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ZAVRŠNI RAD

THE ROLE OF PERCEIVED RISK AND TRUST IN 'CONSUMERS' PARTICIPATION IN TOURISM-BASED SHARING ECONOMY SERVICES

Sarajevo, juli 2024. EMINA ADILOVIĆ

U skladu sa članom 54. Pravila studiranja za I, II ciklus studija, integrisani, stručni i specijalistički studij na Univerzitetu u Sarajevu, daje se

IZJAVA O AUTENTIČNOSTI RADA

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ABSTRACT

The rise of the sharing economy, exemplified by platforms like Airbnb, has revolutionized consumer behavior and ownership perceptions since its beginning, mainly affected by the evolution of the Internet and digital platforms.

The study centers on the relationship between perceived risk and trust and how these factors impact consumer behavior in the sharing economy, mainly focusing on research on Airbnb.

The study examines the fundamental ideas of the sharing economy, describing the different kinds of services it offers, characterizing its features, and showing how it has evolved. In order to provide us with a deeper understanding of the Airbnb platform, the research closely examines the platform, outlining its business strategy, how customers make decisions based on perceived risk and trust, and what that means for the travel and tourism industry.

Desk research and empirical studies are both included in the research process, which is described in the empirical analysis section. A survey method is used to gather information from 201 participants, focusing on Bosnia and Herzegovina's younger demographic (18–35 years old). Data collected contained multiple dimensions of perceived risk and trust, with statistical analysis undertaken to test formulated hypotheses.

The research goal was to contribute to the existing literature by providing a comprehensive understanding of the role of perceived risk and trust in shaping consumer behavior within the sharing economy, specifically Airbnb services in Bosnia and Herzegovina. Moreover, the research was carried out in the post-COVID-19 world, but the pandemic didn't affect the shifts in risk perception and trust dynamics and Airbnb's appeal to a younger, more educated demographic. The study highlights the critical role of trust in the host in shaping consumer intentions, putting aside all other factors.

Although our results contradict the current risk theories on consumer behavior, there are two possible explanations for them. First, customers could compare advantages like financial savings and authentic accommodations with perceived risks. Second, users can mitigate risks by reviewing host profiles, communicating before booking, choosing highly rated accommodations, and purchasing travel insurance.

In addition to providing insight into the attitudes and intentions of B&H Airbnb users, the study will pave the way for further studies on the platform and related subjects.

Keywords: Sharing economy, Airbnb, Perceived Risk, Perceived Trust, Behavioral Intention

SAŽETAK

Uspon ekonomije dijeljenja, koji se ilustruje platformama poput Airbnb-a, revolucionirao je ponašanje potrošača i percepcije vlasništva od svog početka, praćen utjecajem evolucije interneta i digitalnih platformi.

Studija se fokusira na odnos između percipiranog rizika i povjerenja te kako ovi faktori utiču na ponašanje potrošača u ekonomiji dijeljenja, s glavnim naglaskom na istraživanje Airbnb platforme. Također, studija ispituje temeljne ideje ekonomije dijeljenja, opisuju različite vrste usluga koje nudi, karakterišući njene osobine i pokazujući kako se razvijala.

Kako bi dobili bolje razumijevanje Airbnb platforme, istraživanje pomno ispituje platformu, objašnjavajući njenu poslovnu strategiju, kako korisnici donose odluke na osnovu percepcije rizika i povjerenja i šta to znači za turističku industriju. U istraživačkom procesu uključene su i desk istraživanja i empirijske studije, koje su opisane u dijelu o empirijskoj analizi. Korištena je metoda istraživanja ankete kako bi se prikupile informacije od 201 učesnika, s fokusom na mlađu demografsku grupu u Bosni i Hercegovini (18–35 godina). Prikupljeni podaci sadržavali su više dimenzija percepcije rizika i povjerenja, s obavljenom statističkom analizom radi testiranja formuliranih hipoteza.

Cilj istraživanja bio je doprinijeti postojećoj literaturi pružanjem sveobuhvatnog razumijevanja uloge percipiranog rizika i povjerenja u oblikovanju ponašanja potrošača u okviru ekonomije dijeljenja, posebno Airbnb servisa u Bosni i Hercegovini. Također, istraživanje je sprovedeno nakon COVID-19, ali pandemija nije utjecala na promjene u percepciji rizika i dinamici povjerenja te na privlačnost Airbnb-a za mlađu, obrazovaniju demografsku skupinu. Studija naglašava ključnu ulogu povjerenja u domaćina (host) u oblikovanju namjera potrošača, ostavljajući po strani sve ostale faktore.

Iako su naši rezultati u suprotnosti s trenutnim teorijama rizika o ponašanju potrošača, postoje dva moguća objašnjenja za njih. Prvo, korisnici mogu uporediti prednosti kao što su financijska ušteda i autentični usluge smještaja sa percipiranim rizicima. Drugo, korisnici mogu umanjiti rizike pregledom profila domaćina, komunikacijom prije rezervacije, odabirom visoko ocijenjenog smještaja i kupovinom putnog osiguranja.

Osim što će pružiti uvid u stavove i namjere Bosansko Hercegovačkih Airbnb korisnika, studija će otvoriti put za daljnje studije o platformi i srodnim temama.

Ključne riječi: Ekonomija dijeljenja, Airbnb, Percipirani rizik, Percipirano povjerenje, Namjera ponašanja

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1. INTRODUCTION

1.1.   Explanation of the topic

The sharing economy had its debut in 1995 with eBay and it being a peer-to-peer pioneer for the modern economy, allowing an online global platform for anyone to purchase and sell various items. Since then, the name-sharing economy has become a global phenomenon, and many more platforms have emerged. Many studies have different names for this phenomenon, and some of the other ones used are collaborative consumption, collaborative economy, access-based consumption, commercial sharing systems, peer-to-peer economy, platform economy, or the gig economy (Belk, 2014; Sutherland & Jarrahi, 2018).

The sharing economy is an economic model in which "individuals and groups obtain, borrow and share access to physical assets through a peer-to-peer platform where information is shared and products and services are bought and sold"/Lee & Deale, 2021, p. 225). Similarly, Hamaru (2015) defined sharing economy as "the peer-to-peer activity of obtaining, giving, sharing or sharing the access to goods and service through community-based online service" (p. 2047).

The sharing economy has changed consumers' perception of ownership, focusing more on sharing resources than owning them. Sharing is a new way of consumption that is more efficient, intelligent, and human-centered. The concept of the "sharing economy" started developing with the development of Information and communications technology, and more considerable expansion continued with the evolution of social media. ICT technology and social media have contributed to spreading goods and services through online platforms. One of the most famous sharing economy representatives is Airbnb, which will be my research's focus. Airbnb began in 2007 with the idea that Joe Gebbia and Brian Chesky in San Francisco would rent out the remaining space in their home to generate income (Nor *et al.*, 2019). The advantages of Airbnb from the perspective of consumers, businesses, and destination management organizations (DMOs) are numerous.

According to the study by Schor (2016), 'stranger sharing' is something novel about this new age sharing economy as historically, people engaged more in sharing with relatives and neighbourhoods. Today's sharing platforms help to share between unfamiliar individuals with a higher degree of risk. Sharing our personal belongings with unknown people is legitimately a cause of concern, especially when these sharing platforms enable sharing of one's private assets, such as a home or a car. Given that Airbnb is a relatively new phenomenon, the literature on what motivates or demotivates consumers to select Airbnb services is relatively undeveloped (Tran & Filimonau, 2020). It has been argued that Airbnb's motivations are similar to those of non-hotel accommodations such as B&Bs and homestays (Guttentag, 2017). According to Tran & Filimonau, (2020), the main attributes affecting the intention to purchase Airbnb services can be categorized into four groups, namely economic

benefits (e.g., low cost, higher value), functional benefits (e.g., household facilities, location), social benefits (e.g., sense of community, sustainability), and experiences (e.g., authenticity, local experiences). In addition to factors that motivate consumers to choose Airbnb services, the literature suggests that factors such as consumer unfamiliarity with Airbnb and lack of safety can be viewed as major inhibitors of consumers' intention to purchase Airbnb services ((Kim, Yoon, & Zo, 2015; Tussyadiah and Pesonen, 2018).

Moreover, Yi, Yuan & Yoo (2020) argue that perceived risks (physical, financial, privacy, and performance risks) are related to the desire and intention to use Airbnb. The findings of their study indicate that the financial and privacy risks of Airbnb negatively affect the behavioral intention of potential customers. However, they found a positive link between physical risk and behavioral intention as well as between performance risk and desire to use Airbnb. On the contrary, Stollery & Jun (2017) found that only psychological risks positively relate to the perceived value of Airbnb services. Other types of risk (i.e., performance, physical, and time) were found to have no influence on perceived value among Airbnb users.

Furthermore, previous studies suggest that the lack of trust (lack of interpersonal trust in guests hosts, lack of trust toward technology, and land lack of trust toward Airbnb) serves as deterring factor in the forming consumers' attitude towards Airbnb services and affecting consumers' intention to use or purchase Airbnb services (So, Oh & Min, 2018). Given the importance of identifying the deterring factors of consumers' intention to use/purchase Airbnb services, this master thesis focuses on examining the role of perceived risk and trust (distrust) in articulating consumers' intention to use Airbnb services. Given that internet platforms mediate Airbnb services, the trust objects include two separate entities: trust-in hosts (personal trust) and trust in the platform (institutional trust) (Mao, Jones, Li, Wei & Lyu, 2020).

The Airbnb rental business has been severely impacted by COVID-19. Airbnb owners have suffered significant financial losses due to the pandemic, primarily due to travelers' unwillingness to book shared apartments on Airbnb when physical distance is required (Boto – Garcia, 2022). According to the findings of a recent research done by Lee and Deale (2022), consumers had greater levels of social, physical, performance, and convenience risk perceptions during the pandemic. Unsurprisingly, those respondents who were more aware of the pandemic saw greater shifts in their risk assessments. Thus, it is lucrative to explore how different components of perceived risk and different facets of trust affect individuals' intention to use Airbnb in the post-COVID- 19 era.

1.2.   Research Problem

The current literature emphasizes the importance and role of trust and perceived risk as an antecedent to behavioral intentions. However, the role of perceived risk and its components, as well as the role of trust and its components in articulating consumer intention to use sharing economy services, particularly Airbnb services, is somewhat limited (Mao *et al.*,

2020; Yang *et al.*, 2018; Yi *et al.*, 2020). Therefore, the purpose of this study is to examine the relationship between perceived risk components (physical risk, financial risk, privacy risk, and performance risk) and trust components (trust in the Airbnb platform) and trust in hosts) on the intention to use Airbnb services among all consumers. The primary constructs of interest in the master thesis are presented in Table 1.

Table 1. Definition of main constructs used in master thesis

Construct	Definition
Perceived risk	The belief in the potential of suffering a tangible loss, while transacting with the community of sellers in the marketplace.
Trust in platform/Airbnb	The extent to which 'users' recognize whether to trust the Airbnb firm or not.
Trust in hosts	The extent to which the emotional connection between Airbnb hosts and users influence trust intention in Airbnb hosts.
Intention to use Airbnb services	The extent to 'users' attitude toward Airbnb usage subsequently results in their behavioral intention to use Airbnb services.

Source: Gefen & Pavlou (2012); Yang, Lee, Lee & Koo (2018)

1.3.   Research aims

Based on the above-mentioned research problem, the objectives of the thesis are as follows:
●   To provide a comprehensive overview of the literature regarding the role of perceived risk and trust in consumer behavior, with a particular focus on sharing economy services;
●   To determine the effect of perceived risk and its components on consumer intention to use Airbnb services;
●   To determine the effect of trust and its components on consumer intention to use Airbnb services;
●   To provide insights into the importance of the information and consistency provided on the Airbnb host profiles (performance risk);

1.4.   Research Hypotheses

Based on the research problem and research objectives, as well as findings from previous studies, the following hypotheses are formulated:

H1: Performance risk negatively affects the intention to use Airbnb services.
H1a: Perceived risk negatively affects the intention to use Airbnb services.
H1b: Physical risk negatively affects the intention to use Airbnb services.
H1c: Financial risk negatively affects the intention to use Airbnb services.

H1d: Privacy risk negatively affects the intention to use Airbnb services.

H2: Perceived trust positively affects the intention to use Airbnb services.
H2a: Trust in the Airbnb platform positively affects the intention to use Airbnb services.
H2b: Trust in hosts positively affects the intention to use Airbnb services.

1.5.   Research Methodology

The master thesis is planned to combine several scientific and research methods of collecting data to achieve a higher level of knowledge and accuracy, as well as the relevance of the obtained results. Two basic types of research are used in the course design: desk research, which involves collecting and analyzing available scientific literature, and empirical research, which consists in collecting primary empirical data.

In the case of desk research, different scientific sources (books, scholarly articles) from the field of consumer behavior and the sharing economy will be used. In the case of empirical research, the survey method will be used. Data is going to be collected via an online survey. The online distribution of the questionnaire is a rational choice since Airbnb is providing a digital service only, indicating that both current and prospective users would need to be familiar with information and communication technology in order to be able to use the platform (Tran & Fillimmonau, 2000). Questions will be differentiated through the system of multiple choice survey questions, Likert scale survey questions (1-Strongly disagree to 5-Strongly agree), and open questions. The measurement instrument - the questionnaire will be created using the scales validated in previous studies.

- Perceived risk will be measured by a multi-dimensional reliable, valid, and parsimonious scale developed by Yi, Yua & Yoo (2015). The scale includes 14 items designed to measure four facets of perceived risk: physical risk, financial risk, privacy risk, and performance risk.
- Users' trust in the platform (Airbnb) will be assessed with six items proposed by derived by Yang, Lee, Lee & Koo (2019).
- Users' trust in hosts will be measured by seven items derived from prior work by Yang, lee, Lee & Koo (2019).
- One item will be employed to measure users' intention to use Airbnb services. The item will be derived from previous work by Yi, Yuan & Yoo (2015).

Also, the social and demographic data of respondents (e.g., gender, age, highest education achieved, employment status, monthly income) will be taken into consideration and measured in terms of percentage.
Since the growth of sharing economy has been mainly driven by younger generations, young citizens of Bosnia and Herzegovina, aged 18-35 years old, that are known as Millennials (Generation Y) and Generation Z will be the target population of this study. The goal is to

have a minimum of 200 participants in the survey. The research will be contacted through paid promotion via social networks (Facebook) to provide a greater number of respondents. After collecting all of the necessary data, the same will be analyzed in the statistical program Stata. The series of regression models will be estimated to test formulated research hypotheses.

1.6. Expected contribution

Despite some of the progress made in the sharing economy field, understanding the factors that motivate consumers to use or not to use sharing economy services, particularly Airbnb services, is still limited. Thus, this master thesis aims to provide insight into how different components of perceived risk and different types of trust affect the intention to use Airbnb services. Moreover, this study will provide information regarding the effect of perceived risk and trust on the intention to use Airbnb services among the youth in Bosnia and Herzegovina.

