

Hungarian consumers' attitude to accommodation sharing service

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Abstract: Business models based on sharing concept are becoming more successful, newer and newer models are still appearing. One of the best known examples is Airbnb, which is based on accommodation sharing activities. Airbnb connects private persons with each other through an Internet platform, where individuals offer their own homes or flats for short term rentals to other individuals (typically tourists). In the first part of our study, we present different approaches of sharing economy, and the basic operating mechanisms of tourism. In the second part of the study, on the basis of a Hungarian nationwide representative sample, we present the rate of people, who are familiar with such a services and how open are they to use these services along different demographic indicators. Our results show that the demographic characteristics examined (gender, economic status, marital status, educational level, financial situation, place of residence) influence the openness of people towards accommodation-sharing activities, and the results always show a significant relationship. We have found that men, active workers, non-family, younger generations, metropolitan and wealthy people are more open to using accommodation-sharing activities.

Key words: sharing economy, Airbnb, tourism, socio-demographic factors

1 Introduction

As a result of digital revolution, new business models are emerging nowadays, which use not only the benefits of digital technology, but adapt to new customers' need. As a result, a number of share-based businesses were formed, one of the best-known example is Airbnb which deals with accommodation sharing. Airbnb was founded by three 24-year-old young people (Brian Chesky, Joe Gebbia és Nathan Blecharczyk) in San Francisco, CA, USA, 2008. According to their original idea foreign accommodation seekers and locals with free rooms (or even with free beds) would meet on Airbnb market. The idea was inspired by the founders of their own lives: they rented out a mattress in their home to renters. In a few years, Airbnb has grown to industry.

Airbnb's market value in 2016 exceeded \$ 30 billion. For comparison, the second largest accommodation company (Hilton) has a market value of \$ 23.3 billion. Beyond its value, the presence in the countries and the number of rooms shows most clearly that this type of market becomes truly multiplayer market due to the participation of many individuals. While Airbnb is present in 191 countries and has 2 million registered rooms, the united Marriott and Starwood hotel chain has 1.1 million rooms worldwide in 110 countries.¹

2 Research background

Sharing economy, collaborative consumption, on-demand economy: more and more frequently used terms that are sometimes used as synonyms, sometimes as additions to or as an umbrella phrase. Due to constant change and development, there is currently no uniformly accepted term and definition for the phenomenon. One approach (PWC study, 2015) is that people share their unused capacities, typically through an Internet platform, striving for sustainability. The novelty is in the number of significant and continuously growing transactions compared to previous centuries, supported by the benefits of the digital revolution. The phenomenon was first defined by R. Botsman and R. Rogers in their best-seller book as 'collaborative consumption', which is an umbrella term that incorporates sharing-based community services or sharing economy as a key element. Afterwards many other names have also appeared – highlighting its various features in sharing activities. Gansky (2011) introduced the mesh companies, focusing mainly on sharing the capabilities of companies, while Backhi and

¹ <https://skift.com/2016/09/23/airbnbs-latest-investment-values-it-as-much-as-hilton-and-hyatt-combined/>, letöltve: 2018.03.13.

Ekhard (2012) described access-based consumption, where instead of buying and ownership, consumers prefer access to goods and are willing to pay for temporary access. Further phrases could be used eg. on-demand economy (Frenket et al. 2015), connected consumption (Schor-Fitzmaurice (2015), collaborative economy (EB, 2016). Several studies examined those consumers' motivation and attitudes who have already used sharing services Next to the price level these people like new experience, on-line approaching, personal and private contacts (Buda-Lehota, 2016).

In our study we investigated the people's openness toward accommodation-sharing activities. Since the accommodation itself is a key part of tourism, it is important to know the basic mechanisms and the connections of tourism. At present, "tourism" is defined by the World Tourism Organization and the Inter-Parliamentary Union (WTO, 1989), is considered to be the most well-known definition: "tourism includes all the free movement of people and their places of work, and the services created to meet their needs".

