Original Paper

Young Consumers' Satisfaction and Intention in Sharing Economy Using the Case of Airbnb

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Abstract

This paper sought to investigate young consumers' satisfaction and intention in sharing economy using Airbnb as the ideal case company. In doing so the entity sought to fill up gaps in the literature on hotel management, since the study discovered that there is no detailed concept of consumer behaviour in the process of providing services as an intermediary platform in the market. In ensuring these gaps were adequately filled the study relied on quantitative research methods which ensured that voluminous data was collected within limited time limits and included using questionnaire survey, and finally have the collected data analysed using SPSS. Accordingly, the study found out that customer satisfaction has a general positive relationship towards young customer's intention to use Airbnb. This was has been gained as a result of benefits of the share economy that customers tend to gain through affordability, familiarity, trust or even offering customers a feeling of belonging that induce higher satisfaction and eventually high intention to use Airbnb. Therefore, the study recommends that Airbnb should consider offering customized services for different markets and also, the entity should also increase investment in innovation so that it can enable it come up with winning products within Airbnb hence increase the customers satisfaction and resultant customer intention.

Keywords

sharing economy, Airbnb, Young consumer, satisfaction

1. Background to the Research

In recent times, the economic trend of 'sharing economy' has gained attention due to the development of the ICT, increased consumer awareness, the spread of social sharing and commerce, and spreading of mutual website communities. According to Zervas, Proserpio, and Byers (2017), sharing economy is described as an option or choice social and economic movement where there is sharing of the idle reserves with others to ensure there is a reduction of wastage and ultimate contribution to an

increasingly common interest in the community.Previously, the aspect of sharing unused resources was common among the small communities where individuals were selling or trading the excess commodities to other individuals. Initially, the system was organised in a way that allowed the use of idle resources rather than making revenue (Skift, 2013). The consumer and the providers of the resources were people who were expected to share the remaining commodities rather than companies. Hence, it is common that in sharing economy to find the consumers being the main provider and consumer of the commodities.

According to Tussyadiah (2016), sharing economy concept started to be common in the early 2000s as a new form of business. Excellent ICT technology and social media platforms have enhanced the spread of sharing of goods and services via online platforms where firms have actively taken a role in the shared economy space to desist from excess consumption and energy crises. As argued by Sung, Kim and Lee (2018), shared economy influences the exchange of commodities with the expansion of traditional consumption models and trading.

Airbnb is a good example of sharing economy where there is sharing of space. Airbnb has been enabling maximisation of using house resources among the local residents that are not well used and assists in promoting them (Wachsmuth & Weisler, 2018). The purpose of this thesis is to have a deep understanding of what motivates young consumer motivation and intention in participating in the sharing economy.

The purpose of this thesis is to have a deep understanding of what motivates young consumer motivation and intention in participating in the sharing economy. To fulfil the core purpose of the research, the researcher will engage a qualitative study that will consist of interviews with the young consumers or clients of the company engaged in the sharing economy. Moreover, the researcher will focus on the management insights regarding the research findings with the targets of adding research credibility.

2. Literature Review

2.1 The Sharing Economy

Lutz (2018) on the other hand defined sharing economy as an economic model which is commonly referred to as a peer-to-peer based activity involving the acquiring, provision or even sharing of access to goods or even services which are facilitated by a community which is based online. Lin, Wang, and Wu (2017) went ahead and defined sharing economy as a form of a collaborative consumption which can also be termed to support peer to peer sharing, which highlights the capability and preference of people to rent or borrow products rather than purchasing their own.

In the recent years, because of developments in information and communications technologies, the way people buy goods and services is changing. This is worsened by the fact that, there has been a continuous economic meltdown in most of the economies making disposable income to be quite low for most of the people in different economies have become very challenging (Lutz & Newlands, 2018).

This has made it hard for the people who love travelling to comfortably afford tourism activities as they used to making it a necessity for them to opt for cheaper alternatives, as long as they still prefer engaging in the same activities by settling upon shared economy products. For example, people can share their unused rooms with others (e.g., Airbnb), can provide taxi services using their private car (e.g., Uber, Lyft), all through the sharing economy platform (Sung, 2018). Accordingly, with the rise of the peer-to-peer economy, more and more people would like to share their things and rent their rooms to raise money (Lin, Wang, & Wu, 2017).