2. THE THEORETICAL BACKGROUND

2.1. The sharing economy

The term "sharing economy" refers to "sharing," as in alternative ownership and use of products and services (Clemens, Sabel, Foege, & Nüesch, 2022). The term sharing economy is believed to have been first mentioned in 2008 by Lawrence Lessig (Colin and Brangier, 2022) and has emerged with the development of the internet. The rise of the smartphone ecosystem and increased availability of the internet and its accessibility have revolutionized information technologies, giving rise to a new era of online sharing, collaboration, and content creation. This phenomenon quickly gained users, allowing new means of economic and social interaction (Belk, 2014). Hamari (2015) adds a technological dimension and defines the sharing economy as "the peer-to-peer-based activity of obtaining, giving, or sharing access to goods and services, coordinated through community-based online services."

As the sharing economy has become increasingly vital to the economy, researchers in management, marketing, and information technology have devoted their attention to understanding its functioning and dynamics (Akbari *et al.*, 2022). However, it is important to note that the concept of the sharing economy is not new. Unaware of it, people have always embraced a lifestyle centered around sharing and cooperative consumption.

Whether it be through utilizing public transportation, residing in communal spaces, or engaging in shared public areas, the idea of preserving the environment and establishing connections with like-minded individuals has been deeply ingrained in our societal fabric (Sundararajan, 2014)

This sharing economy has increased as a result of easy access to the Internet, encouraging self-employment and the sharing of interactions among neighbors (Sundararajan, 2014).

The idea of the sharing economy has gained a lot of attention in literature. Consumer research shows an upward trend in interest in a range of connected business and consumption practices known as sharing (Belk, 2010), "collaborative consumption.", "collaborative consumption" (Botsman and Rogers, 2010), "access-based consumption" (Bardhi and Eckhardt, 2012), "consumer participation" (Fitzsimmons, 1985), and more. Different fields and industries have provided various definitions and interpretations. These angles help us see the sharing economy from various perspectives. Considering these different angles, we can get a complete picture of the sharing economy's effects and consequences. Further discussion of these diverse definitions from different perspectives will be found in the 2.1.2 paragraph.

2.2.1 History of the evolution of sharing economy

Despite the perception of sharing platforms as a new means of organizing business, speeding up transactions, minimizing information asymmetry, and promoting connections between resource providers and customers, it is essential to acknowledge the historical existence of commercial matchmakers throughout human history. What is new is the appearance of digital platforms, which, due to their low cost and broad reach, substantially encourage engagement and connections between users and providers of assets and labor services. (Markman, Lieberman, Leiblein & Wei, 2021)

The sharing concept has a long, rich history that dates back hundreds of years. Sharing resources, skills, and services has long been a part of human society, even though the phrase itself is relatively new. Communities have always worked together and cooperated in activities like communal farming, sharing housing, and exchanging commodities. The Industrial Revolution, which began in the early 19th century, transformed society by turning the emphasis toward private ownership and consumption. However, a new wave of sharing appeared with the development of digital technologies in the late 20th century and mostly continued to develop and be well-known in the early 21st century. The sharing had a comeback thanks to the internet and mobile platforms, which made it easier for people to interact and conduct business with one another.

The digital revolution in the later part of the 20th century created an increase in sharing. Peer-to-peer sharing is now possible worldwide because of the internet and other technological breakthroughs that have changed how people connect and communicate. People began to understand they could take advantage of their unused resources, including extra rooms, cars, and skills, to satisfy the needs of others and make money, which gave rise to the sharing economy concept. (Deladem, 2023)

In the early 2000s, the sharing economy started as non-profit initiatives, like Couchsurfing and Freecycle, and over time, evolved into profitable business models by taking a portion of the sharing fee, as seen with companies like Uber and Airbnb (Belk, 2014; Codagnone and Martens, 2016). The sharing economy gained widespread attention in 2011 and 2012, when Airbnb and Uber, two successful Silicon Valley ventures, rose to fame (Martin, 2016). Platforms such as Airbnb disrupted the traditional hotel industry by enabling homeowners to rent out their residences to tourists. Similarly, around the same time, Uber and Lyft introduced ridesharing using personal vehicles, revolutionizing the transportation industry (Wills, 2020). These platforms allowed strangers to transact with the help of technology, trust mechanisms, and user reviews, introducing a new era of collaborative consumption.

eBay, as one of the global pioneers in sharing economy activities, opened the path for peer-to-peer online exchanges. Today, digital platforms operate in a variety of industries, including *housing* (such as Airbnb and Couchsurfing), *transportation* (Uber, Bla bla car, Lyft), work (Handy, TaskRabbit), *second-hand commerce* (Letgo), *financial support* (GoFundMe, Kickstarter, Prosper, Lendino), and others.

According to Botsman and Rogers (2010), despite their great differences in size and purpose, companies in the sharing economy share a common environment. Today's technical developments, shifting consumer preferences, and a growing consciousness of sustainability and resource efficiency are driving the sharing economy's further evolution. (de Las Heras, RelinqueS, Zamora-Polo, and Luque, 2020)

The sharing economy has grown as a result of numerous factors. The economic recession of 2008 and financial challenges forced people to look for new ways to increase their income and cut expenses. Sharing resources and utilizing existing assets to their fullest potential reduced waste and pollution, contributing to environmental concerns and a desire for sustainable practices. In addition, shifting consumer habits prioritizing access and convenience over ownership increased the appeal of sharing economy models.

The problems and regulatory issues of trust, safety, and equal compensation are present as the sharing economy grows (more on this in chapter 2.2.4). However, it has also proven great potential for encouraging innovation, giving people more power, and opening up economic opportunities.

The growth of the sharing economy is proof of the human capacity for cooperation, sharing, and value creation through mutual trade. The sharing economy has completed the cycle from prehistoric societies to the digital age by allowing people to connect, share resources, and create more sustainable and integrated societies.

2.1.2 Term and definition of sharing economy

The field of research surrounding the sharing economy has grown rapidly, with over 2000 papers published on related terms such as Collaborative Consumption (CC), Collaborative Economy (CE), and Peer Economy (PE) (Ranjbari, 2018; Frenken & Schor, 2017; Benjaafar,2019), Sharing economy and more. The first to name "sharing economy" as "collaborative consumption" were Botsman and Rogers (2010). Since then, different authors have proposed other terms and definitions; the most famous ones are mentioned below, together with their definitions. However, the most used one remains the "sharing economy" (Stephany, 2013).

The "sharing economy" can be characterized by several key elements. Firstly, it functions as a" socioeconomic" model centered around shared utilization, with an emphasis on social interaction and the exchange of assets, enabling the emergence of novel services. Value is created by consumers who share and lease products through peer-to-peer platforms (Botsman, 2013).

Secondly, it promotes temporary access to goods rather than ownership, distinct from the second-hand economy (Botsman, 2015). Instead of acquiring products or services, it facilitates access. For instance, someone in need of temporary accommodation during a vacation could choose to stay in a stranger's spare room or apartment through a platform like Airbnb rather than booking a traditional hotel room.

Thirdly, the Internet enables collaborative consumption by providing innovative ways for individuals to interact. It empowers anyone with internet access to become a seller, advertise their offerings, and establish a trustworthy online presence to attract customers and connect with fellow consumers who also engage in peer-to-peer transactions (Matzler, Veider & Kathan, 2015).

Lastly, the "sharing economy" operates as an on-demand economy, efficiently using underutilized assets. The value-added is determined through negotiations between parties (Botsman, 2013).

According to Botsman, collaborative consumption signifies an advanced economy that taps into unused assets through models and marketplaces, fostering efficiency and accessibility (Botsman, 2014). However, Belk (2014) critiques this as overly broad, encompassing marketplace exchange, gift-giving, and sharing. Belk (2014) proposes a comprehensive definition: people coordinating resource acquisition and distribution for monetary or otherwise compensation. He argues that this is a more inclusive definition that incorporates monetized exchange and sharing. The ongoing definitional debates surrounding collaborative consumption reveal its embedded multiplicity of meanings, distancing itself from Felson and Spaeth's original conceptualization.

The Peer Economy (Peer-to-Peer (P2P)) is a socio-economic structure defined by the direct exchange of goods, services, or resources among individuals or entities, facilitated by digital platforms or technology. In P2P interactions, conventional intermediaries like corporations or centralized authorities are usually unnecessary. This decentralized framework enables individuals to participate in economic activities, often on a smaller scale, utilizing technology for connectivity and transactions. (Cuofano, 2023)

Access-based economy or access-based business models encompass various methods wherein individuals or entities pay for the usage of a product or service without acquiring ownership (Lawson, 2016; Bardhi & Eckhardt, 2012). Common payment structures include charges per usage (e.g., Zipcar) or subscription models (e.g., Spotify).

The Gig Economy is a system that divides a conventional employment position into discrete "gigs" performed by independent workers, compensating them in order to carry out particular activities or offer services on a temporary basis. (Botsman, 2015)

Renting Economy is a system that enables people to rent assets for a fee rather than needing to own them immediately (Botsman, 2015). While allowing customers to acquire goods or services on demand, rental platforms enable providers to make money from their inactive assets.

Botsman (2013) also categorizes the "sharing economy" into four distinct activities: *collaborative production* (where a company implements innovations generated by an online community), *collaborative consumption* (utilizing surplus resources), *collaborative lending* (peer-to-peer loans), and *collaborative education* (open access to person-to-person education).

Stephany (2015) further divides the "sharing economy" into *business-to-consumer (B2C)* and *peer-to-peer (P2P)* models. In the B2C model, companies provide access to their assets, while the P2P model involves direct sharing between individuals. Additionally, Botsman (2013) introduces a *business-to-business (B2B)* model where companies offer underutilized assets to other businesses.

2.1.3   Characteristics and principles of sharing economy

Advocates of the sharing economy claim that the sharing economy gives more flexibility, and the users appreciate the personalized approach and authenticity. Muñoz and Cohen (2017) present a literature-based examination of the unique characteristics defining value creation and dissemination in the sharing economy, particularly within peer-to-peer accommodation networks. The sharing economy's roots are shaped by these characteristics and principles, which additionally guide its growth and activities. According to Muñoz and Cohen (2017), there are four distinct dimensions of sharing business models: (1) platforms

for collaboration; (2) under-utilized resources; (3) peer-to-peer interactions; (4) collaborative governance; (5) mission-driven, (6) alternative funding; and (7) technology reliance.

The platform is a distinctive characteristic of sharing economy, indicating that sharing economy is highly dependents on the platforms. Utilization of digital or physical platforms as the primary medium for communication and service exchange (Muñoz & Cohen, 2017). Online platforms offer a foundation for easy user interaction, registration, payment processing, and networking. They enable efficient coordination and flexibility, making sharing economy services accessible to a broader audience. These characteristics underscores the reliance on platforms, where different platforms yield distinct value propositions to participants. Platforms like Airbnb, for instance, require members to contribute detailed profiles and reviews, enhancing the overall value of the platform (Muñoz & Cohen, 2017).

Underutilized resources are the second necessary characteristic of the sharing business model. This characteristic involves the exchange of underutilized resources, with sellers mitigating ownership costs by renting out excess capacity (Muñoz & Cohen, 2017). This can involve offering both tangible (like equipment, vehicles, or homes) and intangible (like time, knowledge, or expertise) resources. However, disagreements exist regarding ownership and purpose within this characteristic, as some authors allow ownership by the facilitator and view revenue generation as part of the sharing economy (Muñoz & Cohen, 2017).

The third distinctive characteristic of the sharing economy is the peer-to-peer exchange. Transactions between non-institutionalized sellers and buyers of equal status (Muñoz & Cohen, 2017). The sharing economy enables direct peer-to-peer exchange and eliminates conventional mediators' and institutionalized market participants, allowing people or peers to exchange and access resources, services, and skills. (Muñoz & Cohen, 2017). However, peer-to-peer accommodation networks often involve private individuals and institutional sellers, challenging the strict definition (Muñoz & Cohen, 2017). Given that peer-to-peer exchange plays a pivotal role in the sharing economy, it relies on systems of trust. The sharing economy extends beyond environmental concerns, addressing societal aspects by fostering a sense of trust within communities. Trust-building is crucial to the sharing economy, evident in platforms like Airbnb and ridesharing apps. Overcoming initial apprehensions about unfamiliar faces, these platforms incorporate robust trust and reputation systems, including user reviews and verification processes. These mechanisms aim to ensure reliability and security in the sharing experience, promoting trust and encouraging accountable behavior within the sharing community (Crowdholding, 2017).

The fourth characteristic of the sharing economy is that is mission driven. This characteristic suggests that the sharing economy is primarily driven by a mission other than profit, with different logic such as social or ecological considerations (Muñoz & Cohen, 2017). Sharing economy platforms allow people to feel connected to one another and part of a community.

Users frequently interact socially, establish trust, and exchange experiences, fostering a sense of belonging and shared responsibility. While some peer-to-peer accommodation networks align with this mission-driven approach, others, like Airbnb, prioritize monetary rewards (Muñoz & Cohen, 2017).

The fifth characteristic of the sharing economy is that it offers the mechanism of alternative funding, i.e., non-institutional funding mechanisms, such as crowdfunding (Muñoz & Cohen, 2017). The rising of the sharing economy has made crowdfunding a seamless and convenient method for accessing funds. This approach connects individuals seeking financial support with those willing to contribute, representing a departure from traditional financing (Crowdholding, 2017). Contributors to such crowdfunding endeavors experience a range of rewards, from the emotional satisfaction of supporting a cause they are passionate about to potential equity stakes in ventures poised for success (Crowdholding, 2017).

The last characteristic of sharing economy is that offers flexible and on-demand services. According to Muñoz & Cohen, (2017), information and communication technology enables high-speed and flexible buyer-seller interactions at scale. Services in the sharing economy are typically personalized, responsive, and flexible. Users can access services as needed, usually through mobile apps, allowing greater ease and customization. This flexibility enables individuals to adapt services to their specific preferences and schedules. "The only constant is change, and we are at the forefront of witnessing the greatest change in consumer trends" (Crowdholding, 2017).

2.1.4. Types of services of sharing economy

The sharing economy has transformed various industries by enabling ordinary individuals to offer services and reshaping markets that were traditionally dominated by professionals. This transformative influence, commonly termed as Creative Destruction (Schumpeter, 1942), has sparked a global corporate trend. There are various types of services that the sharing economy provides. From the different resources and assets, providers in the sharing economy have introduced innovative ways of sharing resources, goods, services, and skills among individuals. This section will give a short overview of the many types of services available in the sharing economy, emphasizing their characteristics, platforms, and implications for participants. Understanding the various types of services can help us understand the broad scope and depth of the sharing economy, as well as its potential to change consumption patterns and encourage collaborative consumption.

Figure 1. Types of Accommodation and sharing economy the most famous platforms

Source: Author of master thesis.