Tourism can be considered as economic, psychological, social and cultural phenomenon at the same time (Przeclawski, 1993). Tourism, as an activity, is obviously influenced by the interaction and dynamism of demand and supply. Demand is determined by the tourist itself with his own motivation, discretionary income and leisure time, while supply from tourist point of view is determined by attractiveness, accommodation, meals, transport, other infrastructure, entertainment, culture, hospitality, safety, hygiene, prices, etc. (Polish 1992, Tasnádi 1998, Rátz 1999).

The demand and supply system of tourism is primarily based on marketing for the tourist, the activity of the intermediary sector and the travel itself (Rátz, 1999). Accommodation is one of the determining branches of tourism, and significant transformations have taken place in recent years due to sharing economy. Hungarian Central Statistics Office (CSO-KSH) differentiates two accommodation categories: commercial and non-commercial accommodation. The best known accommodation sharing company is Airbnb. From regulation's point of view we can identify several advantages and disadvantages. Advantages: increasing revenue for those people who rent out their flat, increasing number of tourists, sharing resources. Disadvantages: risk both for renter and for those who rent out their flats, increased noise and waste in certain districts, increased rental fee, possible tax evasion. There are some features which have advantages and disadvantages at the same time: increasing competition for tourists, increasing level of flat price. Due to these reasons several towns limited Airbnb's services both in US and EU, eg. registration needed for renting, 90-180-day-limit per year for renting, Airbnb collect the tax and pay to the town ((Drabancz és El-Meouch (2017).

Typical commercial accommodation types: hotel (three, four and five star), pension, community accommodation (includes: tourist hostel, youth hostel), holiday house, camping. Non-commercial category includes Airbnb's type accommodations. CSO database shows that in case of non-commercial accommodation between 2010 and 2016 the number of available rooms hardly changed but the number of guests and guest nights increased dramatically (the number of guest nights increased from 3.2 million to 6.4 million between 2010 and 2016). However, it is known that some of the Airbnb owners are not officially admitting their apartment, furthermore number of guests and guest nights is not or only partially reported to CSO. Therefore CSO data should be handled carefully. According to a study published by Jancsik and his associates in 2018, which presented the results of a three-year Airbnb research - collected and analyzed Airbnb's sites by scraping method, - in Budapest Airbnb's rooms were close to the number of hotel accommodation in 2017 which had forty-five thousand beds.

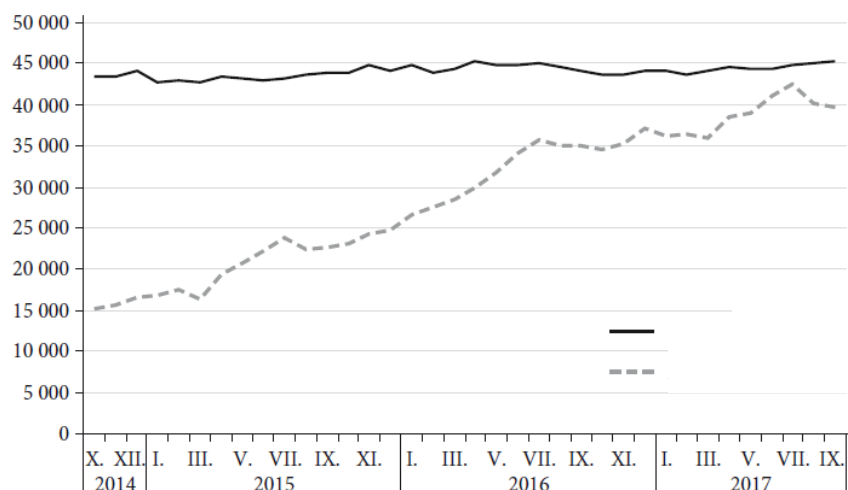


Figure 1
Number of accommodation in Budapest, source: Jancsik et al. (2018)