2.2 Factors Making Share Economy Popular over Traditional Hospitality Industry amongst Young People

At present, the satisfaction and motivation of young consumers to use peer-to-peer services as compared to traditional hospitality products can also be tagged to the fact that in accordance to Sift (2013), better accommodation experience and adequate home facilities for families are the reasons for consumers' choice. Furthermore, most of the share economy platforms like Airbnb are normally easily accessible over the online platforms and actually have coverage in over 65,000 cities in the world, which offers ready accommodation information to any customer willing to travel through easy provision of accommodation information for tourists (Lin, 2017; PN-Paraplegia News, 2017). This is very ideal for many young tourists considering how tech savvy they tend to be, making it easy for them to access the information as they spend most of their time online. Another aspect which makes the share economy to be preferred more by the younger consumers as compared to the traditional hotels is the aspect that it allows for the users to share accommodation which in turn makes the entire tourism activities to be less costly (Hindustan Times, 2014).

Furthermore, the aspect of being able to choose a place where one can share with peers increases the chances of the young tourists settling in quite fast compared to each person having their own rooms as required by traditional hospitality systems.This form of achieving familiarity with one's peers, living in one shared space makes the entire experience quite thrilling as the young people get the feeling of being at home an aspect which in fact further instigates a feeling of belonging amongst the peers (Mehlman, 2015).

3. Research Methods and Results

3.1 Research Methods

With the aim of justifying the most appropriate methods, first considers methodological issues including philosophy and approach, second develops the research design through selecting the suitable research strategy, data collection technique, and sampling method, and third explains the procedures for data collection and analysis.This research justified quantitative research as the more appropriate choice for this dissertation than qualitative research for the reason of seeking the objectiveness and accuracy in understanding relationship between customer satisfaction and customer loyalty in sharing economy

using Airbnb as the case. Questionnaire survey was implemented to collect quantitative data and 102 valid questionnaires were gained for statistical analysis in SPSS.

3.2 Data Results for Research Introductory Questions

3.2.1 Results and Findings for Information Relating to Demographic of Respondents

As illustrated in *Figure 3-1* below, the highest percentage of 69.6% of respondents are aged between 18 and 22 years, with the lowest percentage of 30.4% aged between 23 and 25 years. These findings depict that most of the respondents are not or newly employed making the aspect of shared economy offered by Airbnb to be quite an alluring concept to them.
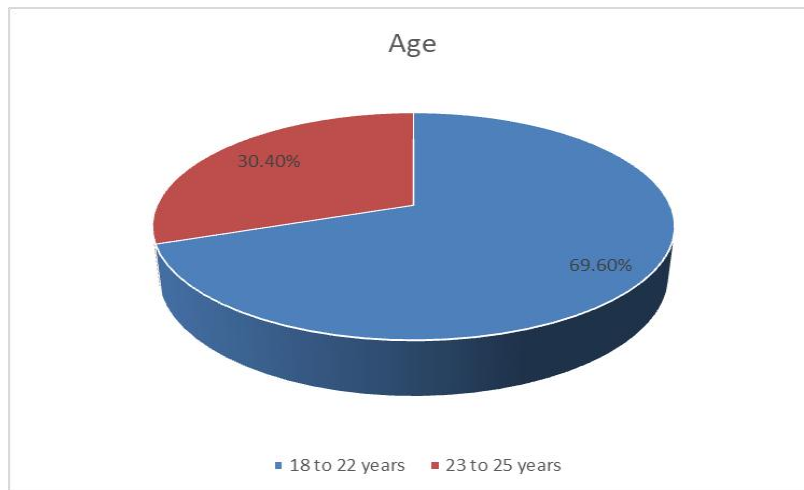