Home-sharing and Rental accommodation

One of the most popular sectors in the sharing economy is the sharing of accommodations. Home-sharing has many forms, from offering short-term, whole vacation homes, single rooms, or simply a couch (Eliisa., 2021). Platforms like Airbnb, HomeAway (now VRBO), Booking.com make it easier for people to share their spare rooms, apartments, and homes, allowing individuals to monetize their unused spaces and travelers to find affordable and unique accommodations. Travelers are given more options and more unique experiences thanks to this form of sharing that has shaken up the conventional hotel economy.

Alternative lodging options, exemplified by Airbnb, provide a comfortable and cost-effective choice compared to traditional hotels, offering amenities like full kitchens. However, home-sharing has drawbacks (Eliisa, 2021). Unlike standardized hotels, there's uncertainty about the accuracy of listings and potential risks for property owners, such as damage from deceptive guests. Despite programs like Airbnb's Host Guarantee offering support, not all inconveniences are covered (Eliisa, 2021).

Ridesharing and Carpooling

With the emergence of ride-sharing services and reducing transportation costs, ride-sharing services, including Uber, Lyft, and Grab have completely changed how people travel. Users can connect with next-door drivers to arrange rides to shared locations through smartphone applications. These services, based on factors like distance, time, and vehicle type, reviews, challenge traditional transportation methods, particularly taxis, with advanced technology (Eliis, 2021). Long-distance ride-sharing possibilities are provided through carpooling companies like BlaBlaCar, gathering up a group of people heading the same route which contributes to reducing traffic congestion and improving the environment. This sharing economy alternative offers consumers flexibility, affordability, and an option to forgo car ownership. However, challenges exist. As non-employee drivers, individuals bear responsibilities for expenses like gas, insurance, and vehicle maintenance. Safety concerns have also surfaced, demanding ongoing improvements for both drivers and passengers (Eliisa, 2021).

Peer-to-peer (P2P) lending platforms

Lenders contribute financially through Peer-to-peer (P2P) lending platforms such as Lending Club, Prosper, and Zopa, and borrowers use funds for various purposes like home improvements from the primary participants. Notably distinct from traditional banks, P2P platforms operate as non-banking entities, absolving them of responsibility in cases of borrower default (Lejcak and Wiltshire, 2018). Despite this, protective measures exist for lenders. Investors in P2P platforms play a crucial role in deciding their investment amount and allocation strategy. This direct lending approach eliminates the need for conventional

financial intermediaries, providing borrowers access to competitive interest rates and allowing lenders to earn interest on their investments. This peer-to-peer sharing fosters financial inclusion and is an alternative to traditional banking institutions.

Retail and Consumer Goods Sharing

Platforms for sharing goods make it possible for people to lend out or rent out their unused items, promoting a more economical and environmentally friendly method of ownership. Users can exchange clothing, storage space, tools, and other stuff on websites like Rent the Runway, ShareMyStorage, and ToolShare. By maximizing the use of existing resources, goods sharing reduces waste and promotes circular economy principles.

Skill and Task Sharing

Websites like TaskRabbit, Upwork, and Freelancer let people with certain expertise find clients who need their services, ranging from tutoring, graphic design, gardening, housework, and more. Users can easily hire individuals with specific skills through these platforms. Additionally, employers can register, post detailed job descriptions, specify contract types (fixed price or hourly wage), and other details (Claussen, Khashabi, Kretschmer and Seifried, 2018). On the other side, workers register, create profiles, and apply for jobs by submitting cover letters and bids (Claussen, Khashabi, Kretschmer and Seifried, 2018). This dynamic sharing economy enables people to leverage their skills for income while providing convenient, on-demand access to a diverse range of services for users.

Co-working Spaces

The remote work trend has become a popular sharing form, shown in the use of shared workspaces within the sharing economy. These spaces, accessible through platforms like WeWork, Regus, and Coworker, allow individuals to access desks, offices, or meeting rooms. The co-working platforms also provide additional office amenities such as printing facilities and internet access4 ("Definition and Examples of Sharing Economy Platforms," 2023. Compared to traditional office space rental, this concept typically demands less time commitment and is often more cost-effective. Furthermore, it fosters networking and collaboration among individuals with similar interests, promoting flexibility in how people work.

Advantages of the Sharing Economy

- Cost Savings for Consumers: Reduced regulatory burdens allow sharing economy companies to offer affordable prices.

- Increased Opportunities: The sharing economy transforms personal assets into on-demand products or services, providing diverse options.
- Enhanced Flexibility for Workers: Participants enjoy flexibility in choosing when and where to work (MasterClass, 2022).

Disadvantages of the Sharing Economy

- Destabilization of Traditional Industries: Sharing economy platforms may disrupt established industries, leading to job losses and increased job insecurity.
- Lack of Regulation: Critics argue that inadequate regulation exposes participants to greater risks compared to more heavily regulated industries.
- Potential Mistreatment of Employees: Instances of mistreatment within the sharing economy emphasize the need for reforms to protect workers' rights (MasterClass, 2022).

The sharing economy encompasses services promoting resource optimization, collaboration, and environmentally friendly consumption. This overview sheds light on different service categories, emphasizing their distinctive qualities and platforms facilitating these exchanges and specific and overall advantages and disadvantages. Understanding this diversity offers insights into potential economic, social, and environmental transformations, necessitating further research.

2.1.5. Challenges and perspective of sharing economy

The sharing economy has had both positive and negative impacts on tourism. Advocates emphasize its role in providing convenient access to a variety of services, often of higher quality and at more affordable prices than those offered by traditional companies. Critics argue that the sharing economy introduces unfair competition, reduces job security, evades taxes, and poses threats to safety, health, and disability compliance requirements. Despite its numerous advantages, the sharing economy faces challenges related to legal and regulatory issues, trust and reputation management, labor rights, market competition, and socio-economic implications that we'll go through individually in this section.

Legal and Regulatory Issues in the Sharing Economy

The rise of the sharing economy has brought opportunities and challenges for public agencies. Its expansion, marked by a lack of stringent regulations, has adversely affected communities and labor markets. Addressing these negative consequences is now a priority for government agencies. Most concerns connected to the sharing economy are associated with taxation as a whole, encompassing the taxation of multinational enterprises (European Commission, 2015). The sharing economy also copes with rules such as taxes, licenses, and safety regulations that vary across jurisdictions. This leads to legal complexities and debates over the appropriate regulatory approach.

Renting Disadvantages and Inequality

Renting within the sharing economy, described as rentier capitalism by Standing (2016), raises concerns about creating new class divisions and deepening inequality. Despite claims of de-emphasizing ownership, wealth still accumulates for property owners, leaving workers without property disadvantaged (Frenken, 2017). Government partnerships with sharing economy platforms, such as Airbnb, may worsen housing affordability. More people nowadays prefer renting over owning, and research reveals that today's consumers are more comfortable as tenants than their parents were, with home and auto ownership rates dropping among younger adults. (Goodman and Mayer, 2018)

Treatment of Gig Workers

Sharing economy platforms, which have grown into huge corporations, treat gig workers as independent contractors, denying them benefits and security. Termed as platform capitalism by Srnicek (2017), these platforms make money through intermediary fees, commercial gains from integrated services, and platform data. This creates an unstable labor class without job security, leading to protests from labor unions worldwide and raising concerns about fair competition and worker conditions. In Massachusetts, a lawsuit alleges Uber exploits its drivers by labeling them as independent contractors to avoid giving them the benefits employees receive (Joanna Penn and John Wihbey, 2016).

Market Competition and Long-Term Sustainability Concerns

The sharing economy, which is disrupting traditional industries, raises concerns about market competition and fairness. Established businesses may face intensified competition from sharing platforms, sparking debates about level playing fields and fair business practices. In addition, Uber claims it's just a tech company connecting people, while others argue it acts like an unlicensed taxi service, a view supported by Calgary's city council (Joanna Penn and John Wihbey, 2016).

The positive environmental effects of the sharing economy, especially in reducing greenhouse gas emissions, are not universally agreed upon. Frenken (2017) suggests that lower prices might encourage more consumption, counteracting the initial environmental advantages. The overall impact on the environment is unclear, as critics point out the environmental drawbacks of online transactions and transporting goods.

Trust and Security Issues

The sharing economy relies heavily on online platforms (ter Huurne, Ronteltap, Corten & Buskens, 2017) and involves the exchange of services with unfamiliar individuals, the matter of trust frequently arises (Freken & Schor, 2019; Cheng *et al.*, 2019).

Trust within the sharing economy relies on peer reviews and ratings, yet studies reveal problems with these systems. Stemler (2017) argues that ratings may exhibit collective bias, with manipulated reviews and reluctance to post negative comments. Regulatory oversight is suggested to ensure fairness, transparency, and accuracy in these feedback loops.

Inequality and Participant Characteristics

Empirical studies indicate that the sharing economy predominantly benefits selected groups. Farrell and Greig (2016a) found participants to be significantly younger (millennials), with labor platforms benefiting lower-income participants. Schor's (2017) study of US providers on platforms like Airbnb reveals that providers are highly educated and often use the platforms to increase their incomes.

Socio-economic Implications

While the sharing economy addresses challenges by promoting resource efficiency and income generation, concerns arise about income inequality, access disparities, and potential exclusion of marginalized communities. Understanding and mitigating these socio-economic implications are crucial.

The financial discrimination based on stereotypes observed in the P2P lending context does not align with the sharing economy's notion of promoting equality. In fact, it could potentially exacerbate current socio-economic inequalities. Although some platforms prohibit borrowers from sharing details about their race, religion, gender, and other personal attributes, many borrowers still find ways to disclose this information, either directly or indirectly (Levine-Schnur and Ofir, 2023). This underscores the need for comprehensive strategies to address socio-economic challenges within the sharing economy, ensuring a more inclusive and equitable landscape.

Understanding the sharing economy involves recognizing its complexities and diverse viewpoints. Despite challenges, the sharing economy offers promising opportunities. It can promote sustainable consumption, reduce environmental impact, strengthen social connections, and empower individuals to use their resources and skills efficiently. Additionally, the sharing economy encourages innovation, supports peer-to-peer collaborations, and contributes to local economic development.

Successfully navigating this intricate landscape requires a thorough understanding of challenges and perspectives. Addressing legal, trust, labor, competition, and socio-economic challenges while embracing sustainability, inclusivity, and innovation can foster a more equitable and growing sharing economy.

2.2.   The sharing economy platforms: the case of Airbnb

Airbnb is an online platform where individuals can rent out their homes as tourist accommodations (Guttentag, 2019). Since its establishment in 2007, when two hosts welcomed three visitors to their San Francisco home, Airbnb has grown to include nearly 4 million hosts and has hosted over 1.5 billion guest arrivals across almost every country globally.

Airbnb was founded in October 2007 by students Brian Chesky and Joe Gebbia out of a need for extra income to cover their rent, and they decided to offer air mattresses on their living room floor to attendees of a local conference, capitalizing on the local hotel shortage. This creative idea resulted in the birth of Airbnb, which was originally known as "Air Bed and Breakfast." (Nwankwo, 2023). Chesky and Gebbia, with the addition of programmer Nathan Blecharczyk created a website that connects places around the world with travelers looking for accommodation, gaining huge global popularity and altering the established hotel system.

Daily, hosts offer unique accommodations and experiences, fostering more authentic connections between visitors and local communities (Airbnb, 2023a).

With listings in more than 220 countries and 100,000 cities, Airbnb boasts seven million active listings and has served over 1.5 billion visitors until 2023 (Airbnb, 2023). The platform provides diverse accommodation options, ranging from shared rooms, individual rooms in host residences, to entire places without hosts (Airbnb, 2023).

Airbnb has become the leading platform for home-sharing and a poster child of the sharing economy (Guttentag, 2019). The market's evolution resulted in the rise of various online platforms, with Airbnb standing out as a space for owners to monetize underutilized assets, such as entire houses or rooms, for extra income.

Airbnb's impact on the sharing economy cannot be overstated. Its innovative business model has reshaped the traditional hospitality industry, empowered individuals, and communities, boosted local economies, and encouraged travel sector innovation (Nwankwo, 2023).

2.2.1.   The Sharing Economy and Tourism Industry

The beginning of sharing economy platforms, particularly in accommodation services like Airbnb, has changed the tourism industry's traditional landscape. This section explores how these platforms have influenced travel patterns, enhanced consumer choices, and contributed to the tourism experience. Additionally, it examines the challenges and opportunities presented to stakeholders in the tourism sector.

The sharing economy has created significant changes in various industries, notably reshaping the landscape of the hospitality industry. Traditionally dominated by large hotel chains, the hospitality sector now witnesses the growth of individuals and small businesses providing accommodations and hospitality services through sharing economy platforms like Airbnb, HomeAway, and VRBO.

This change in approach provided tourists with more affordable and personalized options, challenging traditional hotels' market share.

Advocates of the sharing economy claim that it provides greater flexibility. The sharing economy may help to better respond to peaks and troughs in demand for tourism services, such as in large cities where traditional accommodation services may be saturated, or in rural areas where demand for accommodation rises unexpectedly during festivals or other special events. According to the OECD, sharing companies are likely to attract tourists to previously less popular destinations (Juul, 2017).

Critics also point out potential threats to safety, health, and disability compliance standards. Critics believe it is increasing the number of part-time workers in the tourism sector and "creating an economy where job security is less and less normal every day." They also accuse the sharing economy of tax evasion and unfair competition (Young, 2015).

Accommodation-sharing services may also cause noise and other disturbances among neighbors and reduce housing affordability and the resident population in tourist areas. They argue that the sharing economy model raises data protection and financial accessibility concerns, given the prevalence of credit cards and smartphones when using these platforms (Juul, 2017).

The impact of the sharing economy on the hospitality industry is multifaceted. Many hospitality business platforms are multi-sided platforms that "promote social cohesion" and create a sense of community. (Lho, Quan, & Yu, 2022)

Firstly, it intensifies competition, compelling traditional hotel chains to compete for customers with individual hosts and small enterprises. This heightened competition reduces prices, as sharing economy platforms provide cost-effective alternatives, making travel more accessible (Akbar & Tracogna, 2018). To remain competitive, traditional hotels must adapt by lowering their prices.

Moreover, the sharing economy expands the choices available to travelers, moving beyond the confines of traditional hotels to include diverse options such as apartments, private rooms, and shared spaces. This diversification also enables a more personalized experience for travelers, who can tailor their accommodations and hospitality services to suit individual needs and preferences.

The growth of the sharing economy has generated many job opportunities in the hospitality industry. The increasing demand for accommodation and related services has increased the need for cleaning, maintenance, and other support services (Dogru *et al.*, 2020).

Traditional hospitality businesses have adapted to meet new demands. To remain competitive, they have changed their business models to emphasize personalization and uniqueness, invested in technology to provide online services, and improved customer service to set themselves apart from sharing economy platforms (Akbar & Tracogna, 2018).

