Understanding Transitions of Trust across Different Business Contexts: An Exploratory Sequential Mixed Methods Study

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UNDERSTANDING TRANSITIONS OF TRUST ACROSS DIFFERENT BUSINESS 
CONTEXTS: AN EXPLORATORY SEQUENTIAL MIXED METHODS STUDY 

By 

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A dissertation submitted in partial fulfillment 
of the requirements for the 

Doctor of Philosophy – Hospitality Administration 

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University of Nevada, Las Vegas 
May 2017
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entitled

Understanding Transitions of Trust across Different Business Contexts: An Exploratory Sequential Mixed Methods Study

is approved in partial fulfillment of the requirements for the degree of

Doctor of Philosophy – Hospitality Administration
William F. Harrah College of Hotel Administration

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ABSTRACT

UNDERSTANDING TRANSITIONS OF TRUST ACROSS DIFFERENT BUSINESS CONTEXTS: AN EXPLORATORY SEQUENTIAL MIXED METHODS STUDY

by

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Airbnb’s influence has been growing rapidly in the last few years, and hotel operators are beginning to recognize the competitive threat it poses. However, consumers may perceive Airbnb differently than hoteliers. Thus, the current study attempts to explore hotel customers’ perceptions of the sharing economy business (Airbnb). It is important to pay attention to the different business settings of the channels that currently exist in the lodging industry. Moreover, investigating the relationship between trust and perceived risk in this new channel (i.e., Airbnb) is crucial due to the inherent risk of transactions on Airbnb, especially when compared with traditional Business-to-customer. Considering the fact that Airbnb belongs to a different context (Customer-to-customer) than traditional hotels (B2C), this study uses a mixed methods approach, specifically with an exploratory sequential design. Through the qualitative analysis, Study Phase 1 identified antecedents of trust and perceived risk on the intention to select Airbnb. These factors were categorized into the three attributes of Airbnb, which include channel, accommodations, and individual host. Study Phase 2 consisted of two stages: 1) instrument development by using EFA based on the results from Study Phase 1, and then, 2) empirical validation by using the PLS-SEM technique in order to thoroughly examine the relationships in the proposed S-O-R framework. Findings, implications, and suggestions for future studies were also discussed.
ACKNOWLEDGEMENTS

I have been blessed throughout my doctoral program to have received endless and generous support from many people. I would first like to express my sincere gratitude to my committee chair, as well as my true friend, Dr. Mehmet Erdem, whose mentorship and support was invaluable. He continually encouraged me throughout my doctoral career; he also genuinely helped me begin my new career. Without his immense guidance, I would neither finished this study nor begun my new journey at the next level. I was also fortunate to have three outstanding committee members who assisted me during my doctoral study: Dr. Xiucheng (Billy) Bai, Dr. Choongbeom (CB) Choi, and Dr. Bradley Wimmer. Their generous support helped me broaden my spectrum and inspired me to keep this study moving forward and staying on the right track. I take this opportunity to truly express my appreciation to them.

I would also like to thank my family, my wife, my son, and my newly arriving daughter, as they traveled this rough journey with me. More specifically, I am grateful to my wife, Taiyon, for her love, continuous support, and sacrifice during the years I have been pursuing my doctoral degree in the United States. Her love and support helped me get through many educational challenges. I also thank my son, Aiden Jiseob Yoon, and my soon-to-be-born daughter, for coming to us. You are truly the joys of my life. You always motivate me and help me to be brave in facing any challenge.

Appreciation should also be extended to my dear friends at UNLV. They continually provided warm encouragement, motivation, and amazing memories throughout my doctoral journey. I would like to express my deepest gratitude to Valerie Calbert and Gael Hancock, for their administrative support; they helped make the process enjoyable and viable. I am also sincerely grateful to Dr. Gail Sammons for her APA format checking of this dissertation.
Lastly, but most importantly, special thanks to my father, Yeo-Ok Yoon, and my mother, Wan-Rye Park, for their unconditional love and support. They always motivate, encourage, and trust me to keep doing what I want to do. Without their guidance, I would neither have found myself today nor begun this journey. I am very grateful for all of their sacrifices. I would also like to thank my only brother for his continued love and friendship. Moreover, I would like to express my sincere gratitude to my parents-in-law, as well as sisters-in-law, for their continued interest, faith and support in keeping me on track.
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CHAPTER 1

INTRODUCTION

Various types of business based on a “sharing economy” have emerged, starting with sharing bikes and cars (e.g., carpool) on an on-demand basis (Cohen & Kietzmann, 2014). A sharing economy can be defined as “the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services” (Hamari, Sjöklint, & Ukkonen, 2015, p.2047). Based on the disruptive role of Information and Communication Technology (ICT), the businesses that make up such an economy—such as Airbnb, Uber, Lyft, and Zipcar—have quickly gained a lot of attention and popularity in the past few years as individuals’ perception of sharing goods and services has changed (Cohen & Kietzmann, 2014).

Collaborative consumption, which is associated with the concept of a sharing economy, is one of the emerging trends in recent years (Möhlmann, 2015). Following this trends, it is important to draw the attention of emerging consumer-to-consumer businesses (C2C), which is differentiated from the business-to-consumer (B2C) setting (Möhlmann, 2015). To further explain these terms, Uber is a good example of a business in the C2C setting while Zipcar would be categorized as a B2C type of business, although both are considered a part of the sharing economy. However, the two different settings might lead to different consumer behaviors in terms of collaborative consumption (Möhlmann, 2015).

The lodging industry has not been exempt from the trend of collaborative consumption, the clearest example being Airbnb.com, which is an online accommodation marketplace where any individuals can provide temporary accommodation space of their own such as apartments, houses, castles, yacht, etc. In 2016, Airbnb.com has offered more than 2 million accommodation
spaces to more than 60 million guests in more than 34,000 cities in more than 190 countries (Airbnb, 2016). While hotel brand websites and online travel agencies (OTAs) have traditionally provided the major channels for selling rooms within the B2C setting, Airbnb.com is spearheading a new trend in consumer behavior (i.e., collaborative consumption) within the lodging industry and is classified as a C2C business.

Recent studies showed that sales of hotel rooms have been threatened by Airbnb as growing number of travelers have begun to choose Airbnb rather than hotels for their accommodations (e.g., Guttentag, 2015; Zervas, Proserpio, & Byers, 2016). Perhaps, Airbnb poses a major threat to the lodging industry by filling out a void that has been largely ignored by the hoteliers. It is common knowledge that some consumers seek out amenities and comforts not always offered by a traditional hotel room, such as a kitchen, laundry facilities, etc. Short term rentals, extended stay lodging accommodations as well as vacation rentals are not new concepts. However, the ease of access for both the consumer and the supplier and, more importantly, the magnitude of vast supply provided by Airbnb are disruptive to the existing business models of lodging operations.

**Problem Statement**

According to Trejos (2016), Airbnb’s influence has been growing fast in the recent few years, and hotel operators are beginning to recognize the competitive threat they pose. Travelers spent $2.4 billion on Airbnb instead of traditional hotels between October 2015 and September 2015. Although it is still less than 2% of $141 billion which was generated by traditional hotels in the same period, we should pay attention to the fact that the number (i.e., $2.4 billion) is a significant increase from the previous year (O’Neill & Ouyang, 2016; Trejos, 2016).
Within this particular trend, one major problem is that there are currently limited to no information resources available that help hoteliers gain a sense of the current trends and patterns of the sharing economy and how hotel customers perceive Airbnb in a comprehensive manner. This makes it difficult for hotel decision-makers to develop a strategy to allow them to take on their new competitor or to gain a competitive advantage to ensure the survival of their business. Moreover, consumers may have a different perception of Airbnb than hoteliers themselves do. Thus, the current study attempts to explore hotel customers’ perceptions of the sharing economy business (Airbnb). Also, it is important to pay attention to the different business settings of the channels currently in the lodging industry: hotel-brand.com and OTAs are set in the B2C context while Airbnb is set in a C2C context.

The common agreement is that hotel rooms sales and market shares have been influenced by Airbnb. As a result, a thorough investigation and understanding of the rising C2C channel have become inevitable and very important for hotel operators who deal with perishable and time-sensitive products, such as hotel rooms (Chung, 2000). Along with performing an urgently needed comprehensive investigation of the e-channels within the lodging industry, this study aims to contribute to both the current body of knowledge and to help inform the decision-making process for practitioners in the lodging industry. To achieve this goal, the proposed research is made up of two subset studies that use an Exploratory Sequential Mixed Methods research design. Study Phase 1 is a qualitative study that investigates several items that can be used as antecedents of hotel customers’ trust in Study Phase 2. Study Phase 2 is a quantitative study that involves development of subsequent concepts and conceptual model, and those empirical validation, using Partial Least Square Structural Equation Modeling (PLS-SEM) to gain a
comprehensive understanding how the hotel customers’ perceptions of Airbnb involve in an integrative mechanism to form an intention to choose Airbnb over traditional hotels.

**Study Rationale**

From the early platforms of online marketplace (e.g., eBay, Amazon, Expedia, Priceline, etc.) to more advanced and specialized platforms (e.g., Airbnb, Uber, RelayRides, etc.) in these days, online transactions could have proliferated because there have been so many endless efforts on building trust between online providers and customers behind the continuous success of the online businesses (Edelman & Luca, 2014). Along with the increasing popularity of social network services (e.g., Facebook, Twitter, Instagram, etc.), moreover, most online marketplaces now offer not only product/service itself but also the customers’ post-experience of online transaction (e.g., users’ online reviews, evaluations on sellers’ reputation and products/services, sales’ history, etc.) in order to create and enhance the customers’ trust on the products/services and the transactions (Edelman & Luca, 2014).

As revealed by many researchers, there are certain degrees of perceived risk as well as trust in the products and services a customer obtains during online transactions. Historically, researchers provided various empirical interpretations on the relationship between trust and risk whether the trust is a predictor of risk, for example (Jøsang & Presti, 2004; Pavlou, 2003; Poortinga & Pidgeon, 2003). Examining the relationship between trust and perceived risk may be even more important in the lodging industry, where the products are perishable and intangible. Indeed, so much prior studies have focused on examining the relationships between travelers’ trusts and risks on the traditional online hotel distribution channels (i.e., B2C) including hotel brand.com and OTAs (e.g., Bélanger & Carter, 2008; Jøsang & Presti, 2004; Pavlou, 2003;
Poortinga & Pidgeon, 2003). However, there has been a lack of study devoted to investigating those relationships on the new innovative C2C channel (i.e., Airbnb).

Moreover, investigating the relationship between trust and perceived risk in this new channel (i.e., Airbnb) is arguably of great significance due to the inherent risk of transactions on Airbnb, especially when compared with traditional B2C lodging business. In fact, the level of trust a customer feels during an Airbnb transaction is likely to be significantly less when it compares to existing hotel brands in the traditional channels. This is simply due to established hotels’ stronger brand reputation. As a result, it is very important to investigate the hotel customers’ trust and perceived risks on Airbnb, which is something that no other study has offered so far. To obtain a comprehensive understanding of the relationship between the customers and Airbnb, therefore, the researcher explores hotel customers’ perception of trust and risks on Airbnb as well as the customers’ perceived benefits when using Airbnb. Figure 1, below, shows a basic theoretical framework of the relationship among trust, benefit, risk, and intention.

![Basic theoretical framework](image)

*Figure 1. Basic theoretical framework.*
Purpose of the Study

Recognizing the importance of such issues, the purpose of this study is to obtain a comprehensive understanding of hotel guests’ perceptions of Airbnb, which belongs to different business contexts (i.e., C2C). Specifically, this study attempts to examine whether hotel customers’ perceptions (i.e., perceived risks, trust, and benefits) of Airbnb affect their intention to use Airbnb for their future accommodations. To achieve this goal, the proposed study will attempt to answer the following research questions:

Research Question 1: What are the important antecedents of trust and perceived risk on hotel customers’ intention to select Airbnb over traditional hotels?

Research Question 2: Among perceived risks, trust, and benefits, what are the most important determinants of intentions to choose Airbnb over traditional lodging options?

Research Question 3: To what extent do the qualitative finding from Study Phase 1 generalize to the same population (i.e., hotel customers) in Study Phase 2?

Research Question 4: Are there any moderating effects of hotel customers’ disposition to trust or familiarity with Airbnb on selecting Airbnb?

In order to determine the antecedents of hotel customers’ trust and perceived risk, the current study uses three factors of Airbnb that become trust antecedents: Airbnb channel-related, Airbnb accommodations-related, and individual host-related factors. Moreover, the three constructs (perceived risks, trust, and benefits) will be utilized to examine hotel customers’ intentions to choose Airbnb over traditional hotels for their future accommodations. With the moderating effects of disposition to trust in Airbnb (i.e., preference on hotels) and familiarity with Airbnb, this study is expected to provide a comprehensive understanding of the customers’ intention to choose Airbnb over traditional B2C lodging options (e.g., hotels or resorts).
Significance of Study

The current study includes both theoretical and practical contribution. Theoretically, this research is one of the first pioneer study investigating antecedents and outcomes of trust and perceived risk in the context of the collaborative consumption (C2C) in the lodging industry. Using the exploratory sequential mixed methods design, the current study first explores the antecedents of trust on the three Airbnb factors (Airbnb channel-, accommodations-, and individual host-related) through a qualitative approach that contributes to the existing literature on trust framework reflecting the context of sharing economy in the lodging industry. Future studies can adopt the antecedents to investigate more in various settings in the context of the sharing economy.

Practically, the results of the current study can offer a set of guidelines to hoteliers in terms of previous hotel guests’ perceptions of Airbnb and their intention to choose Airbnb over hotels. With qualitatively and empirically supported suggestions, hoteliers would better prepare for and survive in the intensively competitive industry by understanding correctly about Airbnb and its factors that influence on hotel guests’ perceptions and intentions. In addition, the results of this study will broaden scopes of the traditional trust- and perceived risk-related framework to the new area of consuming behavior (e.g., collaborative consumption) – providing researchers with pragmatic research topics in sync with the current needs of the industry.

Definition of Key Terms

Key concepts and terms used throughout this study are listed and defined as below:

Business-to-consumer: Business or transactions of goods or services, selling by a company to consumers who are the end-users (Mokhtarian, 2004).
Collaborative consumption: Sharing the access to goods and services in the peer-to-peer markets, enabled by information and communications technologies (Hamari et al., 2015).

Consumer-to-consumer: Business or transactions of goods and services between consumers (Hamari et al., 2015; Hom, 2013)

Hotel customers: Someone who paid for accommodations at a hotel.

Perceived benefit: Belief or perception of the positive consequences, which can result in positive effect on purchase behavior (Becker, 1974; Leung, 2013).

Perceived risk: Belief or perception of uncertainty and adverse consequence, which can result in negative effect on purchase behavior (Bauer 1967; Dowling & Staelin, 1994; Peter & Ryan, 1976).

Sharing economy: An economic system in which goods and services are shared or exchanged between individuals in the online peer-to-peer marketplaces (Belk, 2014; Hamari et al., 2015).

Trust: Belief or perception of confidence in the reliability and integrity on someone or something (Mayer, Davis, & Schoorman, 1995; Morgan & Hunt, 1994).

Summary

Based on the research questions aforementioned, this study is outlined including the following chapters. In Chapter 2, Airbnb was conceptually defined based on the relevant literature. Moreover, the literature on trust, perceived risk, benefits, intention, and moderating effects of disposition to trust and familiarity were reviewed in order to develop a theoretical framework that explores the relationships among trust and perceived risk as well as their antecedents, perceived benefit, and intention to choose Airbnb over hotels. Chapter 3 includes an exploratory sequential mix-methods design as well as sample, instrument, and procedures for
Study Phase 1 and 2. Findings from the two sub-studies were described in Chapter 4.

Additionally, Chapter 5 contains an overview of the dissertation, discussions of major findings, theoretical and practical implications, and limitations and suggestions for future research.
CHAPTER 2
REVIEW OF LITERATURE

An Overview of Airbnb

“LIVE THERE,” the catchphrase of concisely but clearly tells what Airbnb is and what differentiates it from the traditional lodging business. Last night, more than 216,438 travelers decided to “live there” rather than just “go there” for their vacations around the world (Dillow, 2016). Airbnb is an online accommodation marketplace where anyone can provide temporary accommodation space, from an apartment to a house to a castle and a houseboat. To date, in 2016, Airbnb.com has offered more than 2 million accommodation spaces to more than 60 million guests in more than 34,000 cities in more than 191 countries (Airbnb, 2016). Initially called “AirBed and Breakfast,” Airbnb was founded in August of 2008 in San Francisco, California, by the three co-founders: Brian Chesky (CEO of Airbnb), Joe Gebbia (CPO of Airbnb), and Nathan Blecharczyk (CTO of Airbnb). When comparing its service as it is today, Airbnb’s beginning stage was very limited as it focused on providing shared spaces or private rooms to people who seeking alternative accommodation options (e.g., cheaper price) during major meetings and events in San Francisco areas. Today, however, Airbnb has quickly and widely expanded its service to a comprehensive and inclusive accommodation rental service (Botsman & Rogers, 2010; Guttentag, 2015; Rao, 2009).

Traditional hotel rooms are sold mainly within two distribution channels: hotel’s own website (i.e., hotel brand.com) and online travel agencies (OTAs). Those two channels’ marketing efforts in selling the same products (e.g., hotel rooms) have created competition to attract more customers. At this point, the customers are represented as only travelers who are seeking accommodations. Unlike a business-to-customer (B2C) context online business such as
hotel brand.com, or OTAs, Airbnb does not deal with its own products. Instead, it provides a peer-to-peer online market platform: customer-to-customer (C2C) platform business. In other words, Airbnb’s earnings come from a part of its sellers’ earnings, but do not directly come from their guests who purchase the sellers’ accommodation options. For its success, however, Airbnb should bring more guests to its individual hosts in order to attract more individual sellers into Airbnb. Thus, Airbnb’s customers include not only the travelers but also the individual sellers on Airbnb.com. Table 1 describes comparisons of the three types of online lodging businesses. For example, Airbnb and OTA play the same role (broker) in different business contexts (B2C or C2C) with different products. On the other hand, hotel brand.com and OTA play different roles (seller or broker) in selling the same products in the same business context. However, Airbnb and hotel brand.com do not share anything in their business contexts, roles, and products except their main customers. In other words, they compete for the same targeted customers (e.g., guests) with different products and roles in different business contexts (See Table 1).

Table 1

<table>
<thead>
<tr>
<th>Business Context</th>
<th>Main Customers</th>
<th>Role</th>
<th>Products/Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel brand.com</td>
<td>B2C</td>
<td>Guests</td>
<td>Seller</td>
</tr>
<tr>
<td>OTAs</td>
<td>B2C</td>
<td>Guests</td>
<td>Broker</td>
</tr>
<tr>
<td>Airbnb</td>
<td>C2C</td>
<td>Guests and Sellers</td>
<td>Broker</td>
</tr>
</tbody>
</table>

There is no doubt that Airbnb is part of the lodging industry, along with most traditional lodging businesses. Unlike traditional hotel businesses involved in B2C, however, Airbnb has its own policy for its business due to its different business structure (C2C), which differentiates Airbnb from traditional lodging businesses. Specifically, Airbnb does not sell or rent its own
products, while traditional lodging businesses do. This trait makes Airbnb more similar to OTAs regarding its role (e.g., broker), as shown in Table 1. Unlike OTAs, however, Airbnb has two types of customers: individual hosts and their guests. Clearly, this business structure necessitates different policies than those utilized by traditional lodging businesses. For example, Airbnb has its own commission policy that is separately applied to both individual hosts and their guests. Specifically, Airbnb collects a 3% commission fee from the individual host and a 6% to 12% fee from the guest during each accommodations transaction (Airbnb, 2006).

**Airbnb’s Efforts to Build Trust**

Due to its different traits of business from the traditional B2C online context, Airbnb has attempted to keep improving reliable and enhanced services to both individual hosts and their guests. In the case of the B2C lodging business, hotel customers have a certain degree of trust on their relationships with well-known hotel brands such as Marriott, Hyatt, and Hilton (Chiang & Jang, 2007; Martínez & del Bosque, 2013; So, King, Sparks, & Wang, 2013). However, Airbnb.com, where a guest deals with an individual host, may not be able to offer a similar or same level of trust that a well-known hotel brand can provide. To meet a satisfactory level of trust for both types of customers (i.e., hosts and guests), in 2016, Airbnb introduced and implemented several features available on Airbnb.com that help build trust relationships among an individual seller, guests, and Airbnb.
Trust Features for Individual Hosts

Airbnb developed several tools and policies to enhance its reliable relationship with individual hosts on its website. Some of the tools and features such as smart pricing, business travel ready listings, and community center were described as below.

**Smart pricing.** It is a tool to help hosts set appropriate prices considering various factors including travel trends in sellers’ locations, hosts’ amenities, bookings and reviews, and the number of people who have visited sellers’ listing page (Airbnb, 2016). This tool can be especially useful to the first-time host who has no idea how to set reasonable prices. Along with the output (i.e., reasonable price comparable to neighboring prices) of this tool, individual sellers on Airbnb.com may be able to reduce the risk of keeping potential guests away from their listing with unrefined prices. Moreover, potential guests can obtain a certain level of trust with the reasonable pricing structures that are evenly distributed in the same or neighboring areas without any outliers.

**Business travel ready listings.** Airbnb introduced this feature especially for its hosts who seek business travelers. Some sellers may prefer business travelers, who frequently return to the same locations and stay longer than leisure travelers (Airbnb, 2016). Once the sellers meet certain requirements suggested by Airbnb for hosting business travelers, Airbnb provides them a suitcase-shaped badge that shows the hosts are ready to greet business travelers. The badge differentiates the sellers’ listings from others’ and helps build a trust relationship between the hosts and business travelers.

**Community center.** Listening to various hosts, Airbnb established the community center to enhance the relationships of individual hosts who want to find relevant content and connect with fellow hosts (Airbnb, 2016) in order to provide their guests’ better or similar levels of
services. The Community Center plays a role similar to Smith Travel Research (STR) reports in the traditional lodging industry. Interacting with their competitors as well as neighbors can raise the accommodation standards on Airbnb.com, thus guests can be more confident when they choose any seller’s listing on Airbnb.com.

**Trust Features for Airbnb Guests**

Trust has played a key role in the success of online businesses such as Amazon.com, eBay.com, hotel-brand.com, and Expedia.com (Boyd, 2003; Edelman & Luca, 2014; Friedman, Khan, & Howe, 2000; Grabner-Kraeuter, 2002; Pan & Chiou, 2011). Without building a trust relationship with customers, online businesses could not proliferate so much (Friedman et al., 2000). Since Airbnb’s entire business depends heavily on its online site, Airbnb.com, a robust relationship with its guests based on trust is essential for its success (Guttentag, 2015; Edelman & Luca, 2014). The phrase, “Trust is what makes it work” on Airbnb.com shows how much Airbnb makes an effort to build trust with its customers. To keep Airbnb.com a safe and trustworthy marketplace for every guest, Airbnb has its own standards and expectations.

**Identification check.** Airbnb requires guests and hosts to verify their identification (ID) by asking two different forms of ID including government-issued official ID and an online profile. To use Airbnb, a guest must create his or her own account on Airbnb.com, and his or her identification can be verified before booking any accommodation. Officially verified by Airbnb guests and hosts can build stronger trust relationships when they request and accept reservations.

**Profile & reviews.** Airbnb requires hosts to provide their detailed profiles to their potential guests. In other words, Airbnb guests can read the profiles of their potential hosts before booking any accommodation on Airbnb.com. In this process, since guests can learn about the hosts, they can be more confident with booking accommodations. Moreover, like
Tripadvisor.com, Airbnb encourages guests to write reviews of their experiences with hosts or accommodations, thereby helping future travelers make well-informed decisions.

**Messaging system.** This is another effort to enhance trust. Similar to “Live Chat” on traditional online lodging marketplaces, Airbnb’s introduction of the Messaging system for communication between a host and a guest is designed to help Airbnb guests inquire about or request reservations of their potential hosts. This is another great tool for both guests and hosts to learn about each other before or after an actual transaction. Through the Message system, guests can be confident that they deal with a real person with real property, and hosts can be confident knowing who will arrive at their property, helping to build a trust relationship even before they meet.

**Impact of Airbnb on the Traditional Lodging Industry**

Based on an increased popularity of Airbnb, this section discussed impact of Airbnb on the traditional lodging industry. Its quantifiable impact as well as legal issues were discussed.

**Quantifiable Impact**

More and more articles observe and claim a rapidly increasing impact of Airbnb on the traditional hotel and lodging industry (Mahmoud, 2016; O’Neill & Ouyang, 2016; Trejos, 2016; Wayne, 2016; Zervas et al., 2016). As a number of consumers eagerly adopted collaborative consumption-based services in the sharing economy, Airbnb has become a threat to public revenues (Mahmoud, 2016; Zervas et al., 2016). In Texas, for example, an additional 10% increase in the number of Airbnb properties available leads to a 0.37% decrease in hotel room revenue (Zervas et al., 2016). According to one report, an estimated financial effect of Airbnb on the traditional lodging industry in New York City is about negative $2.1 billion (HVS, 2015). Specifically, HVS (2015) estimated that traditional hotels or resorts lose about $450 million per
year due to Airbnb. The report also revealed that, between September 2014 and August 2015, more than 2.8 million accommodation listings were booked on Airbnb while only 480,000 traditional hotel room nights were booked. HVS (2015) anticipated that, by 2018, more than 5 million accommodations per year would be booked through Airbnb.com.

Legal Issues of Airbnb

Several Airbnb rentals are illegal in some places, especially in residential areas. Relevant legislation (e.g., guidelines or restrictions) has not been specifically enacted in most regions of the U. S. though efforts keep moving forward. Municipal and other governmental authorities perceive that the proliferation of unlicensed Airbnb accommodations will result in reductions in tax and registration revenues (Wayne, 2016). An effort to alleviate this sensitive issue allows Airbnb to require its hosts to charge a tax based on local regulations. Also, Airbnb has made agreements with government officials in some locations to collect local taxes on behalf of its individual hosts. The impact of legal issues of Airbnb on customers’ perceptions has not been identified whether it will positively or negatively influence consumers’ booking decisions.

Relationship with the Lodging Industry

As various articles have reported, some industry people assume that the lodging industry has already been influenced by the emergence and increasing popularity of Airbnb (Mahmoud, 2016; Trejos, 2016; Wayne, 2016). On the other hand, some big name hotel chains, including Hilton, Marriott, and Four Seasons, claim that the primary demographics of their guests are currently very different from Airbnb’s customers (Nath, 2014). These different perspectives have led to ongoing debates among industry people and researchers on the topic of whether, in the competitive lodging marketplace, Airbnb could be a good alternative to traditional hotels or whether it is complementary to them. Since Airbnb is considered a disruptor as explained above,
this is not an easy question to answer. To approach this issue more effectively, an attempt to identify differences of Airbnb from traditional hotels should be the first step (see Table 2).

Table 2

*Comparison of Features of Airbnb and Hotel*

<table>
<thead>
<tr>
<th>Type of Accommodation</th>
<th>Airbnb</th>
<th>Hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form of innovation</td>
<td>Disruptor</td>
<td>Disruptee</td>
</tr>
<tr>
<td>Platform model</td>
<td>Peer-to-peer</td>
<td>Client-server</td>
</tr>
<tr>
<td>Type of business</td>
<td>Customer-to-customer (C2C)</td>
<td>Business-to-customer (B2C)</td>
</tr>
<tr>
<td>Type of inventory</td>
<td>Room, house, apartment, castle, yurt, etc.</td>
<td>Room</td>
</tr>
<tr>
<td>Purpose of use</td>
<td>Personal</td>
<td>Commercial</td>
</tr>
<tr>
<td>Pricing structure</td>
<td>Flexible</td>
<td>Not flexible</td>
</tr>
<tr>
<td>Income structure</td>
<td>Not flexible</td>
<td>Flexible</td>
</tr>
<tr>
<td>Income sources</td>
<td>Limited</td>
<td>Various</td>
</tr>
<tr>
<td>Marketing</td>
<td>Not flexible</td>
<td>Flexible</td>
</tr>
<tr>
<td>Location of property</td>
<td>Unlimited</td>
<td>Limited</td>
</tr>
<tr>
<td>Regulations</td>
<td>Mostly no</td>
<td>Yes</td>
</tr>
<tr>
<td>Tax</td>
<td>Not imposed</td>
<td>Imposed</td>
</tr>
<tr>
<td>Level of technology use</td>
<td>Moderate to high (advanced)</td>
<td>Broader</td>
</tr>
<tr>
<td>Policy localization</td>
<td>Localized</td>
<td>Centralized</td>
</tr>
<tr>
<td>Security</td>
<td>Unsecured</td>
<td>Secured</td>
</tr>
<tr>
<td>Additional services</td>
<td>Not guaranteed</td>
<td>Certain services guaranteed</td>
</tr>
</tbody>
</table>

Among the many differences between Airbnb and hotels, the first feature that we should point out is the pricing structure because a general and ultimate purpose of business is to maximize monetary benefits. Unlike traditional hotels, Airbnb is not directly involved in individual sellers’ price-making decisions. Each individual host decides his or her own price without any influence from Airbnb and provides sellers an online platform for this peer-to-peer marketplace. This feature of Airbnb implies that sellers’ prices on Airbnb can be free from certain rules like hotels’ revenue management practices, which many hotel customers today are well aware of (Choi & Mattila, 2005). For example, most hotel customers these days recognize
that the hotel room prices on weekends are generally higher than those on weekdays (Noone & Mattila, 2009). There were few other choices for hotel customers to avoid those hotels’ pricing policies before Airbnb. Since Airbnb allows its sellers to decide their own prices, hotel customers know that the prices for lodging options on Airbnb do not necessarily follow certain existing rules like hotel’s revenue management practices. In other words, hotel customers can expect that there could be lower prices on Airbnb even on weekends because individual sellers on Airbnb have the liberty to make the pricing decision by themselves.