The type of accommodation that tourist chooses depends on a lot of things, including the demographic characteristics and consumer attitudes of tourists, such studies and research are in progress. Cohen (1972, 1974) distinguishes the following types of tourists: wandering, explorer, individual mass tourism, organized mass tourism. A 'wanderer' tourist is looking for something new, avoiding the tourism sector, mingling with local culture, having personal contact with local people; the 'explorer' organizes the journey individually, wants to off the beaten path; 'individual mass tourism' partially participates in institutionalized tourism, but he is flexible; while 'organized mass tourism' participates in a

‘package-tour’, he does not exit his "environmental bubble", has little connection with local culture and local people. What types of tourists are open to accommodation sharing service? To be able to respond this, we have to identify their socio-demographic characteristics first of all. Our research is focusing on this question.

3 Objectives, material and method

The survey was conducted on a national representative sample of 3,504 individuals, minimum age of the respondents was 14. Personal interviews were done by interviewers. The questionnaire consisted of several parts in connection with sharing economy services, this study focuses on how many Hungarian people have already heard about accommodation-sharing services (as Airbnb), and from socio-demographics’ point of view which segments are more open to use this type of service.

3,284 respondents’ answers were evaluable. Demographic factors were asked about the gender, economic status, marital status, age (generation), education level of the respondents, place of residence and financial status. 47.1% of respondents were male and 52.9% were women. According to the economic status of respondents, 56.2% were active workers, 27.9% were retired, 8.5% were students and 7.4% have other inactive and unemployed economic status. 17.1% of respondents live in capital city (Budapest), 21% of the respondents live in the county seat or county town, 33.1% live in another town, and 28.8% of the respondents live in the municipality. The respondents’ financial situation were identify based on their assets and income. Based on a weighted score respondents were classified into four different categories (lower, lower middle, upper middle and upper). According to the classification, respondents were examined along the following proportions: lower (19.6), lower middle (20.7%), upper middle (39.4%) and upper (20.2%). We also looked at the marital status of respondents. Here we have distinguished two categories, family and non-family status. Namely the respondents with child(ren) under 18 years get family status. Based on this, 35.2% of respondents are family category, while 64.8% of respondents fall into the non-family category. We also investigated the age of respondents: 3% of the respondents belonged to the Z generation, 37% to the Y generation, 31% to the X generation, and 28 % to the Baby Boomers generation. In terms of respondents’ educational qualifications: 21.5% of them have maximum primary school education, 26.9% have vocational qualifications (secondary school without graduation), 31.7% have graduation and 19.9% have university or college diploma.

Respondents were asked, whether they heard about the service and whether they would use the service (we specified the service on the following way: “instead of a

hotel room, you can take private homes or get a room directly from the owner (e.g. Airbnb)". The possible answers were: 'certainly not', 'probably not', 'probably yes', 'yes', 'has already been used'.

We have set up the following hypothesis (which demographic characteristics influence the openness toward accommodation sharing service (e.g. Airbnb)):

- H1: gender does not influence openness
- H2: economic status influences openness
- H3: marital status does not influence openness
- H4: age influences openness
- H5: education level influences openness
- H6: place of residence influences openness
- H7: financial status influences openness

Taking these elements into account, we have looked at cross-tabs as to how demographic features influence the awareness and openness of the respondents toward accommodation-sharing service. Statistical analysis was performed applying the SPSS software.

4 Results

37.3% of respondents already heard about the service. Respondents were asked whether they would use this type of accommodation service: 'instead of a hotel room, you can take private homes or get a room directly from the owner (e.g. Airbnb)'.