On the other hand, there, you can find the statements that the company's most direct potential impacts are on the tourism accommodation industry, though the extent of these impacts is debatable. Airbnb denies competing with hotels (Business Insider Intelligence, 2017; Trenholm, 2015), and many hotel executives have dismissed the potential threat posed by Airbnb (DePillis, 2016; Handley, 2017; Trejos, 2018). The Airbnb audience is not the same as the hotel audience. Still, even though they have their own lanes, Airbnb does cause disruption in the tourism accommodation industry, as hotels have been adapting more to home-like approach over time, so the market where Airbnb is the main player may become more competitive.

The sharing economy is a persistent force that requires continuous change within the hospitality business. To remain relevant in these changing times, traditional organizations must adapt by modifying their business models, utilizing technology, focusing on customer service, and forming alliances with sharing economy platforms (Stavroulakis, 2023).

2.2.2. Airbnb Business Model

Airbnb and similar platforms that facilitate peer-to-peer accommodation networks operate using a business model known as a multi-sided platform model (Rumble & Mangematin, 2015). In this model, technologies, services, or products add value primarily by enabling direct interactions between two or more participating parties (Malone, 2016). The term "multi-sided" here comes from economics and refers to the various parties involved acting as different sides of a market (Rochet & Tirole, 2003). On one side are hosts offering unused or underutilized space, while on the other side are guests seeking short-term accommodation. Supplementary service providers (third parties) may provide hosts with photography services, allowing them to present their space more attractively on the trading platform, or hospitality services that improve guest experiences and create opportunities for entrepreneurship (Dolnicar, 2018).

Interacting with a platform is appealing because searching is easy, transaction costs are low, and large numbers of buyers and sellers can trade on the platform simultaneously (Hagiu & Wright, 2015; Rochet & Tirole, 2003). Airbnb has become one of the most well-known

companies in the hospitality industry by restructuring trust between property owners and short-term renters. If you enjoy traveling, you've likely heard of or used Airbnb's services.

Airbnb serves two main customer segments—travelers in search of accommodation and hosts offering their spaces for short-term rentals. The platform operates as an online marketplace, providing travelers or guests with access to a diverse range of accommodations beyond traditional hotels. These options span unique locations and come at various price points. The model establishes a mutually beneficial arrangement that broadens the accommodation offered for travelers and provides hosts with a way to share their spaces.

Airbnb uses an online platform and mobile app as its primary channels. Hosts list their spaces for free, providing detailed descriptions, setting prices, and uploading photos. Guests, after subscribing to the platform, can explore listings based on various preferences and make bookings.

On Airbnb's website, guests can click on any listing to view all kinds of details about the property, including a description (including amenities), photos, check-in and check-out times, price and fees, house rules, availability, host info, and more. They can also read reviews from previous guests (Airbnb, 2024).

The financial aspect involves a 3% fee for most hosts, automatically deducted from the booking subtotal, which includes the nightly rate, cleaning fee, and additional guest fee. However, certain hosts may charge higher fees based on factors like location and cancellation policies. Guest service fees, typically less than 14.2% of the booking subtotal, vary based on factors presented during the checkout process. For stays exceeding three months, the guest service fee is reduced after the third month (Airbnb, 2024).

Airbnb provides full support for both hosts and customers to ensure a positive and secure experience on the platform. For hosts, support encompasses assistance with account-related issues, compliance with policies, and guidance on enhancing the guest experience. In cases of violations, Airbnb reserves the right to take appropriate actions, including account suspension. (Airbnb, 2024).

Customer support is dedicated to addressing guest concerns, booking inquiries, and facilitating resolutions for any disputes that may arise during a stay. Airbnb emphasizes open communication between hosts and guests and provides a resolution center to help mediate and resolve issues. (Airbnb, 2024).

The platform also offers resources and guidelines to both hosts and guests, promoting a clear understanding of expectations and fostering a trustworthy community. Overall, Airbnb strives to maintain a supportive environment for hosts and customers, ensuring a positive and reliable experience for all users. (Airbnb, 2024).

The analysis of the Airbnb business model highlights the importance of its multi-sided platform structure, which is known for connecting multiple parties within a market. This approach, based on economic literature, has helped the growth of peer-to-peer accommodation networks such as Airbnb by bringing together hosts, guests, and additional service providers. Airbnb has successfully created value for all stakeholders by using efficient pairing and strong risk reduction strategies.

Airbnb's success can be attributed to its efforts to address short-term rental market challenges such as trust, transactions, and communication. By providing broad value propositions, it encourages an expanding network of hosts, guests, and service providers. Airbnb's adaptability and innovation, as evidenced by features like experiences and potential expansions, demonstrate the company's commitment to meeting market demand. While not entirely new, Airbnb's approach has reshaped the industry by redefining rental models and leveraging technology to promote trust and convenience, resulting in global success in peer-to-peer accommodations.

2.2.3.   Drivers and deterrents of the use of Airbnb services

Different characteristics and attributes of Airbnb properties play a role in shaping consumers' decisions regarding their consumption choices, alongside the information accessible on the Airbnb platform.

Pricing significantly determines consumer satisfaction and behavioral intentions regarding Airbnb accommodations (Hamari *et al.*, 2015). Initially positioned as a budget-friendly accommodation option, Airbnb has expanded its offerings to include upscale accommodations at competitive prices, shifting away from its reputation as a budget choice (Zervas *et al.*, 2014)

Consequently, the influence of price on consumer decisions is less influential, with consumers now placing more importance on *amenities, authentic experience, and the quality* of interaction with hosts when considering whether to choose Airbnb for future stays (Goree, 2016).

Concerning deterrents, *distrust* is the primary factor influencing overall attitude, whereas *uncertainty* is directly related to behavioral intentions. Overall attitudes perceived behavioral control, and subjective norms, such as social influence and affinity for trends, collectively predict behavioral intentions (So, Oh, & Min, 2018).

The drivers and deterrents of using Airbnb services are important factors that influence consumers' decision to engage with the platform. These drivers and deterrents can vary based

on individual preferences, needs, and experiences. Below are some of key drivers and deterrents associated to using Airbnb services:

Figure 2. Drivers and deterrents of using Airbnb services
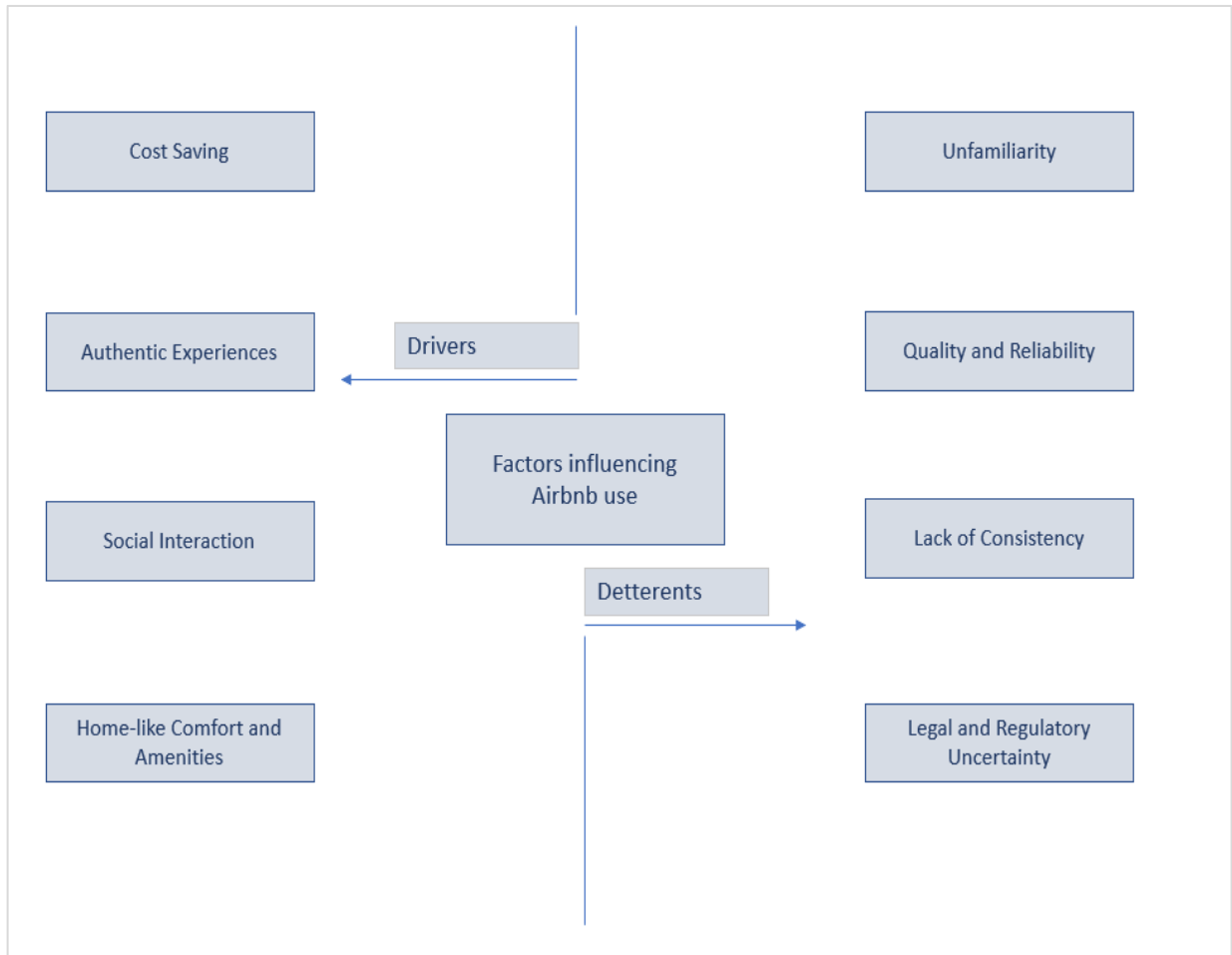
Source: Author of master thesis

Cost Savings

Value for money is a significant factor in booking both types of accommodations (Sanchez-Franco & Aramendia-Muneta, 2023).

One of the primary drivers for using Airbnb is the potential cost savings compared to traditional hotel accommodations. Airbnb listings frequently provide lower nightly rates compared to hotels. For longer stays or larger groups, Airbnb frequently has more affordable options, helping tourists cut costs on their accommodation.

Previous research found that the price of renting a private room through Airbnb is always lower than the cost of renting a room in an average hotel (Metz, 2014). Similarly, a study conducted in a major U.S. city in the same year revealed that choosing a private room

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through Airbnb translates to saving 50% on the final payment, while an entire apartment rental is approximately 20% cheaper (Priceonomics, 2013). Guttentag (2015) further supports this perception by presenting Airbnb as a more economical accommodation option compared to traditional alternatives, highlighting the added benefits of experiencing a homely environment.

Unique and Authentic Experiences

Travelers began to exchange traditional experiences for the unique experiences provided by sharing economy services.

Their motivation is now to "live like a local," to meet new people, and to have a more realistic experience of the culture and customs of local communities (Bridges and Vásquez, 2016). Unlike traditional hotels, Airbnb offers a unique value proposition centered around a unique experience: the opportunity to live authentically like a local in a resident's home. According to Marriott's CEO, Arne Sorensen, Airbnb's success is rooted in the taste of "authentic neighborhood life". This distinctiveness is expressed in the personality and style of the home being rented from the owners, as well as its unique location and surroundings. (Boswijk, Peelen & Olthof, 2013/2015)

Airbnb offers guests the chance to stay in diverse residences like private homes, apartments, or even treehouses. Also, it provides exclusive vacation rentals; Airbnb Luxe offers a handpicked collection of lavish California retreats, exquisite beachfront villas in Mexico with personalized concierge services, and even an awe-inspiring Medieval castle.

Social Interactions

For some travelers, the chance to speak with hosts and enjoy the hospitality of the locals is a key motivator. Airbnb allows guests to engage with hosts who can provide recommendations, local insights, and a more personalized experience, encouraging a sense of connection and cultural exchange.

In order to participate in Airbnb, one has to create a profile as a traveler or as a host. Communication between guests and hosts is encouraged – and restricted – through Airbnb; direct contact is not possible until a reservation has been confirmed. The decision-making process is governed by the attractiveness and design of homes that have been posted, the number of positive or critical reviews, and the personality profile of hosts. Airbnb introduced personality matching based on guest and host algorithms in order to create better matches. (Boswijk, 2017)

The significance of the host's role in shaping the Airbnb user experience remains uncertain (Tussyadiah & Zach, 2016). While some individuals appreciate hosts' personal reception and

insights regarding their accommodation, others express dissatisfaction with the lack of interaction, particularly when hosts rent out entire properties without being present (Cheng, 2016; Dredge & Gyimóthy, 2015). Nonetheless, certain studies emphasize the social interaction between guests and hosts as a pivotal aspect of the overall experience (Festila & Müller, 2017; Yannopoulou, 2013).

Accommodations such as shared rooms are an ideal choice for individuals who are comfortable with the concept of sharing their living space and socializing with other guests and hosts, as well as being comfortable being in other people's homes regardless of whether they are present. A shared room entails sleeping in a communal area alongside other guests, thereby sharing the entirety of the space. These shared accommodations have gained popularity among flexible travelers as they seek to develop new connections and enjoy affordable rental options.

Home-like Comfort and Amenities

The location and amenities are attributes that most stand out, contributing on a large scale to guest satisfaction and the intention to acquire the services in the future.

Many Airbnb listings provide a homely environment with kitchen facilities, laundry access, and living spaces. Among top guests who search, most amenities, according to Airbnb Resources Center, are often a pool, Wi-Fi, a kitchen, free parking, a hot tub, air conditioning or heating, a washer or dryer, self-check-in, TV or cable, and a fireplace (Airbnb, 2023b). This appeals to travelers who prefer the convenience and comfort of a home-like setting during their stay.

According to a consumer survey commissioned by Airbnb, a significant number of travelers consider amenities to be a crucial factor in ensuring a memorable trip. This aspect holds even greater significance in the present context, as guests increasingly seek accommodation for longer stays.

Deterrents

Due to its intangibility and heterogeneity, accommodation is usually viewed as a product with high risk. To reduce risk in decision-making in the hotel industry, they guarantee a familiar and standardized quality of service in their accommodation across the world. However, Airbnb doesn't have this kind of standardization as an online intermediary, and it can't provide the same level of security and quality of each host's services.

While many drivers are the reason Airbnb is enjoying its success, many have found the deterrents are the bigger driving force in choosing to use this type of accommodation.

Unfamiliarity

The perceived lack of knowledge or ability to use peer-to-peer accommodation platforms may function as a barrier to adoption (Tussyadiah & Pesonen, 2016a). This unfamiliarity is conceptually similar to self-efficacy, which refers to an individual's belief in their capacity to perform a particular task (Bandura, 1986). Consumers may hold back from engaging in activities they perceive as lacking the necessary skills (Bandura, 1982). Some potential users may worry about the risk of staying in unfamiliar environments, coming across fake listings, or experiencing problems with their safety.