Interestingly, Airbnb’s unregulated pricing policy reduces the opportunity for its customers to take advantage of promotional benefits (e.g., discounts) on rental properties on Airbnb. Since Airbnb does not interfere with pricing made by individual sellers, it may be hard to establish promotions on a corporate level. In the current situation, it seems that the lack of promotions will not be a major issue as long as individual sellers’ prices do not exceed hotels’ prices. However, it could be an issue when Airbnb loses the benefits of its lower prices.

As Airbnb is still in an early stage of development, it may be able to take advantage of lower prices (including no-tax) when competing with traditional lodging options (e.g., hotel). Indeed, Zervas et al. (2016) found that Airbnb disrupted the most vulnerable hotels in Texas by making their revenue decrease by eight to ten percent since 2010. In this situation, it is obvious that Airbnb is a good alternative option for hotel customers as well as a serious competitor to traditional hotels. This may imply that the number of small independent hotels will be reduced, and traditional lodging businesses may be reorganized in the future with big name chains as the center. However, Airbnb may also have positive implications for the current hotel industry. Some hoteliers have already begun to learn several things from the disruptor: how to be localized in what they provide, how to optimize technology (a maximum choice with minimum friction),
how to provide à la carte services, and how to best customize provisions (Baker, 2015). In this way, the traditional lodging business may have a complementary relationship with Airbnb. Recent movements to establish regulations on Airbnb sales around big cities such as New York, Los Angeles, and Chicago indicate another positive implication for the traditional lodging industry. Moreover, Airbnb plays a role of adding supply in the lodging industry: it opens more travel areas, where hotels have not yet entered yet. This feature of Airbnb may imply a good opportunity for hotels to expand their business to these new areas.

**The Rise of the Sharing Economy**

The sharing economy and collaborative consumption is not a new trend anymore: it has been a major and growing phenomenon in various industries involving millions of users and businesses (Möhlmann, 2015). In its beginning stage, sharing bikes and cars (e.g., carpooling) on an on-demand basis triggered the popularity of the sharing economy (Cohen & Kietzmann, 2014). A sharing economy can be defined as “the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services” (Hamari et al., 2015). The sharing economy, which made peer-to-peer markets decentralized, has materialized as an alternative supplier of goods and services (Zervas et al., 2016). Collaborative consumption, which is associated with the concept of a sharing economy, has emerged as a trend in recent years (Möhlmann, 2015). For example, car-sharing services such as Zipcar have been on the rise, especially around big cities. Recently, more advanced car-sharing services such as Uber and Lyft have increased in popularity. Hence, according to Statista (2016), the global number of car sharing users have increased at a rapid rate from 2006 to 2014, from .35 million users to 4.94 million users, respectively. The current research attempted to
explain this new trend of consumption (i.e., collaborative consumption) through a theoretical lens of social interaction (i.e., network sociality) later in this chapter.

**Information Communication Technology**

Airbnb is an entirely online business operated on Airbnb.com, where the whole booking processes including transactions are committed online. Even before Airbnb, many online businesses (e.g., Amazon, eBay, Expedia, or Priceline) successfully proliferated in various areas. Originally and technologically, online business could have emerged based upon improvements of Information Communication Technologies (ICTs). A clear definition of ICT does not exist since its concepts and applications are consistently evolving and transforming at a rapid rate. Generally, however, ICT can be described as technologies that help people access information via telecommunications (Christensson, 2010). ICT is an extension of information technology (IT) by focusing primarily on the role of communications (Christensson, 2010; Murray, 2011). ICTs include the Internet, wireless networks, cell phones, and other communication media (Christensson, 2010). The ICT-driven trend has shifted major business platform from offline to online, developing a virtual marketplace online along with an emergence of Internet (Buhalis & O’Connor, 2005). Transitions in business have been observed clearly as ICTs have generated a paradigm-shift in various business contexts (Buhalis & O’Connor, 2005). One of the huge benefits of Internet business that ICTs have created is that all business transactions can be made globally, removing time and geographic constraints on the online transaction. Consumers/sellers can purchase/sell goods and services online anytime and anywhere, whereas a traditional offline business has restrictions on both. Today, it is hard to find any offline retailer does not possess a website for its online business. The ICT plays a critical role in not only expanding traditional
businesses (Buhalis & O’Connor, 2005) but also creating small- or medium-sized online enterprises such as Airbnb (Kramer, Jenkins, & Katz, 2007).

Moreover, ICTs have developed globally virtual places where “people can communicate with others across the world as if they were living next door” (Christensson, 2010 p). ICTs have prompted and extended communication capabilities of worldwide social interactions (Buhalis & O’Connor, 2005; Christensson, 2010; Kramer et al., 2007; Murray, 2011). For example, ICTs help people communicate in real-time by using technologies such as text messaging, voice over IP (VoIP), and audio and video calling. Facetime by Apple and Skype by Microsoft are examples of those applications. In addition, social networking services such as Facebook, LinkedIn, Instagram, and Twitter allow users to communicate with others from all over the world on a regular basis (Christensson, 2010). As aforementioned, ICT plays a critical role in stimulating transitions of social interaction. Later, this chapter (e.g., Network Society) discusses how contemporary ICTs affect society.

**Roles of ICTs in the Hospitality Online Business**

Given its unlimited potential and capabilities, various types of ICT applications have been implemented almost everywhere in most industries including healthcare, business, and the tourism industry (Åkesson, Saveman, & Nilsson, 2007; Buhalis & O’Connor, 2005; Hashim, 2015). Since ICT indicates both information and communication technology, its definition and usage should be much broader than physical technology (i.e., hardware). In other words, ICT should be considered in both hardware and software perspectives (Rosenblum & Garfinkel, 2005). For example, devices such as personal computers, smart phones, or tablets indicate roles of ICT in hardware perspectives. On the other hand, programming codes such as Internet protocol language (e.g., code), desktop applications (e.g., Windows applications), or mobile
applications indicate certain roles of ICT in software perspectives. Since this dissertation focuses on uses of Airbnb rather than its technological algorithm (e.g., how to build or run Airbnb website), the roles of ICT are limited to and focused on software aspects (e.g., Internet webpages, mobile applications, or desktop applications).

As ICTs prompted rapid growth and popularity of online businesses, most possess their own webpages regardless of size, area, and type of business. They no longer consider online business a selectable option for maintaining or obtaining competitive advantage: it is mandatory for survival (Kim, Williams, & Lee, 2004). One reason could be found in the transition of consumers’ purchasing patterns from offline to online (Moon & Kim, 2001; Van der Heijden, Verhagen, & Creemers, 2003). The hospitality industry has not been an exception. Along with this new trend of consumer behavior, numerous hospitality studies paid attention to travelers’ behavior on booking accommodations online (e.g., Alexandris, Dimitriadis, & Markata, 2002; Ho & Lee, 2007; Santos, 2003; Wong Ooi Mei, Dean, & White, 1999; Ye, Law, Gu, & Chen, 2011).

In addition, more advanced ICTs have prompted the world to experience the next level of technology: mobile technology. This advanced technology led a growing popularity of mobile devices such as smartphones and tablets that allow the creation of another consumption trend (e.g., enjoying Internet experiences on a mobile device anywhere). The popularity of mobile devices has changed patterns of consumer behavior (Kim, Park, & Morrison, 2008; Liang, Huang, Yeh, & Lin, 2007; Lu, Yao, & Yu, 2005; Verma, Stock, & McCarthy, 2012). For example, mobile technology causes individuals to think about social influences on their behavior (Lu et al., 2005). Moreover, mobile devices enable people to conduct online business anywhere (Liang et al., 2007). In the hospitality industry most hotel-brand.com as well as OTAs have
begun to recognize the importance of mobile business. Accordingly, many of them attempt to dominate that market in advance by developing unique mobile apps (Collins, 2010; Kwon, Bae, & Blum, 2013). A number of researchers also paid attention to the impact of mobile technology/business on consumer behavior (e.g., Ngai & Gunasekaran, 2007; Raento, Oulasvirta, & Eagle, 2009; Tiwari & Buse, 2007).

**Platform Business**

Mobile technology with the advanced ICTs has triggered prosperity of online and mobile business. Based on ICT, moreover, the recent rapid growth of sharing economy prompted a new type of business in the lodging industry: Airbnb. While most traditional mobile and online lodging businesses (hotel-brand.com or OTA) sell travelers hotel rooms, which are for commercial use (B2C), Airbnb sells neither traditional hotel products nor its own products. Instead, Airbnb sells its customers’ (individual hosts’) accommodation products to their customers (travelers or guests): C2C. For example, any individual (ordinary person) rents his/her own accommodation such as room, apartment, house, or even yacht once he/she posts his/her own residential properties. Then, travelers search the enrolled listings for accommodations. This new type of online lodging business (C2C) differentiates Airbnb from traditional online businesses that deal with commercial hotel products and services (B2C) in the hospitality industry (See Table 1 above). Unlike the traditional hotel business, Airbnb has two types of customers: individual hosts who are renting their own residential properties on Airbnb and guests who are purchasing the hosts’ listing on Airbnb. That is, Airbnb provides only an online place (platform) where its customers (hosts and guests) can make their own transactions. This is called a platform business model.
As aforementioned, mobile technology triggered popularity of mobile devices; it also stimulated the growth of mobile app markets such as App Store on iOS, Google App Marketplace, and Amazon App. In addition to having millions of app users (mobile users), in terms of popularity another crucial aspect made the mobile app a viable business model: value. Mobile apps play the role of a medium in delivering value interactively between customers (C2C) or between firm and customer (B2C) (Basole & Karla, 2012; Mezak, 2016). Due to the benefit of enabling the efficient delivery of value in the platform business model, numerous apps such as Airbnb, Uber, or Lyft today can be used for free (Mezak, 2016). This practice was learned from a business platform failure (Mezak, 2016): lack of motivation to participate was a reason that the original digital market platform failed. In the same way, if the platform business (e.g., Airbnb or Uber) charges for using its platform (e.g., provide a paid-app for download), few people may be willing to use the product or service (i.e., value). Fewer participants can be a critical issue in the platform business, whereas more participants make the business viable. Although various platform business models are available today, this dissertation focuses on Airbnb, which is different from other platform business models such as Uber, Facebook, or Instagram. While Uber or Lyft is an entirely mobile app-based platform business, Airbnb’s platform business model can include any type of online business. In fact, an important concept that distinguishes Airbnb from other platform business is a disruptive innovation (Christensen, Raynor, & Mcdonald, 2016).
Disruptive Innovation/Technology and Airbnb

The information age has created Business-to-Consumer (B2C) online marketplaces, such as eBay, Amazon, Expedia, and Priceline, which have been explored by many researchers so far. With the rapid development of advanced technologies, however, the sharing economy (i.e., C2C) has received increased attention in recent years that is based on disruptive innovation/technology concepts (Möhlmann, 2015) even though not all businesses of sharing economy are disruptive.

Disruptive innovation/technology can be defined as a “powerful means of broadening and developing new markets and providing new functionality, which, in turn, may disrupt existing market linkages” (Yu & Hang, 2010, p. 435). Christensen (1997) introduced his definition and perspective of disruptive innovation/technology, which has been popularized and received much attention and debate within academia, which subsequently received much attention in academia and has been the subject of many academic debates. According to Christensen (1997), disruption theory explains the difference between disruptive innovations and sustaining innovations. Disruptive innovation is initially recognized as inferior by an incumbent’s consumers (Christensen et al., 2016). In this respect, Christensen et al. (2016) claimed that Uber should be considered an example of sustaining innovation more than disruptive innovation because its service has rarely been evaluated as inferior when compared to traditional taxis: Uber is generally viewed as even better. Moreover, traditional taxi businesses are now responding to the Uber system by providing their own apps such as hailing apps. This fact indicates that Uber exemplifies sustaining innovation more than disruptive innovation in taxi businesses.

Unlike Uber, Airbnb can be considered disruptive innovation in some points suggested by Christensen et al. (2016). First, Christensen et al. (2016) describe disruption as “a process whereby a smaller company with fewer resources is able to successfully challenge established
incumbent business.” In contrast to Uber, Airbnb started its business from the idea of transferring a personal room into accommodation for travelers. Due to its initially inferior impacts on the lodging industry, the industry failed to recognize its potential threat at the beginning stage for a long time (Parker & Van Alstyne, 2015). As Christensen et al. (2016) pointed out, incumbents frequently overlook disrupters because disruption can take time. Regarding Airbnb’s inferiority, Airbnb service has rarely been superior when it compares to a traditional hotel. Check-in process is one of the examples. Front desk staff is always available for 24 hours in a hotel for check-in process, whereas an Airbnb’s individual renter is not necessarily always available for a traveler that may provide inconvenience during the check-in process.

The second point that Christensen et al. (2016) provided is that disrupters’ business models are very different from those of incumbents. Airbnb and traditional hotel have fundamentally different products/services. Residential properties are differentiated from hotel properties. Although there are various issues (e.g., legal) stemming from this fact, those issues actually support that Airbnb is a disrupter (i.e., new footholds). Following this fact, the business model is routinely different (e.g., B2C vs. C2C). In this way of thinking, OTAs are more close to sustaining innovation than disruptive innovation when it compares to Airbnb. This gives another good rationale for this study: a deep investigation of traditional (hotel brand.com) and sustaining innovation (OTAs), and disruptive innovation (Airbnb). Additionally, disruptive innovation business model is hard to be duplicated by the incumbents (Christensen et al., 2016). As mentioned above, now traditional taxi business are responding to Uber’s business model: they provide a similar app (e.g., Hailing app). It could be possible since Uber is not a disrupter, but a sustaining innovator. On the contrary to this, traditional hotels cannot respond to Airbnb’s
business model because Airbnb is a disrupter who deals with fundamentally different assets and processes from those of traditional hotels.

**Conceptual Positioning of Airbnb**

As discussed above, all Airbnb transactions among individual sellers and their guests are made through only its website, Airbnb.com. This means, Airbnb is an entirely electronic business, which does not possess any offline business. Technologically, Airbnb’s business model is an online platform business. This type of business is built and developed based on Internet environment, which is one of the innovative results of an advanced information and communication technology (ICT). Moreover, Airbnb is considered a pioneer and leader of the sharing economy in the lodging industry although the three co-founders did not establish its initial idea from a picture of an enormous business (Airbnb, 2016). In other words, incumbent consumers (e.g., traditional hotel guests) initially recognized Airbnb as inferior, but it has become a major driver to change a trend of consumer behavior in the lodging industry: collaborative consumption. In fact, it is a reason why Airbnb can be considered a disruptive innovation-based business (Christensen, 1997).

In summary, this study discusses three concepts related to Airbnb: ICTs for platform business, disruptive innovation, and sharing economy. Based on the study’s discussions of the concepts, the following Figure 2 shows a diagram indicating where Airbnb can be theoretically located or defined.
The sharing economy was not formed overnight. It is another form of social interaction created by localness and communal consumption (i.e., peer-to-peer-based activity) (Belk, 2014; Hamari et al., 2015). To obtain a better understanding of this new way of interaction manifested in the sharing economy and collaborative consumption, its theoretical foundation in its early development stage merits consideration. Before the current name “sharing economy” came into being, there was a concept that encompasses many traits of the sharing economy: network sociality. According to Wittel (2001), the theoretical concept of network sociality can be defined in contrast to the concept of ‘community,’ which represents stability, coherence, embeddedness, and belonging. In other words, one of the characteristics of network sociality represents integration and disintegration instead of belonging (Wittel, 2001). Network sociality includes

**Network Sociality**

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social relations that are primarily informational and tend to be ephemeral. Wittel (2001) clarified social relations in network sociality as “fleeting and transient, yet iterative social relations; of ephemeral but intense encounters” (Wittel, 2001, p. 51). Based on individualization and technology engagement, network sociality, according to Wittel (2001), is a contemporary form of social interaction, reflecting late capitalism and the new cultural economy. In fact, those characteristics of network sociality are parallel to disruptive innovation, which will be discussed later in this section.

Network Sociality was evolved from the theoretical concept of Network Society, which was originally introduced by Castells (1996). In this concept, Castells (1996, p. 470) defined networks as “appropriate instruments for a capitalist economy based on innovation, globalization and decentralized concentration, and for a culture of endless deconstruction and reconstruction.” This definition of networks actually shares fundamental objectives in common with the disruptive innovation theory, popularized later by Christensen (1997). Since the network society is based on macro-sociology, it had some limitations when applied to the information age, which is open structured, dynamic, and unlimitedly expandable. By focusing more on the components of the network than the network itself, Wittel (2001) thus attempted to translate the macro-sociology of a network society into a micro-sociology. Wittel’s efforts resulted in developing the concept of network sociality in the information age.

**Disruptive Innovation Theory**

Christensen (1997) introduced the disruptive innovation theory, which was established in a series of prior technological innovation studies. According to the theory, disruptive innovation is not a result, but is a process. The idea is that disruption describes “a process whereby a smaller company with fewer resources is able to successfully challenge established incumbent business
Here is a principle behind the idea above. Disruptive innovation starts from the question, “how does small company beat an industry giant? A big firm focuses on sustaining innovation by upgrading current products/services in order to attract more high-profile (profitable) customers. Naturally, the big company starts ignoring regular consumers, and the consumers seek for alternative products/services that are provided by a small company. In the meantime, the small company improves its products/services, and begins to dominate the market. Finally, the small company, which is a disruptor has predomination over an incumbent (a big company). Applying this process to the lodging industry, a big company is a big name hotel chain such as Marriott, MGM, Caesars, Hyatt, or Hilton. When they were focusing more on upgrading their services and facilities to attract more high-profile guests, less-demanding guests seek for alternatives. During this process, Airbnb had a small start by providing affordable accommodation products/services to the regular (less-demanding) customers. Airbnb has become a disruptor in the lodging industry.

However, a question still remains. Why cheaper hotels (such as Inn or motel) cannot be a disruptor in the industry even though they provide affordable room options to the regular guests? The answer is in their products and services. Inns and motels still provide same products and services (but lower quality) of big name hotels. In other words, there is only a quality difference while they provide basically same products. However, Airbnb deals with residential properties unlike hotels or motels. Although it has a legal issue, Airbnb’s products is fundamentally different from the ones of big name of traditional hotels. Another reason is that Airbnb is based on a customer-to-customer (C2C) business model while all traditional hotel is based on a business-to-customer (B2C) business model. Moreover, disruptive innovation does not follow with mainstream customers in the beginning stage (Christensen et al., 2016).
Airbnb does not catch on with high-profile customers, whereas a big name hotel tries to catch on with them.

**Theory of Planned Behavior**

Behavioral intention and actual behavior are one of the most popular outcomes of both trust and perceived risk. While most of the studies examined intention to purchase, Kim et al. (2008) investigated both intention and actual purchase behavior. In their study (2008), intention was an outcome of both trust (+) and perceived risk (-) as well as perceived benefits (+). Interestingly, they (2010) also found that intention was a significant predictor of actual purchase behavior. This result is consistent with some of the theories: the theory of reasoned action (TRA) and theory of planned behavior (TPB).

Those two theories support the relationship between intention to behavior and actual behavior. The theory of planned behavior (TPB) was based on and extended from the theory of reasoned action (TRA). TPB was originally introduced by Ajzen (1985), while TRA was developed by Fishbein and Ajzen (1975). Both TPB and TRA predict behavior that can be determined by intention to perform a behavior. Ajzen (1985, p. 181) defined intention as “an indication of a person’s readiness to perform a given behavior”, an immediate antecedent of behavior. There are three factors that predict intention in the TPB model: attitude, subjective norms, and perceived behavioral control. Each predictor is weighted for its importance in connection with the behavior of interest (Ajzen, 1985). There is a growing body of research (Han, Hsu, & Sheu, 2010; Hsu, 2012; Jalilvand & Samiei, 2012) across various fields using the TPB frameworks in the original or modified forms to predict people’s intentions, which are an antecedent of their actual behavior. For example, within the hospitality industry, Han et al. (2010) used the TPB model to study and explain hotel guests’ intentions to stay at green hotels.
They found that all three antecedents of behavioral intention in the TPB model including subjective norm (i.e., social motivation) significantly influenced hotel guests’ willingness to visit green hotels.

The current study focuses on the aspect that both the TPB and TRA models have a construct of “intention” to predict actual behavior. Among the original constructs above, this research uses TPB as a theoretical background to assume that the dependent variable (intention to choose Airbnb over traditional hotels) will be able to predict actual behavior of hotel customers. That is, hotel customers’ intention to choose Airbnb over traditional hotels could lead to their actual behavior of selecting Airbnb for their next accommodation.

**Stimulus-Organism-Response (SOR) Framework**

The SOR framework includes three main parts: the stimulus as an independent variable, organism as a mediator, and response as the dependent variable (Chang & Chen, 2008; Turley & Milliman, 2000; Vieira, 2013). A stimulus can be conceptualized as a factor that influences and stimulates an individual’s internal states (Chang, Eckman, & Yan, 2011). Bagozzi (1986) claimed that stimuli are external to the individual when consumer behavior is defined in the SOR framework. In this dissertation, the stimuli are the Airbnb factors (Airbnb.com channel-, Airbnb accommodations-, and individual host-related factors) as they influence trust and perceived risk when using Airbnb. Those factors will be explored through qualitative methods in Study Phase 1.

An organism in the framework can be defined as the “internal processes and structures intervening between stimuli external to the person and the final actions, reactions, or responses emitted” (Chang et al., 2011, p. 235). In the current dissertation, both positive responses (trust and perceived benefits) and a negative response (perceived risk) on Airbnb were used as
organism components between Airbnb factors (stimuli) and hotel customers’ intention to choose Airbnb over traditional hotels (response) in the proposed SOR framework.

As a final outcome in the SOR paradigm, the response refers to the final decisions of consumers (Chang et al., 2011, Donovan & Rossiter, 1982). Hotel customers’ intention to select Airbnb over traditional hotels, as a dependent variable for this dissertation, represents a positive action (response) associated with the trust of and perceived benefits from Airbnb. On the other hands, the dependent variable (response) represents a negative action associated with a perceived risk of using Airbnb.

To summarize, the Airbnb factors (Airbnb channel-, Airbnb accommodations-, and individual host-related factors) would impact a positive organism component (trust), which in turn is expected to positively affect the intention to choose Airbnb over traditional hotels. At the same time, the Airbnb factors would impact a negative organism component (perceived risk), which in turn is expected to negatively affect the intention to select Airbnb over traditional hotels. Further, this dissertation includes the two individual factors (previous experience of using Airbnb and disposition to trust in Airbnb) as the moderators that would impact the organism components in the proposed SOR framework (see Figure 3).

Trust

Trust has been considered a crucial factor in many buyers’ and sellers’ transactional relationships, especially when certain risks are involved in those relationships (Gefen, Karahanna, & Straub, 2003). Trust can be defined as “a behavioral one person based on his/her beliefs about the characteristics of another person” (Mayer et al., 1995). Morgan and Hunt (1994, p. 23) also describe trust as “the perception of confidence in the exchange partner’s reliability
and integrity.” Lawry, Vance, Moody, Beckman, and Read (2008) described trust as the ability of the trustor to believe and rely upon the trustee.

While trust has been generally known as a factor based on experience (Ganesan, 1994; Wang, Beatty, & Foxx, 2004), it is not easy to measure trust due to its various levels and characteristics in consumers’ decision-making processes. In other words, it is unclear how and when trust is formed in a certain relationship (e.g., trust and risk). Recognizing this issue, some of the previous articles divided the trust into various types and stages (Kim, 2012; Gefen et al., 2003). For example, Kim (2012) suggested two types of trust: initial and ongoing trust. Customers’ initial trust is placed in their first purchase experience. If the consumers are satisfied with the first purchase experience, ongoing trust with the vendor can be established after the first purchase (Kim, 2012); Kim (2012) called this process a lifecycle of trust. Lee and Choi (2011) also paid attention to ongoing trust and defined it as “the positive belief of a consumer in regards to an e-vendor’s reliability and integrity.” In terms of trust base, moreover, some of the previous research identified five trust bases as sources of trust (e.g., Gefen et al., 2003; Kim, 2012; Li, Hess, & Valacich, 2008): experience, economic, cognition, institution, and personality trust bases. The experience trust base is based on experience with the other party (e.g., friends and family members) as a source of trust; therefore, this cannot be a source of initial trust where there is no experience yet. The economic trust base is a source of trust that affects a consumer’s decision-making process based on a cost-benefit analysis. The cognition trust base depends on trustees (vendors)’ first impression or stereotype, and the institution trust base is a source of trust based on institutional situations. If the trustor considers something that fits into a common standard, institution trust can be established. This trust base can be built on cognition trust. The
personality trust base heavily depends on the trustor’s lifelong experiences, which were already made before facing the trustee. Thus, personality can be also a source of initial trust (Kim, 2012).

Numerous studies paid heavy attention to the antecedents and outcomes of trust (e.g., Garbarino & Johnson, 1999; Kim, Kim, & Kim, 2009; Selnes, 1998; Yoon, 2002). Trust is a critical factor, especially in service marketing, for maintaining the relationship between consumers and service providers (Kim et al., 2009; Selnes, 1998; Yoon, 2002). For example, Yoon (2002) found a significant relationship between customer trust and purchase intentions in the context of online purchase decision-making. The current dissertation explores the antecedents and outcomes of trust in the context of the sharing economy, i.e., a C2C type of business, in the lodging industry: Airbnb. The three types of attributes (Airbnb channel-, accommodations-, and individual host-related factors) will be explored as antecedents of trust in Airbnb. Then, trust in Airbnb will be tested to see whether it plays a significant role in selecting Airbnb over traditional hotels. Based on a review of the literature, the following hypotheses were developed to examine the roles of trust as a mediator between its antecedents and outcome (see Figure 3):

**H1a**: Channel-related factors have a positive effect on trust in Airbnb.

**H2a**: Airbnb accommodation-related factors have a positive effect on trust in Airbnb.

**H3a**: Individual host-related factors have a positive effect on trust in Airbnb.

**H4**: Trust in Airbnb has a positive effect on hotel customers’ intention to choose Airbnb over traditional hotels.

**Moderating Effects**

While the current study examines hotel customers’ trust and their intention to select Airbnb over hotels, potential moderating effects of disposition to trust (i.e., preference on hotels) and the guests’ familiarity with Airbnb are also investigated in the relationship between their
trust and intention. McKnight, Cummings, and Chervany (1998, p.477) defined disposition to trust as the construct reflecting “a consistent tendency to be willing to depend on others across a broad spectrum of situations and persons.” This concept has a close relationship with trust, describing an individual’s intentional willingness to depend on others (McKnight et al., 1988; Wu, Hu, & Wu, 2010). Considering those conceptual definitions of disposition to trust, the current study describes disposition to trust as hotel guests’ preference on hotels over Airbnb.

Disposition to trust has been empirically tested in previous research (e.g., Bélanger & Carter, 2008; Salam, Iyer, Palvia, & Singh, 2005; Wu et al., 2010). In a context of citizen confidence in government and technology study, Bélanger and Carter (2008) found the significant impact of disposition to trust in citizens’ trust in the Internet and trust in the government, which in turn influence their use intention of the electronic government system. On the other hand, Wu et al. (2010) found the insignificant impact of disposition to trust on initial online trust in an area of online commerce using. Based on the conflicting results from the previous research, in order to see its potential impact in an online C2C context, moderating impact of disposition to trust was tested on the relationship between hotel customers’ trust in Airbnb and their intention to select Airbnb over hotels. Specifically, moderating effect of preference on hotels was examined in the relationship between hotel consumers’ trust in Airbnb and their intention to choose Airbnb over hotels. Accordingly, the following hypothesis was developed:

**H4a:** Disposition to trust has a moderating effect on the relationship between trust and intention to choose Airbnb over traditional hotels.

While disposition to trust represent a potential negative moderating effect on the relationship, a familiarity with Airbnb can represent a potentially positive impact on the
relationship between hotel customers’ trust in Airbnb and intention to choose Airbnb over hotels. Gefen (2000) claimed that familiarity allows people to subjectively minimize uncertainty in their relationships with others. Based on its complement relationship with trust, familiarity was found to be an influencer on favorable future actions based on trust (Gulati, 1995). In an area of the online peer-to-peer marketplace for the lodging industry, hotel customers’ familiarity with Airbnb was examined in this study to see if familiarity with Airbnb can be a significant influencer on their trust and intention to choose Airbnb over hotels. To explore its moderating effect on the relationship between hotel customers’ trust in Airbnb and their intention to choose Airbnb, thus, the following hypothesis was also developed:

H4b: Familiarity with Airbnb has a moderating effect on the relationship between trust and intention to choose Airbnb over traditional hotels.

Perceived Risk

Regarding an online purchase, perceived risk can be defined as “a consumer’s belief about the potential uncertain negative outcomes from the online transaction,” according to Kim, Ferrin, and Rao (2008). A broader definition of perceived risk is described as a consumer’s perceptions of the certain level of uncertainty and the adverse consequences of being involved in a transaction (Dowling & Staelin, 1994). Moreover, Bauer (1967) considered perceived risk “a combination of uncertainty plus seriousness of outcome involved.” Emphasizing its negative effect on purchase behavior, Peter and Ryan (1976) described perceived risk as “the expectation of losses associated with purchase and acts as an inhibitor to purchase behavior.” Although perceived risk can be described in a different way, most definitions indicate the negative traits of perceived risk on consumers’ purchase behavior: uncertainty, adverse consequence, loss, etc. As recognized in various studies (e.g., Bauer, 1967; Dowling & Staelin, 1994; Kim, Ferrel et al.,
2008; Peter & Ryan, 1976), a customer’s perceived risk is a critical barrier that negatively influences his/her purchase decision.

In the marketing literature, a number of studies have attempted to identify and empirically evaluate various types of risk. For example, Lin (2008) and Stone and Gronhaug (1993) divided perceived risk into financial, performance, physical, social, and psychological risks. In addition to the above, Kaplan, Szybillo, and Jacoby (1974) identified three more types of risk: social, time, and opportunity cost risk. As the online marketplace has rapidly grown, information risk has become another part of perceived risk. Information risk is associated with security and privacy in online transactions (Kim, Ferrel et al., 2008), e.g., credit card fraud. Since most consumers use a credit card to buy certain goods and services online, they may have a certain degree of perceived risk when paying by their credit card.

