just the financial benefits, many Indian travellers prefer living like a local, getting recommendations first-hand about places to visit, cultures to experience and food to savour. All this for lesser than what one would pay for while staying in a hotel.

Since Airbnb was launched in the year 2009, it's grown from assisting 21,000 guests in a year find a place to stay, to six million a year go on holiday, and currently lists a staggering 800,000 properties in 34,000 cities across 90 different countries. No doubt the rapid growth of Airbnb has surely raised some questions on the impact it may have on the traditional accommodation sector, in the future.

Airbnb has largely succeeded in bringing back local flair to travelling. Indian travellers today enjoy participating in community based experiences, meaning that the action of meeting strangers on their local turf must be adequate and attractive. More value is given to unique

experiences, due to the quality of Airbnb represents a more authentic experience, the uniqueness of the experience is given by the feeling of home and the local knowledge. Besides authenticity, another two important factors for the guests are location and price. The company typically offers an online platform, which means that the costs which puts people in contact with each other are reduced. Moreover, if the demand is constant and the supply is increasing, the prices could decrease. Keeping this fact in mind, Airbnb now has a larger diversity and more number of rooms than some hotel chains.

Objectives

1. To acknowledge the awareness levels of Indian tourists towards Airbnb
2. Identify the underlying factors that influence Indian tourists to choose Airbnb
3. Study buyers' preferences regarding Airbnb attributes, and its advantages or disadvantages over the traditional accommodation sector.
4. To gain an insight into the profile characteristics of potential guests for Airbnb.

Research Methodology

The main purpose of this study is access the perceived benefits of Airbnb on Indian travellers abroad, with specific regards to destination facilities and tourist satisfaction. A quantitative research method was used in this paper to gather multidimensional data. Respondents were recruited through social media platforms, like Facebook, through the snowball sampling method and the questions were based on short open-ended questions, multiple choice and Likert scale. The method consists of a self-administrated online survey that were completed either by Indian tourists who already stayed with Airbnb or by tourists who have not tried it but look forward to. After the conduction of surveys and its analysis, the results are presented and discussed accordingly. The research shows that some aspects have a crucial importance in the decision-making process with respect to a traveller's choice of accommodation.

Literature Review

1. John W. Byers (2016) published a paper on Airbnb with a title "The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry" This paper significantly recognize the pursuers on the expanding request of sharing lodging during the travel and its advantages to the tourism business and its direct customer markets, all things considered known as the sharing economy, have developed as elective providers of new Airbnb entrepreneurship. The paper investigates the financial effect of the sharing economy on the occupant by contemplating the instance of Airbnb .The research introduces Airbnb into the territory of Texas, and evaluate its effect on the Texas lodging industry over the ensuing decade.
2. Josh Bivens (2019) in his paper titled "The economic costs and benefits of Airbnb", majorly emphasises on the following discoveries like cost viability of Airbnb as a first inclination for stay. The study states that the rental business of Airbnb makes cash by charging visitors and has for transient rental remains in private homes or condos booked through the Airbnb site. In numerous nearby markets, the appearance and extension of Airbnb is bringing up issues about its latent capacity negative effects on neighbourhood lodging costs, personal satisfaction in private neighbourhoods, business quality in the

accommodation business, and neighbourhood governments' capacity to uphold civil codes and gather fitting duties.

3. Daniel Adams Guttentag (2016) presented a thesis on “Why tourists choose Airbnb: A motivation-based segmentation study underpinned by innovation concepts” This research paper exploration is a fresh start to new manner of thinking for tourist inclinations during worldwide travel for the stay decisions. Today, Airbnb is seemingly the most discussed subject in the whole the travel industry part. The study also states that a huge part of the exploration studies and media stories that have been referenced in this theory were just distributed inside the most recent year or somewhere in the vicinity, long after this venture began. Airbnb has just shaken up the travel industry, with little sign that its development will slow down the hotels essentially at any point in the near future. The speed with which it has affected the travel industry area is both very uncommon and noteworthy. Despite the fact that it is a future loaded up with question marks, it is trusted that this investigation can furnish the entirety of the significant partners with a superior comprehension of the shopper inspirations that fill in as the establishment for these progressions.