This issue is less prevalent in the modern day, particularly in the Euro-American world, which is more accustomed to travel and has accepted this mode of accommodation. Although unfamiliarity persists in less progressive countries that are more accustomed to traditional practices, with new generations entering the picture and the world becoming a global village, such distinctions will undoubtedly fade.

Quality and Reliability

As Airbnb relies on individual hosts, there can be variations in the quality and reliability of accommodation. Some users may be discouraged from making a reservation using the site due to worries about incomplete or inaccurate descriptions, below-average cleanliness, or inadequate customer service.

A reciprocal relationship exists between quality and quantity, wherein enhancing one often comes at the expense of the other (McCannon, 2008). As the quality of a product or service improves, the cost of increasing its quantity typically escalates, leading to a potential reduction in overall quality (McCannon, 2008). Travelers seek assurance that the rental property matches their expectations and fulfills their needs for a comfortable stay.

Similarly, increasing the use of limited resources necessitates giving up the ability to maintain a certain level of quality (Ellway, 2014). Prioritizing either quantity or quality consistently undermines the other. Catherine Powell, Airbnb's Global Head of Hosting, said for Airbnb Newsroom (2023): "By gathering constructive feedback, we aim to improve the quality of listings and provide peace of mind for guests."

Reliability refers to the service's consistency and dependability, which includes factors like accurate property descriptions, responsive communication from hosts, and seamless booking processes. Positive experiences with quality and dependability help establish trust between hosts and guests, resulting in repeat bookings and positive word-of-mouth recommendations.

With the rise of Airbnb, quality and reliability levels are expected to fall, despite the fact that Airbnb's efforts are more focused on these regulations: "We're constantly enhancing our

system to enhance stays for guests and hosts alike" (Airbnb, 2023). As a result, instances of poor quality or unreliability may damage trust and discourage customers from using Airbnb services in the future.

Lack of Consistency

The absence of consistency in Airbnb properties presents a significant consideration for potential users. Unlike the standardized experiences offered by hotel chains, the decentralized nature of Airbnb allows for considerable variability in amenities, cleanliness, and overall guest experience. This lack of uniformity may discourage individuals seeking predictability and consistency in their travel accommodations (Airbnb Tales, 2024). Such variability can lead to disappointment if the property fails to meet expectations. However, Airbnb has proactively addressed this concern by implementing a robust review system. Introduced in 2009, this system empowers users to gather insights from the experiences of fellow travelers, helping them in informed decision-making.

Additionally, Airbnb's introduction of the "superhost" designation serves as a mark of reliability and consistency in service delivery (Airbnb, 2023). Superhosts, recognized for their exceptional guest experiences, demonstrate qualities such as frequent bookings, no cancellations, fast responsiveness, and consistently high ratings. These initiatives work to cultivate confidence in users and reduce the perceived risk associated with potential variations in Airbnb accommodations.

Even though Airbnb is constantly updating and improving many aspects, regulating some basic listings that are covered in real-time offers, many hosts continue to do so because of their own reputation and the potential reviews that can help increase their accommodation visits or decrease and ruin their positioning and image. Consistency is something that Airbnb will have to navigate throughout its entirety of existence. As the concept of the sharing economy is available to anyone, it will be hard to remain consistent in what every Airbnb rental is presenting and if it keeps to the standards and promises.

Legal and Regulatory Uncertainty

Legal and regulatory uncertainty plays a crucial role in shaping the landscape of Airbnb services within the tourism-based sharing economy. Depending on the geographical context, potential hosts may confront uncertainties regarding legal restrictions or requirements surrounding short-term rentals and adherence to local regulations. This ambiguity is exemplified by instances such as the adaptation of Airbnb's business model in response to regulatory demands in cities like New York City. Here, Airbnb contested laws mandating the disclosure of rental unit information, citing privacy concerns. However, navigating such legal complexities is not without its challenges, as illustrated by the vulnerabilities faced by

hosts like John Wong in Ottawa, who lacked the recourse available to traditional hotel operators when dealing with property damage incidents (New York Times, 2017).

The need to address legal and regulatory considerations is highlighted by Airbnb's guidance, which urges potential hosts to understand and comply with local laws before listing their properties. This involves getting the necessary permits or licenses, registering with local authorities, and following zoning regulations. Airbnb's collaboration with governments around the world to clarify these rules demonstrates the company's ongoing efforts to create clear guidelines for all parties involved.

Airbnb's initiative to handle local occupancy tax collection in certain tax jurisdictions is intended to reduce some of the burden on hosts, though the rollout of this benefit is still ongoing. But the importance of proactively reviewing and complying with local laws and regulations cannot be overstated, as failure to do so may result in penalties or other enforcement actions.

Legal and regulatory uncertainties present significant challenges for both Airbnb hosts and the platform in the tourism-based sharing economy. Addressing these concerns is critical for increasing consumer confidence, building trust, and ensuring the long-term growth of Airbnb services while complying with local laws and regulations.

Understanding the complex relationship of drivers and deterrents in the Airbnb ecosystem is critical to the platform's growth and sustainability. By identifying and addressing these factors, Airbnb can effectively reduce concerns, increase positive experiences, and create strategies to overcome barriers that may discourage potential users from using their services. While the quality and reliability of Airbnb accommodations vary depending on individual hosts and locations, they are still subjective, influenced by users' diverse preferences and priorities, including the motivations and deterrents discussed earlier.

The built-in lack of consistency in Airbnb's offerings highlights the need for increased regulation and standardization efforts. By proactively addressing these challenges, Airbnb can increase user confidence, build confidence, and strengthen its position in the tourism-based sharing economy.

2.2.4.   The role of trust in consumers' intention to use Airbnb services

Trust represents consumers' willingness to rely on an exchange partner (Moorman *et al.*, 1992). In the context of Airbnb, trust means embracing a position of vulnerability and having faith that the exchange partner will fulfill their obligations (Satama, 2014). According to Olson (2013), consumers' perceived fears about engaging in the sharing economy are a primary obstacle to participating in collaborative consumption. Botsman and Rogers (2010)

similarly state that collaborative consumption involves placing trust in unfamiliar individuals.

"At Airbnb, we aim to create the world's most trusted community. To ensure everyone's safety, we have a dedicated team of knowledgeable and experienced individuals who monitor any suspicious activity on our platform" (Airbnb, 2024).

Airbnb provides several features that foster trust and transparency, including the secure messaging system, reviews, the Host Guarantee, and more (Airbnb, 2024). User reviews are central to building trust between hosts and guests, helping homeowners make informed decisions about who stays in their spaces. (Birdeye, 2023)

Placing trust in a business context requires the consumer's confidence that the seller will uphold the transaction and meet their responsibilities toward the consumer (Kim *et al.*, 2009). However, trust can vary depending on various situations and can be developed through different risk assessments (Pytlik-Zillig & Kimbrough, 2016). There are few different types of trust:

Personality-based trust rooted in long-held beliefs and past experiences is crucial in relationship development, particularly in e-commerce settings where physical contact is absent. It relies on personality traits such as agreeableness and openness to new experiences to foster trust between physically separated individuals (Azam *et al.*, 2013). This type of trust is especially significant in online platforms where interactions occur remotely, making it challenging to measure trustworthiness (McKnight & Chervany, 2001; Kim *et al.*, 2009).

Experience-based trust is garnered through firsthand or secondhand interactions with others over time (McKnight *et al.*, 2002). This trust is built upon factors such as satisfaction, communication, and the accumulation of positive experiences. Communication plays a crucial role in transmitting secondhand experiences, contributing significantly to trust formation. Positive experiences with providers on online platforms like Airbnb can enhance consumer trust and influence future purchasing decisions. Airbnb had a good experience with it; they perceive their high trust in this platform, and they prefer a similar experience in the future (Mao *et al.*, 2020). Satisfaction depends on whether expectations are met during interactions with others (Walczuch & Lundgren, 2004).

Cognitive-based trust relies on rational decision-making and concrete information to reduce uncertainty between parties (Ziegler & Golbeck, 2007). It emphasizes the competence of the other party to fulfill promises, particularly crucial in newly established relationships. Review systems play a vital role in building trust in online platforms, such as Airbnb, where assessing credibility can be challenging (Mao *et al.*, 2020). Positive reviews enhance perceived trust, fostering sustainable business relationships. This type of trust is especially important in new

relationships, where affective factors are lacking, and facts and information serve as trust mediators (Downell *et al.*, 2015).

This thesis aims to go deeper into the dynamics of trust in the context of Airbnb services, with a focus on trust in Airbnb, trust in hosts, and their combined impact on users' behavioral intentions. As previously stated, the emotional dimensions of trust have a significant influence on users' decision-making processes in the sharing economy. This study will specifically investigate the relationship between these two types of trust—trust in Airbnb and trust in hosts—and users' behavioral intentions (Yi, Yuan, & Yoo, 2020).

The thesis tries to explain the multifaceted role of attitudes and desires in shaping user behavior. While attitudes indicate a preference for a specific entity, desires indicate the presence of motivations to achieve or obtain something (Perugini & Bagozzi, 2004). This distinction implies that attitudes originate from rational evaluations, whereas desires include rational, emotional, and social dimensions (Bagozzi & Dholakia, 2006). As a result, the theory of planned behavior is expanded to argue that attitudes and subjective norms indirectly influence behavioral intentions through desires (Perugini & Bagozzi, 2001).

Here are some key aspects of trust and its impact on consumer's intention to use Airbnb:

Key aspects impacting consumer trust in Airbnb include:

1.   Host Reputation: Positive reviews and high ratings from previous guests build trust in hosts, indicating reliability and credibility.
2.   User-generated Reviews: Authentic feedback from previous guests helps prospective guests assess listing quality and satisfaction levels.
3.   Trust Badges and Verification: Verification processes and trust badges provide additional assurance of user identities and reliability.
4.   Open Communication: Quick and transparent communication between hosts and guests establishes reliability and responsiveness.
5.   Secure Payment System: Airbnb's secure payment system assures users of financial transaction protection, mitigating concerns about fraud.
6.   Host and Guest Profiles: Detailed profiles with personal information and verified identities contribute to trust-building and familiarity.
7.   Customer Support: Reliable customer support and conflict resolution mechanisms enhance trust by addressing issues effectively.

Trust is an important factor in shaping consumers' intentions to use Airbnb services. It displays a willingness to rely on exchange partners, which is critical in the context of collaborative consumption platforms such as Airbnb. As the sharing economy grows and changes, platforms like Airbnb rely on trust to ensure long-term success and consumer

participation. To successfully deal with this ever-changing landscape, both platform managers and users must understand all aspects of trust dynamics.

2.2.5. Airbnb Perceived Risk Model

Despite the growing popularity of Airbnb in the hospitality and tourism industries, visitors still have reservations and concerns. Contrary to hotels, which are subject to regular inspections by government authorities and private inspectors to ensure safety and maintain public trust, Airbnb properties are not required to undergo official inspections for safety requirements or cleanliness standards set by the company.

Instances of guest dissatisfaction have been reported, ranging from hosts failing to meet obligations such as absence during check-in, last-minute reservation cancellations, and discrepancies between listing descriptions and actual properties, to issues like cleanliness neglect and misrepresentation of property details.

Hosts are accountable for accurately representing their listings and ensuring compliance with Airbnb's standards and local regulations. While Airbnb provides resources and guidelines to help hosts maintain safe and accurate listings, the ultimate responsibility lies with the hosts themselves (Airbnb Community, 2024).

To address these concerns, Airbnb implemented a review system that allows guests to leave feedback on their stay, including property conditions. In addition, Airbnb's Trust & Safety team investigates reports of dishonesty or unsafe conditions and may remove listings that do not meet standards. The platform also provides a host guarantee that covers damages up to $1 million (Airbnb, 2024).

However, these measures demonstrate the need for increased transparency and accountability on the Airbnb platform. Implementing quality assurance mechanisms, such as independent inspections or certification processes, could significantly improve the overall visitor experience.

Other than that, some cities require property inspections prior to listing on short-term rental platforms including Airbnb to ensure compliance with local health, safety, and zoning regulations (Guttentag, 2017). While this practice varies by city, hosts are expected to follow all applicable laws and regulations, and Airbnb provides resources and guidance to help hosts understand their obligations. This demonstrates the changing regulatory landscape and the importance of complying with local regulations in order to promote responsible hosting practices and ensure guest satisfaction within the Airbnb ecosystem.

The Airbnb perceived risk model, as outlined by Yi, Yuan, and Yoo (2020), underscores the multifaceted nature of perceived risks—physical, financial, privacy, and performance

risks—and their influence on consumers' desire and intention to engage with Airbnb services.

Figure 3. Research model
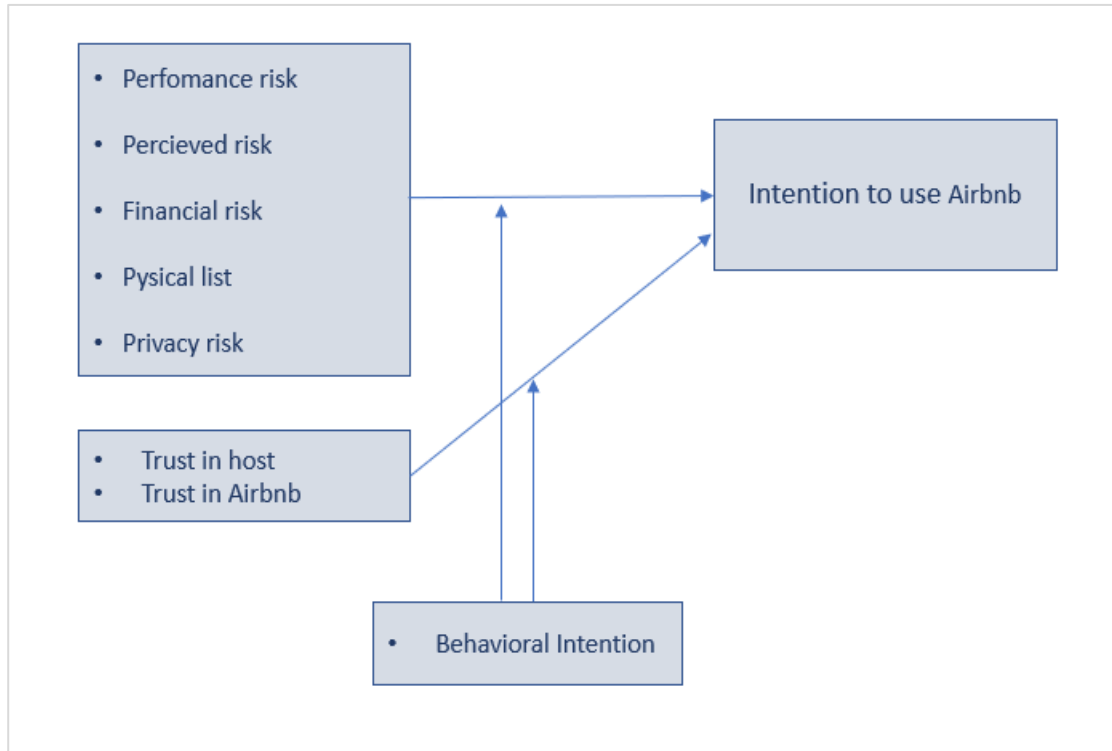
Source: Author of master thesis

Perceived risk

Perceived risk refers to an individual's personal perception of the probability of experiencing a loss during transactions with companies (Gefen & Pavlou, 2012), which influences the assessment of another party's trustworthiness. Concerns have been raised about the platform's overall reliability, trustworthiness, and reputation. Sonmez and Graefe believe that risk perception is the strongest indicator of safety concerns. Previous research has also confirmed that perceived risk has a negative impact on travelers' destination choices and tendency to visit or avoid specific locations.

