

## Evaluating the effect of AIRBNB's perceived benefits to travelers in India in relation to tourist facilities and destination.

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### Abstract

Today, visitors' priorities having fulfilling travel experiences. They not only want to see new destinations, but also want to experience those areas fully. Living locally is the best way to do this. When hotels can't match the authenticity that a guest could feel as a local, they still lack some key components despite their beauty and glitz. It's crucial with Airbnb that visitors put their trust and confidence in the hosts as well as the actual property. The purpose of this study paper is to outline and describe the perceived advantages for Indian tourists travelling overseas who book using unusual ways, like online through Airbnb.

**Keywords:** Local experiences, Indian travel destinations, travel, alternative accommodation, Airbnb.

### Introduction

The idea of Airbnb appears to have a market of its own given the rise in Indian tourists travelling each year and the desire to have a memorable vacation. Airbnb is a market leader in the lodging industry where visitors can rent houses, properties, or extra rooms from their hosts. There are many variables that contributed to Airbnb's enormous popularity, but the financial one is the main one. From the perspective of the host, having an extra room or bedroom is valuable because there is a wide range of possibilities available where one may receive quality lodging at an affordable price.

In addition to the financial advantages, many Indian tourists want to experience local life and obtain advice from residents about the best locations to go, cultures to encounter, and foods to try. All of this is available for less money than one would spend on hotel accommodations. Since its 2009 launch, Airbnb has gone from helping 21,000 visitors a year find lodging to helping six

million people travel each year, and it now boasts an incredible 800,000 units listed in 34,000 cities throughout 90 different countries. There are undoubtedly concerns about Airbnb's potential future effects on the traditional lodging industry due to its rapid growth.

In large part, Airbnb has been successful in reviving the authentic feel of travel. Indian visitors of today prefer to take part in community-based activities, therefore the act of meeting strangers on their own soil must be appropriate and alluring. Since the quality of Airbnb symbolizes a more genuine experience, unique experiences are valued more highly. The sensation of familiarity and local knowledge contribute to the uniqueness of an experience. Location and cost are two more characteristics that guests value in addition to authenticity. The business often provides an internet platform, which lowers the costs associated with connecting people. Furthermore, prices could drop if supply grows but demand stays the same. Considering this, Airbnb today has more variety and rooms available than some hotel businesses.

### Objectives

1. To recognize the level of Airbnb awareness among tourists.
2. Identify the driving forces behind travellers' decision to use Airbnb.
3. Research consumer preferences for Airbnb features, as well as any benefits or drawbacks compared to other types of lodging.
4. To learn more about the traits that make up the profiles of Airbnb visitors.

### Research Methodology

This study's major goal is to determine how Airbnb is regarded to aid country tourists, particularly in terms of the amenities offered at each site and visitor satisfaction. In order to collect multidimensional data for this work, a quantitative research methodology was applied. Through the snowball sampling method, respondents were attracted from social media sites like Facebook. The questions used a Likert scale, multiple choice options, and brief open-ended questions. The approach uses a self-administrated online survey that was completed by either Indian visitors who had previously used Airbnb or visitors who had not yet used it but were considering it. The results of surveys are presented and discussed appropriately after their analysis. The study demonstrates that some factors play a significant role in a traveler's decision-making process when it comes to lodging options.

## Literature Review

In 2016, John W. Byers wrote a paper titled "The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry" that discussed Airbnb. This paper recognizes the proponents of the sharing economy, also known as the growing demand for lodging sharing while travelling and its benefits to the tourism industry and its direct customer markets, which have emerged as optional providers of new Airbnb entrepreneurship. By considering the use of Airbnb, the article examines how the sharing economy affects the resident's finances. The study introduces Airbnb to Texas and assesses its impact on the state's accommodation sector over the next ten years.

In his essay titled "The Economic Costs and Benefits of Airbnb," Josh Bivens (2019) places a strong emphasis on the findings that include the viability of Airbnb as a first choice for lodging. According to the study, Airbnb's rental business generates revenue by charging travellers to stay in privately owned homes or condominiums that have been reserved through the Airbnb website. The emergence and growth of Airbnb are raising concerns about its potential negative effects on local lodging costs, resident satisfaction in private neighborhoods, industry quality in the lodging industry, and local governments' ability to uphold civil codes and collect appropriate duties.