62.7% of respondents would certainly not use it, 17.2% of them probably would not use the service. 14% would probably use the service, while 4.7% of respondents would definitely use it. 1.4% of respondents have already used the service (Chart No. 1)

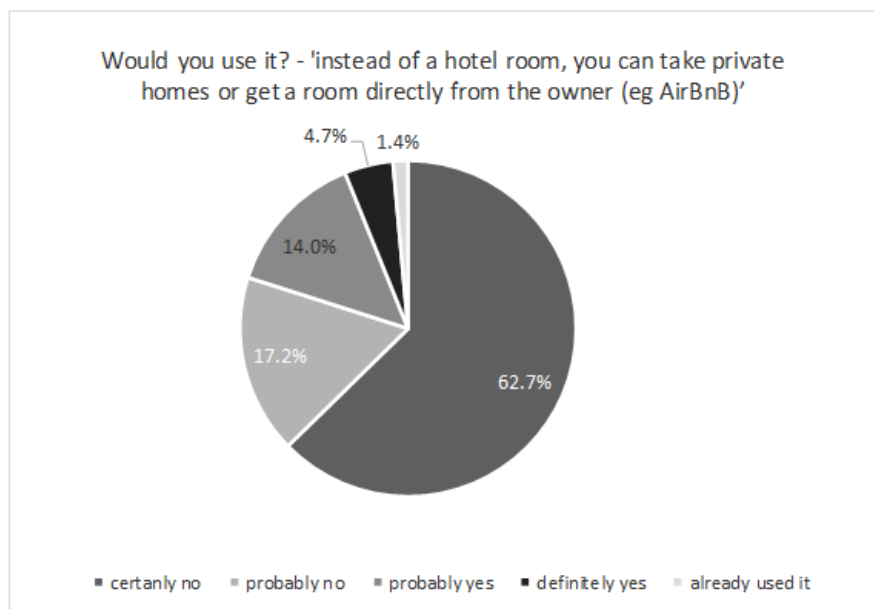


Chart 1
Openness to rent private homes for short-term (own results)

Those who have not heard of the service at all, 79.4% of them totally denied the service, meaning they would definitely not use this type of accommodation service. Those who have already heard of it, 35.6% of them would certainly not use it, 20.7% of them probably would not use it, while 43.7% would probably or definitely use it or have already used it. Additionally, there is a significant correlation between Internet usage and Airbnb's awareness, the more frequently someone uses on the Internet, the greater the chances of having heard about the accommodation sharing service ($p = 0,000$, $\text{CHI} = 374,251$, $\text{df} = 4$, Cramer's $V = 0,327$).

In the next stage we examined which demographic characteristics affect the openness toward accommodation-sharing services. We tested the following characteristics: gender, economic status, place of residence, financial status, marital status, age, and education level.

H1: gender does not influence openness

Hypothesis 1 could not be accepted. Gender of the respondents influenced the openness, although the strength of the relationship was very weak ($p=0,001$, $\text{CHI}=19,990$, $\text{df}=4$, Cramer's $V=0,078$). Chart 2 shows that men are, on the one hand, more open to use accommodation sharing service, and on the other hand,

more men have already used this service. 4,7% of the respondents answered ‘certainly yes’, men were overrepresented with 4,9%, while women were underrepresented with 4,5%.

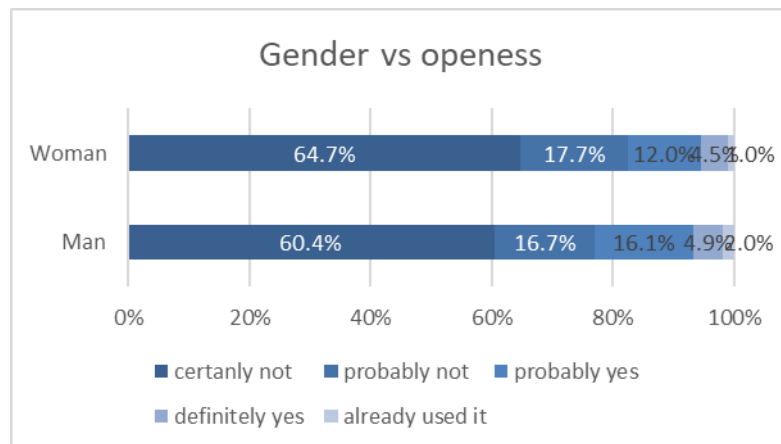


Chart 2
Influence of gender on openness (own results)

H2: economic status (active workers, retired, students, inactive) influences openness

Hypothesis 2 was accepted, economic status does influence openness. There is a significant relationship between openness and economic status ($p=0,000$, $\text{CHI}=248,054$, $\text{df}=12$, Cramer's $V=0,159$). Chart 3 shows that active workers and students are the most open to use the service, while retirees and inactive people are less likely. The same is true also for those persons who have already used the service.