Data Analysis and Interpretation

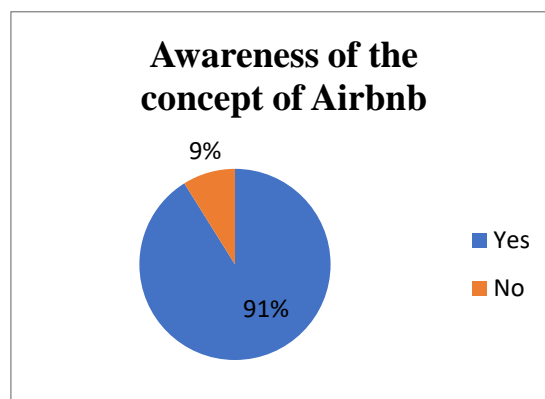


Fig:1

The above data mentions that the awareness of Airbnb among respondents is 91 %, whereas only 9% of respondents are unaware of the concept. This states that the general population is well aware of the existence of the Airbnb and it has a wide reach.

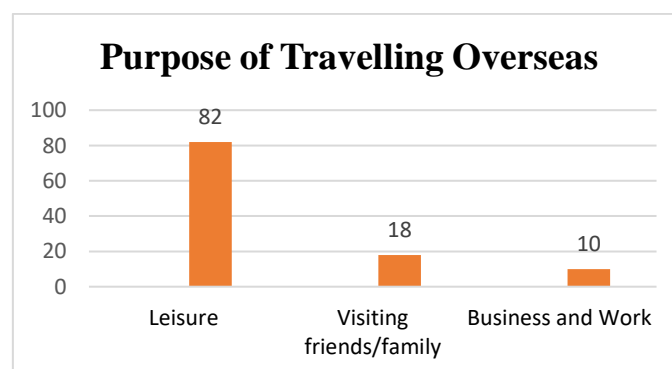


Fig:2

The survey conducted for the Purpose of Travel to the sample size of population who are the enthusiastic tourists. The understanding of the survey says that 82% tourists travel for leisure

and only 10 % tourists’ travel for business purpose, but 18% tourists travel with the intention to visit friends and family. These findings can help Airbnb, if promoted to targeted group.

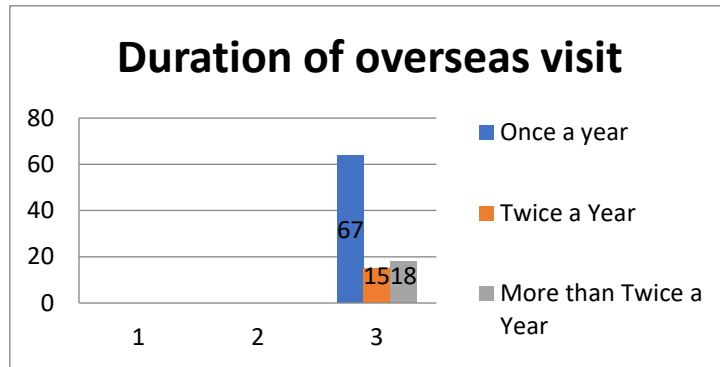


Fig:3

The survey conducted tried to identify the duration of Indian consumers travelling overseas who could be potential Airbnb customers in future,67% tourists travel only once in a year abroad, 15% tourists travel twice a year and 18% tourists travel more than twice overseas.