Thesis on "Why Tourists Choose Airbnb: A Motivation-Based Segmentation Study Underpinned by Innovation Concepts" was delivered by Daniel Adams Guttentag in 2016. This research paper's investigation of new ways of thinking about visitor preferences during international travel for lodging decisions. The topic of Airbnb seems to be the one that the entire tourism industry is talking about the most right now. The study also notes that a significant portion of the research articles and media reports used to support this notion were only published within the past year or close by, well after the project's inception. With little indication that its growth would slow down the hotels in any meaningful way anytime soon, Airbnb has recently shaken up the travel business. It is extremely unusual and interesting how quickly it has altered the travel industry sector. Although there are many unknowns about the future, it is hoped that this research will give all of the important partners a better understanding of the consumer motivations that serve as the foundation for these advancements.

In India, where Airbnb is expanding, we project that the causal effect on hotel income would be in the 8–10% range; furthermore, the impact will not be uniform, with budget hotels and those that don't cater to business travellers suffering the most. Less aggressive hotel room pricing is the main way the impact is felt, and it helps all customers, not just sharing economy members. Because peer-to-peer systems enable instantaneous supply to scale to meet demand, the price reaction is most noticeable during periods of high demand.

Utilizing another person's private space and environment is an experience that appeals to our senses, our curiosities, and our exploratory minds. According to Boswijk, Peelen, and Olthof (2013/2015), the experiences involved are anticipation, discovery, wonder, uniqueness, doing, going through, and significance. According to Jantzen (2013), a sense of awe distinguishes between an ordinary experience and one that is transformative. The ability to live like a local in a real local's house is one of the unique experience value propositions that Airbnb facilitates. The personality and design of the house being rented from the owners, as well as the particular location and context, all convey this distinctiveness. The Airbnb experience value proposition is defined as: paying a fair fee to stay in an authentic area where you would ordinarily not go and meet people you would ordinarily not meet.

The average Airbnb visitor is highly educated, has a higher than average income, travels frequently, has been to the city before, and is searching for a new experience to fully immerse himself or herself in the city, according to Airbnb's statistics and analytics. According to Molly Turner's 2014 interview with Airbnb, their average age is about 37. 93% of Airbnb visitors say they want to "live like a local" and are seeking a more genuine experience. They want to stay away from beaten paths (89%). Surprisingly, many are self-employed professionals. They prefer to stay away from tourist hotspots. The average Airbnb stay is 3.8 nights, compared to 1.9 nights for hotels, per our research's findings (Oskam & Boswijk, 2016) (Airdna Amsterdam, 2016).

These figures support the finding that travellers stay 4 nights on average worldwide, compared to 1.9 nights on average in hotels (Learning Airbnb, 2016). An extended stay is typically preferred by Airbnb users. According to statistics, people in their 50s are the age group that is increasing the fastest. This Airbnb user profile is representative of a prior hypothesis put out by research on the concept of Cultural Creatives (Ray & Anderson, 2001). People who are more aware of the most recent developments, who take cultural initiatives, who promote social advances, and who

are conscious of our world and its finite resources are referred to as "Cultural Creatives." This profile requires additional empirical investigation and validation.

**Data Analysis and Interpretation**

Awareness of the concept of Airbnb

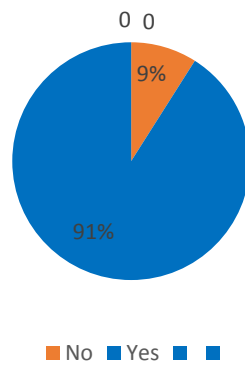


Fig. 1

According to the aforementioned research, 91% of respondents are aware of Airbnb, while only 9% of respondents are not. This indicates that Airbnb has a large following and that the general public is highly aware of its existence.