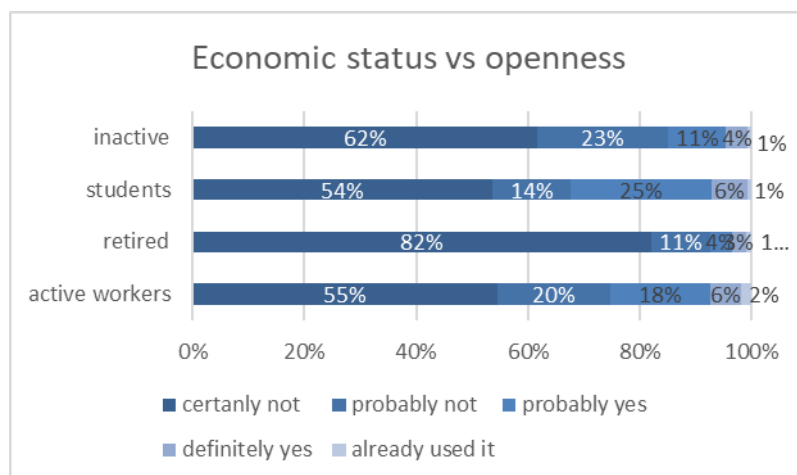


Chart 3
Influence of economic status on openness (own results)

H3: marital status does not influence openness

Hypothesis 3 could not be accepted, marital status also influence openness. Family and non-family respondents were distinguished. We considered respondents as family respondents who live in a household with a minor child. The relationship is significant but weak ($p = 0.006$, $\text{CHI} = 14.307$, $\text{df} = 4$, Cramer's $V = 0.066$). Chart 4 shows that families are more open to accommodation sharing service, but are below represented among those users who have already used it.

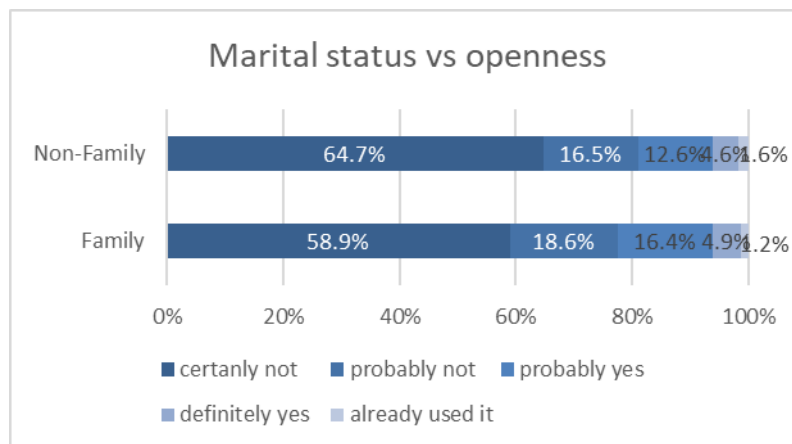


Chart 4
Influence of marital status on openness (own results)

H4: age (generation) influences openness

Based on respondents' age we used four categories (Baby boom, X, Y, Z generation). We identified significant correlation between generation and Airbnb variables, based on it hypothesis 4 was verified. The generation influences the openness of accommodation sharing services, the relationship is significant ($p = 0.000$, $\text{CHI} = 263.833$, $\text{df} = 12$, Cramer's $V = 0.164$). Chart 5 shows that younger generations are more open to sharing service, the members of the Babyboom generation are far more refusing to use the service. Among the X and Y generations those people who have already used the service are overrepresented

