Transformative experiences via Airbnb: Is it the guests or the host communities that will be transformed?

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Abstract

Purpose – The purpose of this paper is to describe how the growing presence of Airbnb rentals, resulting partly from tourists' increasing desire for transformative travel experiences, is ironically much more transformative for the host communities than the tourists themselves.

Design/methodology/approach – This paper provides a conceptual analysis linking the motivations of Airbnb guests with the impacts of Airbnb on host communities. It uses an experience economy lens, and is based on a review of the academic literature and of media stories related to Airbnb.

Findings – Many tourists are increasingly seeking transformative travel experiences, and Airbnb commonly will be appealing to such tourists. However, the capacity of Airbnb lodging to independently foster personal transformation is questionable. On the other hand, there is little doubt that Airbnb and its guests are producing significant transformations in host communities.

Originality/value – This paper contributes toward understandings of Airbnb and its impacts on destinations around the world. It, for the first time, links Airbnb guests' travel motivations with Airbnb's community impacts, and in doing so demonstrates parallels with past critiques of alternative tourism. This paper is also one of the first to examine Airbnb from the perspective of the experience economy.

Keywords Authenticity, Experience economy, Sharing economy, Airbnb, Short-term rental, Tourism impacts

Paper type Trend paper

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The act of tourism is essentially a collecting of experiences, and the quest for authentic, unique, and memorable experiences long has been recognized as an integral driver of modern day travel. For example, in his seminal work on the authenticity of tourism experiences, MacCannell (1976) wrote, "The value of such things as [trips, events, and sights] is not determined by the amount of labor required for their production. Their value is a function of the quality and quantity of *experience* they promise" (italics in the original) (p. 23). The importance of such experience-making is arguably greater today than ever before, as evidenced by the abundance of travel suppliers branding their (sometimes fairly mundane) services as "experiences" (Sheivachman, 2018). This ongoing shift toward an experience-oriented paradigm, which looks to continue well into the future, is particularly obvious in the lodging sector. In fact, Gilmore and Pine (2002), originators of the "experience economy" concept, specifically described how the lodging sector was ripe for an experiential overhaul because it had become characterized by a high degree of commoditization. Gilmore and Pine (2002) offered various examples of hotels striving to create more experiential stays, and many more examples abound today. For instance, Marriott's recently launched Moxy brand consists of "experiential hotel[s]" that encourage "communal engagement" (Marriott International, 2018); Wyndham is incentivizing its guests to be phone-free (and therefore more socially interactive) at its hotel pools (Williams, 2018); myriad luxury hotels have begun offering cultural and artistic programming (Shankman, 2019); and numerous hotel companies, including Four Seasons and Hilton, have begun offering curated excursions.

Despite such developments in the hotel industry, discussions about memorable tourism lodging experiences frequently revolve around Airbnb, the largest and most prominent company in the

quickly growing peer-to-peer short-term rental industry (Ting, 2019). In fact, hotels' forays into experience-making are often perceived as reactions to Airbnb's rise because experiential lodging is intrinsic to Airbnb's brand and product DNA in a way that it is not with hotels (Bearne, 2018). Rather than staying in a potentially bland and generic hotel room, Airbnb accommodations can offer the prospect of staying in a local's home, being based in a residential neighborhood, and interacting with a local "host." As Airbnb co-founder Nathan Blecharczyk stated several years back, "We're not just a provider of accommodation, we're a provider of experiences. And so we're thinking about, 'How do we make those experiences meaningful in terms of being local, authentic?'" (Fung, 2013). The opportunity to experience a destination like a local is central to Airbnb's branding (Yannopoulou et al., 2013) and is flaunted throughout its marketing. For example, a recent Airbnb ad campaign featured the tagline "Don't go there. Live there," and Airbnb's Chief Marketing Officer described the campaign as tapping into travelers' desire for unique local experiences (Richards, 2016). Moreover, Airbnb's logo signifies "Belong anywhere," and for publicity Airbnb frequently holds contests to give away extraordinary lodging experiences, like spending a night beneath the Louvre's glass pyramid. Furthermore, like some hotels, Airbnb recently began offering tours and activities, dubbed "Airbnb Experiences."

Research on Airbnb has confirmed the importance of its ability to foster authentic and memorable experiences. For example, Birinci et al. (2018) surveyed both Airbnb and hotel guests, and found the former felt they had a more authentic experience. Guttentag et al. (2018) and Paulauskaite et al. (2017) both found Airbnb guests were primarily motivated by practical considerations (e.g. cost and location), but the guests' desire for authentic and novel experiences was important as well. Paulauskaite et al. concluded authentic experiences via Airbnb related to three themes – the lodging, the host interaction, and the local culture. As one of their interviewees stated, "[Airbnb] contributes to more colourful and unforgettable experience[s]" (p. 624). Likewise, Johnson and Neuhofer (2017) and Camilleri and Neuhofer (2017) examined Airbnb through the lens of value co-creation and highlighted the value derived from various experiential facets of Airbnb, including interacting with the host and surrounding community, traveling like a local, and engaging in cultural learning.