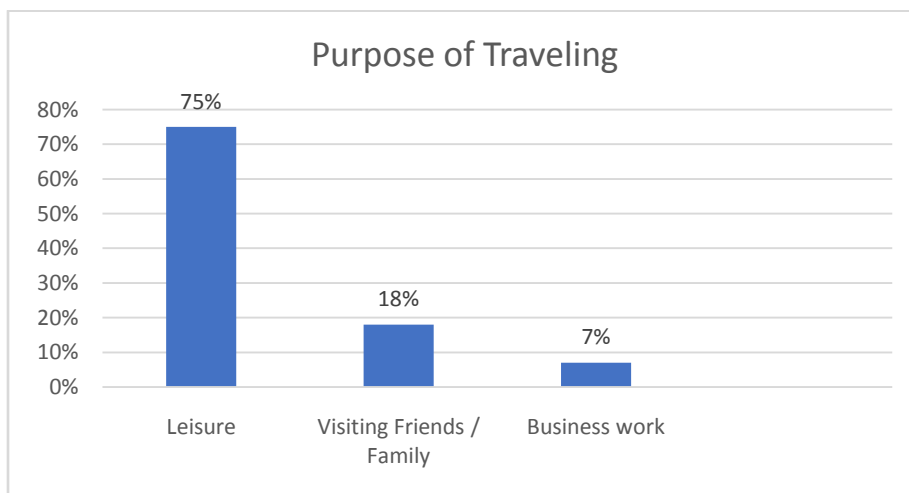


Fig. 2

The poll was done with a sample size of people who are avid travellers for that purpose. According to the report, 75% of tourists go for leisure and only 7% for business purposes, however 18% of visitors intend to visit friends and family while they are away. If Airbnb is promoted to a certain group, these findings may be helpful.

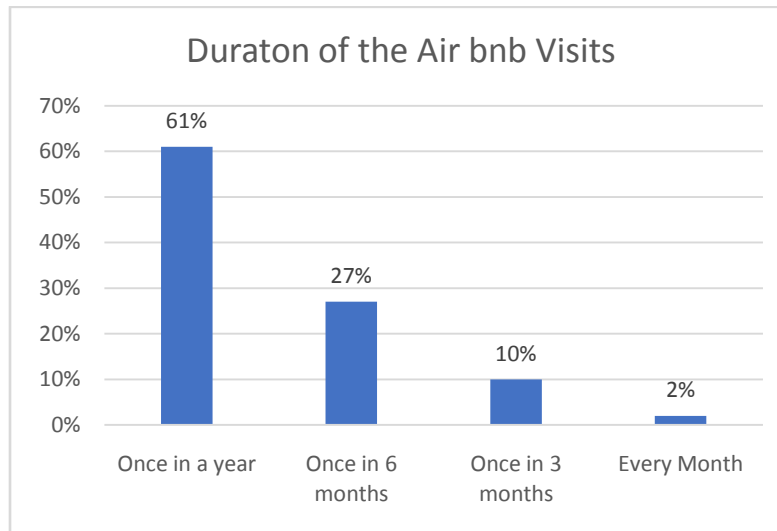


Fig. 3

The survey was intended to determine how frequently consumers travelled across India and whether they might become future Airbnb clients. 61 percent of visitors travelled just once annually, 27 percent travelled once in 6 months, and 10 percent travelled once in 3 months and 2 percent people travelled almost every month.

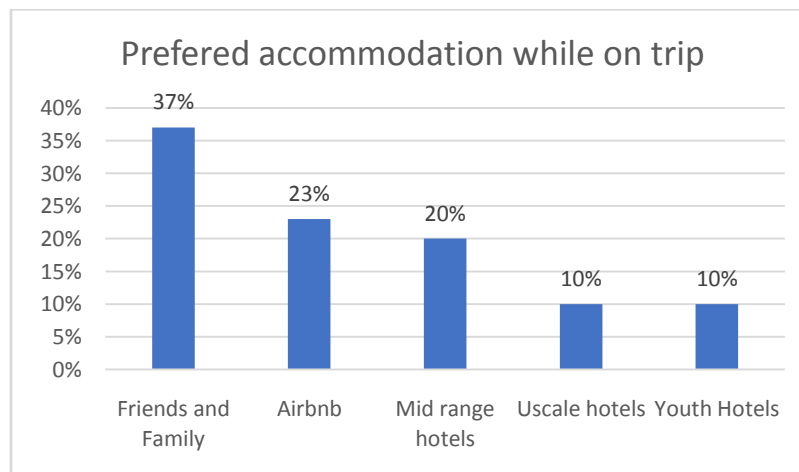


Fig. 4

10% of respondents said they would choose a hostel or budget lodging while travelling, 37% said they would prefer to stay with friends and family, and 20% said they would prefer to stay in mid-range hotels to experience some luxury. Only 10% of respondents said they would like to stay in upscale hotels or five-star residences; consequently, 23% said they would rather use Airbnb. Based on the aforementioned feedback, the study confirms that there is significant room for Airbnb to develop as a company in both well-known and less-known locations as a low-cost but distinctive source of lodging, and can thus attract travellers looking for hostels or budget hotels.