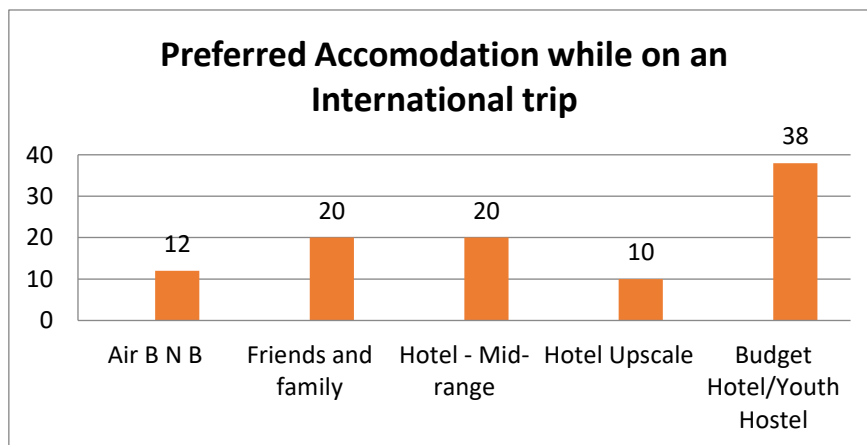


Fig 4

It was observed that 38% of respondents said they would prefer a hostel or budget accommodation during their travel, while 20% respondents would prefer to stay with known people that is family and friends, and 20 % said they would prefer to stay in mid ranged hotels to enjoy some luxury. Only 10 % respondents would want to stay in five star properties or upscale hotels, subsequently 12% respondents would prefer Airbnb as an option.

Gauging at the above feedback the research confirms that there is lot of potential for Airbnb to grow as a business in well-known as well as uncommon destinations as a cost effective yet unique source of accommodation and can hence capture the tourists wanting to stay in hostels or low ranged hotels.

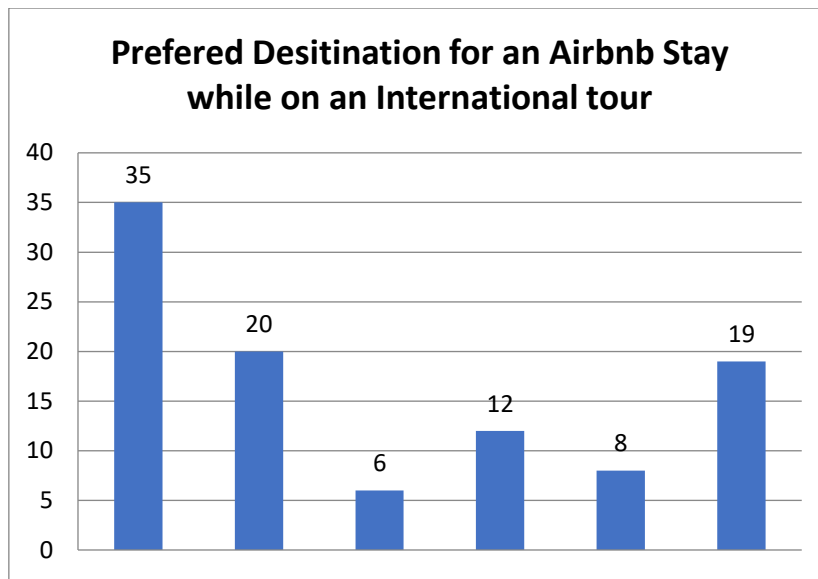


Fig 5

It was observed that Airbnb is quite a well-known and experienced concept in America and Europe. The understanding was judged wherein the findings say that 35% tourists preferred Airbnb while in Europe and 20 % prefer it while travelling in America. On the other hand 19% would prefer Airbnb in the Middle East and 12% would choose while travelling to South East Asia, only 6 % and 8% respectively prefer Airbnb for stay in Russia and India. According to the survey the concept of Airbnb which is established in the European and American region so that is more comfortable from the customers point of view and awareness for it is also well developed , so these regions are the preferred destinations for people to travel with choice of Airbnb.