Figure 3-1. Respondent's Age

As illustrated in *Figure 3-2* below the highest percentage at 55.9% represents women while the lowest percentage of 44.1% represents men. These findings can be attributed to the aspect that women tend to be relatively more social as compared to their male counterparts, making it easier for them to use the shared economy.
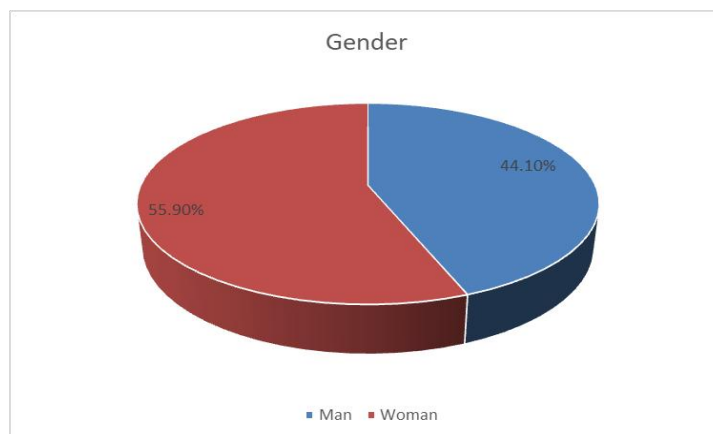

Figure 3-2. Respondent's Gender

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As depicted in Figure 3-3 below, the highest percentage of the respondents standing at 63.7% have undergraduate qualifications with the lest standing at 5.9% having doctorate educational level. These findings depict that the respondents have adequate educational knowledge to utilize the shared economy platform in addition to also be able to be relied upon to offer valid data for the study.
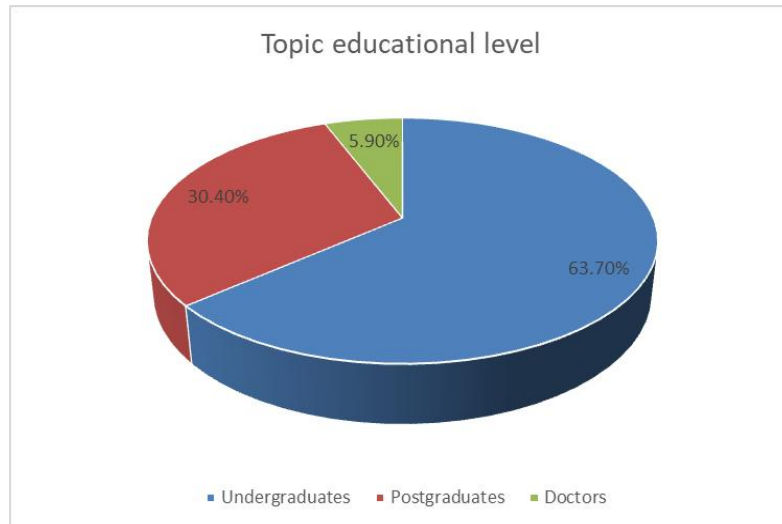

Figure 3-3. Respondent's Educational Level

The findings as depicted in *Figure 3-4* below shows that the highest percentage of 56.9% earn less than 500 pounds with the highest percentage of 17.6 earning between 1001 and 3000 pounds. These findings depict that majority of the respondents rely upon shared economy because of the affordability since they have limited finances at their disposal.
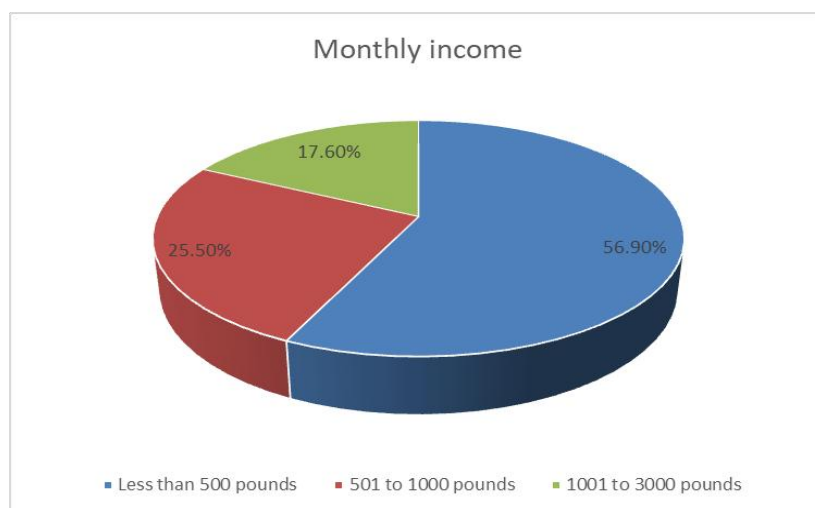