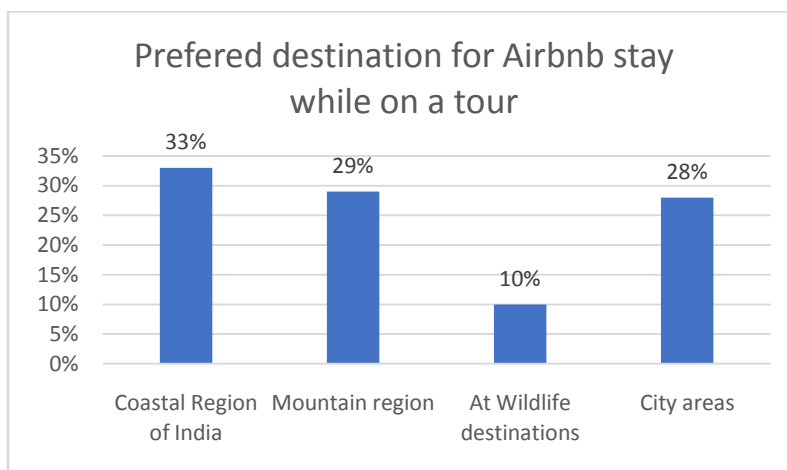


Fig. 5

It was noted that Airbnb is a fairly established and well-known idea in India. According to the analysis, 33% of visitors to India's coastal regions, including Goa, Alibaug, the Konkan Belt, Kerala, etc., selected Airbnb. 29% of mountain dwellers prefer it. The survey found that the concept of Airbnb was first developed in coastal, trekking, and city areas because these are more comfortable from the customers' point of view and have a well-developed awareness of it. As a result, these areas are the preferred destinations for people to travel to with their choice of Airbnb. On the other hand, 10% would prefer Airbnb in wildlife places, and 28% would choose while travelling in city areas like metro cities of India.

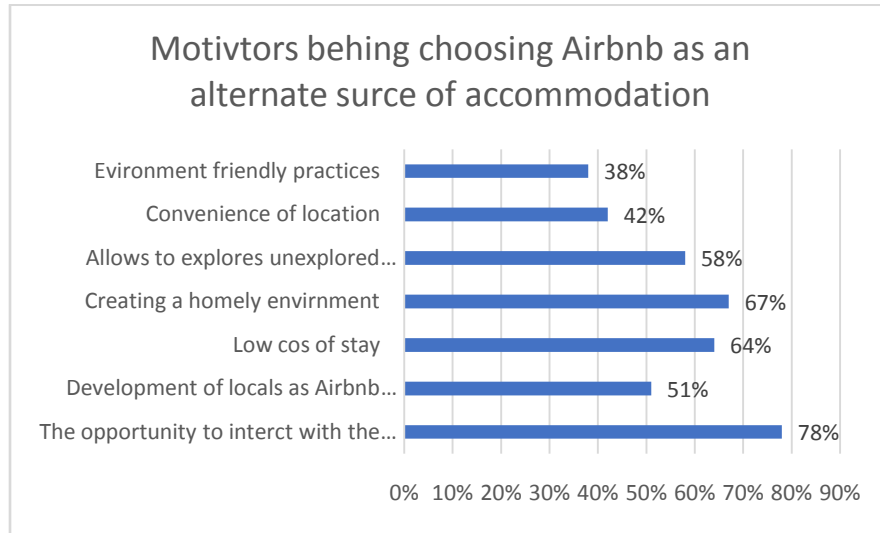


Fig. 6

The aforementioned data reveals that the top factor driving tourists to choose Airbnb as a substitute for traditional lodging is the chance to engage with the hosts and other locals (78%). The more natural and rewarding local engagement of Airbnb stays can meet this requirement for tourists looking for more unique and interesting experiences on their travels. When choosing Airbnb as a different type of lodging, the criteria of "Eco-friendly" (38%) and "convenient location" (42%) are the least popular choices.