Perceived risk implies to the subjective assessment of potential negative outcomes from using Airbnb services. Given the virtual nature, anonymity, and internet accessibility, establishing online trust faces challenges caused by various types of perceived risks (Harridge-March 2006). Furthermore, the sharing economy introduces additional risks due to the diverse nature, potentially poor reputation, and opportunistic behavior of service providers (Xie & Mao, 2017). Mutual trust between two parties grows when the perceived benefit outweighs the perceived risk (Ganapati & Reddick 2018).

Perceived risk negatively impacts trust and purchase intentions. When risk is high, buyers hesitate to act, relying heavily on trust signals for reassurance. Trust plays a stronger role in repurchase intention in high-risk scenarios, mitigating transactional concerns. Conversely, in lower-risk situations, buyers perceive reliability regardless of trust level (Mao *et al.*, 2020). Airbnb listings, with their high stakes, involves significant risk for guests and hosts, amplifying the importance of trust (Ert *et al.,* 2016).

Performance risk

The possibility of receiving less than expected results or a service that does not function as expected is referred to as performance risk. This risk frequently arises due to consumers' limited ability to accurately measure the quality of online offerings because they cannot physically interact with or experience them beforehand (Forsythe & Shi, 2003; Stoller 2017). The performance risk is associated with situations in which guests' experiences at Airbnb properties are inconsistent, where listings' photos, locations, and descriptions differ from those in reality, where a listing's property is not generally clean, and the number of bedrooms or bathrooms in the property does not match the information provided on the platform. Airbnb's overall reliability and confidence are put at risk by its lack of control over hosts' actions, as well as the frequency with which these situations occur for its customers.

Financial risk

Financial risk refers to the possibility of financial loss or underperformance in terms of monetary gains. According to Mitchell and Greatorex's study, the most significant risk for hotel services was financial risk. This can include concerns about payment security, refund policies, hidden fees, or the possibility of incurring unexpected financial burdens during the booking or stay. Financial threats were among the top three perceived risks by customers when purchasing services online. Despite the fact that most hotels are thought to be more expensive than Airbnb rentals, some customers claim there are no significant savings. To cover the cost of processing each reservation, Airbnb also charges the host a three percent service fee, which raises the cost and potentially the price for customers.

Physical risk

Physical risk is the possibility of encountering safety risks or health-related issues associated with a product or brand (Jacoby and Kaplan, 1972).
Physical risk refers to personal safety and security concerns while using Airbnb accommodations. Airbnb accommodations operate without regulatory oversight (Stone, 2015), implying a lack of adherence to health and safety standards (Bonnington, 2015).

A number of horror stories about physical risk have been distributed to potential customers via news outlets and social media, with additional cases including sexual assault and fake

listings. The host drugged his guests. A man died tragically while on an Airbnb trip. And there are many more stories like these. These stories cause concern among potential customers, who consider factors such as the location's safety, security measures implemented on the property, and the possibility of accidents or incidents during their stay.

The variety of such incidents emphasizes the importance of addressing physical risk to ensure Airbnb users' safety and peace of mind.

Privacy risk

Privacy concerns of users appear relatively multi-faceted, as they include both the privacy of personal information shared online and personal privacy.

Sharing personal information on digital platforms raises significant privacy concerns, as highlighted by previous research (Culnan & Armstrong, 1999; Malhotra *et al.*, 2004). The nature of online transactions necessitates the disclosure of personal data, exposing users to both unintentional and deliberate privacy breaches (Hoffman *et al.*, 1999). Within the sharing economy, where personal information is exchanged digitally and physically, the stakes regarding privacy are heightened (Belk, 2014; Lutz *et al.*, 2018).

Users may be concerned about a lack of privacy after providing personal information to platforms, and they may be vulnerable to digital privacy risks such as data breaches and unauthorized data access (Chatterjee & Kar, 2018; Kar, 2020; Martin *et al.*, 2020; Martin *et al.*, 2017). For example, there have been instances where the account information of Airbnb providers has been disclosed to other business parties (Forums, 2020). Because of their relationship with guests and the environment they share, providers are exposed to physical privacy risks in addition to digital privacy risks (Hamari *et al.*, 2016; Ranzini *et al.*, 2020). Personal privacy risks relate to concerns about the invasion of personal privacy when using shared accommodations or staying in close proximity to the host or other guests.

Moving forward, addressing these perceived risks and building trust will be important to Airbnb's long-term success and growth in the sharing economy. By recognizing and mitigating these risks, Airbnb can create a safer, more reliable, and trustworthy platform for both hosts and guests.

3.   EMPIRICAL ANALYSIS

3.1.   Research Methodology

The methodology section provides an outline of the systematic approach adopted to answer the research questions for the study. It provides an outline of the research design, the materials used in the research, sampling techniques, data collection process and analysis.

3.1.1. Research Design

The study used a quantitative research design to answer the research questions. Quantitative research is widely used to measure the subject of interest by collecting numerical data that can be converted into statistical data. Generally, this type of research is used to quantify or measure opinions, beliefs, attitudes, and any other specified variable. In this way, researchers tend to generalize results based on the larger sample of the population, and thus create facts accordingly. As already emphasized, quantitative research implies the collection of numerical data which later can be divided into categories, rank order, or statistically measured. In addition, quantitative data can be used to develop graphs and tables out of the raw data (McLeod, 2017).

A cross-sectional research strategy is utilized to obtain quantitative data to provide insights into consumer behaviour. The correlational research approach is used to identify patterns, relationships and associations between consumer attributes and their intention to purchase or use services. The study uses the quantitative attributes measured and collected to determine the significant insights that help to model consumer behaviour.

3.1.2. Research Materials

The study is conducted to measure and evaluate consumer behavior. To achieve this, a survey questionnaire is developed to measure the various consumer attributes. The survey is divided into items for each of the constructs which represent the consumer attributes considered in the study. The constructs measured in the questionnaire include perceived risk (Yi, Yua & Yoo, 2015), trust in Airbnb platform (Yang, Lee, Lee & Koo, 2019), trust in Airbnb host (Yang, lee, Lee & Koo, 2019), and behavioral intention (Yi, Yua & Yoo, 2015). In addition, the demographic characteristics of the study respondents are also collected in the study questionnaire. They include age, gender, highest education level, employment status and monthly income.

3.1.2. Sampling

The sampling method determines the representativeness of the study's findings, reflecting both validity and reliability. There are two principal types of sampling: probability and non-probability which are divided into many subcategories. This research study requires a non-probability purposive sampling that was conducted via Facebook, among former faculty colleagues, work colleagues, friends and acquaintances aged 18-35, who are citizens of Bosnia and Herzegovina.

In total, 201 questionnaires have been collected, while 15 responses are not included in the analysis because of the incomplete or wrongly interpreted questionnaire. Hence, the complete analysis takes into account 186 valid answers.

Two respondents did not provide a response to a question about their frequency of use of sharing services, and 13 indicated had never used it. These 15 participants were excluded from the study dataset, resulting in a final sample size of 186.

Figure 4. Distribution of respondents by age
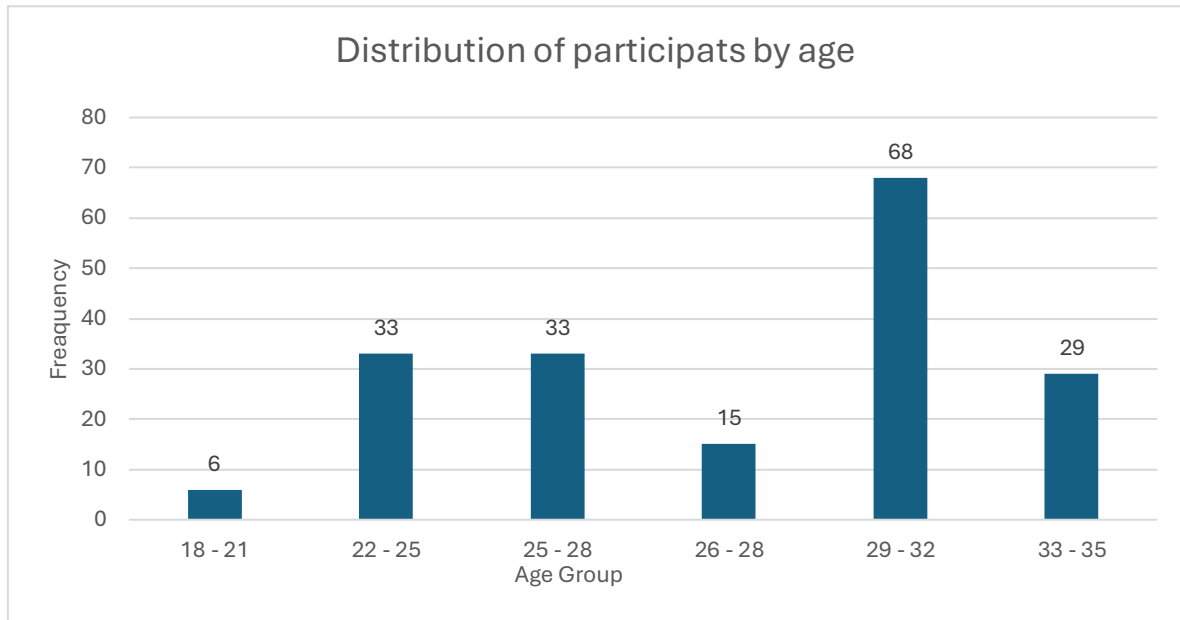
Source: Author of master thesis

The largest proportion of respondents fell into the 29-32 age group, while the smallest group was aged 18-21. Overall, the respondents were relatively young, with ages ranging from 18 to 35.

3.1.3. Data Collection

The participant responses were collected using a combination of demographic characteristics measured through a multiple-choice item list and construct items measured via a 5-point Likert scale. To ensure ease of response and gather relevant data, the questionnaire includes statements and closed questions based on participants' experiences and perceptions of Airbnb services. Although most of the statements within the questionnaire were positively expressed, the rest of them required to be negatively expressed in order to avoid answering the questions by default and to ensure more reliable feedback from participants. Negative statements needed reverse coding meaning that the numerical scoring scale from 1 "Strongly Disagree" to 5 "Strongly Agree" goes in the opposite direction from 1 "Strongly Agree" to 5 "Strongly Disagree". In order to reduce the level of biased answers (certain respondents might circle all the best answers without reading through the questionnaire carefully). The survey was conducted in the English language, which affected the time needed to gather respondents' answers and find participants to complete the survey. The survey was created and distributed through Google Forms.

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To gain insight into the perspectives of Airbnb users, the survey included questions about who had previously used the platform and was aware of its presence. Before completing the questionnaire, participants are briefed on the research project's objectives, ensuring their informed consent. The questionnaire took approximately 10 minutes to complete, allowing for efficient data collection while respecting participants' time and engagement with the study.

3.1.4. Data Analysis

The survey data was analyzed using the statistical program STATA. Both descriptive and inferential statistics are used in the study to identify patterns, relationships, and association to obtain insights into consumer behavior on the shared economy. Particularly, measures of central tendency and distribution are used to provide descriptive insights into consumer demographics and behavior. Further, inferential statistics are used to identify insights into consumer behavior and demographics. The inferential statistics used in the study include correlation analysis, paired samples t-test, ANOVA, and regression analysis. Correlation analysis is conducted to determine the magnitude and the direction of the relationship between the independent variables and the dependent variable in the study. Paired samples t-test is conducted to determine whether there exist significant differences in average trust scores for trust in host and trust in Airbnb. ANOVA is conducted to determine whether there exists significant difference in average risk scores for the constructs of perceived risk. In addition, validity and reliability analyses are conducted to determine the suitability of aggregating the items into constructs and factors.

In this chapter, both descriptive and inferential statistics are used to analyze the study data. Factor analysis is conducted to determine the chosen constructs for measuring perceived risk, risk in Airbnb, trust in hosts and behavioral intention. In addition, reliability analysis is conducted to determine the internal validity of the chosen scales and their suitability for consolidation of the various within each factor/construct. Descriptive measures of central tendency and spread are used to provide a perspective about the questionnaire responses. Inferential statistics like correlation, t-test, ANOVA, and regression analyses are used to provide the basis for hypothesis tests and decision making about the questionnaire responses.

4. ANALYSIS

4.1. Respondent Characteristics

The figure below shows the distribution of the study respondents by gender.

Figure 5. Distribution of respondents by gender
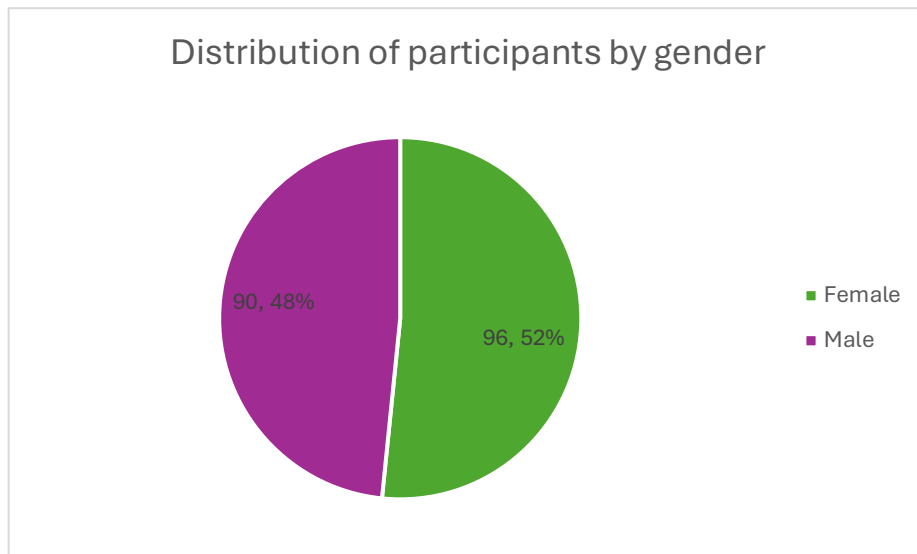
Source: Author of master thesis

52% of the respondents are female while 48% are male. There is a fairly balanced sample of respondents by gender composition.