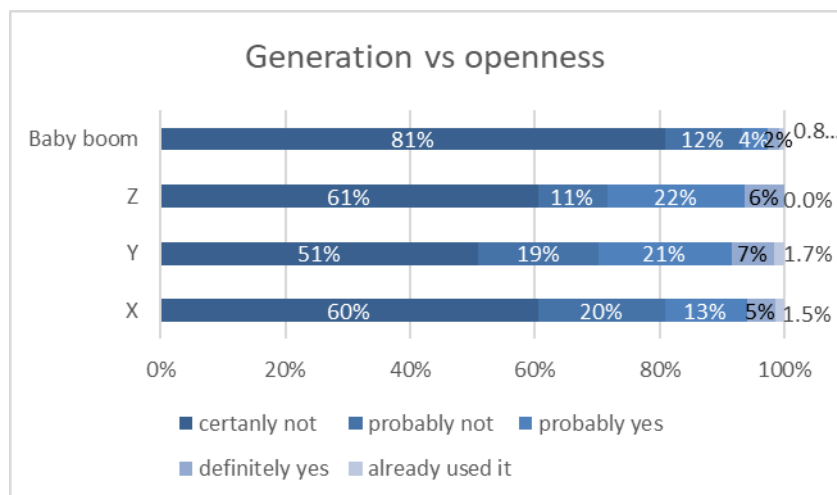


Chart 5
Influence of generation on openness (own results)

H5: education level influences openness

The hypothesis 5 was accepted, there is significant correlation between openness and education level ($p = 0,000$, $\text{CHI} = 163,378$, $\text{df} = 12$, Cramer's $V = 0,129$). The higher the education level of the respondent was, the more open they were to use the service, and the results is similar in case of those who have already used the service. The results are presented in Chart 6, which shows that 25% of graduates would probably or definitely use the service, while only 11% of those who have primary school's education level.

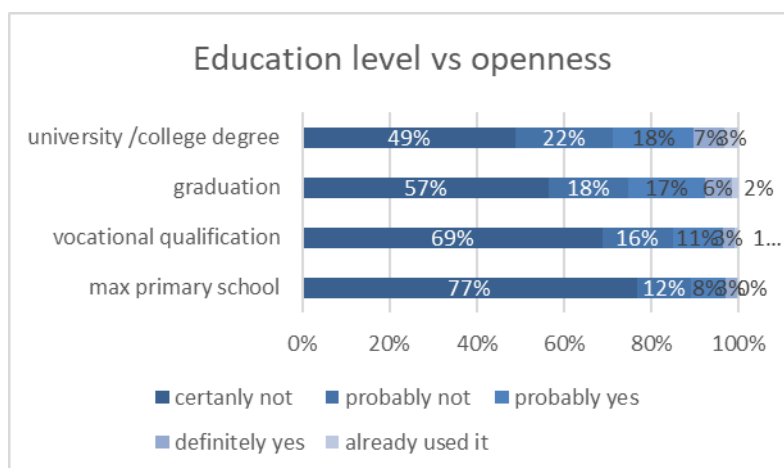


Chart 6

Influence of education level on openness (own results)

H6: place of residence influences openness

The residency of the respondents influences openness, the relationship is significant ($P = 0,000$, $CHI = 50,987$, $df = 12$, Cramer's $V = 0,072$). The inhabitants of Budapest and the county seats and county towns are more open towards community accommodation sharing, fewer in the city and village. The results are shown in Chart 7. Residents of Budapest are overrepresented among those who have already used the service.