The current dissertation explores the antecedents and outcomes of perceived risk in the context of the sharing economy, i.e., a C2C type of business, in the lodging industry: Airbnb. The three types of attributes (Airbnb channel-, accommodations-, and individual host-related factors) will be explored as antecedents of perceived risk in Airbnb. Then, perceived risk in Airbnb will be examined to see if it plays a critical role in selecting Airbnb over traditional hotels. Based on a review of the literature, the following hypotheses were developed to examine the roles of trust as a mediator between its antecedents and outcome (see Figure 3):

**H1b:** Airbnb Channel-related factors have a negative effect on the perceived risk of choosing Airbnb.

**H2b:** Airbnb accommodation-related factors have a negative effect on the perceived risk of choosing Airbnb.
**H3b:** Individual host-related factors have a negative effect on the perceived risk of choosing Airbnb.

**H5:** Perceived risk in Airbnb has a negative effect on hotel customers’ intention to choose Airbnb over traditional hotels.

### Causal Relationship of Trust and Perceived Risk and Benefits

Previous research studies mentioned that, especially in an online marketplace, trust is the most critical attribute of online sellers that consumers respond to (e.g., Gregg & Walczak, 2010; Kim, 2012; Kracher, Corritore, & Wiedenbeck, 2005; Grabner-Kräuter, & Kaluscha, 2003). However, trust is not the sole factor that influences consumers’ purchase behavior. Trust has been considered a positive factor and perceived risk a negative factor in the decision-making process (Kim, 2012; Kim, Park et al., 2008). The interaction of those two factors affects a consumer’s purchase behavior, and various studies have attempted to empirically examine the relationship between perceived risk and trust, specifically whether risk is an antecedent to trust, is trust, or is an outcome of trust (e.g., Kim, Park et al., 2008; Kracher et al., 2005; Mayer et al., 1995). One of the difficulties in clarifying this relationship has been a lack of clear differentiation of the interaction between perceived risk and trust (Mayer et al., 1995). Deutsch (1958) identified the relationship that risk is requisite to trust; in other words, only a situation that has a certain degree of risk (e.g., online purchase without actual products) made a need for trust. While there is no consensus on the relationship between trust and risk, the key point is how risk fits with trust (Deutsch, 1958: Mayer et al., 1995).

Mayer et al. (1995) suggested a framework of dyadic trust that includes the three characteristics of the perceived trustworthiness of the trustee: ability, benevolence, and integrity. If a trustee feels that those three traits are sufficient, the trustor can build the trust towards the
trustee (e.g., vendor). On the other hand, if the three traits of trustworthiness are not sufficient to build a trust relationship with the trustee, the trustor will be involved in a risky relationship with the trustee, as perceived risk dominates trust. This means that trust is a key factor to determine a consumer’s purchase behavior in the situation where perceived risk (negative factor) exists (Kim, Park et al., 2008).

In summary, trust can play a role in alleviating the effects of perceived risk on consumers’ purchase behavior. This role can be especially important for online transactions where there is neither a physical product nor an immediate response. Also, trust only engages in situations where there is also a certain level of risk involved (Deutsch, 1960; Ratnasingham, 1998). In such a relationship, if trust is not sufficient or is absent, a consumer is most likely to perceive higher risk in his/her purchase behavior. In other words, trust is influenced by perceived risk (Kim, Ferrel et al., 2008).

However, additional work still needs to be done to better examine the relationship between trust and perceived risk on a consumer’s purchase behavior. It is possible that trust may not be engaged in all risky purchase behavior. In other words, a consumer might take a risk on his/her online transaction due to other factors, e.g., a consumer may want to buy a certain product online from an unknown seller because of deep discounts on the product. In this case, although the consumer does not build a trust relationship with the unknown seller, he/she wants to proceed with the online purchase because of its attractive lower price. Moreover, there may be other factors that influence purchase behavior other than trust and risk (Kim et al., 2008), such as perceived benefit. The deep discounts in the example above can be one of the perceived benefit elements that dominate trust and risk in the relationship when choosing the online vendor. For example, Forsythe, Liu, Shannon, and Gardner (2006) discovered a significant association
between perceived benefits and risks in the context of online shopping. After recognizing the need to investigate the relationships between trust, perceived risk, perceived benefits, and intention to choose Airbnb over hotels, the following hypotheses were developed for this dissertation (see Figure 3):

**H6**: Trust in Airbnb has a negative effect on the perceived risk of choosing Airbnb.

**H7**: The perceived benefits of Airbnb have a positive effect on hotel customers’ intention to choose Airbnb over traditional hotels.

![Figure 3. The proposed S-O-R framework.](image)

*Note*. Solid arrows indicate a positive relationship while dashed arrows indicate a negative relationship.
Table 3

Hypotheses for the Study Phase 2

<table>
<thead>
<tr>
<th>No.</th>
<th>Hypothesis Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>Channel-related factors have a positive effect on trust in Airbnb.</td>
</tr>
<tr>
<td>H1b</td>
<td>Channel-related factors have a negative effect on the perceived risk of choosing Airbnb.</td>
</tr>
<tr>
<td>H2a</td>
<td>Airbnb accommodation-related factors have a positive effect on trust in Airbnb.</td>
</tr>
<tr>
<td>H2b</td>
<td>Airbnb Accommodation-related factors have a negative effect on the perceived risk of choosing Airbnb.</td>
</tr>
<tr>
<td>H3a</td>
<td>Individual host-related factors have a positive effect on trust in Airbnb.</td>
</tr>
<tr>
<td>H3b</td>
<td>Individual host-related factors have a negative effect on the perceived risk of choosing Airbnb.</td>
</tr>
<tr>
<td>H4</td>
<td>Trust in Airbnb has a positive effect on hotel customers’ intention to choose Airbnb over traditional hotels.</td>
</tr>
<tr>
<td>H4a</td>
<td>Disposition to trust has a moderating effect on the relationship between trust and intention to choose Airbnb over traditional hotels.</td>
</tr>
<tr>
<td>H4b</td>
<td>Familiarity with Airbnb has a moderating effect on the relationship between trust and intention to choose Airbnb over traditional hotels.</td>
</tr>
<tr>
<td>H5</td>
<td>Perceived risk in Airbnb has a negative effect on hotel customers’ intention to choose Airbnb over traditional hotels.</td>
</tr>
<tr>
<td>H6</td>
<td>Trust in Airbnb has a negative effect on the perceived risk of choosing Airbnb.</td>
</tr>
<tr>
<td>H7</td>
<td>The perceived benefits of Airbnb have a positive effect on hotel customers’ intention to choose Airbnb over traditional hotels.</td>
</tr>
</tbody>
</table>
CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

The central premise of this dissertation was that the three attributes of Airbnb (i.e., product-, individual seller-, and Airbnb.com website-related factors) play a critical role in shaping hotel customers’ trust and intention to select Airbnb over traditional hotel rooms. This idea has support in the traditional business setting (B2C: hotels or resorts) and in the literature but requires further investigations in different settings (C2C: Airbnb) with empirical validation. Thus, this dissertation consists of two phases with an Exploratory Sequential Mixed Methods Design. Phase 1 was a qualitative approach that explores several items from the three trust factors of Airbnb (i.e., channel-, accommodation-, and individual host-related). Based on the qualitative results from Phase 1, Phase 2 was a quantitative study that involves development of subsequent concepts and conceptual model. These empirical validation steps used Partial Least Square Structural Equation Modeling (PLS-SEM) to gain a comprehensive understanding of how the three factors in Airbnb involve an integrative mechanism to form an intention to choose Airbnb over traditional hotels. This chapter describes the research design and methodology used for these studies.

Mixed Methods Research Design

An exploratory sequential mixed-methods design was used for the current study. This section includes an overview of mixed methods research design, rationale for selecting mixed methods as well as an exploratory sequential mixed-methods design.

Rationale for Mixed Methods

To obtain a comprehensive understanding about the impact of Airbnb on the traditional hospitality industry, a mixed method was conducted for this dissertation. Specifically, this
dissertation seeks to study the relationships among hotel customers’ trust antecedents and their intention on choosing Airbnb over traditional hotels or resorts. Airbnb is a new type of business shaped in a different context (C2C; sharing economy) from traditional hotels’ (B2C). Thus, the research needed a more comprehensive view and more data about the phenomenon than either the qualitative or the quantitative approach. Therefore, a mixed methods research design was selected because of its benefits including complementizing the two different perspectives (qualitative and quantitative). The followings are the three main reasons for choosing a mixed methods design over traditional research designs:

1. This dissertation’s purpose and research questions mentioned in previous chapters require a combination of qualitative and quantitative approach.

2. Research questions in this dissertation require study of trust and intention to choose Airbnb (qualitative) and their empirical validation (quantitative), as well as integration of the two results.

3. There are insufficient studies available in the current literature in terms of the roles of trust constructs and intention in selecting Airbnb over traditional hotels. A combination of qualitative and quantitative methods enables this dissertation to obtain a detailed understanding of the phenomenon.

To maximize the benefits of this mixed methods design, in-depth structured interviews were conducted with hotel customers. In a Phase 1 study, an individual’s deeper and broader responses about his/her trust factors should be gleaned along with the intention to choose Airbnb over traditional hotels. After gaining greater insight from the interviews with open-ended questions, factors of trust and other constructs will be determined to develop the research framework for a Phase 2 study, which uses a quantitative approach. In a Phase 2, there should be
generalization and precision on the relationship among the constructs, which were obtained from Study Phase 1. More of both study phases are discussed in detail later in this chapter.

**Overview of Mixed Methods Design**

According to Creswell (2014, p. 2), mixed method research can be defined as “an approach to research in the social, behavioral, and health sciences in which the investigator gathers both quantitative (close-ended) and qualitative (open-ended) data, integrates the two, and then draws interpretations based on the combined strengths of both sets of data to understand research problems.” Given the definition, however, there are certain types of research that cannot be considered a mixed methods such as the one including a simple combination of quantitative and qualitative data without a specific scientific technique, a mixed model approach, or an evaluation technique (Creswell, 2014). Avoiding those, the following shows some of the characteristics of mixed methods research suggested by Creswell (2014, p. 3):

1) “Collection and analysis of quantitative and qualitative data in response to research questions

2) Use of rigorous qualitative and quantitative methods

3) Combination or integration of quantitative and qualitative data using a specific type of mixed methods design, and interpretations of this integration, and

4) Sometimes, framing of the design within a philosophy or theory.”

Reflecting on this definition as well as the aforementioned traits, all mixed methods research should belong to one of the three basic mixed methods designs: a convergent, an explanatory sequential, and an exploratory sequential design (Creswell, 2014). Table 4 shows each definition of the three types of mixed methods.
Table 4

*Definition of Mixed Methods Designs*

<table>
<thead>
<tr>
<th>Design</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Convergent</td>
<td>“Involves the separate collection and analysis of quantitative and qualitative data. The intent is to merge the results of the quantitative and qualitative data analyses.”</td>
</tr>
<tr>
<td>An Explanatory</td>
<td>“The intent is to begin with a quantitative strand and then conduct a second qualitative strand to explain the quantitative results.”</td>
</tr>
<tr>
<td>An Exploratory</td>
<td>“The intent is first to explore a problem through qualitative data collection and analysis, develop an instrument or intervention, and follow with a third quantitative phase.”</td>
</tr>
</tbody>
</table>


**The Exploratory Sequential Design**

For this dissertation, an exploratory sequential design is selected from the three different mixed methods designs because it is a better fit in answering the given research questions. The exploratory sequential design begins with a qualitative data collection and analysis to explore and study the given issues. Based on the qualitative results, the second phase develops new instruments or interventions and frameworks for empirical validation. Then, in the third phase, the measures or new constructs are applied and tested to see whether the qualitative finding generalize to a specified population. Figure 4 describes a process in the exploratory sequential design suggested by Creswell (2014). A rationale for selecting this mixed methods design and the design process are described in more detail in the following section.
This study addresses the current impact of hotel customers’ trust in the collaborative consumption on the decision-making process in selecting Airbnb over traditional hotels. Because Airbnb is a new type of business context (C2C) in the lodging industry, it may be inappropriate to adopt the trust constructs that have been empirically tested in B2C business contexts (e.g., traditional hotel or resorts) without investigating its fit to the new setting (C2C). Moreover, there is insufficient information about the trust constructs on the collaborative consumption via the sharing economy (C2C) in the current literature. To address the issues in a way more appropriate to this new setting, this dissertation must better explore contextualized measures or instruments through qualitative methods before adopting the constructs or developing new constructs for empirical testing. Thus, the exploratory sequential design was chosen to gain better understanding about the issues. Figure 5 is a visual diagram for the exploratory sequential design.
Study Phase 1

Qualitative Data Collection

Procedures:
* Maximum variation sampling (N=16)
* One-on-one online structured-interview

Products:
* Interview responses
* Organized transcripts

Qualitative Data Analysis

Procedures:
* Coding
* Thematic development

Products:
* Coded text
* 3 themes (dimensions of trust and risk)

Develop an instrument

Procedures:
* Consider 3 themes as subscales
* Write 5-10 items for each subscale

Study Phase 2

Quantitative Data Collection

Procedures:
* N=520 hotel guests
* Survey with 8 theme groups and demographic items

Products:
* Numerical item scores

Quantitative Data Analysis

Procedures:
* Scale reliability
* Exploratory factor analysis (EFA)
* Hypotheses testing (PLS-SEM)

Products:
* Cronbach’s alpha
* Factor loadings
* Measures of fit
* Correlations

Interpretation

Procedures:
* Summarize dimensions
* Evidence for construct validity
* Discuss extent to which qualitative items were validated

Products:
* Description of items
* Validated instrument to measure items

Figure 5. An exploratory sequential mixed methods design for the dissertation.
Study Phase 1

The primary purpose of Phase 1 was to explore the measures of the three factors that influenced trust in Airbnb. Study Phase 1 specifically seeks to explore the factors shaping the antecedents of trust and perceived risk in selecting Airbnb over traditional hotels. This goal was achieved by asking hotel customers to describe factors related to the Airbnb accommodation, individual host, and channel (Airbnb.com) based on their experience or/and perception. Therefore, Study Phase 1 was designed using a qualitative approach to acquire in-depth information from informants to identify the concepts and themes of the three attributes of Airbnb—the accommodation, individual host, and channel-related factors—which came into play when hotel customers made an Airbnb reservation. These factors were developed for the quantitative research undertaken for Study Phase 2.

Sampling Design

It is imperative to implement the purposeful sampling technique for this phase of study as a part of the Exploratory Sequential Mixed Methods design (Creswell, 2014). Accordingly, informants were selected based on three criteria—first, the informant had to be older than 20 years to qualify for the interview. This was done to ensure that the informant could take be a decision maker for himself/herself. Second, the informant had to be a hotel customer—one who had stayed in a hotel or a resort within the last 12 months to ensure that the informant possessed some hotel-stay experience. In this way, the informant would be able to recall his/her hotel experience when describing the details of the three attributes of Airbnb. Third, to obtain more in-depth information, the informant would have to be aware of Airbnb before participating in the interview. This would ensure that he would be able to describe the details of the three attributes of Airbnb, appropriately. Table 5 shows the main interview questions as well as the purpose of
each. A total 16 informants were intentionally selected for Study Phase 1 to explore factors of trust and perceived risks in choosing Airbnb over traditional hotels. To see the possible impact of previous Airbnb experiences, half of the sample had to have Airbnb booking experience and all 16 informants had to be aware of Airbnb.

Table 5

Main Interview Questions and Purposes

<table>
<thead>
<tr>
<th>Main Interview Questions</th>
<th>The Purpose of the Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Can you think of any factors related to Airbnb product (i.e., accommodation listing</td>
<td>The purpose of this question is to explore factors related to Airbnb accommodation listing</td>
</tr>
<tr>
<td>on Airbnb.com) that have influence on your trust? (For example, number of pictures</td>
<td>that have an impact on hotel customers’ trust and perceived risk when selecting Airbnb as</td>
</tr>
</tbody>
</table>
| available, quality of pictures, reviews of listing, ratings of listing, quality of     | an accommodation option.
| information, etc.) How likely do these factors influence your decision to book with   |                                                                                             |
| Airbnb over traditional hotels? Please provide a detailed response.                   |                                                                                             |
| 2. Can you think of any factors related to an individual host (seller) on Airbnb that | The purpose of this question is to explore factors related to an individual host on        |
| have influence on your trust? (For example, reviews of sellers, ratings of sellers,   | Airbnb.com that have an impact on hotel customers’ trust and perceived risk when selecting |
| etc.) How likely do these factors influence your decision to book Airbnb over        | Airbnb as an accommodation option.                                                          |
| traditional hotels? Please provide a detailed response.                               |                                                                                             |
| 3. Can you think of any factors directly related to Airbnb.com website that have      | The purpose of this question is to explore factors related to the channel (Airbnb.com       |
| influence on your trust? (For example, payment security, website reliability, website  | website) that have an impact on hotel customers’ trust and perceived risk when selecting   |
| aesthetics, etc.) How likely do these factors influence your decision to book        | Airbnb as an accommodation option.                                                          |
| Airbnb over traditional hotels? Please provide a detailed response.                   |                                                                                             |

Interview Method

Qualified informants were recruited by panel members belonging to an online survey company. An Internet interview method was decided upon especially, for this study, because it had some of the benefits that a traditional interview method did not. First, researchers could recruit informants belonging to a dispersed sample, geographically. It was important to remove
bias stemming from geographic limitation and this led to the decision favoring an Internet interview. Second, an Internet interview could enable researchers to eliminate the need for synchronous interview time. Researchers could send a set of interview questions to the individual informants, simultaneously. This practice also enabled informants to have more time to respond to each question at their own pace. In this case, researchers felt they would be able to collect more valid and in-depth responses. Researchers were required to designate a certain time by which to receive the responses. Third, there was no need for researchers to transcribe the original data to text. The traditional interview method required researchers to record the informants’ responses (e.g., audio-taped), and transcribe those to text format. During the process of transcription, there was the possibility that errors could be introduced by the researchers. With an Internet interview method, however, there was no need for researchers to transcribe the original data for analyses, so this issue was also taken care of. Despite the benefits of an Internet interview, there were some concrete disadvantages. During the recruiting process, for example, not all potential participants read the online interview invitations (e.g., email invitation) (Meho & Tibbo, 2003). Such an act could lead to a lack of valid responses or insufficient data for generalizations. In fact, the issue of higher rates of non-delivery in an online interview had been found in a number of previous studies (Dommeyer & Moriarty, 1999; Meho & Tibbo, 2003; Oppermann, 1995). In order to reduce this issue of non-delivery, the current study used an online survey company’s panel members to recruit qualified participants and send them the entire interview questions. The online survey company allowed the researcher to replace an invalid response with a new one—with no limits being applied—until the researcher collected all valid and rich responses from the qualified informants. This benefit enabled the researcher to reduce the possibility of non-delivery.
Data Collection

Interview protocol. The interview questions were designed to help the interviewees think about the processes they considered when booking accommodation online and the elements that belonged to each of the three attributes of Airbnb booking (Airbnb accommodation-, individual host-, and channel-related trust) (See Appendix B for the entire set of interview questions). To collect valid responses from only the eligible respondents, three of the screening questions were provided at the very beginning. To only include a respondent who could be a decision-maker, the questionnaire offered the following question: “Are you 20 years old or older?” To only include a respondent who had stayed at a hotel or a resort recently, the questionnaire asked: “Have you ever stayed at a hotel (or resort) over the last 12 months?” Lastly, to only include a respondent who are aware of Airbnb, the questionnaire asked: “Have you heard of Airbnb?” If any respondent answered “no” to any of these three screening questions, he/she was directly moved to the end of the online interview. On the other hand, all the informants who responded with a “yes” to the three screening questions were brought to the first set of questions in the online interview session. This study obtained an approval from University of Nevada, Las Vegas’ Institutional Review Board as shown in Appendix A.

The qualitative survey consisted of a total of 11 open-ended questions under 5 topic groups. The qualitative survey was designed for a time span of 30 to 60 minutes. The first group of questions including two questions required the interviewees to indicate whether they had ever been involved in the Airbnb booking process. The second group of questions also included two questions asking the respondents for their opinions about general accommodation booking processes. At this stage, the participants were expected to think of stages or processes entailed when booking accommodation, in general, as well as when booking Airbnb and traditional
hotels, separately. The third group of questions consisted of four questions about three different types of trust involved when selecting Airbnb over traditional hotels or resorts. The four questions in this group entailed trust and trust-related factors (i.e., Airbnb accommodation-, individual host-, and channel-related) based on the respondents’ perceptions and experiences. Since the questions belonging to this group were the main questions (see Table 5), the researcher inserted the following note at the very beginning of the qualitative survey to draw the respondents’ attention and attempt to derive greater, in-depth responses from them: “I strongly encourage you to spend most of your time to provide us your in-depth answers (min. 100 characters) for this group of questions.” Moreover, all questions in this group included reminders like “Please provide a detailed response” which emphasized the importance of the questions once again when the informants reached those. After that, the fourth group of questions included two questions asking about the other factors—other than the three attributes mentioned above—which they felt impacted on their trust or perceived risk when they selected Airbnb. Finally, the last group of questions contained one question that asked about the respondents’ intentions to choose Airbnb over traditional hotels or resorts. Appendix B included an entire set of questions.

**Interview procedures.** Participation in this study was voluntary and the respondents were informed that they could refuse to answer any question and terminate the interview at any point of time. The interviewees were also informed of the purpose of the study. They were expected to answer all questions reflecting their online hotel and Airbnb booking experiences and perceptions. The data collection process included formal interviews as well as a pre-test study. The purpose of the pre-test study was to simulate the formal interview process and check if there was room for improving the way the questions were worded. Moreover, the pre-test study enabled the researcher to confirm that the respondents had fully and correctly understood
the questions. The pre-test was conducted with four graduate students and 33 undergraduate students in a southwest American university. The interview questions were polished after the four graduate students and the first eight undergraduate students had submitted their responses. The responses of the last 25 undergraduate students were used in the final analyses along with the 16 responses from the main interview.

The formal interview was conducted with informants recruited via an online survey company. The complete online qualitative survey questionnaire with open-ended questions was created and distributed among the respondents and the screening questions were seen to have played a critical role in including only the qualified informants. The online survey company enabled the researcher to collect all the valid and reliable responses until data analyses indicated that the theoretical saturation point had been reached (Tracy, 2010). As a result, a total of 43 interviews were collected until the researcher was able to obtain 16 complete and valid interviews at the end of the recruitment process. Among the 16 responses used in the final analyses, eight informants had experience of booking Airbnb while the other eight did not. All 16 informants were, however, aware of Airbnb. Due to the innate difficulties of follow-up interviews when collecting data from the online survey company, the researcher was given the benefit of replacing responses—with no limits attached to the number of responses that could be so replaced—thereby enabling a maximization of the validity of the current study. At the stage of data collection, the researcher rigorously tried to include only the valid responses. For example, responses that included only the unclear and vague words were excluded and new responses were requested. Repetition of this process ensured that the researcher used only valid answers that maximized the accuracy of his interpretation when it came to the final data analyses.
**Data Analysis**

Qualitative data analysis software, NVivo 11, was employed to identify codes and themes based on the original responses from the informants. The coding process was also taken by using the software with the sentences as the unit of analysis. Followed by Creswell (2014)’s suggestion, the data was accordingly analyzed. First, the data was organized by each informant with a same format for data analysis. Second, the researcher read all the data to obtain a general sense of the original responses. During this process, the researcher wrote notes and highlighted key words for better understanding of the overall meanings. Third, the coding process was accordingly conducted based on Tesch’s (1990) guideline. For example, after carefully reading all the information, several basic codes were identified by examining sentences. These codes were then clustered together by similar topics. As a result, 12 concepts were developed for Airbnb accommodations-related factors, 11 concepts were identified for individual host-related factors, and 10 concepts were established for Airbnb.com channel-related factors (see Table 6). Along with these concepts, the researcher re-examined the data to check if new codes or concepts emerge. After confirming that there were new codes or concepts need to be emerging, the researcher was able to identify the final concepts based on the original meanings with minimum language adjustments. Then, the researcher was able to find the most descriptive labeling for the themes by turning the final codes into categories. In this stage, some of the concepts, which have a weak relationship with categories were removed to enhance interrelationships with each category. As a result, the researcher had the four themes of channel-related factors including 7 concepts (see Table 8 in Chapter 4), the three themes of Airbnb accommodation-related factors including 8 concepts (see Table 9 in Chapter 4), and the four themes of individual host-related factors including 8 concepts (see Table 10 in Chapter 4),
respectively. To ensure the validity of the study by minimizing the researcher’s subjectivity, two independent coders coded the data separately, and four researchers reviewed the final concepts and themes.

Table 6

*Concepts Revealed for the Three Attributes of Airbnb*

<table>
<thead>
<tr>
<th>Attribute</th>
<th>High Occurrence</th>
<th>Unexpected based on Literature</th>
<th>Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb Accommodation-related Attribute</td>
<td>Pictures</td>
<td>Neighborhood Information</td>
<td>Identification of Host</td>
</tr>
<tr>
<td></td>
<td>Reviews</td>
<td>Reviews of Location</td>
<td>Reviews on Host</td>
</tr>
<tr>
<td></td>
<td>Ratings</td>
<td>Frequency of Rent</td>
<td>Ratings on Host</td>
</tr>
<tr>
<td></td>
<td>Descriptions</td>
<td></td>
<td>Past Experience with Other Listing</td>
</tr>
<tr>
<td>Information Quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual host-related Attribute</td>
<td>Reviews on Host</td>
<td>Non-affiliated Tenure of Host on Airbnb.com</td>
<td>Information Quality Description</td>
</tr>
<tr>
<td></td>
<td>Ratings on Host</td>
<td>Use of Correct Grammar by Host</td>
<td>Pictures of Accommodation</td>
</tr>
<tr>
<td>Response to Comments</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Photos Posted by Host</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accuracy of Info Posted by Host</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airbnb.com Channel-related Attribute</td>
<td>Website Aesthetics</td>
<td>Airbnb Customer Service Filtering Options</td>
<td>Marketing Efforts</td>
</tr>
<tr>
<td>Website Dependability</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Payment Security</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ease of Use</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ease of Navigation</td>
<td></td>
<td></td>
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</tbody>
</table>
Study Phase 2

Study Phase 2 includes both phases of instrument development and empirical validation. After the data analysis in Study Phase 1, the researcher was able to determine the final antecedents of trust and perceived risk. Using the results from Study Phase 1, the researcher finalized the proposed model in Study Phase 2. This phase specifically seeks to explore the relationships between the constructs (intention, perceived benefit, and trust and perceived risk as well as those antecedents) in the proposed S-O-R framework. Then, the antecedents of trust and perceived risk developed in Study Phase 1 are tested here for the empirical validation leading to Study Phase 2 being designed using a quantitative approach, which provides the relationships between the constructs and enables generalizability of the proposed framework with the newly established antecedents from Study Phase 1.

Sampling Design

The primary purpose of Study Phase 2 was to construct and validate a survey questionnaire reflecting the qualitative results from Study Phase 1 that could be used to measure trust, perceived risk, and the intention to choose Airbnb over traditional hotels. Moreover, the modified S-O-R framework and constructs were examined with a large sample size (i.e., 520) in the second phase of the study. An online survey was conducted and the sample formed from among the panel members of an online survey company assuming that the subjects knew how to use a computer and the Internet. For the Exploratory Sequential Design, according to Creswell (2014), Study Phase 2 needed to use a different sample, but from among the same population as Study Phase 1. To ensure that the sample was thus selected, the researcher used three screening questions as done previously in Study Phase 1. Specifically, all respondents aged less than 21 years were screened, first. In addition, respondents who had not stayed in a hotel or resort within
the last 12 months and had not explored the Airbnb website were not included in the sample. To create a generalizable measure of the antecedents of trust and intention and increase the sample’s representativeness of population, it was requested that the members’ profiles resemble that of the U.S. population. This study obtained an approval from University of Nevada, Las Vegas’ Institutional Review Board as indicated in Appendix A. The researcher collected a total of 520 completed and valid responses.

**Instrument**

The survey questionnaire was designed to include possible influential factors modified from Study Phase 1 and other studies. The survey consisted of five sections (See Appendix C for all survey questions). The first section included instruments for the three different attributes of Airbnb (i.e., accommodation-, individual host-, and channel-related factors) based on the qualitative results from Study Phase 1 (See Table 8, 9, and 10 for the measurement items from the results of Study Phase 1). All constructs were measured using multiple items closely following the current and relevant literature (e.g., Buckley, 2003; Suh & Han, 2003; Li & Yeh, 2010; Madu & Madu, 2002; Parasuraman, Zeithaml, Malhota, 2005; Yoo & Donthu, 2001; Zeithaml et al., 2002).

The channel-related (Airbnb.com) attribute comprised four categories including aesthetics, dependability, functions, and ease of use that were developed from the qualitative study (Study Phase 1). See Table 7 for the details and examples. Aesthetics included website aesthetics (WA) with three measurement items, which were adopted from the following studies: Li and Yeh (2010), Madu and Madu (2002), and Yoo and Donthu (2001), for example, “the overall look and feel of the site are visually appealing.” Dependability implied website dependability (WD) and included three measurement items, which were adopted from the
following studies: Parasuraman et al. (2005) and Zeithaml et al. (2002), for instance, “The Airbnb website does not crash.” Functions consisted of payment security and Airbnb customer service. Payment security (PS) had two measurement items, which were adopted from the following studies: Kim et al. (2010), Suh and Han (2003), Yang and Jun (2002), and Yoo and Donthu (2001), for example, “The Airbnb website ascertains my identity before processing the transactions received from me.” Airbnb customer service (CS) was measured by three questions adopted from the following studies: Field et al. (2004), Parasuraman et al. (2005), and Zeithaml et al. (2002), for instance, “The Airbnb website offers the ability to speak to a live person if there is a problem.” The last theme category belonging to the channel-related attribute, Ease of use (EU), included the three concepts (i.e., ease of use, ease of navigation, and filtering options). Ease of use (EU) was measured by the three measurement items, adopted from the following studies: Buckley (2003), Li and Yeh (2010), Loiacono, Watson, and Goodhue (2002), and Yang, Peterson, and Cai (2003). An example of these measurements includes, “The interactions with the Airbnb website are clear and understandable.” Ease of navigation (EN) was measured by two items adopted from the following studies: Cyr (2008) and Ganguly, Dash, Cyr, and Head (2010). An example for this includes, “I can easily navigate the Airbnb website.” Finally, filtering options (FO) was examined by one item adopted from Liu and Zhang’s (2014) study: “The Airbnb website has various filters (options) to choose accommodation, meeting my requirement on quality and budget.” Appendix C includes the entire set of the survey questions.