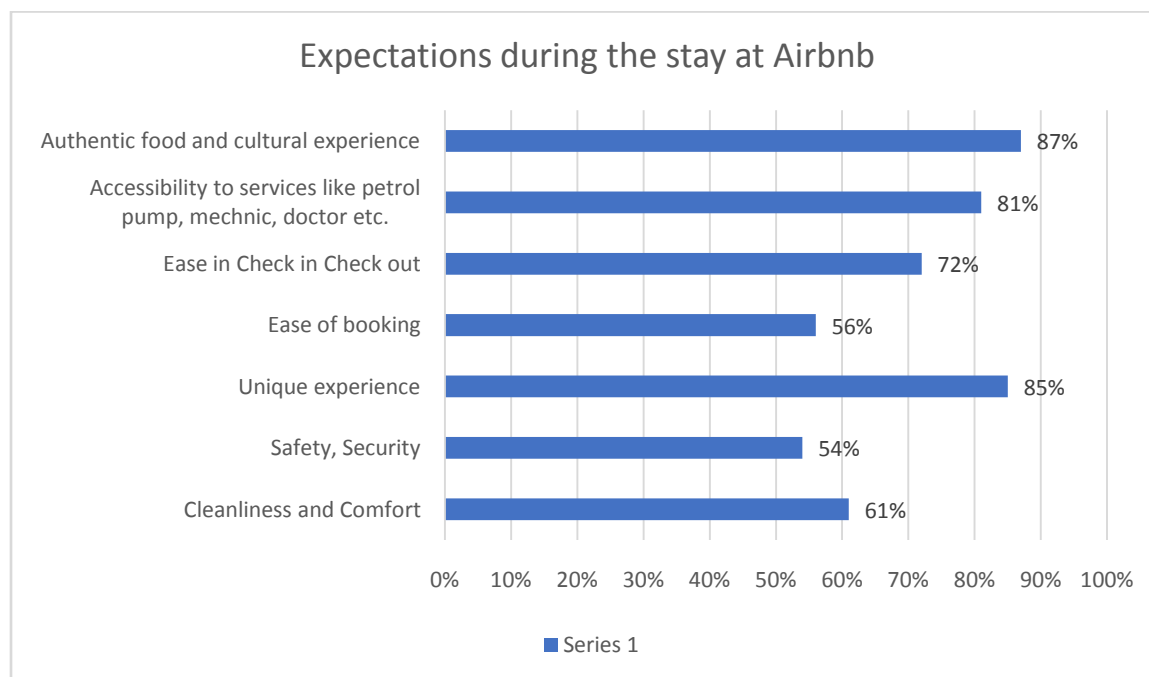




Fig. 7

The respondents gave the highest ratings (87%) to "local authenticity of the experience," indicating that modern tourists desire to have a more localized experience with the culture, cuisine, and way of life of the host destination rather than just indulge in luxury. 'Uniqueness of the experience' came next. Given that the feedback and ratings on the Airbnb website by actual travellers seem quite credible, "Security" was scored 54% and "Ease of booking" 56%.

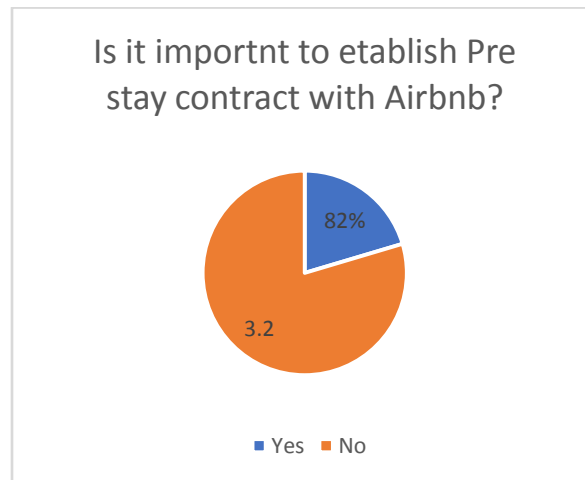


Fig. 8

While 18% of respondents believe it is important from the host and guest perspective to have a contract for multiple stays in order to confirm sales and stay during peak periods, 82% of respondents mentioned that it is necessary to have a pre stay contract with Airbnb as it would not comply any limitations on consumers. These contracts have two opposing perspectives in that a multiple-stay agreement forbids both the guest and the host from selecting different accommodations, but at the same time, it enables both parties to have sales assurance for the host and booking assurance for guests during high season.

## Conclusion

According to the main findings presented here, the most important factor in choosing Airbnb as a type of alternative lodging is the experience's authenticity. The sharing economy, cooperative consumerism, and traveller decision-making are supported in this essay, which highlights the

Airbnb business model. The experiential qualities of Airbnb, such as the novelty of the trip and engagement with the people, are what draw visitors the most. Even if Indian tourists still favour budget hotels, the idea of Airbnb is steadily but surely developing a market presence all on its own.

It is crucial that the hotel industry has seen a rhetorical shift in traveller views since the launch of Airbnb, despite catering to a distinct market segment and having a different business model. Airbnb is now stiff competition for hotels, therefore they need to think about integrating with it seamlessly. Hotels should consider utilizing the platform-based revenue model that drives Airbnb's success in addition to adding home sharing-like features and experiences to their buildings.

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