The pie chart below shows the distribution of the respondents by their education level.

Figure 6. Distribution of respondents by education level
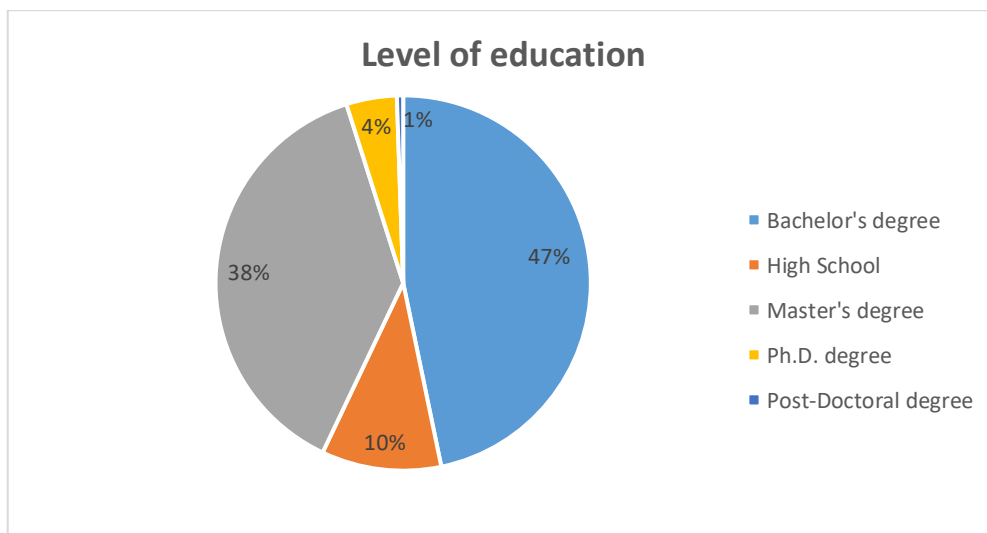
Source: Author of master thesis

The highest proportion of participants have bachelor's degree (47%) and master's degree (38%) while the lowest proportion are those with post-doctoral degree (1%) and Ph. D degree (4%).

The majority of participants are employed full-time, followed by part-time or self-employed, as shown in the graph below.

Figure 7. Distribution of respondents by employment status
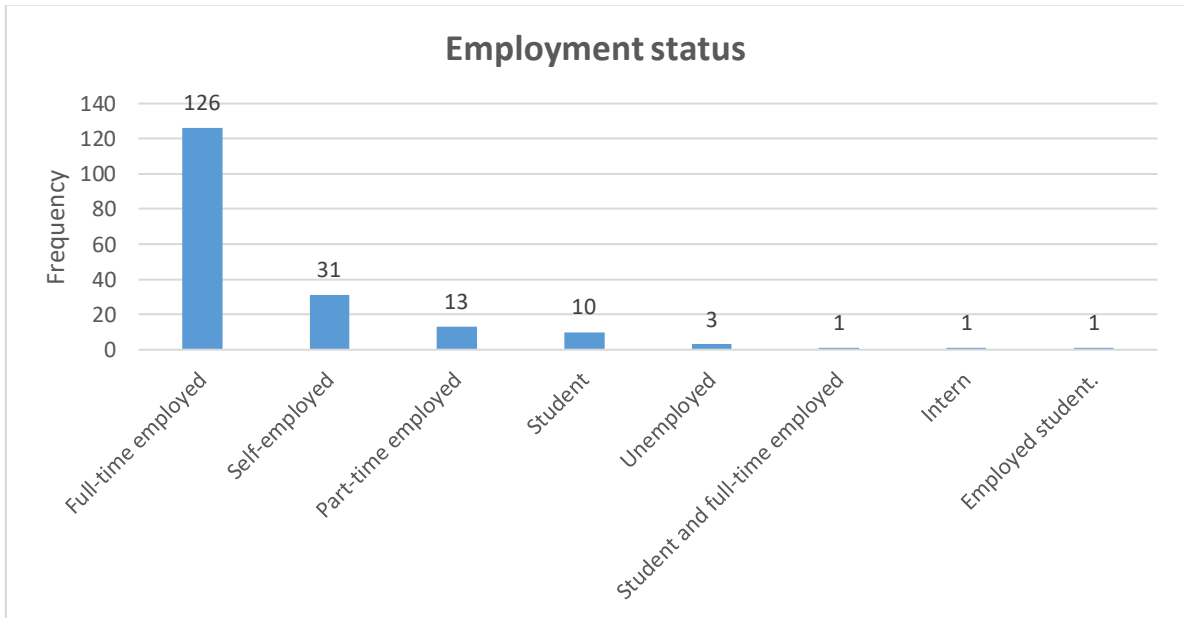
The bar graph below shows the distribution of the participants by their income level and their frequency of use of Airbnb services.

Figure 8. Distribution of respondents by income level and frequency of using Airbnb services

A higher percentage of respondents in the study have relatively low income levels. Approximately 68% of participants make 3000 BAM or less. A review of the relationship between income level and frequency of use of Airbnb services reveals that those with higher income levels are more likely to use Airbnb services more frequently, whereas those with lower incomes use Airbnb services only occasionally or infrequently.

The demographic characteristics of the respondents help to interpret the study findings. The sample is primarily composed of young adults, with a fairly balanced gender distribution. The majority have at least a bachelor's degree, and a sizable proportion work full-time, part-time, or self-employed, with varying income levels.

4.2. Factor Analysis

Factor analysis is conducted to determine the validity of the constructs within the dataset. The factor analysis identifies each item within the chosen constructs into factors. Seven factors were identified based on the factor loading of the principal factor method. The perceived risk factor includes factors such as physical risk, financial risk, privacy risk, and performance risk. Other factors identified include trust in Airbnb, trust in hosts, and behavioral intention. However, behavioral intention is only measured using one item from the dataset. The risk factors identified are further classified into a single construct known as perceived risk. The table below shows the extracted factors and the items as well as the factor loadings.
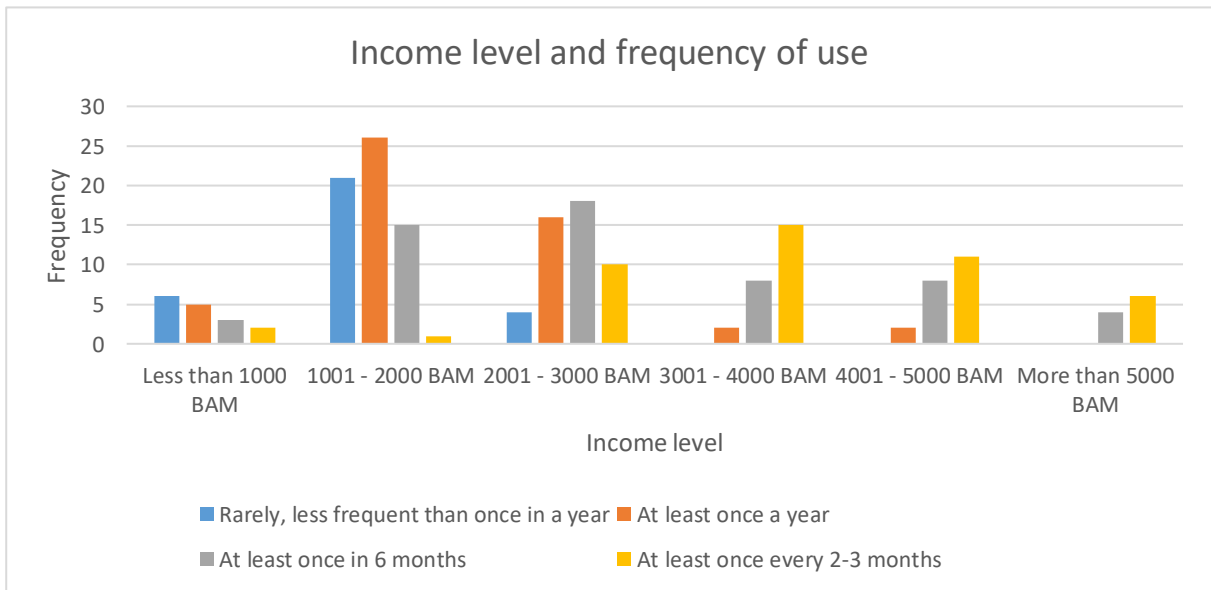
Table 2. Factor loadings and extracted factors for survey items

Item Code	Factor loadings	Factor	Item
PVR1	-0.6886	Privacy Risk	Using Airbnb may make privacy of payment information uncontrolled. (PVR1)
PVR2	-0.7017		If I use Airbnb, there is a possibility that my personal information may be leaked without my knowledge (PVR2)
PVR3	-0.7282		If I use Airbnb, I think hackers or criminals will be able to access my account. (PVR3)
PHR2	-0.7023	Physical Risk	Using Airbnb increases the risk of being harmed by criminals (PHR2)
PHR3	-0.5423		Using Airbnb can increase my chances of being a target of sexual harassment or sexual assault (PHR3)
PHR4	-0.5775		Using Airbnb is likely to increase the risk of accidents while traveling. (PHR4)
FNR1	-0.5878	Financial Risk	Using Airbnb will be more expensive than using conventional hotels. (FNR1)

FNR2	-0.6033		It is likely that the costs will actually be higher than those proposed by Airbnb. (FNR2)
FNR3	-0.7167		I think I will get a lower service compared to the money I paid to Airbnb. (FNR3)
PFR1	-0.7385	Performance Risk	I am worried that Airbnb would not provide me with the level of benefits that I expected it to. (PFR1)
PFR2	-0.6721		I am worried that the information on the Airbnb Website might be different from the actual accommodation (PFR2)
PFR3	-0.7004		I am afraid that the sanitation at the accommodation is below expectations when using Airbnb. (PFR3)
PFR4	-0.7303		I am concerned that my request or complaint at the accommodation may not be handled promptly when using Airbnb. (PFR4)
ATR1	0.8045	Trust in Airbnb	Airbnb is honest (ATR1)
ATR2	0.7663		Airbnb keeps its promises (ATR2)
ATR3	0.75		Airbnb puts customers' interest before its own (ATR3)
ATR4	0.7315		Airbnb demonstrates it belief that "the customer is always right" (ATR4)
ATR5	0.7091		Airbnb is competent in carrying out its online booking accommodation transactions. (ATR5)
ATR6	0.6818		Airbnb knows how to provide an excellent online booking accommodation service. (ATR6)
HTR1	0.8159	Trust in Host	I believe that Airbnb hosts are honest (HTR1)
HTR2	0.8024		I believe that Airbnb host care about guests (HTR2)
HTR3	0.7753		I believe that Airbnb hosts provide good service (HTR3)
HTR4	0.8174		I believe that Airbnb hosts are trustworthy (HTR4)
HTR5	0.6686		I believe that Airbnb hosts are not opportunistic. (HTR5)
HTR6	0.5866		I believe that Airbnb hosts are predictable (HTR6)
HTR7	0.4753		I believe that Airbnb hosts know their market (HTR7)
BI1	0.5581	Behavioral Intention	I plan to use Airbnb in the future. (BI1)

Source: Author of master thesis

The above results shows how the 27 items and how they are loaded into the various factors. There are four distinct factors they are derived from the factor analysis with one of the factors having four distinct subsectors. The four sectors that are obtained from loading the 27 items are perceived risk (13 items), trust in Airbnb (6 items), trust in host (7 items) and behavioral intention (1 item). The perceived risk factor is further decomposed into four factors based

on the various risk profiles of privacy risk (3 items), physical risk (3 items), physical risk (3 items) and performance risk (4 items).

4.3. Reliability Analysis

Reliability analysis is conducted to determine the suitability of consolidating the individual items into a construct measure. It determines the degree to which questionnaire components are interconnected and identifies any components that may need removal. The most common method, Cronbach's Alpha, measures internal consistency based on the Likert scale. A coefficient of 0.70 or higher is widely accepted as indicative of reliability, with higher values suggesting greater reliability (Field, 2005). The table below shows the reliability coefficient (Cronbach's alpha) for each of the factor constructs.

Factor	Number of items	Average Inter-item Covariance	Cronbach's Alpha
Privacy risk	3	0.7143	0.9076
Physical risk	3	0.4528	0.8546
Financial risk	3	0.4856	0.7710
Performance risk	4	0.6388	0.8806
Perceived risk	13	0.4847	0.9399
Trust in Airbnb	6	0.5832	0.9234
Trust in host	7	0.4302	0.9136

Table 3. Cronbach's alpha for factor reliability

Source: Author of master thesis

The extracted factors for the data have high reliability coefficients that are greater than 0.7. This indicates that the factors have a high internal reliability. Therefore, the item ratings can be consolidated to the individual constructs or factors. The items are consolidated within each of the factors by obtaining the average rating for the items in each factor.

4.4. Descriptive Statistics

Descriptive statistics provide concise summaries of data characteristics by using measures of central tendency and spread. Measures of central tendency, such as mean, median, and mode, reveal the data set's focus, whereas measures of spread, such as standard deviation and variance, reveal how the data is distributed. While central tendency measures provide an average, spread measures reveal the distribution of data within a set (Kenton 2018).

Table 4. Descriptive statistics of study variables

Variable	n	Mean	Standard deviation	Minimum	Maximum
Perceived risk	172	3.8623	0.7228	1.7692	5
Physical risk	185	4.1243	0.7287	1.3333	5
Performance risk	183	3.6694	0.852	1.5	5
Financial risk	182	3.9414	0.793	1	5
Privacy risk	180	3.9111	0.889	1.6667	5
Trust in Airbnb	181	2.3674	0.794	1	5
Trust in host	182	2.4356	0.6908	1	5
Behavioral Intention	184	1.9239	0.9665	1	5

Source: Author of master thesis

Quantitative measures were computed for several variables, including perceived risk, physical risk, financial risk, privacy risk, performance risk, trust in Airbnb, trust in the host, and behavioral intention. Perceived risk is an average of physical, financial, privacy, and performance risk ratings.

Descriptive statistics revealed that physical risk perception is the highest among all risk perceptions, while performance risk perception is the lowest. Trust in Airbnb and trust in host are rated at 2.37 and 2.44, respectively, while behavioral intention averages at 1.92.

4.5. Correlation Analysis

Correlation analysis evaluates relationships between variables, measuring their strength and direction. Positive correlation signifies that as one variable increases, so does the other, while negative correlation indicates an increase in one variable leads to a decrease in the other. Pearson's correlation analysis is conducted to determine the relationship between perceived risk and its component measures, trust in Airbnb, trust in host and behavioral intention. The table below shows the results of the Pearson's correlation analysis.