Airbnb Accommodation-related attribute consisted of three categories including accommodation information, evaluations, and neighborhood information that were developed from the qualitative study (Study Phase 1). See Table 7 for the details and examples. Accommodation information included four concepts including pictures (PA), descriptions (DA),
information quality (IQ), and frequency of rent (FR). Among them, frequency of rent (FR) had a measurement item, which had been newly developed for the current study. Other concepts were measured by each item accordingly adopted from previous studies (Barns & Vidgen, 2003; Gretzel & Yoo, 2008; Guertin & Nantel, 2005; Iwaardena et al., 2004; Negash, Ryan, & Igbaria, 2003; Nicolaou & McKnight, 2006). The category of accommodation evaluations included two factors: reviews (RVA) and ratings (RTA) on accommodation. Reviews (RVA) on accommodation was measured by the three questions, adopted and modified from the following studies: Chatterjee (2001), Gretzel and Yoo (2008), and Sparks and Browning (2011). An example of the measurements included, “Reviews on accommodation provide me a good opportunity to learn about accommodation.” Ratings (RTA) on accommodation was evaluated by the two measurement items, adopted and modified from the following previous studies: Qiu, Pang, and Lim (2012), Sridhar and Srinivasan (2012), Ye et al. (2009), and Zhang, Ye, and Law (2011). An example of the measurements included “When I seek for accommodation booking, online ratings are helpful for my decision making.” Neighborhood information was the last category belonging to the Airbnb accommodation-related attribute. This category had two factors: neighborhood information (NI) and reviews of location (RL). Between them, neighborhood information (NI) was measured by one item adopted from the following studies: Liu and Zhang (2014) and Mich, Franch, and Gaio (2003). Reviews of location (RL) were evaluated by the two survey questions, adopted from the following previous studies: Chatterjee (2001), Gretzel and Yoo (2008), and Sparks and Browning (2011). An example of the measurements included “Reviews on the location of accommodation make me easier to imagine what a place will be like.” Appendix C includes the entire set of the survey questions.
Airbnb individual hosts-related attribute consisted of the four categories including information about host, evaluations on host, responsiveness, and credibility that were developed from the qualitative study (Study Phase 1). See Table 7 for the details and examples. Information about host included two factors including photographs posted by the host and the tenure of the host on Airbnb.com. Photographs posted by the Host (PI) had a measurement item, which was adopted by Qiu et al.’s (2010) study. The newly developed question was used to measure the tenure of the host on Airbnb.com (TI). Evaluations on the host consisted of the two measurement items including reviews and ratings on hosts. Reviews on individual hosts (RI) was measured by the three questions adopted and modified from the following studies: Chatterjee (2001), Gretzel and Yoo (2008), and Sparks and Browning (2011). Ratings on individual hosts (RTI) was evaluated by the two questions, adopted and modified from the following studies: Qiu et al. (2012), Sridhar and Srinivasan (2012), Ye et al. (2009), and Zhang et al. (2011). The category of responsiveness had one item, which was the response to comments (RC). The question was newly developed for the current study to measure the responsiveness of the individual hosts. The last category was the credibility of the individual hosts listed in Airbnb. This category had the three factors including non-affiliated (NAI), accuracy of information posted by the host (AIH), and use of correct grammar by the host (UCG). NAI had two measurement items, which were newly developed for the current study. An example of the measurements included “I cannot expect similar degrees of professional services from individual hosts on Airbnb as much as I can expect from hotel employees.” Accuracy of information posted by the host (AIH) also had two questions to measure it. Those measurements were adopted and modified from the following studies: Collier and Bienstock (2006), Gounaris and Dimitriadis (2003), and Nicolaou and McKnight (2006). Finally, the use of correct grammar by the host (UCG) was evaluated by one
measurement, which was also newly developed for the present study. Appendix C includes the entire set of the survey questions.

Table 7

**Measurements of the Antecedents of Trust and Perceived Risk**

<table>
<thead>
<tr>
<th>Sources</th>
<th>Concept</th>
<th>Questions</th>
<th>Theme (Category)</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Li &amp; Yeh (2010); Madu &amp; Madu (2002); Yoo &amp; Donthu (2001)</td>
<td>Website aesthetics</td>
<td>WA-1 The screen design of Airbnb.com (i.e., colors, boxes, navigation bars, etc.) is attractive. WA-2 The Airbnb website looks professionally designed. WA-3 The overall look and feel of the website is visually appealing.</td>
<td>Aesthetics (1 item)</td>
<td>Channel-related Factors</td>
</tr>
<tr>
<td>Parasuraman et al. (2005); Zeithaml et al. (2002)</td>
<td>Website dependability</td>
<td>WD-1 The Airbnb website is always functional when booking my accommodation. WD-2 The Airbnb website does not crash. WD-3 Website pages at Airbnb.com do not freeze or crash after I enter my information.</td>
<td>Dependability (1 item)</td>
<td></td>
</tr>
<tr>
<td>Kim et al. (2010); Suh &amp; Han (2003); Yang &amp; Jun (2002); Yoo &amp; Donthu (2001)</td>
<td>Payment security</td>
<td>PS-1 Airbnb website secures my identity when processing the transactions received from me. PS-2 The Airbnb website typically displays a summary of the payment information (cost, payee...) and the final payment amount.</td>
<td>Functions (2 items)</td>
<td></td>
</tr>
<tr>
<td>Field et al. (2004); Parasuraman et al. (2005); Zeithaml et al. (2002)</td>
<td>Airbnb customer service</td>
<td>CS-1 The Airbnb website has customer service representatives available online. CS-2 The Airbnb website offers the ability to speak to a live person if there is a problem. CS-3 The Airbnb website provides a telephone number to reach the company.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buckley (2003); Li &amp; Yeh (2010); Loiacono et al. (2002);</td>
<td>Ease of use</td>
<td>EU-1 It is easy to get the Airbnb website to do what I want. EU-2 The Airbnb website is easy to use.</td>
<td>Ease of Use (2 items)</td>
<td></td>
</tr>
<tr>
<td>Sources</td>
<td>Concept</td>
<td>Questions</td>
<td>Theme (Category)</td>
<td>Factors</td>
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<tr>
<td>Yang et al. (2003)</td>
<td>Ease of navigation [EN]</td>
<td>EN-1 I can easily navigate the Airbnb website. EN-2 The Airbnb website provides good navigational tools to search the information provided.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyr (2008); Ganguly et al. (2010)</td>
<td>Filtering options [FO]</td>
<td>FO-1 The Airbnb website provides various filtering options when searching for an accommodation, thus meeting my requirements on quality and budget.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liu &amp; Zhang (2014)</td>
<td>Pictures [PA]</td>
<td>PA-1 Pictures of accommodation on the Airbnb website provide me a good opportunity to learn about accommodation. PA-2 Pictures of accommodation on the Airbnb website increase my confidence in the decisions I make. PA-3 Pictures of accommodation help me evaluate alternatives on the Airbnb website.</td>
<td>Accommodation Information (4 items)</td>
<td>Airbnb Accommodation-related Factors</td>
</tr>
<tr>
<td>Gretzel &amp; Yoo (2008); Guertin &amp; Nantel (2005); Iwaardena et al. (2004)</td>
<td>Descriptions [DA]</td>
<td>DA-1 Descriptions of accommodation on the Airbnb website provide me a good opportunity to learn about accommodation. DA-2 Descriptions of accommodation on the Airbnb website increase my confidence in the decisions I make. DA-3 Descriptions of accommodation help me evaluate alternatives on the Airbnb website.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gretzel &amp; Yoo (2008); Guertin &amp; Nantel (2005); Negash et al. (2003)</td>
<td>Information quality [IQ]</td>
<td>IQ-1 The Airbnb maintains information about accommodation at an appropriate level of detail for my purposes. IQ-2 The accommodation information on Airbnb.com is up-to-date enough for my purposes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sources</td>
<td>Concept</td>
<td>Questions</td>
<td>Theme (Category)</td>
<td>Factors</td>
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<td>-------------------------------</td>
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<tr>
<td>A posteriori determination</td>
<td>Frequency of rent [FR]</td>
<td>FR-1 Higher frequency of renting history of an Airbnb accommodation increases my confidence in the booking decisions I make.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chatterjee (2001); Gretzel &amp; Yoo (2008); Sparks &amp; Browning (2011)</td>
<td>Reviews [RVA]</td>
<td>RVA-1 Accommodation reviews provide a good opportunity to determine if an accommodation meets my criteria. RVA-2 Accommodation reviews on the Airbnb website increase my confidence in the booking decisions I make. RVA-3 Accommodation reviews on the Airbnb website help me evaluate alternatives.</td>
<td>Accommodation Evaluations (2 items)</td>
<td></td>
</tr>
<tr>
<td>Qiu et al., (2012); Sridhar &amp; Srinivasan (2012); Ye et al. (2009); Zhang et al. (2011)</td>
<td>Ratings [RTA]</td>
<td>RTA-1 Accommodation ratings on the Airbnb website help me make my booking decision. RTA-2 When I book an accommodation on the Airbnb website, the Airbnb consumer ratings make me feel confident about my decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chatterjee (2001); Gretzel &amp; Yoo (2008); Sparks &amp; Browning (2011)</td>
<td>Reviews of location [RL]</td>
<td>RL-1 Location reviews on the Airbnb website of an accommodation makes it easier to imagine what a place will look like. RL-2 Location reviews on the Airbnb website of an accommodation provide good opportunities to learn about the location.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qiu et al., (2012)</td>
<td>Photos Posted by Host [PI]</td>
<td>PI-1 Photos of individual hosts on the Airbnb website, make me confident in booking their accommodation.</td>
<td>Information about Host (2 items)</td>
<td></td>
</tr>
<tr>
<td>A posteriori determination</td>
<td>Tenure of Host on</td>
<td>TI-1 The longer an individual host has been in the Airbnb</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sources</td>
<td>Concept</td>
<td>Questions</td>
<td>Theme (Category)</td>
<td>Factors</td>
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<tr>
<td>Chatterjee (2001); Gretzel &amp; Yoo (2008); Sparks &amp; Browning (2011)</td>
<td>Reviews [RI]</td>
<td>RI-1 Reviews on individual hosts provide me a good opportunity to learn about hosts. RI-2 Reviews on individual hosts increase my confidence in the decisions I make. RI-3 Reviews on individual hosts help me evaluate alternatives.</td>
<td>Evaluations on Host (2 items)</td>
<td></td>
</tr>
<tr>
<td>Qiu et al., (2012); Sridhar &amp; Srinivasan (2012); Ye et al. (2009); Zhang et al. (2011)</td>
<td>Ratings [RTI]</td>
<td>RTI-1 When I book an Airbnb accommodation, the ratings on individual hosts help me make my decision. RTI-2 When I book an Airbnb accommodation, the ratings on individual hosts makes me confident about the product (e.g., accommodation) I am purchasing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A posteriori determination Response to comments [RC]</td>
<td></td>
<td>RC-1 Individual hosts who respond to reviews written by guests increases my confidence.</td>
<td>Responsive ness (1 item)</td>
<td></td>
</tr>
<tr>
<td>A posteriori determination Non-affiliated [NAI]</td>
<td></td>
<td>NAI-1 Individual hosts on Airbnb listings are not professional while hotel employees are. NAI-2 I cannot expect the degree of professional service from individual hosts on Airbnb to be similar to that from hotel employees.</td>
<td>Credibility (3 items)</td>
<td></td>
</tr>
<tr>
<td>Collier &amp; Bienstock (2006); Gounaris &amp; Dimitriadi (2003); Nicolaou &amp; McKnight (2006)</td>
<td>Accuracy of Info Posted by Host [AIH]</td>
<td>AIH-1 Individual hosts in Airbnb maintain an appropriate level of accuracy of information about their properties. AIH-2 The accommodation information posted by individual hosts on the Airbnb website is up-to-date enough for my purposes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A posteriori determination Use of Correct Grammar by Host (UCG)</td>
<td></td>
<td>UCG-1 Individual hosts who use professional language (e.g., correct grammar) in posting details about their accommodations on the</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In the proposed S-O-R framework, constructs involving in Organism (e.g., trust, perceived risk, and benefit) and Response (e.g., intention to choose Airbnb over hotels) were also evaluated by relevant measurement items. Among them, the second section of the survey questionnaire included the constructs belonging to the Organism in the S-O-R model. Trust in the Airbnb brand included three questions modified and adapted from study of Lau and Lee (1999) and Chaudhuri and Holbrook (2001). To measure hotel customers’ perceived risks when selecting Airbnb, the researcher used three questions that were adopted and modified from other studies including Jarvenpaa, Tractinsky, and Saarinen (1999), Kholi (1989), and Kim, Ferrel et al.’s (2008). Hotel customers’ perceived benefits of using Airbnb were also measured by adopting five measurement items and modifying the other studies including Davis (1989), Moore and Benbasat (1991), Swaminathan, Lepkowska-White, and Rao (1999), and Kim, Park et al.’s (2008).

The third section of the survey contained the instruments involving a group of Responses in the S-O-R model: hotel customers’ intentions to select Airbnb over traditional hotels. Three questions were adopted and modified from Gefen (2000) and Jarvenpaa et al. (1999). As a moderating effect, the disposition to trust when selecting Airbnb was also measured by five items, which were adopted from Gefen (2000) and Lee and Turban (2001). One of the examples was, “I generally trust traditional hotels for my accommodation option.”

All questions involved in the five sections of the survey were assessed on a 7-point Likert-scale, ranging from 1 = strongly disagree to 7 = strongly agree. Additionally, questions on
demographics were also included in the survey questionnaire. Appendix C includes the entire set of the survey questions.

**Data Analysis**

Before empirically testing the proposed framework in Study Phase 2, the researcher conducted Exploratory Factor Analysis (EFA) to identify underlying dimensions of the three main component groups (Airbnb channel-, accommodation-, individual host-related factors) by using SPSS 23 statistical software. In this stage, all the concepts (antecedents of trust and perceived risk) in each component group were tested by EFA. Chapter 4 contains a comparison of the results (e.g., categories or groups) from EFA and Study Phase 1 (i.e., qualitative data analysis).

Due to some of its benefits, such as the ability to estimate path coefficients, model latent variables under non-normality conditions, and analyze data with small to medium sample sizes (Hair, Ringle, & Sarstedt, 2013), Partial Least Squares Structural Equation Modeling (PLS-SEM) has become popular today in various fields including marketing research despite some criticism of the technique (Ali & Omar, 2014). The proposed research model was assessed using PLS-SEM technique. Smart PLS 3, which is one of the well-known tools for PLS-SEM analysis, was also employed here (Ringle, Wende, & Will, 2005).

The Structural Equation Modeling (SEM) consists of two different approaches: PLS-SEM & Covariance-based SEM (CB-SEM). Both techniques are complementary to each other, while a goal or the purpose of each method may be different in use (Henseler et al., 2014; Rigdon, 2014). For example, Hair, Ringle, and Sarstedt (2011, p. 144) suggested that “if the goal is predicting key target constructs or identifying key ‘driver’ constructs, select PLS-SEM” while “if the goal is theory testing, theory confirmation, or comparison of alternative theories, select
CB-SEM.” Since the current study mainly explored the antecedents of trust and risk in the new context (e.g., C2C) through the qualitative approach, first, the PLS-SEM rather than CB-SEM would be a more appropriate technique when identifying relationships among key driver constructs (i.e., antecedents) and other constructs (i.e., trust, perceived risk, benefits, and intention to select Airbnb) in the new business context (C2C). According to Hair et al. (2013), moreover, the PLS-SEM was suitable for a study, which included a single measurement item, like the current study. This study contains a single item to measure some of the constructs, such as filtering options (FO), frequency of rent (FR), neighborhood information (NI), Tenure of Host on Airbnb.com (TI), response to comments (RC), and the use of correct grammar by the host (UCG), respectively. To test the hypotheses and determine the significant levels of those, the bootstrapping technique was conducted. Before testing the structural model, the validity of the measurement model was also evaluated (Anderson & Gerbing, 1988).
CHAPTER 4

RESULTS

The current study consists of two phases with an exploratory sequential mixed methods design. Study Phase 1 was a qualitative approach that explored the antecedents of trust and perceived risk (i.e., channel-, accommodations, and individual host-related). Based on the qualitative results from Phase 1, Phase 2 was a quantitative study that involved development of antecedents from the results of Phase 1, and empirical validation steps used Partial Least Square Structural Equation Modeling (PLS-SEM) to gain a comprehensive understanding of how the three factors in Airbnb involve an integrative mechanism to form an intention to choose Airbnb over traditional hotels. This chapter describes the results of the Study Phase 1 and 2.

Study Phase 1

Demographic Analysis

The main interview process resulted in sixteen complete interviews with twenty-nine pretest interviews. All informants were asked the same interview questions. Table 8 displays formal informants’ demographic profiles. Among the sixteen interviewees, half of them (eight informants) had experience making a reservation on the Airbnb.com website, while all sixteen informants had experience booking hotel accommodations through electronic channels in the past. Regarding gender, a majority of the informants were females: ten informants were female (62.5%) and six informants were male respondents (37.5%). The respondents were mainly Caucasian (11 informants), representing 68.8% of the total informants for Study Phase 1. The participants’ ages were evenly distributed (mainly from the 20s to 40s), and the group was comprised of individuals who can be decision makers when planning to book accommodations, and familiar with websites that offer online booking of accommodations including Airbnb. The
informants also had various job titles such as self-employed, sales manager, financial advisor, program supervisor, and director.

Table 8

Profiles of Informants for Study Phase 1 (N = 16)

<table>
<thead>
<tr>
<th>No.</th>
<th>Gender</th>
<th>Ethnicity</th>
<th>Age</th>
<th>Job Title</th>
<th>Airbnb Booking Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M</td>
<td>Native American</td>
<td>37</td>
<td>Director of IT</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>F</td>
<td>Caucasian</td>
<td>47</td>
<td>Business Owner</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>M</td>
<td>African-American</td>
<td>27</td>
<td>Editor</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>F</td>
<td>Native American</td>
<td>31</td>
<td>Building Operation Specialist</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>F</td>
<td>Caucasian</td>
<td>47</td>
<td>Sales Manager</td>
<td>No</td>
</tr>
<tr>
<td>6</td>
<td>F</td>
<td>Caucasian</td>
<td>37</td>
<td>Denied to Answer</td>
<td>No</td>
</tr>
<tr>
<td>7</td>
<td>F</td>
<td>Caucasian</td>
<td>38</td>
<td>Denied to Answer</td>
<td>No</td>
</tr>
<tr>
<td>8</td>
<td>F</td>
<td>Caucasian</td>
<td>32</td>
<td>Program Supervisor</td>
<td>No</td>
</tr>
<tr>
<td>9</td>
<td>M</td>
<td>Caucasian</td>
<td>26</td>
<td>Sales Associate</td>
<td>No</td>
</tr>
<tr>
<td>10</td>
<td>F</td>
<td>Asian American</td>
<td>38</td>
<td>Self-employed</td>
<td>Yes</td>
</tr>
<tr>
<td>11</td>
<td>F</td>
<td>Caucasian</td>
<td>30</td>
<td>Manager</td>
<td>Yes</td>
</tr>
<tr>
<td>12</td>
<td>F</td>
<td>Asian</td>
<td>41</td>
<td>Director</td>
<td>Yes</td>
</tr>
<tr>
<td>13</td>
<td>F</td>
<td>Caucasian</td>
<td>30</td>
<td>Financial Advisor</td>
<td>No</td>
</tr>
<tr>
<td>14</td>
<td>M</td>
<td>Caucasian</td>
<td>38</td>
<td>Account Manager</td>
<td>No</td>
</tr>
<tr>
<td>15</td>
<td>M</td>
<td>Caucasian</td>
<td>48</td>
<td>Manager</td>
<td>No</td>
</tr>
<tr>
<td>16</td>
<td>M</td>
<td>Caucasian</td>
<td>30</td>
<td>Engineer</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Airbnb Channel-Related (Airbnb.com Website) Factors

Among the twenty-three total factors that the qualitative results revealed, seven constructs of channel-related factors were discovered and organized into four categories or themes: aesthetics, dependability, functions, and ease of use (see Table 9). The theme of aesthetics includes a concept, which is website aesthetics. Informants indicated that website aesthetics is an important factor when booking accommodations on Airbnb.com. For example, informant #14 noted that s/he would not stay longer on the website or even consider booking with Airbnb if the Airbnb website looked unorganized (see Table 9).

The theme of dependability includes the concept of website dependability, which was the factor most frequently mentioned by informants. Informants reported that unreliable website performance in the searching and booking process would influence and prevent them from booking Airbnb accommodations on the website. Website reliability is a more critical issue for Airbnb.com than for hotels’ or online travel agencies’ websites because Airbnb.com is the only channel through which an individual can make a reservation for Airbnb accommodations. For instance, informant #1 indicated that s/he would be less likely to book Airbnb accommodations if the Airbnb website did not perform reliably (see Table 9).

The third theme, functions, is comprised of two concepts: payment security and Airbnb customer service. Payment security was the second most frequently mentioned channel-related (Airbnb.com) factor. Informants said that they would not make a reservation if they doubted the payment security. For example, informant #11 mentioned that s/he would not hesitate to make a reservation through Airbnb.com if the method of payment was safe and reliable (see Table 9). Another concept within the theme of functions is Airbnb customer service. Informants emphasized the importance of customer service when making online reservations. Airbnb is an
entirely online business where customer service can significantly influence customers’ trust. Due to this characteristic, a high-quality of customer service (e.g., prompt response) may help potential customers trust Airbnb when they explore and book accommodations on the website. Indeed, informant #12 reported that one of the factors that influenced his/her trust of the Airbnb website was how promptly Airbnb customer service accommodated his/her request (see Table 9).

The last theme group of the Airbnb.com channel-related factors was ease of use. This category is separated into three items: ease of use, ease of navigation, and filtering options. Among these, ease of use indicates how easy and intuitive the Airbnb website is to use. Informant #9, for instance, mentioned that s/he can trust the Airbnb.com website because it is well organized and easy to use (see Table 9). Informants also described the ease of navigation on the Airbnb website. Since Airbnb has a different reservation system and process (e.g., connecting guests to hosts for accommodations reservations) than a hotel does, the Airbnb.com website needs to be organized in such a way that makes it easy for its potential customers to navigate. Informant #13 also indicated the importance of navigation with ease on the Airbnb.com website (see Table 9). Moreover, informants reported that various filtering options available on the Airbnb.com website made it easy to explore and book accommodations. Filtering options play a role in arranging a specific accommodations list that an individual can look for among numerous accommodations lists. Informant #13 noted that various filtering options helped him/her find desired accommodations lists based on his/her specific requirements (see Table 9).
Table 9

*Constructs of Channel-Related Factors Established from the Results*

<table>
<thead>
<tr>
<th>Antecedent</th>
<th>Category (Theme)</th>
<th>Concept</th>
<th>No. of Informants</th>
<th>Example of Quotations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel-Related Factors</td>
<td>Aesthetics (1 item)</td>
<td>Website aesthetics</td>
<td>12</td>
<td>1. “If the site were to look bad or cluttered etc., I probably wouldn’t look at it much and then not even consider booking with airbnb.com.” (Informant #14)</td>
</tr>
<tr>
<td>Dependability (1 item)</td>
<td>Website dependability</td>
<td></td>
<td>16</td>
<td>2. “If the website was down when we tried to book or some error during the booking process prevented us from booking it would have an influence.” (Informant #1)</td>
</tr>
<tr>
<td>Functions (2 items)</td>
<td>Payment security</td>
<td></td>
<td>14</td>
<td>3. “…the ways of payment are safe and reliable…” (Informant #11)</td>
</tr>
<tr>
<td></td>
<td>Airbnb customer service</td>
<td></td>
<td>2</td>
<td>4. “…how prompt and accommodating is the customer service…” (Informant #12)</td>
</tr>
<tr>
<td>Ease of Use (3 items)</td>
<td>Ease of use</td>
<td></td>
<td>5</td>
<td>5. “The website is very easy to use.” (Informant #9)</td>
</tr>
<tr>
<td></td>
<td>Ease of navigation</td>
<td></td>
<td>1</td>
<td>6. “Ease of navigation” (Informant #13)</td>
</tr>
<tr>
<td></td>
<td>Filtering options</td>
<td></td>
<td>1</td>
<td>7. “…filtering to find desires, costs, and availability. Then offering alternatives.” (Informant #13)</td>
</tr>
</tbody>
</table>

**Airbnb Accommodations-Related Factors**

The informants were also asked to discuss Airbnb accommodations-related factors, which influenced their trust in using Airbnb.com. The researcher was able to identify a total of eight concepts from the various responses that were collected from the informants. These eight factors were separated into three themes or categories: accommodations information including four concepts (pictures, descriptions, information quality, and frequency of rent), accommodations
evaluations including two concepts (reviews and ratings), and neighborhood information including two concepts (neighborhood information and reviews of location). Those concepts are all related to Airbnb accommodations (see Table 10).

The first theme (i.e., accommodations information) consists of four factors: pictures, descriptions, information quality, and frequency of rent. Pictures of accommodations may be easily found when people access the Airbnb.com website. However, the problem is that there are no criteria (e.g., quality, the number of pictures, etc.) on the pictures of accommodations uploaded by individual hosts. Due to this fact, the quality and number of accommodations pictures are not consistent among the accommodations lists on the Airbnb website. Since potential Airbnb customers may receive their first impression of accommodations through the pictures, the images available on the Airbnb website may influence their trust and intentions further. In fact, the issue of pictures of accommodations was the most frequently mentioned concept from the interviewees’ responses (see Table 10). Informants reported that the quality and number of pictures of accommodations on Airbnb.com would be one of the critical factors influencing their trust in booking Airbnb accommodations. For example, informant #1 indicated that the quality and angles of the pictures available on the Airbnb website would determine his/her level of trust in selecting Airbnb accommodations (see Table 10).

The factor of descriptions of accommodations was also found to influence customers’ trust when booking Airbnb accommodations. When individual hosts register their property for rent, they are required to describe their accommodations. Like the pictures of accommodations on Airbnb.com, the issue is that there is a lack of specific requirements for the detailed descriptions of accommodations. Since potential Airbnb guests can only view the accommodations before their trips through the limited pictures on the website, they collect most
of their information from the descriptions written by the owners (e.g., individual hosts on Airbnb.com). Due to the inconsistency of the level of detailed descriptions that appear in the accommodations lists, the descriptions of accommodations may determine how much potential guests trust the accommodations that they view. In fact, descriptions of accommodations were one of the factors influencing informants’ trust of Airbnb accommodations when booking. For instance, informant #12 claimed that the level of detail provided on the Airbnb accommodations listings influenced his/her trust in selecting Airbnb accommodations (see Table 10).

The quality of the information provided in the accommodations listings was also important to informants when considering their level of trust in selecting Airbnb accommodations. Informants reported that the information quality of accommodations on the listings indicated whether the descriptions contained necessary information about what they were looking for. In other words, their trust was determined by how useful they found the information that was described and provided by individual hosts. For example, informant #10 pointed out that s/he would trust listings for specific accommodations more if the information provided was helpful in reserving the accommodations (see Table 10).

The last item in the accommodations information category was the frequency of rent, which was an unexpected factor by the researcher at the beginning stage of this study. Informants claimed that the previous history of accommodations influenced their trust in selecting accommodations. Frequency was found to be a good indicator by informants when evaluating accommodations on Airbnb. Unlike hotel rooms, since most of the Airbnb accommodations are not primarily designed for commercial use, a listing’s history of frequency of rent could be an important criterion when Airbnb guests make their selections. In fact, one of the interviewees,
Informant #5, claimed that his/her trust of certain Airbnb accommodations would be determined based on how many times the listing had been rented in the past (see Table 10).

The second category of accommodations-related factors was accommodations evaluations. This category includes two concepts: reviews and ratings. Reviews of accommodations written by previous guests are one of the easiest ways for potential guests to obtain information about accommodations. Because they have access to limited information about accommodations before seeing an actual property, many potential customers seek reviews written by other guests prior to making a booking decision. For example, positive reviews on accommodations lists may have a positive impact on guests’ trust. From the results of this study, in fact, reviews of accommodations was discovered as the second most frequent keyword in this group (i.e., Airbnb accommodations-related factors) in all responses. When considering a review’s potential impact on trust, most of the informants (e.g., informant #14) claimed that previous guests’ reviews of accommodations would be extremely important (see Table 10).

Another concept in this theme group (i.e., accommodations evaluations) was ratings on Airbnb accommodations. Ratings can be another useful indicator for potential guests to evaluation accommodations before making a reservation. Unlike reviews on accommodations, ratings are not descriptive but rather straightforward with numerical value scores. The Airbnb rating system has the numerical scores are based on the number of stars that reviewers assign to each category of evaluation. Numerical scores of five indicate the best rating scores of accommodations. One of the advantages of the rating system is promptness. In other words, unlike reviews, potential customers do not have to spend time reading descriptive texts. Yet, they can immediately form an idea about accommodations based on the number of stars received. Some of the informants (e.g., informant #12) mentioned that ratings of accommodations would
have an impact on their trust when selecting accommodations on the Airbnb website (see Table 10).

The last category in the group of accommodations-related factors was neighborhood information. This group or theme possesses two concepts: neighborhood information and reviews of a location. The first concept, neighborhood information, was mentioned by only two informants (e.g., informant #5) out of sixteen formal interviewees. Nevertheless, its importance was recognized by the researcher. One of the advantages of Airbnb that hotels do not have is the better accessibility of properties in unknown areas. In other words, since Airbnb accommodations are mostly based in residential properties, Airbnb guests have better accessibility in unknown or less-known destinations where there is a limited selection of hotels. With this benefit, however, Airbnb guests may have difficulty collecting information about the accommodations neighborhood as well as reviews of location, especially in unknown areas. Hence, informants #5 and #8 reported that neighborhood information near accommodations locations and the reviews of the locations would impact their trust when evaluating Airbnb accommodations (see Table 10). Moreover, informant #6 claimed that his or her accommodations choice would mostly depend upon the accommodations location and the crime rate in the area because s/he needs to meet with individual Airbnb hosts who are strangers to him/her.