Figure 3-4. Annual Income in (RMB)

3.2.2 Results and Findings for Warm up Questions 150

As illustrated in *Figure 3-5* below in regard the situations when Airbnb was considered by the respondents the highest percentage of 60.8% of the respondents did so when they needed to book a hotel, with the least percentage of 10.8% doing so when on few times when they needed to book a hotel. These findings depict that the respondents have high preference towards Airbnb as a source of accommodation as compared to traditional hotels.
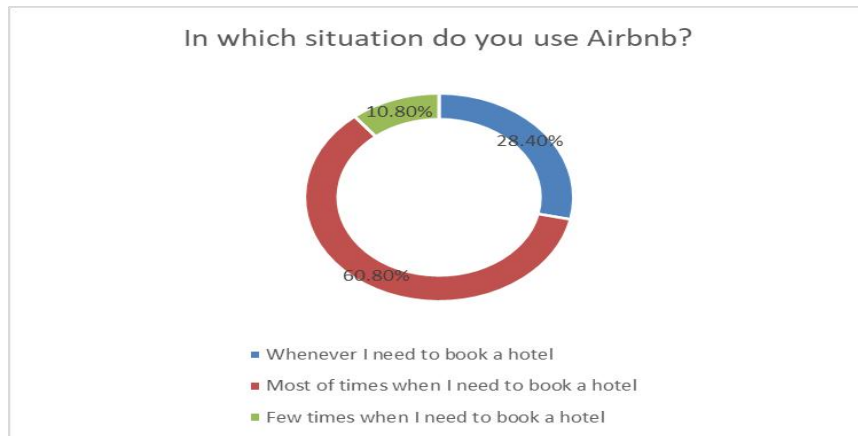

Figure 3-5. Situations When Airbnb Is Used

As showed in *Figure 3-6* below in regard to the length of time the respondents have used Airbnb the highest percentage of 35.3% stated that they have done so between 1 and 3 years, with the least percentage of 10.8% stating that they have done so for more than 5 years. These findings illustrate that the respondents have been using the Airbnb platform an aspect attributed to the aspect that the customers' expectations are met leading to satisfaction.
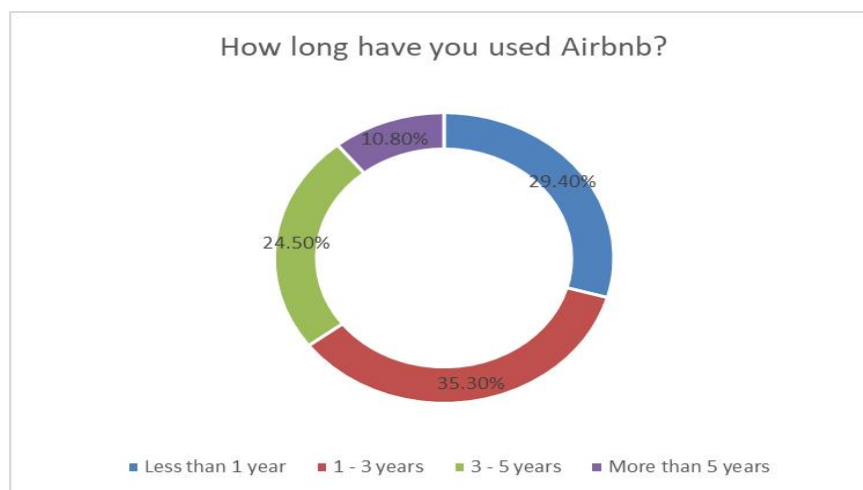

Figure 3-6. Length of Time of Using Airbnb

3.3 Description of Findings for each Research Question

3.3.1 Results of Identification of the Main Motivations of Young Consumers in Choosing Airbnb Instead of Traditional Hospitality Industry