Experience-making clearly is increasingly important in tourism lodging, and Airbnb clearly is well-suited to facilitate memorable lodging experiences. However, Pine and Gilmore's more recent iteration of their "Progression of Economic Value" model (from commodities to goods to services to experiences) has added a fifth and final level-"transformations" (Pine and Gilmore, 2013). Transformative experiences are those that foster self-actualization and change the customer in a qualitative way (Pine and Gilmore, 2013), and modern consumers are increasingly drawn to products promoting such personal transformations (Oskam and Boswijk, 2016). This ongoing evolution in customer attitudes is directly related to tourism because travel has long been valued for its transformative potential (Robledo and Batle, 2017), and modern travel brands are increasingly highlighting this potential in their messaging (Oates, 2017). As Pine remarked in an interview, "[The travel industry is] now using experiences as the raw material to guide people to change and evolve," and travel brands are shifting from a focus on the external journey to the internal journey (Oates, 2017). Perhaps unsurprisingly, Airbnb is one travel brand that has incorporated the allure of "transformation" into its branding; for example, a recent Airbnb press release described new product features as "designed to bring the transformative benefits of local, personal and authentic travel to every type of traveler" (Airbnb, 2018).

However, the degree to which Airbnb actually can foster personal transformation is questionable. Although tourists seeking transformative experiences may be attracted to Airbnb, and Airbnb stays may contribute toward broader transformative travel experiences, transformational travel is a holistic experience (Robledo and Batle, 2017) that should generally require more than a particular type of lodging. In other words, whereas Airbnb lodging may provide memorable experiences on its own, the lodging typically should only play a contributing role (at most) toward a genuinely transformative experience. Moreover, the potential for many Airbnb units to contribute toward transformative experiences any more so than other types of lodging is dubious. The majority of Airbnb units are entire homes in which social interaction with the host will be limited or nonexistent, and a sizable percentage of Airbnb units are available for over 90 days per year and/or owned by a host with multiple listings, meaning the units probably are not hosts'

primary residences and therefore will not exhibit the local authenticity of an actual home (Abdar and Yen, 2017; Crommelin et al., 2018). Moreover, Airbnb's future evolution seems to entail a shift toward greater professionalization, which similarly will make the lodgings less unique and, in turn, even less transformative.

While Airbnb may not typically transform its guests, there is little doubt that the guests seeking memorable and transformative experiences via Airbnb are beginning to transform many host communities, as Airbnb is injecting its guests directly into residential neighborhoods and buildings in a way that hotels never have. Several decades back, in his critique of alternative tourism, Butler (1990) elucidated the concerns surrounding tourism that places tourists and locals in such high proximity. Butler labeled alternative tourism a "Trojan horse" that was being uncritically welcomed even though tourism is inevitably an agent of change and "alternative forms of tourism penetrate further into the personal space of residents, [involving] them to a much greater degree" (p. 41). Any negative impacts of tourism therefore are amplified in such close quarters. The parallels with Airbnb are obvious and the warnings for the future are clear, as the company has swathed itself in the positive rhetoric of sharing and sustainability, yet is penetrating deep into residential spheres and unleashing various transformative negative impacts on host communities (O'Regan and Choe, 2017).

Airbnb has expanded extremely swiftly since its launch just over ten years ago, with the company recently reporting that it had six million listings around the world and had hosted 500m stays (Airbnb, 2019). These numbers, however, soon will be outdated, as Airbnb's rapid growth is nearly guaranteed to continue at least into the near future. Airbnb's six million listings not only exceed the room capacity of the top five worldwide hotel companies combined (Hartmans, 2017), they also are geographically distinct from hotels. Like hotels, Airbnb listings often concentrate in city centers and tourist districts, but Airbnb's inventory frequently penetrates deeper into residential areas (Alizadeh et al., 2018; Gutiérrez et al., 2017; Ioannides et al., 2018). For example, based on their analysis of Airbnb's geographic dispersion in Utrecht, Netherlands, Ioannides et al. concluded that Airbnb "can be an important force of further touristification" in neighborhoods outside the traditional "tourist bubbles" (p. 7).