Table 10

*Constructs of Airbnb Accommodations-Related Factors Established from the Results*

<table>
<thead>
<tr>
<th>Antecedent</th>
<th>Category (Theme)</th>
<th>Concept</th>
<th>No. of Informants</th>
<th>Example of Quotations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td>Accommodation</td>
<td>Pictures</td>
<td>35</td>
<td>1. “The quality of the pictures and the angles” (Informant #1)</td>
</tr>
<tr>
<td>Accommodation Related Factors</td>
<td>Information (4 items)</td>
<td>Descriptions</td>
<td>7</td>
<td>2. “.. detail of the information on the listings.” (Informant #12)</td>
</tr>
</tbody>
</table>
Airbnb Individual Host-Related Factors

In addition to Airbnb channel- and accommodations-related factors, informants were asked to describe the factors related to individual hosts on Airbnb that influenced their trust. A total of eight concepts emerged from their responses and were categorized into four different themes: information about the host (including photos and tenure of individual hosts on Airbnb), evaluations of the host (including reviews and ratings of individual hosts), responsiveness (including response to comments), and credibility (including non-affiliated, accuracy of information posted by the host, and use of correct grammar by the host).

The category of information about the host contains two factors including photos posted by the host and the tenure of the host on Airbnb.com. Normally, Airbnb guests are not able to see their hosts until they arrive at the accommodation site. Although other information (e.g., reviews and ratings of individual hosts) is available on the Airbnb website, guests may want more than that since they are required to meet with hosts in person for the check-in process. However, if guests tend to be reluctant to meet with an unknown person (e.g., host) for the check-in process,
trust issues could arise when the potential customers book Airbnb accommodations. To alleviate this disadvantage, some of the Airbnb hosts post photos of themselves so that their potential guests are able to see whom they will meet at the check-in. Unlike the hotel reservation process, seeing what the hosts look like before checking in is unique phenomena that could be easily found in a peer-to-peer reservation setting, like Airbnb. In fact, some of the informants also agreed that it would influence their trust if they could see photos of individual hosts when they are in the process of booking Airbnb accommodations (see Table 11).

In addition to photos of individual hosts, the tenure of hosts on Airbnb.com was also revealed as one of the factors influencing potential guests’ trust. Since individual hosts on Airbnb.com are not established professionals like hoteliers, their previous experience of renting their own properties on Airbnb.com may be a good indicator for gaining the trust of potential guests. Informants reported that individual hosts’ tenure of renting their properties on the Airbnb website would have an impact on their trust when booking Airbnb accommodations. For example, informant #13 indicated that Airbnb hosts’ renting experience and history were important to him/her when selecting certain Airbnb accommodations (see Table 11).

The second category of individual host-related factors was evaluations of the host. This category includes two concepts: reviews and ratings on individual hosts on Airbnb.com. Like the aforementioned reviews and ratings of Airbnb accommodations, the reviews and ratings of individual hosts were also identified as the most frequent keywords found in the informants’ responses (see Table 11). Considering Airbnb is an entirely online lodging business, it is not surprising that reviews or ratings are one of the most important references for potential customers when booking accommodations. Similarly, when evaluating individual hosts on
Airbnb.com, informants claimed that reviews and ratings of individual hosts were important factors influencing their trust when selecting hosts and Airbnb accommodations (see Table 11).

The third category or theme of factors was responsiveness. This theme includes one concept: individual hosts’ responsiveness to comments (see Table 11). Informants reported that they also checked to see if individual Airbnb hosts frequently responded to their guests’ comments before booking Airbnb accommodations. For example, informant #3 mentioned that being able to find hosts’ frequent responses to comments or reviews written by their previous guests had an additional positive impact on his/her trust (see Table 11).

Three factors (see Table 11) were identified as establishing the credibility of individual hosts on Airbnb: non-affiliated, the accuracy of information posted by the host, and the hosts’ use of correct grammar. As compared to hotel booking websites, Airbnb has different structures. While both types of lodging businesses contain two main components including accommodations (e.g., hotel rooms or Airbnb listings) and guests (e.g., potential hotel customers), Airbnb has one additional component: individual hosts. Individual hosts are neither lodging professionals (e.g., hoteliers) nor required to undergo any training programs. In other words, their non-affiliated characteristics may influence their credibility. Interestingly, informants did not reach an agreement as to whether the non-affiliated trait of individual hosts had a positive or negative impact on the informants’ trust. Some of the informants felt positive about the fact that the hosts had no corporate affiliations while others held a negative opinion of hosts’ non-affiliation (see Table 11). Interviewees who had a positive perception of the hosts’ lack of corporate affiliation mostly considered this trait to be indicative of the cost efficiency of Airbnb. For instance, informant #9 indicated that s/he would rather pay an individual host than a
large hotel corporation when considering the value of the dollars that s/he spends for accommodations.

The second concept found in the theme of individual hosts was the accuracy of information posted by the host. Although Airbnb suggests guidelines for individual hosts on posting their accommodations information, it is unrealistic to expect a consistent quality and objectivity over the varied accommodations information posted by individual hosts. This fact may impact potential customers’ trust when booking Airbnb accommodations. Informants indicated that they usually trusted accommodations information posted by individual hosts when searching for Airbnb accommodations (see Table 11). In other words, the accuracy of the information could affect potential customers’ trust when booking Airbnb accommodations.

The third concept categorized into the theme of credibility on individual hosts was the use of correct grammar by the host. Unlike other concepts included in the group of individual host-related factors, this category relates to the hosts’ facility with the English language when describing the features of their accommodations. Informant #5, for example, reported that s/he trusted individual hosts more when their use of language was correct and their accommodations information did not contain any noticeable misspellings or grammatical errors (see Table 11). The presence of error-free writing may help accommodations listings look more professional. It may also affect potential guests’ perceptions of individual hosts, who are non-professionals.
### Table 11

**Constructs of Individual Host-Related Factors Established from the Results**

<table>
<thead>
<tr>
<th>Antecedent Category (Theme)</th>
<th>Concept</th>
<th>No. of Informants</th>
<th>Example of Quotations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Host-Related Factors</td>
<td>Information about Host (2 items)</td>
<td>Photos Posted by Host</td>
<td>2 1. “Having pictures of themselves is good...” (Informant #3)</td>
</tr>
<tr>
<td></td>
<td>Evaluations on Host (2 items)</td>
<td>Tenure of Host on Airbnb.com Reviews</td>
<td>2 2. “Their experience renting out...” (Informant #13)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ratings</td>
<td>27 3. “Also, the reviews of other sellers will influence us.” (Informant #1)</td>
</tr>
<tr>
<td></td>
<td>Responsiveness (1 item)</td>
<td>Response to comments</td>
<td>2 5. “... and responding to reviews is even better.” (Informant #3)</td>
</tr>
<tr>
<td></td>
<td>Credibility (3 items)</td>
<td>Non-affiliated</td>
<td>4 6. “These factors greatly influence me booking on Airbnb because all of the ‘sellers’ are strangers, non-corporate.” (Informant #8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accuracy of Info Posted by Host</td>
<td>2 7. “I trust that I’m getting accurate information when I search for accommodations.” (Informant #2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use of Correct Grammar by Host</td>
<td>1 8. “... language is good; no misspellings or details that are hard to decipher.” (Informant #5)</td>
</tr>
</tbody>
</table>

### Summary of Study Phase 1 Results

Analysis of the entire qualitative interviews identified 1) seven Airbnb channel-related concepts including website aesthetics, website dependability, payment security, Airbnb customer service, ease of use, ease of navigation, and filtering options, 2) eight Airbnb accommodations-related concepts including pictures, descriptions, information quality, frequency of rent, reviews, ratings, neighborhood information, and reviews of location, and 3) eight Airbnb individual host-related concepts including photos posted by the host, tenure of the host on Airbnb.com, reviews.
of hosts, ratings of hosts, response to comments, non-affiliated, accuracy of information posted by the host, and use of correct grammar by the host. Consequently, a total of twenty-three concepts were identified and developed as antecedents of trust and perceived risk in the proposed S-O-R model for the purpose of empirical testing in Study Phase 2.

**Study Phase 2 – Intervention Design**

Using the antecedents of trust and perceived risk that were developed from the results of Study Phase 1, the proposed S-O-R framework (see Figure 3) was empirically tested in Study Phase 2. Study Phase 2 consists of two sub-phases: intervention design and empirical validation. Before approaching the phase of empirical validation of the framework, this phase included instrument development and intervention design based on the qualitative results from Study Phase 1. To identify the underlying dimensions of the three groups (Airbnb channel-, accommodations-, and individual host-related) and possibly refine scales if necessary, Exploratory Factor Analysis (EFA) was conducted by using SPSS 22 statistical software. Based upon the results (e.g., categorized groups and variables) from EFA, Partial Least Square Structural Equation Modeling (PLS-SEM) was then undertaken to evaluate the proposed framework in the next phase.

**Demographic Analysis**

Table 12 shows respondents’ demographic profiles for Study Phase 2 (N=520). A total of 520 completed and valid responses were collected from the panels of an online survey company. Almost half of the respondents were male (49.8%), and the other half were female (50.2%). To create a generalizable measure of the antecedents of trust and intention and increase the sample’s representativeness of the population, the participants’ profiles resemble that of the U.S. population. As a result, the majority of the respondents were Caucasian, representing 74.8% of
the total respondents, followed by African American (10%) and Hispanic or Latino (10%). Regarding education, the most common education level for the participants was a 4-year college degree (42.1%), followed by some college education (17.1%). As mentioned above, all 520 participants had the opportunity to explore the Airbnb.com website at least once so that they were qualified to answer the survey questions regarding the three components of Airbnb (e.g., Airbnb channel-related, accommodations-related, and individual host-related factors). Of the 520 respondents, almost half of them (49.4%) had experienced booking and using Airbnb accommodations in the past, while the other half (50.6%) explored the Airbnb website but had not undergone an actual booking experience.

Table 12
Respondents’ Demographic Information for Study Phase 2 (N=520)

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>259</td>
<td>49.8</td>
</tr>
<tr>
<td>Female</td>
<td>261</td>
<td>50.2</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21-30</td>
<td>145</td>
<td>27.9</td>
</tr>
<tr>
<td>31-40</td>
<td>136</td>
<td>26.2</td>
</tr>
<tr>
<td>41-50</td>
<td>102</td>
<td>19.6</td>
</tr>
<tr>
<td>51-60</td>
<td>81</td>
<td>15.6</td>
</tr>
<tr>
<td>61-70</td>
<td>50</td>
<td>9.6</td>
</tr>
<tr>
<td>Above 70</td>
<td>6</td>
<td>1.1</td>
</tr>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caucasian</td>
<td>389</td>
<td>74.8</td>
</tr>
<tr>
<td>African American</td>
<td>52</td>
<td>10.0</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>52</td>
<td>10.0</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Asian</td>
<td>27</td>
<td>5.2</td>
</tr>
<tr>
<td>Native Hawaiian or Pacific Islander</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than High School</td>
<td>4</td>
<td>.8</td>
</tr>
<tr>
<td>High School or GED</td>
<td>52</td>
<td>10.0</td>
</tr>
</tbody>
</table>
### Exploratory Factor Analysis

In the proposed S-O-R (Stimulus-Organism-Response) model, “S” (Stimulus) consists of the three main groups of Airbnb components including channel-, accommodations-, and individual host-related factors (see Figure 3). EFA was undertaken for each group of components to see how variables in each component group were categorized. Thus, a total of three different EFAs were undertaken. For all EFA, the Kaiser-Meyer-Olkin (KMO) measure and the Bartlett’s test of sphericity were examined to measure the appropriateness of each EFA. Moreover, all EFA used the extraction method of principal component analysis and the Varimax rotation method with Kaiser normalization. An eigenvalue greater than 1 was used for the analyses.

**Airbnb channel-related factors.** From the results of Study Phase 1, a total of seven channel-related variables (concepts) were identified (see Table 9) including Airbnb website aesthetics (WA), dependability (WD), payment security (PS), Airbnb customer service (CS), ease of use (EU), ease of navigation (EN), and filtering options (FO) with sixteen total measurement items (see Appendix C). EFA was undertaken to see if those measurement items could be categorized and grouped.

As shown in Table 13, the results indicate that the KMO measure of sampling adequacy was 0.94, which can be considered a strong value. The chi-square value of Bartlett’s test was...
Based upon the two results, it is confirmed that the sample (n=520) can identify the underlying patterns of the Airbnb channel-related dimensions by using EFA.

Table 13

*Results of Exploratory Factor Analysis: Airbnb Channel-Related*

<table>
<thead>
<tr>
<th>Measurement Items (16)</th>
<th>Factor Group 1. Functionality (8 items)</th>
<th>Factor Group 2. Security (5 items)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WA-1 The screen design of Airbnb.com (i.e., colors, boxes, navigation bars, etc.) is attractive.</td>
<td>WD-1 The Airbnb website is always functional when booking my accommodations.</td>
</tr>
<tr>
<td></td>
<td>WA-2 The Airbnb website looks professionally designed.</td>
<td>WD-2 The Airbnb website does not crash.</td>
</tr>
<tr>
<td></td>
<td>WA-3 The overall look and feel of the website is visually appealing.</td>
<td>WD-3 Website pages on Airbnb.com do not freeze or crash after I enter my information.</td>
</tr>
<tr>
<td></td>
<td>EU-1 It is easy to get the Airbnb website to do what I want.</td>
<td>PS-1 The Airbnb website secures my identity when processing the transactions received from me.</td>
</tr>
<tr>
<td></td>
<td>EU-2 The Airbnb website is easy to use.</td>
<td>PS-2 The Airbnb website typically displays a summary of the payment information (cost, payee…) and the final payment amount.</td>
</tr>
<tr>
<td></td>
<td>EN-1 I can easily navigate the Airbnb website.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EN-2: The Airbnb website provides good navigational tools to search the information provided.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FO-1: The Airbnb website provides various filtering options when searching for accommodations, thus meeting my requirements on quality and budget.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Factor Loadings</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>WA-1</td>
<td>.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WA-2</td>
<td>.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WA-3</td>
<td>.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU-1</td>
<td>.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU-2</td>
<td>.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN-1</td>
<td>.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN-2</td>
<td>.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-1</td>
<td>.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WD-1</td>
<td>.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WD-2</td>
<td>.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WD-3</td>
<td>.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PS-1</td>
<td>.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PS-2</td>
<td>.64</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Along with 520 responses, sixteen measurement items were initially analyzed and rotated with the extraction method of principal component analysis and Varimax rotation with Kaiser normalization. No item was eliminated based on the statistical criteria of similar cross loading values of greater than 0.4. In other words, all sixteen items had a value greater than 0.4. As shown in Table 13, the factor extraction process yielded three factor loadings. These factor loadings were labeled as functionality, security, and customer service, respectively. The three factors explained almost 70 percent of the total variances. To check the reliability of each factor loading, Cronbach’s Alpha was used. The results indicated that each alpha level ranged from 0.86 (Customer Service) to 0.93 (Functionality), which was followed by 0.861 (Security). The alpha levels were consistently high.

Table 14 shows that, based on a scale of 7 ranging from 1 (strongly disagree) to 7 (strongly agree), the mean score of the total index was 5.65 on the following three factor groups:
functionality (5.79), security (5.56), and customer service (5.40). Among them, factor group 1, functionality, was ranked at the top with the highest mean score of 5.79. This factor group incorporated Airbnb website aesthetics, ease of use, ease of navigation, and filtering options. These concepts described potential guests’ experience on the Airbnb.com regarding the website’s features and functionality. Factor group 2, security, was ranked with the second highest mean score of 5.56. Five measurement items of the two concepts (e.g., website dependability and payment security) belong to this factor group. These two concepts were categorized into one group, which was labeled as security. The dimensions indicated guests’ experience on Airbnb.com regarding the website’s security. Lastly, factor group 3 was Airbnb customer service with a mean score of 5.40, which was the lowest value among the three factor groups. There was only one concept (i.e., customer service) with three measurement items belonging to this factor group. Thus, all dimensions in this group described potential guests’ experiences with customer service (e.g., whether customer service is available on Airbnb.com) when using or exploring the Airbnb.com website.
Table 14

_Distribution Scores for the Airbnb Channel-Related Index (N = 520)_

<table>
<thead>
<tr>
<th>Factor Group 1. Functionality (8 items)</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA-1: The screen design of Airbnb.com (i.e., colors, boxes, navigation bars, etc.) is attractive.</td>
<td>5.79</td>
<td>.86</td>
<td>-1.26</td>
<td>2.89</td>
</tr>
<tr>
<td>WA-2: The Airbnb website looks professionally designed.</td>
<td>5.88</td>
<td>1.08</td>
<td>-1.56</td>
<td>3.84</td>
</tr>
<tr>
<td>WA-3: The overall look and feel of the website is visually appealing.</td>
<td>5.79</td>
<td>1.02</td>
<td>-1.17</td>
<td>2.48</td>
</tr>
<tr>
<td>EU-1: It is easy to get the Airbnb website to do what I want.</td>
<td>5.63</td>
<td>1.11</td>
<td>-1.44</td>
<td>3.64</td>
</tr>
<tr>
<td>EU-2: The Airbnb website is easy to use.</td>
<td>5.88</td>
<td>1.08</td>
<td>-1.56</td>
<td>3.84</td>
</tr>
<tr>
<td>EN-1: I can easily navigate the Airbnb website.</td>
<td>5.85</td>
<td>.99</td>
<td>-1.27</td>
<td>2.95</td>
</tr>
<tr>
<td>EN-2: The Airbnb website provides good navigational tools to search the information provided.</td>
<td>5.79</td>
<td>1.02</td>
<td>-1.17</td>
<td>2.48</td>
</tr>
<tr>
<td>FO-1: The Airbnb website provides various filtering options when searching for accommodations, thus meeting my requirements on quality and budget.</td>
<td>5.82</td>
<td>.99</td>
<td>-.80</td>
<td>1.04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor Group 2. Security (5 items)</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>WD-1 The Airbnb website is always functional when booking my accommodations.</td>
<td>5.56</td>
<td>.93</td>
<td>-.67</td>
<td>.15</td>
</tr>
<tr>
<td>WD-2 The Airbnb website does not crash.</td>
<td>5.56</td>
<td>1.18</td>
<td>-.77</td>
<td>.40</td>
</tr>
<tr>
<td>WD-3 Website pages at Airbnb.com do not freeze or crash after I enter my information.</td>
<td>5.52</td>
<td>1.20</td>
<td>-.70</td>
<td>.09</td>
</tr>
<tr>
<td>PS-1 The Airbnb website secures my identity when processing the transactions received from me.</td>
<td>5.54</td>
<td>1.22</td>
<td>-.88</td>
<td>.76</td>
</tr>
<tr>
<td>PS-2 The Airbnb website typically displays a summary of the payment information (cost, payee…) and the final payment amount.</td>
<td>5.67</td>
<td>1.10</td>
<td>-.73</td>
<td>.42</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor Group 3. Customer Service (3 items)</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS-1 The Airbnb website has customer service representatives available online.</td>
<td>5.40</td>
<td>1.08</td>
<td>-.54</td>
<td>-0.07</td>
</tr>
<tr>
<td>CS-1 The Airbnb website has customer service representatives available online.</td>
<td>5.39</td>
<td>1.16</td>
<td>-.47</td>
<td>-0.03</td>
</tr>
<tr>
<td>CS-2 The Airbnb website offers the ability to speak to a live person if there is a problem.</td>
<td>5.28</td>
<td>1.24</td>
<td>-.42</td>
<td>-.25</td>
</tr>
<tr>
<td>CS-3 The Airbnb website provides a telephone number to reach the company.</td>
<td>5.53</td>
<td>1.25</td>
<td>-.71</td>
<td>.08</td>
</tr>
<tr>
<td>Total Index</td>
<td>5.65</td>
<td>1.11</td>
<td>-.94</td>
<td>1.48</td>
</tr>
</tbody>
</table>

*Note. Mean scores are based on a scale from 1 = strongly disagree to 7 = strongly agree.*

According to the results from EFA regarding the Airbnb channel-related dimensions, sixteen measurement items of seven concepts were categorized into three factor groups: functionality (8 items), security (5 items), and customer service (3 items). Each factor group included three to eight measurement items with loadings from .576 to .831 (see Table 13). Moreover, in the analysis measurement items belonging to the same concept were not eliminated or separated from the other items in the same concept. In other words, all the dimensions of Airbnb channel-related factors were robust and easily interpreted with the support of relatively strong loadings.

**Airbnb accommodations-related factors.** Previously, Study Phase 1 revealed that a total of eight Airbnb accommodations-related factors or concepts were identified (see Table 10) including pictures of Airbnb accommodations (PA), descriptions of accommodations (DA), information quality (IQ), neighborhood information (NI), reviews on location (RL), frequency of rent (FR), reviews of accommodations (RVA), and ratings of accommodations (RTA) with seventeen total measurement items (see Appendix C). EFA was undertaken to see if those measurement items could be categorized and grouped.

As shown in Table 15, the results describe that the KMO measure of sampling adequacy was 0.96, which can be considered a robust value. The chi-square value of Bartlett’s test was measured and found to be approximately 6925.35. According to these two results, it is confirmed.
that the sample (n=520) can identify the underlying patterns of the Airbnb accommodations-related dimensions by using EFA.

Table 15

Results of Exploratory Factor Analysis: Airbnb Accommodations-Related

<table>
<thead>
<tr>
<th>Measurement Items (17)</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor Group 1. Pre-booking Information on Accommodations (11 items)</strong></td>
<td></td>
</tr>
<tr>
<td>PA-1 Pictures of accommodations on the Airbnb website provide me a good opportunity to learn about accommodations.</td>
<td>.65</td>
</tr>
<tr>
<td>PA-2 Pictures of accommodations on the Airbnb website increase my confidence in the decisions I make.</td>
<td>.68</td>
</tr>
<tr>
<td>PA-3 Pictures of accommodations help me evaluate alternatives on the Airbnb website.</td>
<td>.74</td>
</tr>
<tr>
<td>DA-1 Descriptions of accommodations on the Airbnb website provide me a good opportunity to learn about accommodations.</td>
<td>.73</td>
</tr>
<tr>
<td>DA-2 Descriptions of accommodations on the Airbnb website increase my confidence in the decisions I make.</td>
<td>.76</td>
</tr>
<tr>
<td>DA-3 Descriptions of accommodations help me evaluate alternatives on the Airbnb website.</td>
<td>.78</td>
</tr>
<tr>
<td>IQ-1 Airbnb.com maintains information about accommodations at an appropriate level of detail for my purposes.</td>
<td>.76</td>
</tr>
<tr>
<td>IQ-2 The accommodations information on Airbnb.com is up-to-date enough for my purposes.</td>
<td>.73</td>
</tr>
<tr>
<td>NI-1 There is detailed information about accommodations options and their locations on the Airbnb website.</td>
<td>.62</td>
</tr>
<tr>
<td>RL-1 Location reviews on the Airbnb website of accommodations make it easier to imagine what a place will look like.</td>
<td>.64</td>
</tr>
<tr>
<td>RL-2 Location reviews on the Airbnb website of accommodations provide good opportunities to learn about the location.</td>
<td>.59</td>
</tr>
<tr>
<td><strong>Factor Group 2. User-Generated Content on Accommodations (6 items)</strong></td>
<td></td>
</tr>
<tr>
<td>FR-1 Higher frequency of renting history of Airbnb accommodations increases my confidence in the booking decisions I make.</td>
<td>.68</td>
</tr>
<tr>
<td>RVA-1 Accommodations reviews provide a good opportunity to determine if the accommodations meet my criteria.</td>
<td>.76</td>
</tr>
<tr>
<td>RVA-2 Accommodations reviews on the Airbnb website increase my confidence in the booking decisions I make.</td>
<td>.81</td>
</tr>
<tr>
<td>RVA-3 Accommodations reviews on the Airbnb website help me evaluate alternatives.</td>
<td>.80</td>
</tr>
</tbody>
</table>
Based on 520 responses, seventeen measurement items were initially analyzed and rotated with the extraction method of principal component analysis and Varimax rotation with Kaiser normalization. As with the previous group (Airbnb channel-related factors), the researcher confirmed that no item was eliminated based on the statistical criteria of a similar cross loading value of greater than 0.4. In other words, all seventeen items had a value greater than 0.4. As shown in Table 15, the factor extraction process yielded two factor loadings related to Airbnb accommodations. Those factor loadings were labeled as pre-booking information on accommodations and user-generated content on accommodations, respectively. The two factor groups explained 67 percent of the total variances. To check the reliability of each factor loading, Cronbach’s Alpha was also used to measure reliability of each factor group. The results showed that each alpha level was 0.94 for pre-booking information on accommodations, or 0.92 for user-generated content on accommodations. These alpha levels indicated high levels of reliability.

Table 16 shows that, based on a scale of 7 ranging from 1 (strongly disagree) to 7 (strongly agree), the mean score of the total index was 5.83 on the following two factor groups:

<table>
<thead>
<tr>
<th>Measurement Items</th>
<th>Factor Loadings</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTA-1 Accommodations ratings on the Airbnb website help me make my booking decision.</td>
<td>.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RTA-2 When I book accommodations on the Airbnb website, the Airbnb consumer ratings make me feel confident about my decision.</td>
<td>.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eigenvalue</td>
<td>10.26</td>
<td>1.15</td>
<td></td>
</tr>
<tr>
<td>Variance explained (%)</td>
<td>60.33</td>
<td>6.74</td>
<td></td>
</tr>
<tr>
<td>Reliability (Cronbach’s alpha)</td>
<td>.94</td>
<td>.92</td>
<td></td>
</tr>
</tbody>
</table>

Note. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy = 0.96. Bartlett’s Test of Sphericity = 6925.35 (136 df, p < 0.0001); Total variance explained = 67.07%.
pre-booking information on accommodations (5.80) and user-generated content on accommodations (5.86). Factor group 1, pre-booking information on accommodations, had a slightly lower mean score (5.80) than the other group (5.86). However, the mean score of 5.80 is a higher value based on a scale of 7. Factor group 1 included pictures, descriptions of Airbnb accommodations, information quality, neighborhood information, and reviews on accommodations location. Eleven measurement items from the five concepts (e.g., pictures, descriptions of accommodations, information quality neighborhood information, and reviews on location) belong to group 1. The factors in this group indicated information that potential guests can collect from the Airbnb website in the pre-booking stages (e.g., exploring but not yet booking). Thus, this group was labeled as pre-booking information on accommodations. Factor group 2 was also created with the higher mean score, which was 5.86. Six measurement items from the three concepts (e.g., frequency of rent, reviews of accommodations, and ratings of accommodations) belong to this factor group. These three concepts were categorized into one group, which was labeled as user-generated content on accommodations. The dimensions in this group described information that was previously created by other users (former guests). For example, reviews and ratings of Airbnb accommodations were generated by other guests, thus potential guests can refer to this information when booking Airbnb accommodations. Also, frequency of rent is generated and calculated by users (e.g., Airbnb guests).
Table 16

*Distribution Scores for the Airbnb Accommodations-Related Index (N = 520)*

<table>
<thead>
<tr>
<th>Factor Group 1. Pre-booking Information on Accommodations (11 items)</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA-1 Pictures of accommodations on the Airbnb website provide me a good opportunity to learn about accommodations.</td>
<td>5.80</td>
<td>.81</td>
<td>-1.42</td>
<td>5.58</td>
</tr>
<tr>
<td>PA-2 Pictures of accommodations on the Airbnb website increase my confidence in the decisions I make.</td>
<td>5.86</td>
<td>1.03</td>
<td>-1.53</td>
<td>4.13</td>
</tr>
<tr>
<td>PA-3 Pictures of accommodations help me evaluate alternatives on the Airbnb website.</td>
<td>5.83</td>
<td>1.07</td>
<td>-1.28</td>
<td>2.76</td>
</tr>
<tr>
<td>DA-1 Descriptions of accommodations on the Airbnb website provide me a good opportunity to learn about accommodations.</td>
<td>5.88</td>
<td>.95</td>
<td>-.94</td>
<td>1.52</td>
</tr>
<tr>
<td>DA-2 Descriptions of accommodations on the Airbnb website increase my confidence in the decisions I make.</td>
<td>5.85</td>
<td>.95</td>
<td>-.94</td>
<td>1.63</td>
</tr>
<tr>
<td>DA-3 Descriptions of accommodations help me evaluate alternatives on the Airbnb website.</td>
<td>5.78</td>
<td>1.09</td>
<td>-1.04</td>
<td>1.73</td>
</tr>
<tr>
<td>IQ-1 The Airbnb maintains information about accommodations at an appropriate level of detail for my purposes.</td>
<td>5.82</td>
<td>1.00</td>
<td>-.94</td>
<td>1.17</td>
</tr>
<tr>
<td>IQ-2 The accommodations information on Airbnb.com is up-to-date enough for my purposes.</td>
<td>5.72</td>
<td>1.00</td>
<td>-1.07</td>
<td>2.13</td>
</tr>
<tr>
<td>NI-1 There is detailed information about accommodations options and their locations on the Airbnb website.</td>
<td>5.73</td>
<td>1.03</td>
<td>-.98</td>
<td>1.15</td>
</tr>
<tr>
<td>RL-1 Location reviews on the Airbnb website of accommodations make it easier to imagine what a place will look like.</td>
<td>5.74</td>
<td>1.04</td>
<td>-.95</td>
<td>1.28</td>
</tr>
<tr>
<td>RL-2 Location reviews on the Airbnb website of accommodations provide good opportunities to learn about the location.</td>
<td>5.77</td>
<td>.98</td>
<td>-.87</td>
<td>1.51</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor Group 2. User-Generated Content on Accommodations (6 items)</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.86</td>
<td>.85</td>
<td>-1.00</td>
<td>2.52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>Skewness</td>
<td>Kurtosis</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------</td>
<td>-----</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>FR-1</strong> Higher frequency of renting history of Airbnb accommodations increases my confidence in the booking decisions I make.</td>
<td>5.72</td>
<td>1.07</td>
<td>-.73</td>
<td>.32</td>
</tr>
<tr>
<td><strong>RVA-1</strong> Accommodations reviews provide a good opportunity to determine if accommodations meet my criteria.</td>
<td>5.91</td>
<td>1.00</td>
<td>-.93</td>
<td>1.06</td>
</tr>
<tr>
<td><strong>RVA-2</strong> Accommodations reviews on the Airbnb website increase my confidence in the booking decisions I make.</td>
<td>5.92</td>
<td>1.04</td>
<td>-1.12</td>
<td>1.51</td>
</tr>
<tr>
<td><strong>RVA-3</strong> Accommodations reviews on the Airbnb website help me evaluate alternatives.</td>
<td>5.92</td>
<td>.91</td>
<td>-.71</td>
<td>.47</td>
</tr>
<tr>
<td><strong>RTA-1</strong> Accommodations ratings on the Airbnb website help me make my booking decision.</td>
<td>5.91</td>
<td>.97</td>
<td>-1.35</td>
<td>3.80</td>
</tr>
<tr>
<td><strong>RTA-2</strong> When I book accommodations on the Airbnb website, the Airbnb consumer ratings make me feel confident about my decision.</td>
<td>5.78</td>
<td>1.06</td>
<td>-.87</td>
<td>.77</td>
</tr>
<tr>
<td><strong>Total Index</strong></td>
<td>5.83</td>
<td>.83</td>
<td>-1.21</td>
<td>4.05</td>
</tr>
</tbody>
</table>

*Note.* Mean scores are based on a scale from 1 = strongly disagree to 7 = strongly agree.