As illustrated in *Table 3-1* in regard to what is the motivation for young consumers choosing Airbnb, the highest mean score of 4.1176 was attained against the aspect that the respondents spend most of their time online. The lowest mean score of 3.0098 was attained against the aspect that accommodations offered in Airbnb are more affordable than traditional hotels.
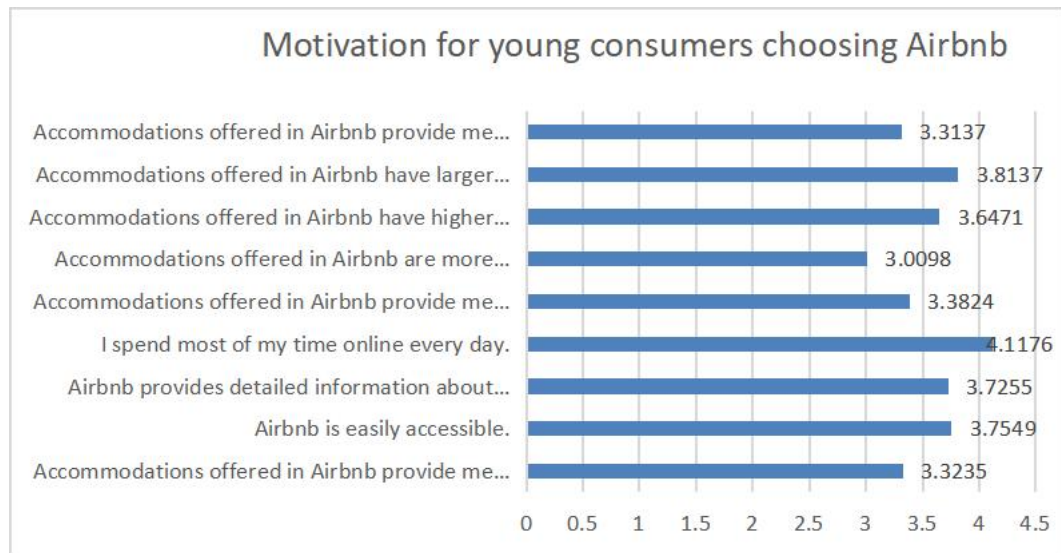

Table 3-1. Motivation for Young Consumers Choosing Airbnb

3.3.2 Results of the Evaluation of Customer Satisfaction with Different Aspects of Airbnb among Young People

As illustrated in Table 3-2 below in regard to customer satisfaction of the respondents towards different aspects of Airbnb, the highest mean score of 4.0196 was attained against the aspect that the respondents are satisfied with the sense of feeling like at home when staying in the accommodations offered in Airbnb. The lowest mean score of 3.3922 was attained against the aspect that the respondents are satisfied with the house facilities of the accomodations offered in Airbnb.
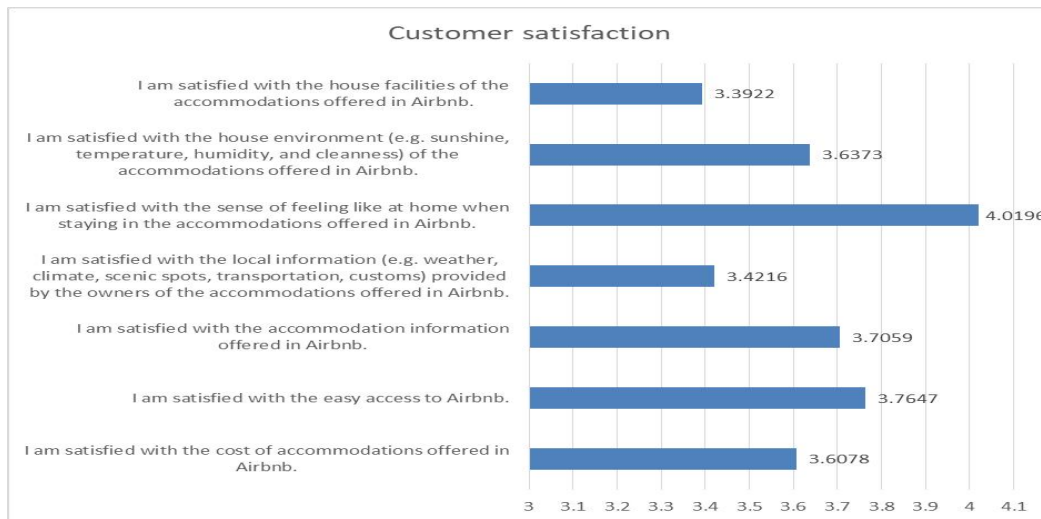
Figure 3-2. Customer Satisfaction towards Airbnb