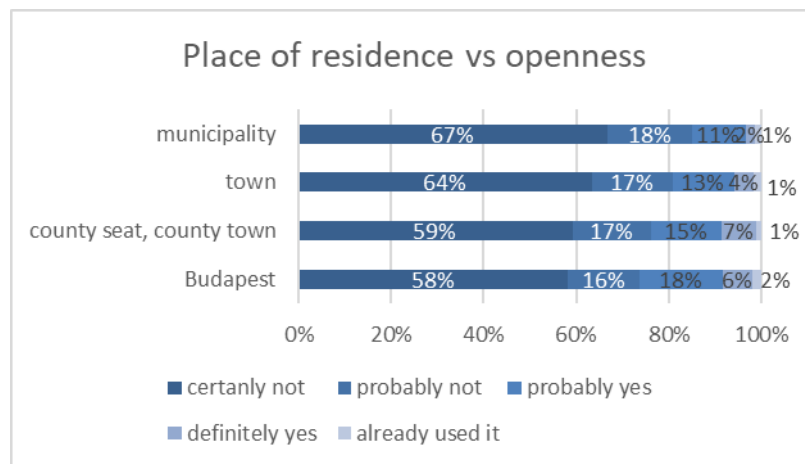


Chart 7

Influence of place of residence on openness (own results)

H7: financial status influences openness

The H7 hypothesis was accepted, the financial situation influenced the openness of community accommodation sharing service, the relationship was significant ($p = 0,000$, $CHI = 193,294$, $df = 12$, Cramer's $V = 0,140$). The financial situation was determined by the combination of existence of various assets and income position. Chart 8 shows that wealthier respondents are more open to using the service. In addition, it can be seen that respondents in the lower and lower middle income categories have significantly overrepresented among those who definitely rejected the possibility to use accommodation sharing service.

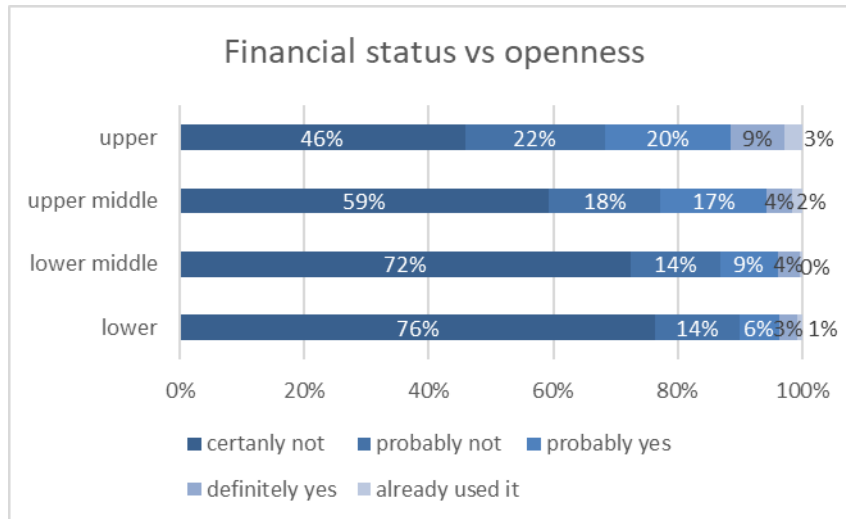


Chart 8
Influence of financial situation on openness (own results)

In addition to examining the pre-defined hypotheses, we combined place of residence and financial status into consideration. We examined the joint effect of factors with two-way ANOVA (variance analysis), and we found that the interaction of the two variables is also significant. Therefore we can describe the joint groups. In this variance analysis, average values were measured among the groups, ranging from one to four. We have found that the most open respondents live in Budapest and belong to upper wealth categories (average 2.3) and the least open respondents live in towns and belong to lower income category (lower than 1.3). Since the relationships are significant, we can conclude that in case of demographic factors it is worth looking at the place of residence and the financial situation as well, so we can get more reliable information about the potential target groups. The results are shown in Chart 9. On Chart 9 the minimum was 1 and means that respondent is not open, and the maximum was 4, which meant that the respondent is open to the service. Based on this, the greater mean means relatively greater openness to the service.