According to the results from EFA regarding the Airbnb accommodations-related dimensions, seventeen measurement items from eight concepts were categorized into two factor groups: pre-booking information on accommodations and user-generated content on accommodations. Each factor group contained eleven or eight measurement items with loadings from .585 to .808 (see Table 15). Additionally, in the analysis no measurement item was eliminated or separated from other items belonging to the same concept. Consequently, all the dimensions of Airbnb accommodations-related factors were easily interpreted with robust support from strong loadings (see Table 15).

**Airbnb individual host-related factors.** The results from the qualitative data analysis in Study Phase 1 identified a total of eight individual host-related factors (concepts) including photos posted by the host (PI), tenure of the host on Airbnb.com (TI), reviews of the host (RI), ratings of the host (RTI), response to comments (RC), non-affiliated (NAI), accuracy of
information posted by the host (AIH), and use of correct grammar by the host (UCG) (see Appendix C). EFA was conducted to test if those measurement items could be categorized and grouped.

As shown in Table 17, the results indicate that the KMO measure of sampling adequacy was 0.91, which can be considered a strong value. The chi-square value of Bartlett’s test was approximately 4036.95. Based upon the two results, it is confirmed that the sample (n=520) can identify the underlying patterns of the Airbnb channel-related dimensions by using EFA.

Table 17

*Results of Exploratory Factor Analysis: Airbnb Individual Host-Related*

<table>
<thead>
<tr>
<th>Measurement Items (13)</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Factor Group 1. Evaluations of Host Based on Post-Booking Experience (7 items)</strong></td>
<td></td>
</tr>
<tr>
<td>TI-1 The longer an individual host has been on the Airbnb accommodations list, the</td>
<td>.64</td>
</tr>
<tr>
<td>more confident I feel about booking with that host.</td>
<td></td>
</tr>
<tr>
<td>RI-1 Reviews of individual hosts provide me a good opportunity to learn about hosts.</td>
<td>.74</td>
</tr>
<tr>
<td>RI-2 Reviews of individual hosts increase my confidence in the decisions I make.</td>
<td>.77</td>
</tr>
<tr>
<td>RI-3 Reviews of individual hosts help me evaluate alternatives.</td>
<td>.77</td>
</tr>
<tr>
<td>RTI-1 When I book Airbnb accommodations, the ratings of individual hosts help me</td>
<td>.82</td>
</tr>
<tr>
<td>make my decision.</td>
<td></td>
</tr>
<tr>
<td>RTI-2 When I book Airbnb accommodations, the ratings of individual hosts make me</td>
<td>.84</td>
</tr>
<tr>
<td>confident about the product (e.g., accommodations) I am purchasing.</td>
<td></td>
</tr>
<tr>
<td>RC-1 Individual hosts who respond to reviews written by guests increase my confidence.</td>
<td>.77</td>
</tr>
<tr>
<td><strong>Factor Group 2. Evaluations of Host Based on Pre-Booking Experience (4 items)</strong></td>
<td></td>
</tr>
<tr>
<td>PI-1 Photos of individual hosts on the Airbnb website make me confident in booking</td>
<td>.63</td>
</tr>
<tr>
<td>their accommodations.</td>
<td></td>
</tr>
<tr>
<td>AIH-1 Individual hosts on Airbnb maintain an appropriate level of accuracy of</td>
<td>.84</td>
</tr>
<tr>
<td>information about their properties.</td>
<td></td>
</tr>
</tbody>
</table>
Based on 520 responses, thirteen measurement items were initially analyzed and rotated with the extraction method of principal component analysis and Varimax rotation with Kaiser normalization. No item was eliminated based on the statistical criteria of a similar cross loading value greater than 0.4. In other words, all sixteen items had a value that was greater than 0.4. As shown in Table 17, the factor extraction process developed three factor loadings. These factor loadings were created and titled as evaluations on hosts based on the post-booking experience, evaluations on hosts based on the pre-booking experience, and non-affiliated, respectively. The three factors explained 70.46 percent of the total variances. In order to check the reliability of each factor loading, Cronbach’s Alpha was used. The findings revealed that each alpha level ranged from 0.82 (evaluations on hosts based on the pre-booking experience and non-affiliated)
to 0.92 (evaluations on hosts based on the post-booking experience). All alpha levels were considered consistently high.

Table 18 shows that, when using a scale of 7 ranging from 1 (strongly disagree) to 7 (strongly agree), the mean score of the total index was 5.55 on the following three factor groups: evaluations of hosts based on the post-booking experience (5.86), evaluations of hosts based on the pre-booking experience (5.61), and non-affiliated (4.37). Among these groups, factor group 1, evaluations of hosts based on the post-booking experience, was ranked at the top with the highest mean score of 5.86. This factor group included tenure of hosts on Airbnb.com, reviews of hosts, ratings of hosts, and response to comments. These concepts are related to the post-booking experiences of former guests that Airbnb potential guests can reference when evaluating individual hosts on Airbnb.com. In other words, all relevant information in this group was generated by former guests after their stays, such as the ratings of hosts. Potential guests can refer to this information that has been generated by former customers.

On the other hand, factor group 2, evaluations of hosts based on the pre-booking experience, was ranked the second highest with a mean score of 5.61. Four measurement items from the three concepts (e.g., photos posted by the host, accuracy of information posted by the host, and use of correct grammar by the host) were categorized into this factor group. The dimensions included the information that allows potential guests to evaluate individual hosts based on what those individual hosts posted on the Airbnb website. For instance, photos and accommodations information were posted by individual hosts, not by former guests. Airbnb potential guests can evaluate individual hosts by referring to the information posted or uploaded by hosts (e.g., use of correct grammar on postings).
Factor group 3 was considered to be one of the individual host’s traits: non-affiliated. This factor group had a mean score of 4.37, which was the lowest value among the three factor groups. Only one concept (i.e., non-affiliated) with two measurement items belonged to this factor group. All dimensions in this group indicated non-corporate or non-affiliated characteristics of individual hosts on the Airbnb.com website.

Table 18

Distribution Scores for the Airbnb Individual Host-Related Index (N = 520)

<table>
<thead>
<tr>
<th>Factor Group 1. Evaluations of Hosts Based on the Post-Booking Experience (7 items)</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>TI-1 The longer an individual host has been on the Airbnb accommodations list, the more confident I feel about booking with that host.</td>
<td>5.74</td>
<td>1.10</td>
<td>-.90</td>
<td>.85</td>
</tr>
<tr>
<td>RI-1 Reviews of individual hosts provide me a good opportunity to learn about hosts.</td>
<td>5.92</td>
<td>.97</td>
<td>-1.08</td>
<td>1.91</td>
</tr>
<tr>
<td>RI-2 Reviews of individual hosts increase my confidence in the decisions I make.</td>
<td>5.95</td>
<td>1.02</td>
<td>-1.18</td>
<td>2.40</td>
</tr>
<tr>
<td>RI-3 Reviews of individual hosts help me evaluate alternatives.</td>
<td>5.92</td>
<td>.95</td>
<td>-.64</td>
<td>-.06</td>
</tr>
<tr>
<td>RTI-1 When I book Airbnb accommodations, the ratings of individual hosts help me make my decision.</td>
<td>5.84</td>
<td>1.01</td>
<td>-.94</td>
<td>1.27</td>
</tr>
<tr>
<td>RTI-2 When I book Airbnb accommodations, the ratings of individual hosts make me confident about the product (e.g., accommodations) I am purchasing.</td>
<td>5.81</td>
<td>1.07</td>
<td>-1.15</td>
<td>2.19</td>
</tr>
<tr>
<td>RC-1 Individual hosts who respond to reviews written by guests increase my confidence.</td>
<td>5.84</td>
<td>1.09</td>
<td>-1.18</td>
<td>2.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor Group 2. Evaluations of Hosts Based on the Pre-Booking Experience (4 items)</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI-1 Photos of individual hosts on the Airbnb website make me confident in booking their accommodations.</td>
<td>5.55</td>
<td>1.18</td>
<td>-.82</td>
<td>.85</td>
</tr>
<tr>
<td>AIH-1 Individual hosts on Airbnb maintain an appropriate level of accuracy of information about their properties.</td>
<td>5.47</td>
<td>1.05</td>
<td>-.57</td>
<td>.11</td>
</tr>
<tr>
<td>Factor Group 3. Non-Affiliated (2 items)</td>
<td>Mean</td>
<td>SD</td>
<td>Skewness</td>
<td>Kurtosis</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>------</td>
<td>-----</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>NAI-1 Individual hosts on Airbnb listings are not professional while hotel employees are.</td>
<td>4.37</td>
<td>1.79</td>
<td>-.17</td>
<td>-.99</td>
</tr>
<tr>
<td>NAI-2 I cannot expect the degree of professional service from individual hosts on Airbnb to be similar to that of hotel employees.</td>
<td>4.29</td>
<td>1.79</td>
<td>-.14</td>
<td>-1.00</td>
</tr>
</tbody>
</table>

**Total Index**

<table>
<thead>
<tr>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.55</td>
<td>1.16</td>
<td>-.81</td>
<td>.89</td>
</tr>
</tbody>
</table>

*Note.* Mean scores are based on a scale from 1 = strongly disagree to 7 = strongly agree.

According to the results from EFA regarding the Airbnb individual host-related dimensions, thirteen measurement items of eight concepts were categorized into three factor groups: evaluations of hosts based on the post-booking experience (7 items), evaluations of hosts based on the pre-booking experience (4 items), and non-affiliated (2 items). Each factor group contained two to seven measurement items with loadings from .631 to .915 (see Table 17). Moreover, in the analysis no measurement item was eliminated or separated from others belonging to the same concept. In other words, all dimensions of Airbnb individual host-related dimensions were robust and easily interpreted with the support of relatively strong loadings.

**Summary of EFA Results**

The results of EFA from all three different main factors (channel-, accommodations-, and individual host-related) were revealed. Airbnb channel-related factors contained three factor groups: functionality, security, and customer service. The Airbnb accommodations-related factor consists of two factor groups, which were titled pre-booking information on accommodations
and user-generated content on accommodations, respectively. Lastly, the individual host-related factor included three factor groups: evaluations of hosts based on the post-booking experience, evaluations of hosts based on the pre-booking experience, and non-affiliated. All EFA results indicated that there was no need to eliminate any measurement item when analyzing factors and grouping variables. Thus, all of the initial forty-six measurement items were categorized into eight factor groups and used as antecedents of trust and perceived risk (see Appendix C).

**Modified Framework**

Since the researcher was able to find the factor groups from the results of EFA as shown in Appendix C, the initial S-O-R framework needed to be modified to include those factor groups. Figure 6 describes the modified S-O-R model for the empirical testing and validation.

![Figure 6. Modified S-O-R framework. Note. Solid arrows indicate a positive relationship while dashed arrows indicate a negative relationship.](image)
Since factors of antecedent groups were developed from EFA and qualitative analysis, hypotheses were added accordingly. Table 19 indicates a total of 22 hypotheses for its empirical validation.
Table 19

*Modified Hypotheses for Study Phase 2*

<table>
<thead>
<tr>
<th>No.</th>
<th>Hypothesis Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1-1a</strong></td>
<td><em>Functionality</em> in channel-related factors have a positive effect on <em>trust</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H1-1b</strong></td>
<td><em>Functionality</em> in channel-related factors have a negative effect on <em>perceived risk</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H1-2a</strong></td>
<td><em>Security</em> in channel-related factors have a positive effect on <em>trust</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H1-2b</strong></td>
<td><em>Security</em> in channel-related factors have a negative effect on <em>perceived risk</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H1-3a</strong></td>
<td><em>Customer service</em> in channel-related factors has a positive effect on <em>trust</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H1-3b</strong></td>
<td><em>Customer service</em> in channel-related factors has a negative effect on <em>perceived risk</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H2-1a</strong></td>
<td><em>Pre-booking information</em> in accommodations-related factors has a positive effect on <em>trust</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H2-1b</strong></td>
<td><em>Pre-booking information</em> in accommodations-related factors has a negative effect on <em>perceived risk</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H2-2a</strong></td>
<td><em>User-generated content</em> in accommodations-related factors has a positive effect on <em>trust</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H2-2b</strong></td>
<td><em>User-generated content</em> in accommodations-related factors has a negative effect on <em>perceived risk</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H3-1a</strong></td>
<td><em>Evaluations based on the post-booking experience</em> in individual host-related factors have a positive effect on <em>trust</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H3-1b</strong></td>
<td><em>Evaluations based on the post-booking experience</em> in individual host-related factors have a negative effect on <em>perceived risk</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H3-2a</strong></td>
<td><em>Evaluations based on the pre-booking experience</em> in individual host-related factors have a positive effect on <em>trust</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H3-2b</strong></td>
<td><em>Evaluations based on the pre-booking experience</em> in individual host-related factors have a negative effect on <em>perceived risk</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H3-3a</strong></td>
<td><em>Non-affiliated trait</em> in individual host-related factors has a negative effect on <em>trust</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H3-3b</strong></td>
<td><em>Non-affiliated trait</em> in individual host-related factors has a positive effect on <em>perceived risk</em> in Airbnb.</td>
</tr>
<tr>
<td><strong>H4</strong></td>
<td><em>Trust</em> in Airbnb has a positive effect on hotel customers’ <em>intention</em> to choose Airbnb over traditional hotels.</td>
</tr>
<tr>
<td><strong>H4a</strong></td>
<td><em>Disposition to trust</em> has a moderating effect on the relationship between <em>trust</em> and <em>intention</em> to choose Airbnb over traditional hotels.</td>
</tr>
<tr>
<td><strong>H4b</strong></td>
<td><em>Familiarity with Airbnb</em> has a moderating effect on the relationship between <em>trust</em> and <em>intention</em> to choose Airbnb over traditional hotels.</td>
</tr>
<tr>
<td><strong>H5</strong></td>
<td><em>Perceived risk</em> in Airbnb has a negative effect on hotel customers’ <em>intention</em> to choose Airbnb over traditional hotels.</td>
</tr>
<tr>
<td><strong>H6</strong></td>
<td><em>Trust</em> in Airbnb has a negative effect on the <em>perceived risk</em> of choosing Airbnb.</td>
</tr>
<tr>
<td><strong>H7</strong></td>
<td><em>The perceived benefits</em> of Airbnb have a positive effect on hotel customers’ <em>intention</em> to choose Airbnb over traditional hotels.</td>
</tr>
</tbody>
</table>
Study Phase 2 – Empirical Validation

By using the results (e.g., categorized groups and variables) of EFA from Study Phase 1, PLS-SEM was undertaken to evaluate the proposed framework in Study Phase 2. For the empirical validation analysis, Smart PLS3 statistical software was conducted. For an appropriate use of the PLS-SEM technique, the researcher followed the guidelines and recommendations from previous studies (e.g., Henseler & Sarstedt, 2013; Hair et al., 2011; Ringle et al., 2005; Bagozzi & Yi, 1988). Regarding measurement scale, for example, Hair et al. (2011) suggested avoiding using a categorical scale in endogenous variables. In the current study, the researcher did not use a categorical scale in endogenous constructs. Moreover, the maximum number of iterations was set as 300, which is suggested by Ringle et al. (2005). To evaluate the significance of the relationships, the researcher used 5,000 subsamples, which is recommended by Hair et al. (2011).

The Reflective Measurement Model

The S-O-R framework, as shown in Figure 6, was assessed using Smart PLS3, one of the tools for the PLS-SEM technique (Ringle et al., 2005). According to Wong’s (2013) recommendation, in this section the following topics were reported and discussed to evaluate the reflective measurement model:

- Explanation of target endogenous variable variance
- Inner model path coefficient sizes and significance
- Outer model loadings and significance
- Indicator reliability
- Internal consistency reliability
- Convergent validity
Discriminant validity

To check the variance of the target endogenous variable (i.e., intention to choose Airbnb over hotels), the coefficient of determination ($R^2$) was used. The results indicated that $R^2$ was 0.71 for the endogenous latent variable (i.e., intention) in the current study. In other words, the three exogenous variables (e.g., trust, perceived risk, and benefit) substantially explained 71% of the endogenous variable. In the same way, all antecedent variables moderately explained 55.6% of the variable of trust, while they weakly explained 21% of the variable of perceived risk. Chin, Peterson, and Brown (2008) suggested that $R^2$ of 0.67 is substantial, 0.33 is moderate, and 0.19 is weak.

In terms of path coefficient sizes and significance, the inner model indicated that the variable of perceived benefit (0.48) had the strongest effect among the variable of perceived risk (-0.03) and trust (0.23) on the endogenous variable (i.e., intention to choose Airbnb over hotels). The significance of the hypothesized path relationships is discussed in the next section (e.g., bootstrapping). Consequently, the results described that perceived benefit (0.48) was the strongest predictor of intention to choose Airbnb over hotels, whereas perceived risk (-0.03) was not able to predict intention since its standardized path coefficient was lower than 0.1.

To complete the assessment of the structural model, it was necessary to test the reliability and validity of the latent variables that must be reported when using the PLS-SEM technique. Accordingly, Table 20 reports outer model loadings, indicator reliability, internal consistency reliability, and convergent validity.
## Reliability and Validity Results Summary for Outer Models

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Indicators</th>
<th>Outer Loadings</th>
<th>Indicator Reliability</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Functionality (FNC)</strong></td>
<td>WA1</td>
<td>0.813</td>
<td>0.661</td>
<td>0.944</td>
<td>0.680</td>
</tr>
<tr>
<td></td>
<td>WA2</td>
<td>0.814</td>
<td>0.663</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WA3</td>
<td>0.819</td>
<td>0.671</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EU1</td>
<td>0.790</td>
<td>0.624</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EU2</td>
<td>0.844</td>
<td>0.712</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EN1</td>
<td>0.853</td>
<td>0.728</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EN2</td>
<td>0.854</td>
<td>0.729</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FO1</td>
<td>0.805</td>
<td>0.648</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Security (SEC)</strong></td>
<td>WD1</td>
<td>0.808</td>
<td>0.653</td>
<td>0.900</td>
<td>0.643</td>
</tr>
<tr>
<td></td>
<td>WD2</td>
<td>0.762</td>
<td>0.581</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WD3</td>
<td>0.834</td>
<td>0.696</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PS1</td>
<td>0.813</td>
<td>0.661</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PS2</td>
<td>0.790</td>
<td>0.624</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Customer Service (CS)</strong></td>
<td>CS1</td>
<td>0.879</td>
<td>0.773</td>
<td>0.915</td>
<td>0.782</td>
</tr>
<tr>
<td></td>
<td>CS2</td>
<td>0.900</td>
<td>0.810</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CS3</td>
<td>0.874</td>
<td>0.764</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pre-Booking Information of Accommodations (PIA)</strong></td>
<td>PA1</td>
<td>0.768</td>
<td>0.590</td>
<td>0.952</td>
<td>0.643</td>
</tr>
<tr>
<td></td>
<td>PA2</td>
<td>0.801</td>
<td>0.642</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PA3</td>
<td>0.807</td>
<td>0.651</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DA1</td>
<td>0.823</td>
<td>0.677</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DA2</td>
<td>0.842</td>
<td>0.709</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DA3</td>
<td>0.816</td>
<td>0.666</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IQ1</td>
<td>0.763</td>
<td>0.582</td>
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<tr>
<td></td>
<td>IQ2</td>
<td>0.781</td>
<td>0.610</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NI1</td>
<td>0.808</td>
<td>0.653</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RL1</td>
<td>0.825</td>
<td>0.681</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RL2</td>
<td>0.782</td>
<td>0.612</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>User-Generated Content on Accommodations (UCA)</strong></td>
<td>FR1</td>
<td>0.790</td>
<td>0.624</td>
<td>0.935</td>
<td>0.705</td>
</tr>
<tr>
<td></td>
<td>RVA1</td>
<td>0.846</td>
<td>0.716</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RVA2</td>
<td>0.881</td>
<td>0.776</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RVA3</td>
<td>0.837</td>
<td>0.701</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RTA1</td>
<td>0.847</td>
<td>0.717</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RTA2</td>
<td>0.834</td>
<td>0.696</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evaluations on Hosts Based on</strong></td>
<td>TI1</td>
<td>0.754</td>
<td>0.569</td>
<td>0.937</td>
<td>0.680</td>
</tr>
<tr>
<td></td>
<td>RI1</td>
<td>0.845</td>
<td>0.714</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RI2</td>
<td>0.860</td>
<td>0.740</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The indicator reliability can be calculated by squaring each of the outer loadings. Hulland (1999) suggested that a value of 0.7 or higher is preferred while 0.4 or higher is acceptable in exploratory research. Since the current study is exploratory, the value of 0.4 or higher was used to examine the indicator reliability. The results confirmed that all indicator reliability had a highest value of 0.4: the lowest value was 0.497 for the variable of EPR (see Table 20).

To assess the internal consistency reliability, Cronbach’s alpha value is traditionally tested. However, in PLS-SEM, Cronbach’s alpha value is rarely used due to its weakness. For example, Peterson and Kim (2013) claimed that the value of Cronbach’s alpha can be criticized.
for its lower bound value, which possibly underestimates the true reliability. Instead of Cronbach’s alpha value, composite reliability has been suggested to test the internal consistency reliability by prior literature (e.g., Hair, Sarstedt, Ringel, & Mena, 2012; Bagozzi & Yi, 1998). Bagozzi and Yi (1998) suggested that the value of 0.7 or higher is preferred, while 0.6 or higher is acceptable in an exploratory research study. Since the current study is exploratory, the value of composite reliability should be 0.6 or higher across all latent variables. Table 20 shows that all composite reliability was higher than 0.9 except EPR (0.88), which was still higher than the criterion value (0.6). Consequently, it is confirmed that higher levels of internal consistency reliability were met across all twelve latent variables in the model.

Two types of validity need to be reported: convergent validity and discriminant validity (Wong, 2013). Table 20 shows each latent variables’ average variance extracted (AVE), which is used to assess convergent validity. Bagozzi and Yi (1988) suggested that a value of 0.5 or higher of AVE is an acceptable threshold. Ranging from 0.64 to 0.88, all the AVE value was higher than 0.5, which confirmed convergent validity in the current model.

The discriminant validity of latent variables can be evaluated by comparing the square root of AVE of each latent variable to correlations among the latent variables. Fornell and Larcker (1981) suggested that the square root of AVE should be greater than other correlation values among the latent variables. Table 21 includes all of those values across all variables. It is confirmed that no value of the square root of AVE appeared to be less than other correlations of the latent variable. As Table 21 shows, for example, CS (Airbnb customer service) had 0.884 of the square root of AVE, while there was no greater value than 0.884 among other correlations of CS. It also shows that NAI (non-affiliated trait of individual hosts) had a much greater value of the square root of AVE than other correlations of NAI. Similar results were also obtained from
other latent variables in the model. Thus, the researcher was able to confirm that discriminant validity was well established.

Table 21

*Discriminant Validity of Latent Variables*

<table>
<thead>
<tr>
<th></th>
<th>CS</th>
<th>EPO</th>
<th>EPR</th>
<th>FNC</th>
<th>INT</th>
<th>NAI</th>
<th>PB</th>
<th>PR</th>
<th>PIA</th>
<th>SEC</th>
<th>TR</th>
<th>UGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td>.884</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPO</td>
<td>.477</td>
<td>.824</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPR</td>
<td>.584</td>
<td>.704</td>
<td>.806</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FNC</td>
<td>.645</td>
<td>.662</td>
<td>.711</td>
<td>.824</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INT</td>
<td>.505</td>
<td>.388</td>
<td>.528</td>
<td>.706</td>
<td>.937</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NAI</td>
<td>.104</td>
<td>.070</td>
<td>.107</td>
<td>.048</td>
<td>.023</td>
<td>.919</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB</td>
<td>.526</td>
<td>.444</td>
<td>.588</td>
<td>.552</td>
<td>.777</td>
<td>.108</td>
<td>.814</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR</td>
<td>-.137</td>
<td>-.089</td>
<td>-.091</td>
<td>-.208</td>
<td>-.274</td>
<td>.333</td>
<td>-.198</td>
<td>.938</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PIA</td>
<td>.628</td>
<td>.753</td>
<td>.768</td>
<td>.817</td>
<td>.520</td>
<td>.013</td>
<td>.543</td>
<td>-.197</td>
<td>.802</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEC</td>
<td>.571</td>
<td>.566</td>
<td>.638</td>
<td>.704</td>
<td>.511</td>
<td>.105</td>
<td>.562</td>
<td>-.150</td>
<td>.653</td>
<td>.802</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR</td>
<td>.552</td>
<td>.577</td>
<td>.665</td>
<td>.651</td>
<td>.686</td>
<td>.000</td>
<td>.651</td>
<td>-.273</td>
<td>.690</td>
<td>.603</td>
<td>.916</td>
<td></td>
</tr>
<tr>
<td>UGI</td>
<td>.511</td>
<td>.816</td>
<td>.702</td>
<td>.707</td>
<td>.421</td>
<td>.032</td>
<td>.434</td>
<td>-.113</td>
<td>.801</td>
<td>.599</td>
<td>.585</td>
<td>.840</td>
</tr>
</tbody>
</table>

In summation, the results of the reflective measurement model demonstrated that no reliability or validity issue was detected from all reliability (indicator reliability and internal consistency reliability) and validity (convergent validity and discriminant validity) assessments.

The following section discusses the structural path significance of all hypothesized relationships in the S-O-R framework.

**The Structural Model**

By using the procedure of bootstrapping, t-statistics were obtained to check the significance of both the inner and outer models. Since normal distribution of data is not assumed in PLS-SEM, parametric tests cannot be obtained to see if coefficients are significant or not. Instead, PLS-SEM uses a non-parametric test in bootstrapping to check the significance of path coefficients. Table 22 demonstrates the t-statistics of path coefficients in the inner model (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014; Davison & Hinkley, 1997; Efron & Tibshirani, 1986).
For a significance level of 5% (two-tailed), the critical t-value should be 1.69 or higher. P-values were also provided in Table 22 to check significance. Moreover, Table 23 reports structural model results including the path coefficients of all hypothesized relationships, suggested effects, and confidence intervals.