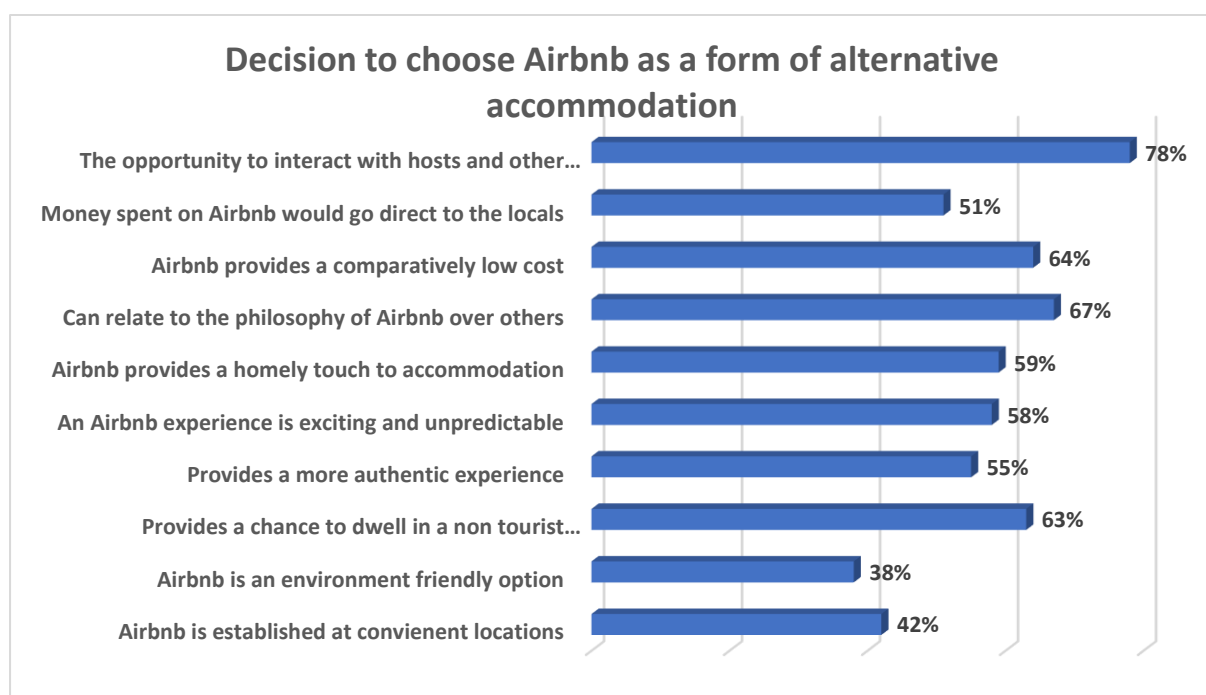


Fig 6

The above data indicates that, an opportunity to interact with the hosts and other locals (78%) is the top reasons why travellers prefer Airbnb as an alternate form of accommodation. In a scenario where travellers are seeking more enriching and unique experiences on their trips,

Airbnb stays can offer that criteria with the more natural and locally satisfying involvement of its dwellings. The ‘Eco-friendly’(38%) or ‘convenient location’(42%) parameter are the least favoured choice when it comes to taking a decision on choosing Airbnb as an alternative form of accommodation.