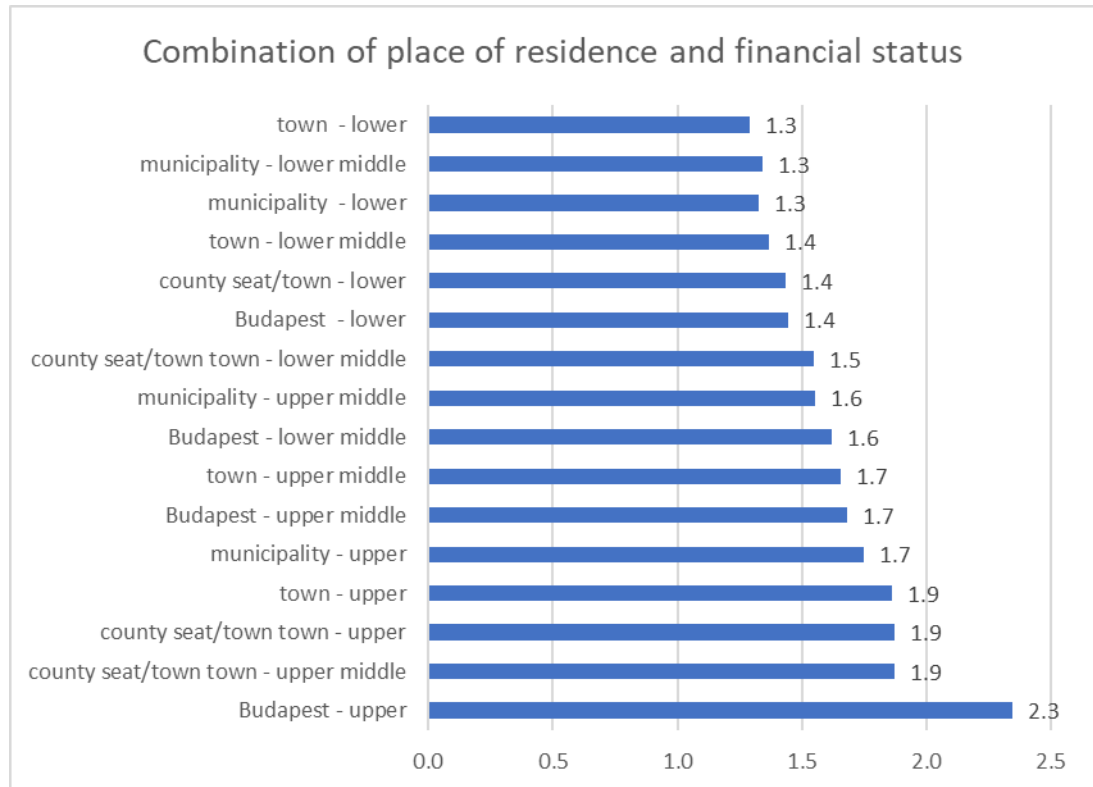


Chart 9

Combination of place of residence and financial status (own results)

Conclusion

On the basis of the representative sample, 37.3% of Hungarian inhabitants have heard about accommodation sharing service and 1.4% of them have already tried it. In 2017, 18.7% of the respondents answered that he or she would probably or definitely use the service if he or she would need it. From the socio-demographic point of view we can state that all the examined demographic characteristics have an effect on openness, there is a significant connection between demographic characteristics and openness to accommodation sharing. We have found that men, active workers, non-family, younger generations, metropolitan and wealthy people are more open to using accommodation-sharing activities. Based on the presented results of the survey we can say that openness is relatively low among Hungarian residents, but since the service is unknown or new to many, it is expected that this rate will rise in the following years. The accommodation sharing service belongs to the sharing economy as one of the best-known example. In the coming years, further growth and new types of sharing services are expected due to several reasons. On the one hand, digital devices will be available to more and more

people (and more and more people will use Internet), and the consumption of welfare society will be less and less sustainable and society will begin to adopt and use business models which support sustainable development.

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