Table 22

*T-Statistics of Path Coefficients with P-Values (Inner Model)*

<table>
<thead>
<tr>
<th>Hypothesized Path Relationships</th>
<th>T-Statistics</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1-1a   Functionality -&gt; Trust on Airbnb</td>
<td>0.967</td>
<td>0.334</td>
</tr>
<tr>
<td>H1-1b   Functionality -&gt; Perceived Risk</td>
<td>1.801</td>
<td>0.072</td>
</tr>
<tr>
<td>H1-2a   Security -&gt; Trust on Airbnb</td>
<td>2.768</td>
<td>0.006*</td>
</tr>
<tr>
<td>H1-2b   Security -&gt; Perceived Risk</td>
<td>0.450</td>
<td>0.653</td>
</tr>
<tr>
<td>H1-3a   Customer Service -&gt; Trust on Airbnb</td>
<td>2.294</td>
<td>0.022*</td>
</tr>
<tr>
<td>H1-3b   Customer Service -&gt; Perceived Risk</td>
<td>0.147</td>
<td>0.653</td>
</tr>
<tr>
<td>H2-1a   Pre-Booking Info of Accommodations -&gt; Trust on Airbnb</td>
<td>3.094</td>
<td>0.002*</td>
</tr>
<tr>
<td>H2-1b   Pre-Booking Info of Accommodations -&gt; Perceived Risk</td>
<td>1.185</td>
<td>0.236</td>
</tr>
<tr>
<td>H2-2a   User-Generated Content on Accommodations -&gt; Trust on Airbnb</td>
<td>0.566</td>
<td>0.571</td>
</tr>
<tr>
<td>H2-2b   User-Generated Content on Accommodations -&gt; Perceived Risk</td>
<td>1.102</td>
<td>0.271</td>
</tr>
<tr>
<td>H3-1a   Evaluations of Hosts Based on Post-Booking -&gt; Trust on Airbnb</td>
<td>0.793</td>
<td>0.428</td>
</tr>
<tr>
<td>H3-1b   Evaluations of Hosts Based on Post-Booking -&gt; Perceived Risk</td>
<td>0.941</td>
<td>0.347</td>
</tr>
<tr>
<td>H3-2a   Evaluations of Hosts Based on Pre-Booking -&gt; Trust on Airbnb</td>
<td>3.197</td>
<td>0.001*</td>
</tr>
<tr>
<td>H3-2b   Evaluations of Hosts Based on Pre-Booking -&gt; Perceived Risk</td>
<td>2.102</td>
<td>0.036*</td>
</tr>
<tr>
<td>H3-3a   Non-Affiliated -&gt; Trust on Airbnb</td>
<td>2.079</td>
<td>0.038*</td>
</tr>
<tr>
<td>H3-3b   Non-Affiliated -&gt; Perceived Risk</td>
<td>6.958</td>
<td>0.000*</td>
</tr>
<tr>
<td>H4     Trust on Airbnb -&gt; Intention to Choose Airbnb over Hotels</td>
<td>4.088</td>
<td>0.000*</td>
</tr>
<tr>
<td>H4a    Disposition to Trust -&gt; Intention to Choose Airbnb over Hotels</td>
<td>1.299</td>
<td>0.194</td>
</tr>
<tr>
<td>H4b    Familiarity with Airbnb -&gt; Intention to Choose Airbnb over Hotels</td>
<td>3.138</td>
<td>0.002*</td>
</tr>
<tr>
<td>H5     Perceived Risk -&gt; Intention to Choose Airbnb over Hotels</td>
<td>1.004</td>
<td>0.316</td>
</tr>
<tr>
<td>H6     Trust on Airbnb -&gt; Perceived Risk</td>
<td>4.421</td>
<td>0.000*</td>
</tr>
<tr>
<td>H7     Perceived Benefits -&gt; Intention to Choose Airbnb over Hotels</td>
<td>10.973</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

*Note.* *Significant hypothesized path relationship (p < .05).*
As indicated in Tables 22 and 23, in the categories of trust, perceived risk, perceived benefit, and intention to select Airbnb over hotels, all path coefficients of these variables in the inner model were statistically significant with the p value of less than 0.001 except for the relationship between perceived risk and intention ($p = 0.316$), which does not support hypothesis 5 (H5). Perceived benefit ($\beta = 0.477$, $p < .01$) was found to have the most robust influence on intention to choose Airbnb over hotels, followed by trust in Airbnb ($\beta = 0.225$, $p < .01$), supporting both hypothesis 4 (H4) and 7 (H7). It was also found that trust had a significantly negative impact on perceived risk ($\beta = -0.276$, $p < .01$), supporting hypothesis 6 (H6). In the hypothesized relationship between trust and intention to choose Airbnb over hotels, two moderating effects were tested: disposition to trust and familiarity with Airbnb. The results showed that familiarity with Airbnb had a significant moderating effect ($\beta = 0.083$, $p < .01$) on the relationship between trust and intention to choose Airbnb over hotels, supporting hypothesis 4b (H4b). On the other hand, disposition to trust had no significant moderating effect on the relationship between trust and intention. These results indicated that the more familiarity and trust that potential guests have of Airbnb, the greater their intention to choose Airbnb over hotels. However, potential guests will choose Airbnb as long as they trust the site, regardless of their level of trust in hotels.

The significance of antecedents of trust and perceived risk was also demonstrated. Based upon the results of EFA, the researcher discerned the following eight factor groups: functionality, security, customer service, pre-booking information of accommodations, user-generated content on accommodations, evaluations of hosts based on the post-booking experience, evaluations of hosts based on the pre-booking experience, and non-affiliated. The factor groups of functionality, security, and customer service belonged to the Airbnb channel-
related factors (see Table 13). The factor groups of pre-booking information of accommodations and user-generated content on accommodations belonged to the Airbnb accommodations-related factors (see Table 15). The remaining factor groups (evaluations of hosts based on the post-booking experience, evaluations of hosts based on the pre-booking experience, and non-affiliated) belonged to the individual host-related factors (see Table 17).

First, regarding the channel-related factors, functionality was found to have an insignificant influence on trust and perceived risk. However, security turned out to have a significant impact on trust (beta = 0.164, \( p < 0.01 \)), supporting hypothesis 1-2a (H1-2a), but not on perceived risk. This result indicates that Airbnb website’s security, such as dependability (WD) and payment security (PS), can determine Airbnb users’ trust. Similarly, Airbnb customer service (beta = 0.105, \( p < 0.05 \)) also turned out to significantly predict Airbnb users’ trust, supporting hypothesis 1-3a (H1-3a).

Second, in terms of Airbnb accommodations-related factors, the results demonstrated that pre-booking information of accommodations (beta = 0.262, \( p < 0.05 \)) was found to have a significant impact on users’ trust, supporting hypothesis 2-1a (H2-1a), but not on their perceived risk. This result implies that information about Airbnb accommodations on the Airbnb website, such as pictures, descriptions, information quality, neighborhood information, and reviews of accommodations location, can affect the potential guests’ trust in Airbnb. On the other hand, the other factor group, user-generated content on accommodations, did not have any significant impact on either trust or perceived risk.

Third, the Airbnb individual host-related factors had three component groups as mentioned above. The results indicated that the first factor group, evaluations of hosts based on the post-booking experience (e.g., tenure of hosts, reviews and ratings of host, and response to
comments), was found to have an insignificant effect on both trust and perceived risk. However, the second factor group, evaluations of hosts based on the pre-booking experience (e.g., photos, accuracy of information posted by hosts, and use of correct grammar by hosts), turned out to have a significant impact on both trust (beta = 0.239, p < 0.01) and perceived risk (beta = 0.169, p < 0.05), supporting hypothesis 3-2a (H3-2a). Despite its significance, H3-2b cannot be supported because the sign of the coefficient turns out to be in the opposite direction of the proposed hypothesis. This result indicated that Airbnb customers’ trust and perceived risk were determined by the information provided by individual hosts, not by the information generated by other Airbnb guests. One of the traits of individual hosts on Airbnb, non-affiliated, was also examined to see if it has a significant impact on either trust or perceived risk. The results showed that a host being non-affiliated had a significantly negative impact on trust (beta = -0.063, p < 0.05), supporting hypothesis 3-3a (H3-3a), and a positive impact on perceived risk (beta = 0.321, p < 0.01), supporting hypothesis 3-3b (H3-3b). In other words, Airbnb guests are concerned about their host’s non-corporate or non-affiliated status. This means it is possible that Airbnb guests think that individual hosts on Airbnb.com are not able to provide the same level of professional services as hotels.

Table 23

**Structural Model Results with Hypotheses Testing (N =5,000 subsamples)**

<table>
<thead>
<tr>
<th>Hypothesized Path Relationship</th>
<th>Path coefficients (beta)</th>
<th>Percentile bootstrap 95% confident level</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1-1a Functionality -&gt; Trust on Airbnb</td>
<td>0.083</td>
<td>-0.084 - 0.255</td>
<td>No</td>
</tr>
<tr>
<td>H1-1b Functionality -&gt; Perceived Risk</td>
<td>-0.153</td>
<td>-0.319 - 0.017</td>
<td>No</td>
</tr>
<tr>
<td>H1-2a Security -&gt; Trust on Airbnb</td>
<td>0.164</td>
<td>0.039 - 0.275</td>
<td>Yes</td>
</tr>
<tr>
<td>H1-2b Security -&gt; Perceived Risk</td>
<td>-0.029</td>
<td>-0.158 - 0.094</td>
<td>No</td>
</tr>
<tr>
<td>H1-3a Customer Service -&gt; Trust on Airbnb</td>
<td>0.105</td>
<td>0.015 - 0.197</td>
<td>Yes</td>
</tr>
<tr>
<td>Hypothesized Path Relationship</td>
<td>Path coefficients (beta)</td>
<td>Percentile bootstrap 95% confident level</td>
<td>Support</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------</td>
<td>----------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>H1-3b</td>
<td>Customer Service -&gt; Perceived Risk</td>
<td>-0.008</td>
<td>-0.109</td>
</tr>
<tr>
<td>H2-1a</td>
<td>Pre-Booking Info of Accommodations -&gt; Trust on Airbnb</td>
<td>0.262</td>
<td>0.091</td>
</tr>
<tr>
<td>H2-1b</td>
<td>Pre-Booking Info of Accommodations -&gt; Perceived Risk</td>
<td>-0.102</td>
<td>-0.270</td>
</tr>
<tr>
<td>H2-2a</td>
<td>User-Generated Content on Accommodations -&gt; Trust on Airbnb</td>
<td>-0.049</td>
<td>-0.212</td>
</tr>
<tr>
<td>H2-2b</td>
<td>User-Generated Content on Accommodations -&gt; Perceived Risk</td>
<td>0.080</td>
<td>-0.069</td>
</tr>
<tr>
<td>H3-1a</td>
<td>Evaluations of Hosts Based on Post-Booking -&gt; Trust on Airbnb</td>
<td>0.058</td>
<td>-0.082</td>
</tr>
<tr>
<td>H3-1b</td>
<td>Evaluations of Hosts based on Post-Booking -&gt; Perceived Risk</td>
<td>0.062</td>
<td>-0.060</td>
</tr>
<tr>
<td>H3-2a</td>
<td>Evaluations of Hosts Based on Pre-Booking -&gt; Trust on Airbnb</td>
<td>0.239</td>
<td>0.102</td>
</tr>
<tr>
<td>H3-2b</td>
<td>Evaluations of Hosts Based on Pre-Booking -&gt; Perceived Risk</td>
<td>0.169</td>
<td>0.005</td>
</tr>
<tr>
<td>H3-3a</td>
<td>Non-Affiliated -&gt; Trust on Airbnb</td>
<td>-0.063</td>
<td>-0.120</td>
</tr>
<tr>
<td>H3-3b</td>
<td>Non-Affiliated -&gt; Perceived Risk</td>
<td>0.321</td>
<td>0.232</td>
</tr>
<tr>
<td>H4</td>
<td>Trust in Airbnb -&gt; Intention to Choose Airbnb over Hotels</td>
<td>0.225</td>
<td>0.127</td>
</tr>
<tr>
<td>H4a</td>
<td>Disposition to Trust (moderating effect) -&gt; Intention to Choose Airbnb over Hotels</td>
<td>0.109</td>
<td>-0.116</td>
</tr>
<tr>
<td>H4b</td>
<td>Familiarity with Airbnb (moderating effect) -&gt; Intention to Choose Airbnb over Hotels</td>
<td>0.083</td>
<td>0.022</td>
</tr>
<tr>
<td>H5</td>
<td>Perceived Risk -&gt; Intention to Choose Airbnb over Hotels</td>
<td>-0.034</td>
<td>-0.095</td>
</tr>
<tr>
<td>H6</td>
<td>Trust in Airbnb -&gt; Perceived Risk</td>
<td>-0.276</td>
<td>-0.395</td>
</tr>
<tr>
<td>H7</td>
<td>Perceived Benefits -&gt; Intention to Choose Airbnb over Hotels</td>
<td>0.477</td>
<td>0.401</td>
</tr>
</tbody>
</table>

* Note. * Despite its significance, H3-2b cannot be supported because the sign of the coefficient path is in the opposite direction of the prediction.

In summary, of the twenty-two hypothesized paths in the proposed structural model, ten were found to be statistically significant (see Table 23). Detailed descriptions and implications of
the results from the model are discussed in the following chapter. Chapter 5 also includes the limitations of the current study as well as suggestions for future studies.
CHAPTER 5

CONCLUSION

This chapter presents and summarizes the major findings of this study. Based on the findings from both Study Phase 1 and 2, theoretical and practical implications are discussed. Moreover, the limitations of the current study and directions for future research are provided.

Overview

As the clearest example of the sharing economy and collaborative consumption in the lodging industry, Airbnb is disruptive to the existing models of lodging operations. While hotel brand websites (e.g., Hilton.com) and OTAs (e.g., Priceline.com) have been the dominant channels for selling rooms within the B2C setting, Airbnb provides a new trend in consumer behavior (e.g., collaborative consumption) within the lodging industry and is classified as a C2C business. While it is commonly believed that hotel room sales and market shares in the lodging industry have been influenced by Airbnb, one of the major issues is that there are currently limited to no informational resources available to help hoteliers gain a sense of the current trends and patterns of hotel customers in the sharing economy and to ascertain how those customers perceive Airbnb in a comprehensive manner. Recognizing the gaps, this study sought to explore hotel guests’ perceptions of Airbnb, which belongs to a different business context (C2C) than traditional hotel business (B2C). The study attempted to answer the following research questions:

Research Question 1: What are the important antecedents of trust and perceived risk on hotel customers’ intention to select Airbnb over traditional hotels?

Research Question 2: Among perceived risks, trust, and benefits, what are the most important determinants of the intention to choose Airbnb over traditional lodging options?
Research Question 3: To what extent do the qualitative findings from Study Phase 1 generalize to the same population (i.e., hotel customers) in Study Phase 2?

Research Question 4: Are there any moderating effects of hotel customers’ disposition to trust or having familiarity with Airbnb on selecting Airbnb?

To answer these research questions and obtain a better understanding of the relationship between hotel customers and Airbnb, the researcher explored hotel customers’ perception of trust and risks of Airbnb and their perceived benefits when using Airbnb. The importance of investigating trust and perceived risk, especially in online purchasing behavior, as well as many other factors were described and discussed in Chapter 1 and 2. To achieve the goals of the current study, the S-O-R framework was used as the basic theoretical framework for this study as shown in Figure 1 in Chapter 1. Methodologically, an exploratory sequential mix-methods design was used to address the current impact of hotel guests’ trust in collaborative consumption on the decision-making process in choosing Airbnb over hotels. Accordingly, this dissertation included two study phases. Study Phase 1 was designed using a qualitative approach to acquire in-depth information from informants to identify the concepts and themes of the three attributes of Airbnb—accommodations, individual hosts, and channel-related factors—which came into play when hotel customers made an Airbnb reservation. Study Phase 2 contained two stages: instrument development and empirical validation. Based on the qualitative results from Study Phase 1, the second phase developed new instruments, and a modified S-O-R framework was tested for empirical validation. The appropriateness of and justification for using the exploratory sequential design were also discussed in Chapter 3.
Discussion of Major Findings

With the three attributes of Airbnb (channel-, accommodations-, and individual host-related), Study Phase 1 specifically identified the factors of the antecedents of trust and perceived risk in choosing Airbnb over hotels. Those constructs belong to the stimulus (S) group of the proposed S-O-R model. Then, using the qualitative results from Study Phase 1 (i.e., antecedents of trust and perceived risk), Study Phase 2 developed instruments for all components of stimulus (S), organism (O), and response (R). The S-O-R model was then empirically tested. Key findings were discussed in this section.

Study Phase 1

Each attribute of Airbnb (channel-, accommodations-, and individual host-related) includes concepts identified from the qualitative results of Study Phase 1. As described in Table 9 in Chapter 4, seven concepts of Airbnb channel-related factors were identified: website aesthetics, website dependability, payment security, Airbnb customer service, ease of use, ease of navigation, and filtering options. Those constructs were then organized into four categories: aesthetics, dependability, functions, and ease of use. Regarding the Airbnb channel (Airbnb.com website) related factors, website dependability was the most frequently mentioned. Since the Airbnb.com website is the only channel through which a guest can make a reservation for Airbnb accommodations, website reliability can be a more critical factor for Airbnb.com than it is for traditional lodging business websites. As reported by informants in Table 9, if the Airbnb website is unreliable, it may prevent customers from selecting Airbnb for their accommodations choices. Other concepts were mostly consistent with previous studies (e.g., Buckly, 2003; Field et al., 2004; Kim et al., 2010; Li & Yeh, 2010; Liu & Zhang, 2014; Parasuraman et al., 2005; Yang & Jun, 2002; Zeithaml et al., 2002).
Eight concepts were identified by informants regarding Airbnb accommodations-related factors: pictures, descriptions, information quality, frequency of rent, reviews, ratings, neighborhood information, and reviews of location. Those concepts were categorized into three themes: accommodations information, accommodations evaluation, and neighborhood information (see Table 10 in Chapter 4). Among the factors related to Airbnb accommodations, pictures and reviews of accommodations were the most frequently mentioned by informants. Unlike hotels, Airbnb accommodations are located in various forms of property. For example, some hosts rent their apartment, while other hosts may want to rent only one of the rooms in their house. Due to such characteristics of Airbnb accommodations, Airbnb potential guests may want to check the accommodations to see what they look like. Pictures of accommodations that are posted by individual hosts and reviews of accommodations that are generated by other users may be good ways for potential guests to collect accommodations information and start to build their trust. While other factors turned out to be consistent with prior studies (e.g., Barns & Vidgen, 2003; Chatterjee, 2001; Gretzel & Yoo, 2008; Guertin & Nantel, 2005; Iwaardena et al., 2004; Negash et al., 2003; Ye et al., 2009; Zhang et al., 2011), one of the unique concepts identified by informants was neighborhood information. This concept also explains the uniqueness of Airbnb accommodations. Some Airbnb accommodations are located in unpopular tourism destinations where hotels have limited access. Moreover, Airbnb accommodations do not necessarily have ancillary facilities that hotels may have (e.g., convenience store inside hotels). Potential guests may want to consider the location of accommodations and neighborhood information due to those issues. Additionally, frequency of rent was also identified by informants as one of the factors influencing their trust in Airbnb.
Regarding the individual host-related factors, eight concepts were discerned from the interviews: photos posted by the host, tenure of the host on Airbnb.com, reviews of the host, ratings of the host, response to comments, non-affiliated trait of the host, accuracy of information posted by the host, and use of correct grammar by the host. Those eight concepts were organized into four themes: information about the host, evaluations of the host, responsiveness, and credibility. Among the eight concepts, reviews and ratings of individual hosts turned out to be the concept most frequently mentioned by informants. This finding is consistent with previous studies (e.g., Chatterjee, 2001; Gretzel & Yoo, 2008, Qiu et al., 2012; Sparks & Browning, 2011; Sridhar & Srinivasan, 2012; Ye et al., 2009; Zhang et al., 2011). The non-affiliated trait of individual hosts on Airbnb.com was found to be one of the unique factors. As informants mentioned, since individual sellers are strangers and non-corporate, these factors would influence their trust and decision to book Airbnb accommodations. The results showed that some of the informants considered the non-affiliated trait of individual hosts to be positive, but other informants considered it a negative factor on their trust and booking decision with Airbnb. Informants who had a positive perception of the hosts’ lack of corporate affiliation mostly considered this trait to be indicative of the cost efficiency of Airbnb. However, the results of quantitative analysis from Study Phase 2 showed that the non-affiliated trait turned out to have a significantly negative impact on trust, and a positive impact on perceived risk. Related to the credibility of individual hosts, another concept, the use of correct grammar by the host, was identified by informants. For example, informant #5 mentioned that s/he trusted individual hosts more when their use of language was correct and their writing was error-free. Based on this interview, the presence of error-free writing in accommodations information would further positively influence potential guests’ trust and intention to choose Airbnb over hotels.
In summary, in the qualitative results of Study Phase 1, some of the concepts were frequently mentioned. In terms of the Airbnb channel-related attribute, website dependability, aesthetics, and payment security were frequently mentioned by informants. Regarding the Airbnb accommodations-related factors, concepts including pictures and reviews and ratings of accommodations were most frequently mentioned by informants. Individual host-related factors also had similar concepts: reviews, ratings of the host, and photos posted by the host.

**Study Phase 2 – Intervention Design**

From the results of Study Phase 1, a total of twenty-three concepts were identified, which included seven channel-related concepts, eight accommodations-related concepts, and eight individual host-related concepts. With those concepts, EFA was undertaken to identify the underlying dimensions of the three attributes of Airbnb (channel-, accommodations-, and individual host-related) and possibly refine the scales if necessary. The EFA results indicated that all of the concepts and their measurement items belonged to the same group, and there were no missing concepts during the factor analysis process. Furthermore, no single measurement item belonging to each concept was separated from the others. This result indicates that concepts and instruments were well developed during the previous phase of the current study.

As shown in Table 13 in chapter 4, three factor groups were formed in the Airbnb channel-related attribute: functionality, security, and customer service. The measurements of website aesthetics (WA), ease of use (EU), ease of navigation (EN), and filtering options (FO) were combined together and represented the factor group, functionality. The second factor group, security, was shaped by the measurement items of website dependability (WD) and payment security (PS). Customer service (CS) was not grouped with any other concept. Instead, it was in a group by itself, which was labeled customer service.
As described in Table 15 in chapter 4, two factor groups were created by EFA regarding the attribute of Airbnb accommodations-related factors. The first factor group was labeled as pre-booking information on accommodations. This indicates that all concepts involved in this factor group were related to accommodations information posted by Airbnb individual hosts. This factor group includes accommodations pictures (PA), accommodations descriptions (DA), quality of accommodations information (IQ), neighborhood information (NI), and reviews of location (RL). The second factor group was labeled as user-generated content on accommodations. The concepts including frequency of rent (FR), reviews of accommodations (RVA), and ratings of accommodations (RTA) were grouped by EFA. All concepts included in this group represented accommodations information that was generated by other Airbnb users (e.g., previous guests who had experience with Airbnb accommodations).

Table 17 in chapter 4 showed three factor groups which were related to the attribute of Airbnb individual host-related factors. Among the concepts identified from the qualitative results, tenure of the host (TI), reviews of the host (RI), ratings of the host (RTI) and response to comments (RC) were combined together to create the first factor, evaluations of the host based on the post-booking experience. All concepts in this factor group indicated information generated by other Airbnb users (e.g., reviews, ratings, etc.) that can be used for host evaluations. On the other hand, the second group, evaluations of the host based on the pre-booking experience, included the concepts indicating information generated by individual hosts that can be used for host evaluations. For example, the concepts including photos posted by hosts (PI), accuracy of information posted by hosts (AIH), and use of correct grammar by hosts (UCG) were gathered together to represent this factor group. The last factor group in this attribute (individual host-related) was to represent individual hosts’ unique characteristic, which is the fact that they
are non-affiliated. This concept of the non-affiliated trait of individual hosts was the only concept to create this factor group. Unlike hotels or hoteliers, individual hosts on Airbnb.com have no affiliation in most cases. From the perspective of consumers, the non-affiliated trait of hosts can be one of the main issues in the process of building a trust relationship with Airbnb as one of their lodging options.

**Study Phase 2 – Empirical Validation**

After the stage of intervention design and instrument development in Study Phase 2, the originally proposed S-O-R framework needed to be modified as several constructs were identified and developed from EFA as well as from the qualitative results from Study Phase 1. Of the three components of the proposed framework (i.e., stimulus, organism, and response), only the stimulus (S) was modified with five factor groups, which were identified from the results of EFA. This was a necessary step because one of the main purposes of this study was to explore the antecedents of trust and perceived risk. Accordingly, hypotheses built in the stimulus (S) group of the framework were modified as described in Table 19 in chapter 4. The modified S-O-R model, as shown in Figure 6, was tested by the PLS-SEM technique.

After examining the structural model by PLS-SEM with 5,000 subsamples based on 520 samples (or cases), the current study found significant relationships among trust, perceived benefits, perceived risk, and intention to select Airbnb over hotels. Only perceived risk was not a significant predictor of intention to choose Airbnb over hotels. This result was not consistent with some of the previous studies (e.g., Bélanger & Carter, 2008; Jarvenpaa et al., 1999; Kholi, 1989; Kim et al., 2008). This result indicated that for Airbnb potential guests, perceived risk does not play a significant role in choosing Airbnb over hotels for their accommodations. It possibly explains that 1) the C2C online business setting (e.g., Airbnb) allows consumers to escape from
their concern about risk in their online purchasing behavior due to the nature of C2C (e.g., peer-to-peer market), or 2) today’s customers are generally more familiar with online purchasing behavior than the past due to the increasing popularity of online business.

The current study also examined the moderating effects of potential guests’ disposition to trust (e.g., preference on hotels) and familiarity with Airbnb on the hypothesized path relationship between trust and intention to choose Airbnb over hotels. The results showed that disposition to trust had no significant moderating effect on the relationship between trust and intention to choose Airbnb over hotels. In other words, preference on hotels did not make any difference in the decision-making process of Airbnb potential customers based on their trust. This was the opposite result of some of the previous empirical research which has been conducted in a B2C setting (e.g., Bélanger & Carter, 2008; Gefen, 2000; Lee & Turban, 2001). However, potential guests’ familiarity with Airbnb played a significant moderating role in the relationship between trust and intentions. This result may imply that potential guests who are familiar with Airbnb are most likely to have the intention to choose Airbnb over hotels if they trust in Airbnb.

Hypothesized path relationships among the antecedents of trust and perceived risk were also analyzed and interpreted in chapter 4. Overall, there are some bullet points that need to be addressed and discussed. First, regarding the Airbnb channel-related factors, functionality was not a significant antecedent on both trust and perceived risk in Airbnb. This result indicated that the functionality of the Airbnb website, including website aesthetics, ease of use, ease of navigation, and filter options, could not determine trust and perceived risk. This finding is interesting since numerous previous studies had the opposite results in a B2C setting (e.g., Buckly, 2003; Cyr, 2008; Li & Yeh, 2010; Liu & Zhang, 2014; Madu & Madu, 2002; Yoo &
Donthu, 2001). It may explain the different consumer behavior regarding the functionality of websites in the different business (C2C vs. B2C) contexts. The results also demonstrated that both security and customer service were significant antecedents of trust, but perceived risk was not. In other words, if the Airbnb website and its payment process is found to be secure, or if customer service is reliably available, guests would be most likely to trust Airbnb, and these factors could influence their intention to choose Airbnb over hotels. Overall, in terms of Airbnb channel, it can be concluded that guests will not trust Airbnb simply because of website functionality. However, potential guests are concerned about the security and reliability of the Airbnb website as well as the availability of Airbnb customer service; these factors impact their trust, but not their perceived risk.

Second, regarding the Airbnb accommodations, the results were found to be interesting. Pre-booking information on accommodations such as pictures, descriptions, the quality of accommodations information, neighborhood information, and review of location were a significant antecedent of trust. On the other hand, user-generated content on Airbnb accommodations such as reviews, ratings, and frequency of rent turned out to have a non-significant impact on both trust and perceived risk. These findings suggested that potential guests considered the information that was provided by individual hosts (e.g., pre-booking information on accommodations), but not the information that was generated by other Airbnb users (e.g., previous Airbnb guests). In fact, these quantitative results were different from the qualitative results from Study Phase 1, even though samples in both studies were derived from the same target. While concepts of the user-generated content on accommodations (e.g., reviews and ratings of accommodations) were frequently mentioned by informants in Study Phase 1, empirical findings in Study Phase 2 indicated that, in fact, such content was not a significant
antecedent of trust and perceived risk. These results may imply that in a C2C online business setting like Airbnb, consumers tend to depend on relatively objective information (e.g., information posted by hosts) than subjective information (e.g., reviews and ratings generated by other users). Moreover, from the perspective of an online consumer, C2C online providers (e.g., Airbnb) may be considered a more special marketplace where they cannot expect the same quality of products and services from each individual seller (e.g., individual host on Airbnb).

Third, another bullet point of the results should be devoted to one of the traits of individual hosts, non-affiliated, which was identified from EFA as well as from the qualitative data analysis. The results indicated that the non-affiliated trait of individual hosts had a significantly negative impact on trust and a positive impact on perceived risk. In other words, hosts’ non-affiliation turned out to be a determinant of both trust and perceived risk. From the perspective of consumers, people may have the general assumption that individual hosts on Airbnb.com will not provide formal services because hosts are not affiliated with any hotel. According to the results, that assumption can determine their trust and perceived risk of Airbnb. One possible explanation could be that Airbnb is a relatively new lodging business, which is a different business context (C2C) from traditional lodging business (B2C).

**Theoretical Implications**

This study theoretically contributes to the current literature by providing meaningful insights into the application of the sharing economy and collaborative consumption in the lodging industry. Airbnb is the clearest example of the sharing economy in the lodging industry and its business setting is somewhat different from traditional lodging business. Structurally, Airbnb operates its entire business online as it provides a virtual platform that is an online marketplace for peer-to-peer transactions. Another difference between Airbnb and traditional
lodging businesses can be found in the disruptive innovation model, according to Christensen (1997), who suggests that Airbnb can be considered a disruptor while the traditional lodging business can be considered a disruptee. Based upon these theoretical and operational backgrounds, the current study provides a theoretical definition of Airbnb as described in Figure 2 in chapter 2.

Network sociality, a concept developed by Wittel (2001), was used as a theoretical background to investigate people’s social interactions in the sharing economy. The current study confirmed that the definition of networks in network sociality shares fundamental objectives with the disruptive innovation theory. Based on the theoretical background in understanding consumer behavior in the sharing economy, this study used the S-O-R model as a theoretical framework to predict hotel customers’ intention to select Airbnb over hotels, considering the fact that Airbnb (C2C) is different from traditional lodging business (B2C) in terms of business context.

The results of this study in multiple phases offer meaningful insights into applications of the S-O-R framework in the C2C context in the lodging industry. An exploratory sequential mixed-methods design was used for the exploration of antecedents, intervention design, and empirical validation. Through a qualitative approach, this study identified unique constructs (e.g., non-affiliated trait of individual host) which have not been tested in the current literature. EFA confirmed and allowed the exploratory nature of the concepts so that they could be grouped and ready for an empirical validation. For example, through EFA, the non-affiliated trait of individual hosts was categorized into one of the antecedents of trust and perceived risk. This construct (non-affiliation), which was newly established in this study, has a theoretically meaningful contribution to the current literature because it turned out to have a significant effect on both trust and perceived risk. This study also found some of the non-significant constructs of
trust and perceived risk, such as reviews and ratings of both accommodations and hosts, that had been previously found to be significant antecedents in the current literature (e.g., Chatterjee, 2001; Gretzel & Yoo, 2008; Liu & Zhang, 2014; Mich et al., 2003; Qiu et al., 2012; Sparks & Browning, 2011). Details were discussed in the discussion section above.

**Practical Implications**

The purpose of this section is to demonstrate how lodging professionals can improve their businesses by appropriately understanding hotel customers’ perceptions of Airbnb. Specifically, guidelines are suggested to the professionals for their better understanding of the relationships among hotel customers’ trust and perceived risk with those antecedents, perceived benefit in selecting Airbnb, and intention to choose Airbnb over traditional lodging businesses.