3.3.3 Results of the Analysis of How Customer Satisfaction with Airbnd Influence Customer Intention to Continue Using Airbnb

As illustrated by Table 3-3 below in regard to impact of customer satisfaction towards customer intention to use Airbnb, the highest mean score of 3.8333 was attained against the aspect that the respondents would like to repeatedly book the accommodations offered in Airbnb for a long time. The lowest mean of 3.2549 was attained against the aspect that the respondents would like to write positive comments about the accommodations offered in Airbnb.
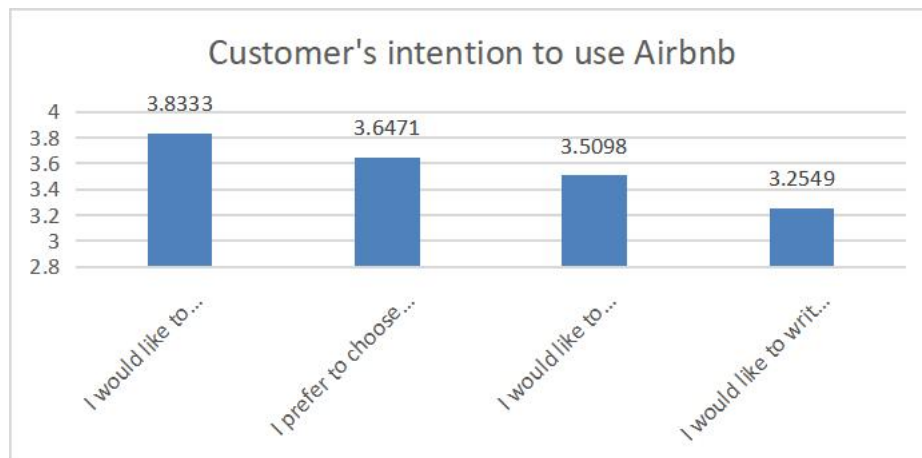

Table 3-3. Customer Intention to Use Airbnb

3.4 Results and Findings of Impact of Young Consumers' Satisfaction and Intention in Sharing Economy Using the Case of Airbnb

In the quest to establish the impact of young consumers' satisfaction and intention in sharing economy in Airbnb, this research considered correlation values depicted through *Table 4-5a below* that depicted a

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sig value of 0.000 of Customer satisfaction towards Customer's intention to use Airbnb. Consideration of this sig value against sig level 0.01 shows there is relationship significance. Additionally, Pearson's correlation was at 0.362, meaning that if this value is weighed-in against the correlation strength gauge in *Table 4-5b* below, it indicates a relationship that is within a low correlation scope of between 0.20-0.39. Therefore, in summary, it can be concluded that Customer satisfaction has a considerable significance and a low correlation towards Customer's intention to use Airbnb at 0.01 level.

Correlations

		Customer satisfaction	Customer's intention to use Airbnb
Customer satisfaction	Pearson Correlation	1	.362**
	Sig. (2-tailed)		.000
	N	102	102
Customer's intention to use Airbnb	Pearson Correlation	.362**	1
	Sig. (2-tailed)	.000	
	N	102	102

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4-5a. Correlations

Pearson's correlation value	Correlation strength
0.00-0.19	Very weak correlation
0.20-0.39	Low correlation
0.40-0.69	Moderate correlation
0.70-0.89	High correlation
0.90-1.00	Very high correlation

Table 4-5b. Correlation Strength Gauge

Accordingly, this research considers Customer satisfaction as the independent variable, while Customer's intention to use Airbnb was considered as the dependent variable (Table 4-6a below), and this research is seeking to investigate the relationship between the two variables and the degree of their relationship. In addition, as presented in *Table 4-6b below*, Adjusted R Square is 0.122, meaning that consideration of the relationship of the variables, the independent variable; Customer satisfaction is able to express the dependent variable; Customer's intention to use Airbnb by 12.2%.

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Customer satisfaction[b]	.	Enter

a. Dependent Variable: Customer's intention to use Airbnb

b. All requested variables entered.