This touristification process involves the transformation of housing from residential homes to short-term tourist rentals, as rent increases price out long-term residents, investors purchase housing units (which can be rented out most lucratively as short-term rentals), and locals further leave due to disenchantment with the hollowing out of their neighborhoods and the daily disruptions that accompany the tourists (Gant, 2016). In short time, the scale of Airbnb's footprint in some high-density neighborhoods has become quite significant; for example, Gant (2016) found that in some parts of Barcelona, like the Gothic Quarter, Airbnb rentals represented up to 17 percent of homes, and Perkins (2019) reported that in some areas of New Orleans Airbnb was present on 45 percent of parcels. As a consequence, the number of actual permanent residents can drop – Mead (2019) reported that the number of residents living in the Gothic Quarter had decreased by 45 percent in 12 years, and the mayor of Paris has partly blamed short-term rentals for population declines in several central arrondissements (Griswold, 2017).

This touristification of residential areas in turn is transforming the fabric of these communities. For example, Jordan and Moore (2018) interviewed Hawaiians about the impacts of vacation rentals and found damage to the sense of community was the most frequently mentioned negative impact. As one interviewee remarked, "I care about having a neighbor, I care about knowing who's next to me and what their name is, where do you work, you know? [...] This thing is changing the sense of place of the neighborhood. It's changing the feel of it with almost a revolving door of strangers" (p. 96). This issue also has featured heavily in media stories about Airbnb's impacts. For example, in explaining Airbnb's impact on New Orleans' historic and traditionally African American Treme neighborhood, Perkins (2019) described, "Now Treme moves in an unnatural rhythm. For about half of each week, the number of tourists drops and many blocks are 'like a ghost town,' [one resident] said. Each Thursday, the tourists return, filling hundreds of units. Suddenly, Treme is alive with groups of drunk, mostly white college-aged kids." As this example highlights, not only is Airbnb transforming communities in terms of the people and the local businesses that cater to them, but the presence of tourists is also

disrupting some residents' everyday lives. Daily nuisances commonly associated with Airbnb include parties, noise, trash accumulation, traffic, and parking (Guttentag, 2017; Gurran and Phibbs, 2017).

Given such issues, it is unsurprising that some host community residents are increasingly displeased with the proliferation of Airbnb. Research has demonstrated that residents' proximity to tourism can exacerbate perceptions of its negative externalities (Faulkner and Tideswell, 1997), and rapid community transformations involving social disruption exert a negative impact on residents' perceived quality of life (Perdue et al., 1999). In other words, it is the nature of Airbnb tourism, rather than its volume per se, that makes its impacts so acute. Airbnb predictably is becoming a significant and contentious policy topic in destinations around the world, from Auckland to Bangkok to Cape Town to Denver to Edinburgh to Frankfurt to Geneva to Hong Kong, and beyond. However, while short-term rental regulation is becoming an increasingly important component of destination management, actually managing the short-term rental industry is proving particularly challenging because the rentals are so easy for hosts to establish and so difficult to accurately monitor (Guttentag, 2017). Somewhat ironically then, much like tourism itself has been criticized along similar lines, as Airbnb continues to grow it could be blamed in the future for cannibalizing the authentic local experiences it is meant to deliver, as neighborhoods brimming with Airbnb rentals may lose the local authenticity that Airbnb guests are seeking out in the first place.

While this paper has focused on some of the challenges associated with Airbnb's transformative impacts, it is important to recognize that Airbnb experiences can bring many benefits as well. In particular, Airbnb provides hosts with financial support, it can foster intercultural social interaction (Karlsson and Dolnicar, 2016), and it spreads tourism spending to some residential areas that have not historically enjoyed such spending. Moreover, some issues blamed on Airbnb may result from excessive tourism more generally, and Mody (2018) found that residents' attitudes toward Airbnb were not as negative as media stories often suggest.

Nevertheless, the concerns and issues arising from Airbnb deserve thoughtful future consideration by academics, industry practitioners, and policymakers, as these issues will become increasingly important as Airbnb continues to grow, and as more destinations begin to resist the consequences of overtourism more generally. A combination of short-term rental monitoring software and more aggressive legal maneuvering likely will allow destinations to better manage Airbnb in the future, yet it also seems inevitable that Airbnb will evolve from its current status as a disruptive and contentious startup, to eventually be accepted as a more traditional segment of the tourism lodging sector. However, in doing so, Airbnb inevitably also will become a more traditional and accepted feature of communities around the world. By catering to tourists' demand for memorable and transformative experiences deep within host communities, Airbnb will continue eroding the invisible barriers between the tourist sphere and the residential sphere, and will make tourism a more visible and tangible feature of many host community residents' everyday lives.

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