Through qualitative analysis, Study Phase 1 showed meaningful results that may be of interest to industry professionals as well as policy makers. First of all, information available on the Airbnb website was categorized into two different types. The first type was pre-booking information, including pictures of accommodations, photos of individual hosts, and the accuracy of the information that is normally generated and posted by individual hosts. The second type was post-booking information, including reviews and ratings that are usually generated and posted by other users (e.g., previous guests). Identifying and categorizing information into different types may help industry professionals better understand the factors (e.g., information) that can influence their customers’ trust. Recognizing the different type of information available on the Airbnb website may help hoteliers develop marketing strategies more efficiently. For example, they may be able to devise a more targeted marketing plan by incorporating the preferences of Airbnb users (e.g., pre-booking & post-booking). The results may also assist an individual host to manage their own posts and posts written by their guests.
In addition, a unique attribute of Airbnb was revealed through the study: the non-affiliated trait of individual hosts. Recognizing and documenting this trait, which is never a trait of industry professionals (e.g., hoteliers), may imply that Airbnb should be perceived as a different business from the traditional lodging business. Not only professionals but also policymakers, for example, may need to consider this unique trait when they legislate relevant guidelines, rules, or restrictions for Airbnb accommodations.

Through an online survey of the hotel customers and the subsequent structural equation modeling in Smart PLS3 (Ringle et al., 2005), Study Phase 2 identified the significant factors that led to the customers’ intention to choose Airbnb over hotels.

In the second phase of the study, regarding the Airbnb channel-related attribute, the hotel customers were found to care about the security of the Airbnb website, such as website dependability and payment security as well as Airbnb customer service. These factors were good indicators of hotel customers’ trust in Airbnb. Airbnb professionals should not overlook the Airbnb website reliability, security during the payment process, and availability of customer service since hotel customers’ trust in Airbnb turned out to have a significant impact on their intention to choose Airbnb over hotels.

Regarding the Airbnb accommodations-related attribute, hotel customers turned out to care about the pre-booking information on accommodations such as pictures, descriptions, quality of information on accommodations, neighborhood information, and reviews of accommodations location. These factors were found to have an impact on hotel customers’ trust. Although Airbnb professionals cannot check the information on every single accommodations list, they are encouraged to establish certain guidelines or regulations to increase the overall quality of information on accommodations. This practice is critical when considering the
significant relationship between customers’ trust and their intention to choose Airbnb over hotels. Hoteliers other than Airbnb professionals may want to take advantage of developing a marketing practice to counter the inconsistent quality of information on Airbnb accommodations across different individual hosts’ properties.

Similar suggestions can be made regarding the Airbnb individual-related attribute. It was also revealed that the information related to individual hosts, such as photos posted by hosts, the accuracy of information posted by hosts, and the use of correct grammar by hosts, can determine potential customers’ trust in Airbnb. Accordingly, Airbnb professionals may want to consider developing relevant rules or tools for Airbnb individual hosts so that the overall quality of information posted by hosts meets certain criteria. Moreover, the results showed that the non-affiliated trait of Airbnb hosts can increase the level of hotel customers’ perceived risk and decrease the level of their trust in choosing Airbnb over hotels. The individual hosts are a unique component of Airbnb that hotels do not have. However, in most cases, individual hosts are not lodging professionals. The finding indicated that this trait had a negative impact on customers’ trust in Airbnb. This can be a critical issue when considering that trust is a precedent of intention to choose Airbnb over hotels. Hoteliers may want to take advantage of their affiliation by emphasizing their expertise and professional affiliation to their customers.

In addition to implications for industry professionals, the findings of this study also have implications for policy makers (e.g., government) and individual hosts, especially those considering beginning a new business through the Airbnb website. Based on the study’s results, in order to obtain more trust from their potential guests, new individual hosts may want to devote more time to describing their own property than to handling their former guests’ reviews and ratings of their property. The findings also imply that the hosts may need to pay attention to their
use of language (e.g., correct grammar usage) when posting information about their property for rent. These practices may help ensure that individual hosts obtain more trust from their potential guests. Also, this study suggests that both Airbnb and its individual hosts can work together seamlessly in order to reduce uncertainty stemming from the hosts’ non-affiliated trait. For example, Airbnb may want to create a significant certification program for its individual hosts, and the hosts could be encouraged to participate in the program to earn the certification (or badge on the website) as a way of reducing the gap between professionalism and unprofessionalism. In this way, a potential guest could expect a certain level of guaranteed service quality from an individual host who has the certification or badge on the Airbnb website.

As mentioned in earlier chapters, one of the issues surrounding this rising trend (e.g., Airbnb) is that there are ongoing debates regarding perceptions of Airbnb and the Airbnb regulations. These lingering debates may be due to the fact that consumers and policy makers alike still do not know how to categorize or perceive Airbnb. Without an appropriate understanding of Airbnb, a policy maker would have a hard time preparing proper guidelines or regulations for the Airbnb business. The current study may help them (e.g., government) obtain a better understanding of the conceptual definition of Airbnb. Moreover, the findings of this study indicate that there are some unique attributes of Airbnb that are different from traditional lodging businesses. The results imply that a policy maker may need to consider and refer to those differences when placing appropriate regulations on Airbnb. Based on their non-affiliated characteristic, individual hosts may be considered differently from industry professionals (e.g., hoteliers) in the legislation process, for instance.
Limitations and Suggestions for Future Research

By using the two study phases, the main purpose of this study was to explore the antecedents of trust and perceived risk through a qualitative approach (Study Phase 1), and empirically test the hypothesized path relationships among perceived benefit, intention to choose Airbnb over hotels, trust and perceived risk, as well as those antecedents in the proposed S-O-R framework (Study Phase 2).

Although this research attempted to utilize samples resembling the U. S. population during the data collection process, the findings of this study may not be generalized beyond the context of the lodging industry. To reduce this concern, future studies may want to replicate the design and methodology of this study in different contexts. In this way, future research may be able to obtain findings with greater generalizability. Another potential limitation could stem from the qualification level of respondents. When recruiting samples, the researcher decided to include respondents who had an experience exploring the Airbnb.com website, but they were not required to have an experience with actually booking Airbnb accommodations. As a result, half of the respondents had had the experience of booking Airbnb accommodations, but the other half had not. Based on the increasing popularity of Airbnb, however, future researchers are encouraged to recruit only subjects who have had the experience of booking Airbnb accommodations. In this way, future studies may be able to achieve more generalizability of the findings.

This study examined the intention to select Airbnb over hotels by using trust, perceived risk, and antecedents of trust and perceived risk. However, trust and perceived risk can also be investigated in a different stage of the decision-making process. For example, customers may have different levels of trust and perceived risk during the pre-selecting, selecting, booking, and
post-booking processes. It would be essential for future studies to divide the decision-making process into several stages. This process may allow future researchers to see if there are any changes in trust and perceived risk across the different stages of the decision-making process.

To explore the antecedents of trust and perceived risk in selecting Airbnb, this study recruited sixteen informants to collect qualitative data in Study Phase 1. Although the qualitative approach has the advantage of collecting in-depth data from informants, the informants may not represent an entire group of hotel customers, defined as people who have had the experience of booking hotels in the past. Accordingly, future researchers may need to collect broader responses from a larger group of informants. In this way, it may be possible for future researchers to obtain broader perspectives on Airbnb and a better chance to identify more concepts related to Airbnb attributes.

Similarly, as the R square value reported in the results of PLS-SEM was 0.71, variables such as trust, perceived risk, and perceived benefit did not entirely explain the intention to choose Airbnb over hotels. In other words, there could be many additional factors that influence hotel customers’ intention to choose Airbnb over hotels. Future research may be able to find other variables that explain the intention to choose Airbnb over hotels through either a literature review or qualitative data analysis.

Meanwhile, future researchers may apply the research design and methodology of the current study to different areas beyond the lodging industry. This study used Airbnb as a representative of the sharing economy within the C2C business context in the lodging industry. This C2C lodging business was compared to traditional the B2C lodging business in terms of consumer behavior. Other than Airbnb, any of the new C2C businesses reflecting disruptive innovation can be applied to the current study’s model and design. Thus, future research should
test the current study’s model in different contexts. In addition, this study focused greatly on investigating the consumer perspective of Airbnb. To obtain a richer understanding of Airbnb, future researchers could investigate hoteliers’ perceptions of Airbnb as well by using the model of the current study.

Finally, there has been an ongoing debate about defining Airbnb in the lodging industry. Although the current study theoretically defines Airbnb based on relevant theoretical backgrounds, future studies may achieve a different view of Airbnb through in-depth qualitative analysis and thorough investigation of relevant theories. Such efforts would be essential for gaining a more comprehensive understanding of consumer behavior in the sharing economy or collaborative consumptions.
APPENDIX A

UNLV

UNLV Social/Behavioral IRB - Exempt Review
Exempt Notice

DATE: February 8, 2017

TO: Mehmet Erdem, Ph.D.
FROM: Office of Research Integrity - Human Subjects


ACTION: DETERMINATION OF EXEMPT STATUS
EXEMPT DATE: February 8, 2017
REVIEW CATEGORY: Exemption category #2

Thank you for your submission of New Project materials for this protocol. This memorandum is notification that the protocol referenced above has been reviewed as indicated in Federal regulatory statutes 45CFR46.101(b) and deemed exempt.

We will retain a copy of this correspondence with our records.

PLEASE NOTE:
Upon final determination of exempt status, the research team is responsible for conducting the research as stated in the exempt application reviewed by the ORI - HS and/or the IRB which shall include using the most recently submitted Informed Consent/As sent Forms (Information Sheet) and recruitment materials.

If your project involves paying research participants, it is recommended to contact Carisa Shaffer, ORI Program Coordinator at (702) 895-2794 to ensure compliance with subject payment policy.

Any changes to the application may cause this protocol to require a different level of IRB review. Should any changes need to be made, please submit a Modification Form. When the above-referenced protocol has been completed, please submit a Continuing Review/Progress Completion report to notify ORI HS of its closure.

If you have questions, please contact the Office of Research Integrity - Human Subjects at IRB@unlv.edu or call 702-895-2794. Please include your protocol title and IRBNet ID in all correspondence.
UNLV Social/Behavioral IRB - Exempt Review
Exempt Notice

DATE: March 22, 2017

TO: Mehmet Erdem, PhD

FROM: Office of Research Integrity - Human Subjects


ACTION: DETERMINATION OF EXEMPT STATUS

EXEMPT DATE: March 22, 2017

REVIEW CATEGORY: Exemption category #2

Thank you for your submission of New Project materials for this protocol. This memorandum is notification that the protocol referenced above has been reviewed as indicated in Federal regulatory statutes 45CFR46.101(b) and deemed exempt.

We will retain a copy of this correspondence with our records.

PLEASE NOTE:
Upon final determination of exempt status, the research team is responsible for conducting the research as stated in the exempt application reviewed by the ORI - HS and/or the IRB which shall include using the most recently submitted Informed Consent/Assent Forms (Information Sheet) and recruitment materials.

If your project involves paying research participants, it is recommended to contact Carisa Shaffer, ORI Program Coordinator at (702) 895-2794 to ensure compliance with subject payment policy.

Any changes to the application may cause this protocol to require a different level of IRB review. Should any changes need to be made, please submit a Modification Form. When the above-referenced protocol has been completed, please submit a Continuing Review/Progress Completion report to notify ORI HS of its closure.

If you have questions, please contact the Office of Research Integrity - Human Subjects at IRB@unlv.edu or call 702-895-2794. Please include your protocol title and IRBNet ID in all correspondence.
APPENDIX B

STUDY PHASE 1 QUESTIONNAIRE

A. Informed Consent

Trust in Airbnb - Qualitative (Study 1)

Trust in Airbnb Reservation (Sharing Economy) - Hotel Customers' Perceptions and Intention

Dear Respondents, Thank you for participating in this survey. My name is Sungsik Yoon, and I am a doctoral candidate at the University of Nevada, Las Vegas (UNLV). The purpose of this study is to examine perceptions and intentions of hotel customers (who stayed at a hotel at least once over the last 12 months) to use Airbnb as an accommodation option for their next trip. This qualitative survey consists of total 11 open-ended questions under 5 topic groups, and I would like to obtain your in-depth responses for each question. The first group of questions includes two questions regarding your awareness of Airbnb and your past experience with staying at Airbnb accommodation if you have any. The second group of questions also includes two questions asking your opinion about general accommodation booking process of your own. The third group of questions consists of four questions about three different types of trust in selecting Airbnb over traditional hotels or resorts. I strongly encourage you to spend most of your time to provide us your in-depth answers (min. 100 characters) for this group of questions. After that, the fourth group of questions includes two questions asking other factors in choosing Airbnb. Finally, the last group of question contains one question asking about your intention to choose Airbnb.com over traditional hotels or resorts. You may need to allocate approximately between 30 and 60 minutes to answer all question. Please describe your answers in detail as much as possible. All of your responses will be used for research purposes only and will be strictly treated in an ethical and confidential manner. If you have any questions or concerns about the study, you may contact Sungsik Yoon (sungsik.yoon@unlv.edu) or Dr. Mehmet Erdem (mehmet.erdem@unlv.edu). Your participation is voluntary that means you may refuse to participate in this study, or in any part of this study. You can withdraw at any time without prejudice to your relations with the university. Again, thank you for your time and cooperation. If you agree to participate in this study, please click "Proceed" below to start the survey.

For questions regarding the rights of research subjects, any complaints or comments regarding the manner in which the study is being conducted you may contact the UNLV Office of Research Integrity – Human Subjects at 702-895-2794, toll free at 877-895-2794, or via email at IRB@unlv.edu.

Your participation in this study is voluntary. You may withdraw at any time. You are encouraged to ask questions about this study at the beginning or any time during the research study via e-mailing the researchers indicated above. You may print this informed consent page for your records.

Participant Consent:

I have read the above information and agree to participate in this study. I am at least 20 years of age. I understand that my participation is voluntary and I can stop taking the survey at any time I
wish. I am able to print out this form and retain it for my records. By clicking the ‘proceed’ button below, I agree to participate in this survey.

- EXIT (1)
- PROCEED (2)

Condition: EXIT Is Selected. Skip To: End of Block.
B. Screeners

1. Are you 20 years old or older?
   - Yes (1)
   - No (2)

   Condition: No Is Selected. Skip To: End of Block.

2. Have you ever stayed at a hotel (or resort) over the last 12 months?
   - Yes (1)
   - No (2)

   Condition: No Is Selected. Skip To: End of Block.

3. Have you heard of Airbnb?
   - Yes (1)
   - No (2)

   Condition: No Is Selected. Skip To: End of Block.
C. Interview Questions

1. Have you had any experience making a reservation on Airbnb.com?
   - Yes (1)
   - No (2)

   Condition: Yes Is Selected. Skip To: If so, how frequent, and how long for....Condition: No Is Selected. Skip To: Next set of questions will ask your o....

1-1. If so, how frequently do you stay at Airbnb per year and what is the typical length of your stay?

1-2. What made you select Airbnb last time over a traditional hotel?

1-3. Are you willing to make another reservation on Airbnb over a traditional hotel, why?

Next set of questions will ask your opinion about general accommodation booking process of your own. Thinking about stages or processes in your accommodation booking.

2. Please describe your typical overnight accommodation booking stages or processes. (For example, using an Internet search engine to search overnight accommodations in your desired destination, using an online travel agency (OTA) etc.)

3. Regarding your online booking stages or processes, what are (will be) the similarities and differences between Airbnb and traditional hotel?

Next four questions will ask your opinion about your reservation (past or future) on Airbnb.com. Please provide us your opinion in details as much as you can do for this group of questions.

4. Describe three attributes of Airbnb that you trust. (For example, trust in Airbnb website, individual sellers, Airbnb accommodation listings, etc.)

5. Can you think of any factors related to Airbnb product (i.e., accommodation listing on Airbnb.com) that have influence on your trust? (For example, number of pictures available, quality of pictures, reviews of listing, ratings of listing, quality of information, etc.) How likely
do these factors influence your decision to book with Airbnb over traditional hotels? Please provide a detailed response.

6. Can you think of any factors related to an individual host (seller) on Airbnb that have influence on your trust? (For example, reviews of sellers, ratings of sellers, etc.) How likely do these factors influence on your decision to book Airbnb over traditional hotels? Please provide a detailed response.

7. Can you think of any factors directly related to Airbnb.com website that have influence on your trust? (For example, payment security, website reliability, website aesthetics, etc.) How likely do these factors influence your decision to book Airbnb over traditional hotels? Please provide a detailed response.

Next two questions will ask your opinion about other factors that influence your decision to choose Airbnb over traditional hotels or resorts.

8. Other than the three different types of trust you answered above, can you think of any other factors that influence your trust when you book Airbnb?

9. Apart from trust, what other factors can you think of that may influence your decision to book with Airbnb over traditional hotels?

Finally, the next question will ask your opinion about intention to select Airbnb.com over traditional hotels or resorts.

10. What type of over-night accommodation do you plan on using for your next trip, Airbnb or traditional hotel accommodation? Why?

11. The following questions are about demographics information. Again, your answer is anonymous. If you don't like to answer, please write "I don't want to answer this question."
D. Demographic Questions

1. What is your ethnicity?

2. What is your age?

3. What is your gender?
   - Male (1)
   - Female (2)
   - I don't want to answer to this question. (3)

4. What is your employment status?
   - Full-time (1)
   - Part-time (2)
   - Unemployed (3)
   - I don't want to answer to this question. (4)
   Condition: Full-time Is Selected. Skip To: What is your primary job title?.
   Condition: Part-time Is Selected. Skip To: What is your primary job title?.
   Condition: Unemployed Is Selected. Skip To: Regarding your most recent hotel or A....
   Condition: I don't want to answer to t... Is Selected. Skip To: Regarding your most recent hotel or A....

5. What is your primary job title?

6. Regarding your most recent hotel or Airbnb stays, where did you stay? (e.g., Airbnb, Marriott, Hilton, Hyatt, etc.)?
APPENDIX C

STUDY PHASE 2 QUESTIONNAIRE

A. Informed Consent

Trust in Airbnb - Quantitative (Study 2)

Trust in Airbnb Reservation (Sharing Economy) - Hotel Customers' Perceptions and Intention Dear Respondents, The purpose of this study is to examine the perceptions and intentions of hotel customers towards using Airbnb as an accommodation option for their next trip. You are being asked to participate in the study because you meet the following criteria: An adult who is at least 20 years old, aware of the concept of Airbnb, living in the U. S., and has stayed at a hotel in the last 12 months. All your responses will be only used for research purposes, and will be strictly treated in an ethical and confidential manner. If you have any questions or concerns about the study, you may contact the student/fellow investigator, Mr. Sungsik Yoon (sungsik.yoon@unlv.edu) or to the project Principal Investigator, Dr. Mehmet Erdem (mehmet.erdem@unlv.edu). Your participation is voluntary, which means that you may refuse to participate in this study, or in any part of this study. All information gathered in this study will be kept completely confidential and anonymous. No reference will be made in written or oral materials that could link you to this study. You can stop taking the survey at any time.

If you volunteer to participate in this study, you will be asked to do the following: answer the quantitative questions about perceptions and intentions to choose Airbnb over hotels. This study includes only minimal risks; you will be asked about your feelings towards Airbnb. The study will take approximately 8-10 minutes of your time.

For questions regarding the rights of research subjects, any complaints or comments regarding the manner in which the study is being conducted you may contact the UNLV Office of Research Integrity – Human Subjects at 702-895-2794, toll free at 877-895-2794, or via email at IRB@unlv.edu.

Your participation in this study is voluntary. You may withdraw at any time. You are encouraged to ask questions about this study at the beginning or any time during the research study via e-mailing the researchers indicated above. You may print this informed consent page for your records.

Participant Consent: I have read the above information and agree to participate in this study. I am at least 20 years of age. I understand that my participation is voluntary and I can stop taking the survey at any time I wish. I am able to print out this form and retain it for my records. By clicking the ‘proceed’ button below, I agree to participate in this survey.
B. Screeners

1. Are you 20 years old or older?
   - Yes (1)
   - No (2)
   **Condition: No Is Selected. Skip To: End of Block.**

2. What is your age? Please type in a number.
   **Condition: What is your age? Please ty... Is Less Than 20. Skip To: End of Block.**

3. Have you ever stayed at a hotel over the last 12 months?
   - Yes (1)
   - No (2)
   **If No Is Selected, Then Skip To End of Block**

4. Have you ever visited and explored the Airbnb.com website?
   - Yes (1)
   - No (2)
   **Condition: No Is Selected. Skip To: End of Block.**
C. Survey Questions

1. Have you ever booked an accommodation on Airbnb?
   - Yes (1)
   - No (2)

2. How many nights did you spend during your last hotel stay?
   - 1 night 2 days (1)
   - 2 nights 3 days (2)
   - 3 nights 4 days (3)
   - 4 nights 5 days (4)
   - More than 4 nights (5)

3. What was the primary purpose of your trip when you last stayed at a hotel?
   - Leisure Only (1)
   - Business Only (2)
   - Both Leisure and Business (3)

4. If you were to book your next trip on Airbnb, what would be the main purpose of your travel?
   - Leisure (1)
   - Business (2)
   - Both Leisure and Business (3)
5. When answering the following questions please read each statement carefully and think about your most recent experience when exploring Airbnb.com or booking an accommodation with Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

Strongly disagree (1)  Disagree (2)  Somewhat disagree (3)  Neither agree nor disagree (4)  Somewhat agree (5)  Agree (6)  Strongly agree (7)

The screen design of Airbnb.com (i.e., colors, boxes, navigation bars, etc.) is attractive.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

The Airbnb website looks professionally designed.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

The overall look and feel of the website is visually appealing.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

The Airbnb website is always functional when booking my accommodation.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

The Airbnb website does not crash.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

Website pages at Airbnb.com do not freeze or crash after I enter my information.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

Airbnb website secures my identity when processing the transactions received from me.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

The Airbnb website typically displays a summary of the payment information (cost, payee…) and the final payment amount.
The Airbnb website has customer service representatives available online.

The Airbnb website offers the ability to speak to a live person if there is a problem.

The Airbnb website provides a telephone number to reach the company.

It is easy to get the Airbnb website to do what I want.

The Airbnb website is easy to use.

I can easily navigate the Airbnb website.

The Airbnb website provides good navigational tools to search the information provided.

The Airbnb website provides various filtering options when searching for an accommodation, thus meeting my requirements on quality and budget.
6. When answering the following questions please read each statement carefully and think about your most recent experience when exploring Airbnb.com or booking an accommodation with Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

Strongly disagree (1)  Disagree (2)  Somewhat disagree (3)  Neither agree nor disagree (4)  Somewhat agree (5)  Agree (6)  Strongly agree (7)

Pictures of the accommodation options on the Airbnb website provide a good opportunity to learn about the accommodation options available.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

Pictures of the accommodation options available on the Airbnb website increase my confidence in the booking decisions I make.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

Pictures of the accommodation options help me evaluate alternative accommodations provided on the Airbnb website.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

Descriptions of the accommodation options on the Airbnb website provide a good opportunity to learn about the accommodation options available.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

Descriptions of the accommodation options available on the Airbnb website increase my confidence in the booking decisions I make.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)

Descriptions of the accommodation options help me evaluate alternative accommodations on the Airbnb website.

☐ (1)  ☐ (2)  ☐ (3)  ☐ (4)  ☐ (5)  ☐ (6)  ☐ (7)
The Airbnb website maintains information about the accommodation options available at an appropriate level of detail for my purposes.

☐ (1) ☐ (2) ☐ (3) ☐ (4) ☐ (5) ☐ (6) ☐ (7)

The information about the accommodation options on the Airbnb website is up-to-date enough for my purposes.

☐ (1) ☐ (2) ☐ (3) ☐ (4) ☐ (5) ☐ (6) ☐ (7)

Higher frequency of renting history of an Airbnb accommodation increases my confidence in the booking decisions I make.

☐ (1) ☐ (2) ☐ (3) ☐ (4) ☐ (5) ☐ (6) ☐ (7)

Accommodation reviews provide a good opportunity to determine if an accommodation meets my criteria.

☐ (1) ☐ (2) ☐ (3) ☐ (4) ☐ (5) ☐ (6) ☐ (7)

Accommodation reviews on the Airbnb website increase my confidence in the booking decisions I make.

☐ (1) ☐ (2) ☐ (3) ☐ (4) ☐ (5) ☐ (6) ☐ (7)

Accommodation reviews on the Airbnb website help me evaluate alternatives.

☐ (1) ☐ (2) ☐ (3) ☐ (4) ☐ (5) ☐ (6) ☐ (7)

Accommodation ratings on the Airbnb website help me make my booking decision.

☐ (1) ☐ (2) ☐ (3) ☐ (4) ☐ (5) ☐ (6) ☐ (7)

When I book an accommodation on the Airbnb website, the Airbnb consumer ratings make me feel confident about my decision.

☐ (1) ☐ (2) ☐ (3) ☐ (4) ☐ (5) ☐ (6) ☐ (7)
There is detailed information about accommodation options and their locations on the Airbnb website.

Location reviews on the Airbnb website of an accommodation makes it easier to imagine what a place will look like.

Location reviews on the Airbnb website of an accommodation provide good opportunities to learn about the location.

7. When answering the following questions please read each statement carefully and think about the information provided about the hosts on Airbnb.com or your most recent experience with individual hosts when using Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

Photos of individual hosts on the Airbnb website make me confident when booking an accommodation.

The longer an individual host has been in the Airbnb accommodation list, the more confident I feel about booking with that host.

Reviews on individual hosts provide a good opportunity to learn about the hosts.

Reviews on individual hosts increase my confidence in the decisions I make.
Reviews on individual hosts help me evaluate alternatives.

When I book an Airbnb accommodation, the ratings on individual hosts help me make my decision.

When I book an Airbnb accommodation, the ratings on individual hosts makes me confident about the product (e.g., accommodation) I am purchasing.

Individual hosts who respond to reviews written by guests increases my confidence.

Individual hosts on Airbnb listings are not professional while hotel employees are.

I cannot expect the degree of professional service from individual hosts on Airbnb to be similar to that from hotel employees.

Individual hosts in Airbnb maintain an appropriate level of accuracy of information about their properties.

The accommodation information posted by individual hosts on the Airbnb website is up-to-date enough for my purposes.
Individual hosts who use professional language (e.g., correct grammar) in posting details about their accommodations on the Airbnb website impact my confidence level in their product.

8. When answering the following questions please read each statement carefully and think about your most recent visit to the Airbnb.com or your experience when booking with Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

   Strongly disagree (1)  Disagree (2)  Somewhat disagree (3)  Neither agree nor disagree (4)  Somewhat agree (5)  Agree (6)  Strongly agree (7)

Airbnb is trustworthy.

Airbnb gives the impression that it keeps promises and commitments.

I believe that Airbnb has my best interests in mind.

9. When answering the following questions please read each statement carefully and think about your most recent visit to the Airbnb.com or your experience when booking with Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

   Strongly disagree (1)  Disagree (2)  Somewhat disagree (3)  Neither agree nor disagree (4)  Somewhat agree (5)  Agree (6)  Strongly agree (7)

Purchasing from Airbnb would involve more product risk (i.e. not working, fake accommodation list) when compared with a traditional hotel room booking.
Purchasing from Airbnb would involve more financial risk (i.e. fraud, hard to return) when compared with a traditional hotel room booking.

Overall, I would rate Airbnb as a riskier booking option when compared with a traditional hotel room booking.

10. When answering the following questions please read each statement carefully and think about your most recent visit to the Airbnb.com or your experience when booking with Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

- Strongly disagree (1) Disagree (2) Somewhat disagree (3) Neither agree nor disagree (4) Somewhat agree (5) Agree (6) Strongly agree (7)

I think using Airbnb is convenient.

I can save money by using Airbnb.

I can save time by using Airbnb.

Using Airbnb enables a confirmed reservation faster than when booking a traditional hotel room.
Using Airbnb increases my productivity in the booking process (e.g., make purchase decisions or find product information within the shortest time frame).

11. When answering the following questions please read each statement carefully and think about your most recent visit to the Airbnb.com or your experience when booking with Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

Strongly disagree (1) Disagree (2) Somewhat disagree (3) Neither agree nor disagree (4) Somewhat agree (5) Agree (6) Strongly agree (7)

I am likely to make a reservation on Airbnb over traditional hotels for my future accommodation requirements.

I am likely to recommend Airbnb more than traditional hotels to my friends.

I am likely to make another reservation with Airbnb than with traditional hotels if I need the accommodation.

12. When answering the following questions please read each statement carefully and think about your most recent visit to the Airbnb.com or your experience when booking with Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

Strongly disagree (1) Disagree (2) Somewhat disagree (3) Neither agree nor disagree (4) Somewhat agree (5) Agree (6) Strongly agree (7)

I generally trust traditional hotels for my accommodation options.
I tend to count upon traditional hotels.

I tend to trust traditional hotels even when I am unfamiliar with a particular lodging brand.

Trusting traditional hotels is easy.

It is easy to trust traditional hotels.

13. When answering the following questions please read each statement carefully and think about your most recent visit to the Airbnb.com or your experience when booking with Airbnb. Please indicate your level of agreement using the following scale where, 1 indicates “strongly disagree”, and 7 indicates “strongly agree”.

Strongly disagree (1) Disagree (2) Somewhat disagree (3) Neither agree nor disagree (4) Somewhat agree (5) Agree (6) Strongly agree (7)

Overall, I am familiar with Airbnb as a consumer.

I am familiar with searching for items on Airbnb.

I am familiar with the process of booking on Airbnb.
I am familiar with booking an accommodation on Airbnb.

I am familiar with booking an accommodation on Airbnb.

I am familiar with booking an accommodation on Airbnb.
D. Demographic Questions

1. What is your sex?
   Male (1)
   Female (2)

2. What is the highest level of education you have attained?
   Less than High School (1)
   High School/GED (2)
   Some college (3)
   2-Year College Degree (Associates) (4)
   4-Year College Degree (BA, BS) (5)
   Master's Degree (6)
   Doctorate Degree (7)
   Professional Degree (MD, JD) (8)

3. What is your race?
   Caucasian (1)
   African American (2)
   Hispanic or Latino (3)
   American Indian or Alaska Native (4)
   Asian (5)
   Native Hawaiian or Pacific Islander (6)
   Other (7) ____________________

Condition: Other Is Selected. Skip To: End of Block.
Condition: American Indian or Alaska N... Is Selected. Skip To: End of Block.
REFERENCES


Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research, 18*(3), 382-388.


CURRICULUM VITAE
Date: May 2017

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