Table 4-6a. Research Variables

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.362[a]	.131	.122	.75612

a. Predictors: (Constant), Customer satisfaction

Table 4-6b. Model Summary

As by *Table 4-6c below*, the value of F is 15.098, while the sig is 0.000. These values depict that there is significance between the variables and this relationship can be represented through a linear regression equation. Further, in the efforts to gain a credible regression equation, research findings as presented in *Table 4-6c* shows the relation index through variable coefficients. Therefore, the equation will be formed through considering the unstandardised coefficients of the independent variable as well as the constant (intercept β) value after establishing the sig values being consistent in presenting variable significance. This is done as follows;

Customer's intention to use Airbnb = 1.653 + 0.523 × Customer satisfaction.

Interpretation of the linear equation above indicates that, for every change in Customer's intention to use Airbnb, it leads to a 0.523 change in Customer satisfaction with consideration of the constant value.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.632	1	8.632	15.098	.000[b]
	Residual	57.172	100	.572		
	Total	65.805	101			

a. Dependent Variable: Customer's intention to use Airbnb

b. Predictors: (Constant), Customer satisfaction

Table 4-6c. ANOVA

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.653	.497		3.327	.001
	Customer satisfaction	.523	.135	.362	3.886	.000

a. Dependent Variable: Customer's intention to use Airbnb

Table 4-6d. Coefficients

4. Analysis and Discussion

4.1 Analysis of the Identification of the Main Motivations of Young Consumers in Choosing Airbnb Instead of Traditional Hospitality Industry

hese findings in regard to the motivation which fosters young consumers to choose Airbnb over traditional hospitality industry and as illustrated by *Table 3-1 above* depict that most of the respondents normally spend most of their time online an aspect which makes easy for them to access Airbnb considering the fact that it is an online platform itself. In accordance to the findings as well, the aspect that most of the respondents are tech savvy in nature means that they do not mind browsing for accommodation services from a technology like Airbnb which would make their life relatively more convenient. Accordingly, with such great ease of information from wherever they may be makes it very easy for the respondents to travel to a variety of destinations since the online platform offers them cost effective mode of accessing information.

4.2 Analysis of the Evaluation of Customer Satisfaction with Different Aspects of Airbnb among Young People

The findings in regard to customer satisfaction of the respondents towards different aspects of Airbnb and as illustrated in *Table 3-2* above, depicts the fact that the respondents via Airbnb can easily access accommodation which can be considered to be homely in nature making them have a feeling of belonging. Additionally, the findings also illustrate the fact that considering Airbnb accommodation generally offers home spaces which can be shared amongst several occupants or even which are fully furnished homes increases the ability of the respondents feeling that they are actually in their own rental homes, far away from their own. This aspect increases the feeling togetherness when the respondents who have been termed as being young adults are offered by the Airbnb to share the spaces and even engage in shared activities like cooking together making the shared home spaces further homely. This is in line to what was shared by Owyang, Samuel, and Grenville (2014) who asserted the fact that when the young people are allowed a platform where they can choose accommodation which fits their needs and actually homely in nature, this easily creates a feeling of belonging amongst them. Lutz and Newlands (2018) further supported the findings when they pointed out that most of the accommodation offered via the shared economy is normally homes spaces shared with the tourists, if not fully furnished homes relegated particularly for tourists, offering the visitors an opportunity to have

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a rental home far away from their own which easily creates a feeling of belonging amongst the young people especially when they are also allowed to share with their peers, increases customer satisfaction levels.

4.3 Analysis of the Analysis of how Customer Satisfaction with Airbnd Influences Customer Intention to Continue Using Airbnb

The findings in regard to how customer satisfaction of the respondents towards Airbnb influences their customer purchase intention to use it and as shown in Table 3-3 above depict that the respondents were well being satisfied by benefits which Airbnb offers them be it in matters affordability, familiarity, trust or even offering them a feeling of belonging. Accordingly, when their needs have been met in an unmatched manner as compared to the traditional hospitality industry particularly, the respondents will tend to have an iinclination towards Airbnb whenever they need to have accommodation when on vacation or just travelled away from their own homes. This is mainly because the respondents tend to have a positive attitude that Airbnb accommodation is the only one that can satisfy their accommodation needs, making them loyal to purchase the services again and again. Accordingly, the findings depict that the respondents tend to have a positive purchase intention towards the Airbnb products as they feel that it is the onley way they can access accommodation that will fit their specific needs in regard to accommodation away from home. This is supported by Kotler (2015) who asserted that when young people feel that their needs and expectations have been well satisfied through utilization of the share economy products, chances are high that they will have more purchase intention towards the products.