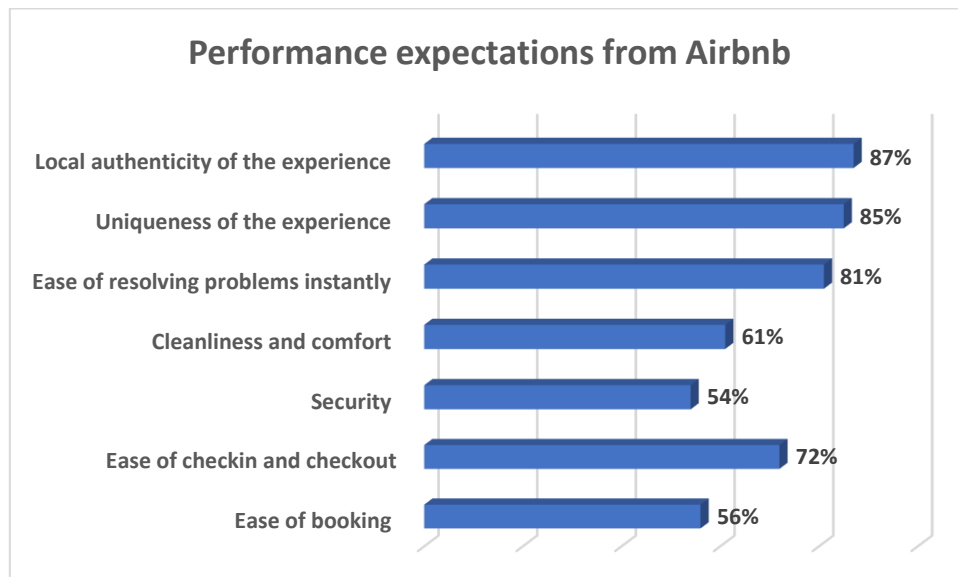


Fig 7

‘Local authenticity of the experience’ rated the most high (87%) among the respondents throwing light on the fact that travellers today prefer to have a more localised experience with the culture, food and general lifestyle of the host destination rather than simply experience luxury. This was followed by ‘Uniqueness of the experience’. ‘Security’ was rated 54% and ‘Ease of booking’ 56%, considering the fact that the reviews and rating on the Airbnb website by actual travellers seems very convincing.

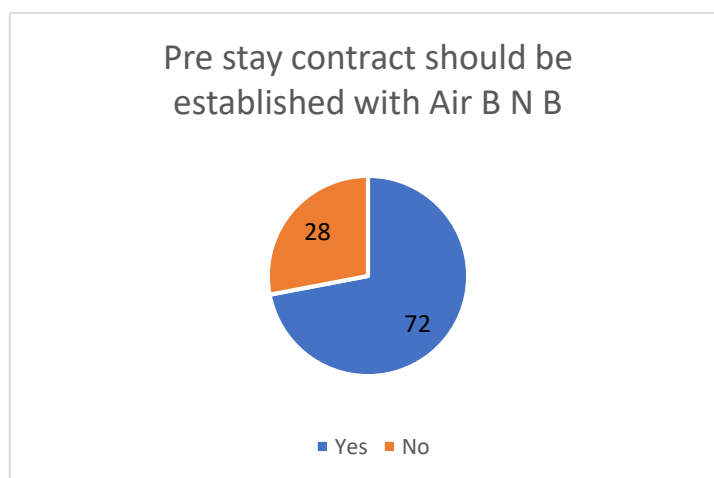


Fig 8

72% of respondents mentioned that it is necessary to have a pre stay contract with Airbnb as it would not comply any limitations on consumers, on the other hand 28% respondents feel it is

important from the host and guest angle to have a contract for multiple stay for the confirmation of sale and stay during peak periods.

These contracts have both the opposite angles as multiple stay contract would not allow the guest to choose different stay options and host to change the troublesome customer but at the same time this would help both parties to have assurance of sale for Host and assurance of confirmed booking to the guest during peak seasons.

Conclusions and suggestions

The primary results presented here state that both the authenticity of the experience is the most significant attribute in the choice of Airbnb as a form of alternative accommodation. This paper is supported by the concepts of sharing economy, collaborative consumption, and traveller decision-making, which underlines the business model of Airbnb.

Airbnb guests are most strongly attracted to Airbnb by its experiential attributes like uniqueness of the experience and interaction with the locals.

Though Budget hotels are still the preferred choice among Indian travellers abroad, the concept of Airbnb is slowly but steadily creating a market strength of its own right. It is vital that the hotel industry, though serving a different market segment and having different a business model, has experienced a rhetoric change in traveller attitudes since the inception of Airbnb.

Hotels now need to consider Airbnb as stoic competition and should consider a seamless integration with it. Not only should hotels look to add homesharing-like attributes and experiences to their properties, but should also look into tapping into the platform-based business model that underlies Airbnb's success.