4.4 Discussion of the Investigation of Young Consumers' Satisfaction and Intention in Sharing Economy Using the Case of Airbnb

As espoused above in regards to establishing the relationship between Customer satisfaction and Customer's intention to use Airbnb through young customers, it was established that there is a positive correlation in a general scale between the two variables. The rationale for this is pegged on the fact that this relationship is depicted through a sig value of 0.000 which depicts significance, as well as a Pearson's correlation index of 0.362 which indicates a relationship index of a low correlation. This according to the findings of this research can be attributed to the fact that the young respondents decreed that they are highly satisfied courtesy of the benefits they gain from the share economy product in Airbnb. Further, the fact that young customers feel that they can find value of their money and through affordable approaches means that they can easily be satisfied that their needs can be met through cheaper means, thus this can induce a higher customer intention to use Airbnb.

Additionally, this research established that if a product like Airbnb tends to offer detailed scenic and valuable information that can be trusted, then it means that the share economy product is likely to attract young customers' intention to use it. It was established that customer satisfaction has a general positive relationship towards young customer's intention to use Airbnb. This was gained as a result of benefits of the share economy that customers tend to gain through affordability, familiarity, trust or

even offering customers a feeling of belonging that induce higher satisfaction and eventually high intention to use Airbnb.

5. Conclusions

The study concluded that the most influential motivation is the fact that the respondents are mostly online. Accordingly, by being online most of the times in addition to being tech-savvy against the aspect that Airbnb itself an online platform, this makes it easy for Airbnb accommodation information to be accessed by the respondents making it highly convenient to use as compared to traditional hospitality entities.This is supported by by Lin, 2017; PN - Paraplegia News (2017) which stated that, most of the share economy platforms like Airbnb are normally easily accessible over the online platforms and actually have coverage in over 65,000 cities in the world, which offers ready accommodation information to any customer willing to travel through easy provision of accommodation information for tourists. This is very ideal for many young tourists considering how tech savvy they tend to be, making it easy for them to access the information as they spend most of their time online.

In regard to the evaluation of customer of customer satisfaction towards different aspects of Airbnb amongst young people, the study concluded that the aspect that Airbnb offers accommodation which can be termed to be homely in nature increases the ability to have a feeling of belonging far away from their actual homes. This increases the respondents satisfaction since they tend to feel homely. This is supported by Owyang, Samuel, and Grenville (2014); Lutz and Newlands (2018) who pointed out that most of the accommodation offered via the shared economy is normally homes spaces shared with the tourists, if not fully furnished homes relegated particularly for tourists, offering the visitors an opportunity to have a rental home far away from their own which easily creates a feeling of belonging amongst the young people especially when they are also allowed to share with their peers, increases customer satisfaction levels.

In regard to how customer satisfaction with Airbnb influences customer intention to continue using Airbnb, the study concluded that the customer satisfaction is positively correlated to the customer intention. This is attributed to the fact that the benefits which Airbnb seems to be offering the respondents seem to be exceeding their expectation on what they consider ideal in regard to accommodation offering when they are away from their own homes leading to them recoring high levels of satisfaction towards the entity. In turn, the study concluded that when the respondents are satisfied, then it becomes easy for them to have a positive attitude towards the entity, making them have a positive customer purchase intention over and over again. This is in line to what Kotler (2015); Yuyangho (2017) who both asserted that when young people feel that their needs and expectations have been well satisfied through utilization of the share economy products, chances are high that they will have more purchase intention towards the products.

6. Recommendations

In order to increase customer satisfaction and customer purchase intention amongst young customers towards Airbnb the following recommendations can be considered; Firstly, Airbnb should consider offering customized services for different markets. This can be effected by the entity embracing aspects like offering the products in the local language in order to increase understanding by the locals on the shared economy products available, increasing customer satisfaction and intention as well.Additionally, the entity should also increase investment in innovation so that it can enable it come up with winning products within Airbnb hence increase the customers satisfaction and resultant customer intention.

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