Table 5. Pearson's correlation statistics

Variable	Perceived risk	Physical risk	Performance risk	Financial risk	Privacy risk	Trust in Airbnb	Trust in host	Behavioral Intention
Perceived risk	1							
Physical risk	0.8157	1						
Performance risk	0.9238	0.6595	1					

Financial risk	0.8844	0.6741	0.7885	1				
Privacy risk	0.8558	0.5968	0.7157	0.6529	1			
Trust in Airbnb	-0.6099	-0.4512	-0.5944	-0.5559	-0.5461	1		
Trust in host	-0.6162	-0.4896	-0.6039	-0.5393	-0.5191	0.8263	1	
Behavioral Intention	-0.4696	-0.4174	-0.4132	-0.4506	-0.3619	0.472	0.5302	1

Source: Author of master thesis

Perceived risk shows strong positive correlations with its components: physical risk (r = 0.8157), financial risk (r = 0.8844), privacy risk (r = 0.8558), and performance risk (r = 0.9238). Additionally, perceived risk exhibits moderate negative correlations with trust in Airbnb (r = -0.6099), trust in host (r = -0.6162), and behavioral intention (r = -0.4696). These findings suggest that as perceived risks decrease, trust in Airbnb and the host, as well as intention to use Airbnb services, increase. Pearson's correlation analysis reveals significant relationships between the variables, indicating consistency in how respondents perceive various types of risks and their effects on trust and behavioral intention.

4.6. ANOVA

The respondents are assumed to have varied levels of risk on the shared economy and services as reported in the questionnaire. One-way ANOVA test is conducted to determine whether the average rating for privacy, performance, financial and physical risks significantly differ. The table below shows the results of the ANOVA test.

Table 6. Results of one-way ANOVA for difference in risk measures

ANOVA test					
Source	SS	df	MS	F	p-value
Between groups	19.268	3	6.42227	9.61	0
Winthin groups	485.1057	726	0.6682		
Post hoc test					
Variables	Difference	p-value			
Performance - Financial	-0.272	0.009			
Physical - Financial	0.1829	0.194			
Privacy - Financial	0.4549	0			
Physical - Performance	-0.0303	1			
Privacy - Performance	0.2417	0.03			

Privacy - Physical	-0.2132	0.078			

The ANOVA test is significant, suggesting that the average ratings for at least one of the risk factors differ significantly from the others. Specifically, the average rating for performance risk (M = 3.67, SD = 0.85) is significantly lower than that for financial risk (M = 3.94, SD = 0.79), physical risk (M = 4.12, SD = 0.73), and privacy risk (M = 3.91, SD = 0.89). Consequently, users in the shared economy exhibit less concern about the performance of Airbnb compared to other risk factors. However, the highest levels of risk perception are associated with physical, privacy, and financial risks.

4.7. T-test

A paired samples t-test is conducted to determine whether there exists significant differences in trust in Airbnb and trust in host. The table below shows the results of the t-test.

Table 7. Results of paired samples t-test for differences in mean trust

Paired t-test				
Variable	**n**	**Mean**	**std. error**	**std. dev**
Trust in Airbnb	177	2.3766	0.0602	0.8005
Trust in host	177	2.4423	0.0521	0.6928
Difference	177	-0.0656	0.034	0.4519
t-statistic	**df**	**p-value**		
-1.9326	176	0.0549		

The t test is insignificant. This indicates that there is no significant difference between the average rating on trust in host and trust in Airbnb. The respondents are indifferent to their level of trust in either Airbnb or the host.

4.8. Regression Analysis

Regression analysis with a variety of its functions is the statistical method applied to measure the degree to which independent variables have an influence on the dependent ones. The two essential forms of regression are linear regression and multiple linear regression. Multiple regression analysis is conducted to determine the impact of the physical risk, financial risk,

privacy risk, performance risk, trust in Airbnb, and trust in host on behavioral intention. The table below shows the results of the multiple regression analysis.

Table 8. Results of multiple regression analysis

ANOVA					
Source	SS	df	MS	F	p-value
Model	51.398	6	8.5663	12.19	0
Residual	108.2045	154	0.7026		
Total	159.6025	160	0.9975		
R-square = 0.3220		**Adj R-square = 0.2956**			
Variable	**Coefficient**	**Std. error**	**t**	**p-value**	
Physical risk	-0.1938	0.1287	-1.51	0.134	
Performance risk	0.1107	0.145	0.76	0.446	
Financial risk	-0.2573	0.1411	-1.82	0.07	
Privacy risk	-0.0317	0.1117	-0.28	0.777	
Trust in Airbnb	0.024	0.1499	0.16	0.873	
Trust in host	0.5255	0.1728	3.04	0.003	
Intercept	2.1089	0.6919	3.05	0.003	

Source: Author of master thesis

The multiple regression model is significant, $F_{(6, 154)} = 12.19$, p-value < 0.001, r-squared = 0.3220. Therefore, the six independent variables significantly predict the intention to use Airbnb. However, only one independent variable significantly predicts the intention to use Airbnb services. The intention to use Airbnb services is significantly predicted by the participants' trust in the host. Increased trust in the host increases the intention to use Airbnb services.

The multiple regression analysis provided insights into the predictors of behavioral intention. Trust in the host was a significant predictor. It positively influenced the intention to use Airbnb services. Thus, a higher level of trust in the host is associated with an increased likelihood of using Airbnb.

4.9. Interpretation

The study is conducted to test the following hypotheses:

H1: Perceived risk negatively affects the intention to use Airbnb services.
H1a: Performance risk negatively affects the intention to use Airbnb services.

H1b: Physical risk negatively affects the intention to use Airbnb services.
H1c: Financial risk negatively affects the intention to use Airbnb services.
H1d: Privacy risk negatively affects the intention to use Airbnb services.

H2: Perceived trust positively affects the intention to use Airbnb services.
H2a: Trust in the Airbnb platform positively affects the intention to use Airbnb services.
H2b: Trust in hosts positively affects the intention to use Airbnb services.

Performance risk and the intention to use Airbnb service.

Correlation analysis is conducted to determine the magnitude and direction of the relationship between performance risk and intention to use Airbnb services. There is a moderate and negative correlation between performance risk and intention to use Airbnb services (r = -0.4132). However, regression analysis shows that performance risk has an insignificant influence on the intention to use Airbnb services. Thus, the hypothesis H1a: Performance risk negatively affects the intention to use Airbnb services, is not supported.

Physical risk and the intention to use Airbnb service.

Correlation analysis is conducted to determine the magnitude and direction of the relationship between physical risk and intention to use Airbnb services. There is a moderate and negative correlation between performance risk and intention to use Airbnb services (r = -0.4174). However, regression analysis shows that physical risk has an insignificant influence on the intention to use Airbnb services. Thus, the hypothesis H1b: Physical risk negatively affects the intention to use Airbnb services, is not supported.

Financial risk and the intention to use Airbnb service.

Correlation analysis is conducted to determine the magnitude and direction of the relationship between financial risk and intention to use Airbnb services. There is a moderate and negative correlation between financial risk and intention to use Airbnb services (r = -0.4506). However, regression analysis shows that financial risk has an insignificant influence on the intention to use Airbnb services. Thus, H1c: Financial risk negatively affects the intention to use Airbnb services, is not supported.

Privacy risk and the intention to use Airbnb service.

Correlation analysis is conducted to determine the magnitude and direction of the relationship between privacy risk and intention to use Airbnb services. There is a moderate and negative correlation between performance risk and intention to use Airbnb services (r = -0.3619). However, regression analysis shows that privacy risk has an insignificant influence

on the intention to use Airbnb services. Therefore, H1d: Privacy risk negatively affects the intention to use Airbnb services is not supported.

Overall, our results suggest that H1: Perceived risk negatively affects the intention to use Airbnb services can not be supported. Although our results are contradictory to risk theories in consumer behavior (e.g., Cunningham *et al.*, 2005), they can be explained from two points of view. First, according to the trade-off between benefit and risk perception, users may consciously or unconsciously weigh the perceived risks against the benefits they derive from using Airbnb. Factors such as cost savings, unique accommodations, and flexibility might outweigh concerns about risks for some individuals. Second, users can employ various risk mitigation strategies to reduce the perceived risks associated with Airbnb. This could include carefully reviewing host profiles and guest reviews, communicating with hosts prior to booking, selecting accommodations with high ratings and positive feedback, and purchasing travel insurance for added security.

Trust in the Airbnb platform and the intention to use Airbnb service.

Correlation analysis is conducted to determine the magnitude and direction of the relationship between trust in Airbnb and intention to use Airbnb services. There is a moderate and positive correlation between trust in Airbnb and intention to use Airbnb services (r = 0.4720). However, regression analysis shows that trust in Airbnb has an insignificant influence on the intention to use Airbnb services. Thus, the hypothesis H2a: Trust in the Airbnb platform positively affects the intention to use Airbnb services is rejected.

Trust in host and the intention to use Airbnb service.

Correlation analysis is conducted to determine the magnitude and direction of the relationship between trust in host and intention to use Airbnb services. There is a moderate and positive correlation between trust in host and intention to use Airbnb services (r = 0.5302). Regression analysis affirms this finding. It shows that trust in Airbnb has a significant influence on the intention to use Airbnb services. Increased trust in host is associated with greater intention to use Airbnb services. Thus, the hypothesis H2b: Trust in hosts positively affects the intention to use Airbnb services.

Overall, the hypothesis H2: Perceived trust positively affects the intention to use Airbnb services is partially supported. These findings are grounded in the social exchange theory. According to social exchange theory, individuals engage in relationships or transactions based on the expectation of receiving rewards and benefits. In the context of Airbnb, users trust hosts to provide them with a positive experience, including safe and comfortable accommodation, local insights, and hospitality. This trust forms the basis of a social exchange where users anticipate benefits in return for their trust, thereby influencing their intention to use Airbnb services. Thus, trust in hosts positively influences users' intention to

use Airbnb services by reducing perceived risks, enhancing confidence, and facilitating positive social interactions within the platform's ecosystem.

5.CONCLUSION

The study sheds light on the factors influencing consumer behavior in the context of Airbnb use among millennials and Generation Z. The findings highlight the importance of trust in the host as a significant predictor of intention to use Airbnb services. The strong positive correlations among perceived risks demonstrate the interconnectedness of risk perceptions. It advocates for thorough risk reduction strategies. Demographic data highlights the platform's appeal to a younger, more educated demographic. These findings offer practical advice for Airbnb management, emphasizing the importance of building trust and addressing risk perceptions. As the sharing economy changes, understanding and managing these factors is critical for the long-term success of platforms like Airbnb.

5.1. Implications and Insights

1. Trust in the Host Matters: The study highlights the critical role of trust in the host in shaping consumer intentions. Airbnb should prioritize building and maintaining trust between hosts and users to enhance the platform's attractiveness. Although there is no significant difference in the level of trust in host and level of trust in Airbnb, it is the trust in host that has a major influence on whether a customer uses Airbnb services or not.

2. Addressing Perceived Risks: Perceived risks exhibit a strong positive correlation. Therefore, to alleviate physical, financial, privacy, and performance risks collectively could positively impact users' trust and intention to use Airbnb.

3. Demographic Considerations: The demographic insights suggest that the platform is popular among younger, educated individuals. Tailoring marketing and risk-alleviation strategies to this demographic could be effective.

4. Managerial Implications: For Airbnb management, focusing on host-related trust-building initiatives may yield more significant returns in terms of user acquisition and retention.

5.2. Limitations and Future Research

While this study offers valuable insights, it is important to acknowledge several limitations that may impact the interpretation of findings and suggest avenues for future research. First

and foremost, the study employed a purposive sampling method, which may not ensure results that can be generalized to the broader population under study. Purposive sampling often introduces biases and may not represent the entire population accurately. Future research should consider alternative sampling methods that provide more representative results and ensure equal distribution across targeted departments.

Secondly, the sample size of 186 respondents may not be adequate given the size of the accommodation usage of Airbnb by Bosnian and Herzegovinian citizens. Although the study focused on millennials and generation Z, expanding the sample to include different generations of respondents could enhance the study's generalizability and statistical power.

Thirdly, the reliance on literature from global contexts may not fully capture the unique dynamics of the Bosnian and Herzegovinian (B&H) context. Future research should prioritize investigating local conditions and developing models tailored to the specific context of B&H to ensure the relevance and applicability of findings. As well as explore the dynamic nature of trust and risks over time and assess the impact of external factors on consumer behavior.

Lastly, the study was conducted to evaluate the impact of perceived risk and trust on the shared economy. While the study narrowly focused its data collection and scope on Airbnb which is part of the shared economy. There are multiple facets into this shared economy that may not have been covered by the study. Therefore, the study findings may not be generalized to the entire shared economy but is limited in scope and context to home sharing and rental accommodation economy.

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APPENDIX

The questionnaire

The role of perceived risk and trust in & 'consumers' participation in tourism- based sharing economy services

Dear Respondents,

This survey is intended to examine how perceived risk and trust affect the purchasing intentions of young consumers in the sharing economy. The study is conducted on the example of the peer-to-peer (P2P) accommodation provider -

Airbnb. The survey is conducted within the Master Thesis research project (Master's Degree in Marketing Management) at the University of Sarajevo - School of Economics and Business Sarajevo. Please note that the questionnaire takes 10 minutes to fill out. All responses will be kept confidential and anonymous. Thank you very much for your dedicated time to fill out this questionnaire, and each response makes a significant contribution to my thesis.

I appreciate you taking the time!

Thanks,

Which of the following sharing platforms are you familiar with? (Please select all that are applicable)?

- ☐ Accommodation (e.g., AirBnb, Couchsurfing, etc.)
- ☐ Entertainment, multimedia, and telecommunication (e.g., Spotify, Soundcloud, etc.)
- ☐ Finance (e.g., Kickstarter, Startnext, Lending Club, etc.)
- ☐ Mobility (e.g., Uber, Kiwi - Scooter Sharing, Nextbike)
- ☐ Retail and consumer goods (e.g., Peerby, Open Shed, Vinted, etc.)

How often do you use sharing accommodation platforms (Airbnb, Hopper, Vrbo, etc.)?

- ○ I don't use it
- ○ Rarely, less frequent than once in a year
- ○ At least once a year
- ○ At least once in 6 months
- ○ At least once every 2-3 months

Using Airbnb may make privacy of payment information uncontrolled.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

If I use Airbnb, there is a possibility that my personal information may be leaked without my knowledge.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I am concerned that my request or complaint at the accommodation may not be handled promptly when using Airbnb.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

If I use Airbnb, I think hackers or criminals will be able to access my account.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I am worried that Airbnb would not provide me with the level of benefits that I expected it to.

	1	2	3	4	5	
Strongly	○	○	○	○	○	Strongly disagree

Using Airbnb increases the risk of being harmed by criminals.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

Using Airbnb can increase my chances of being a target of sexual harassment or sexual assault.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

Using Airbnb is likely to increase the risk of accidents while traveling.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

Using Airbnb will be more expensive than using conventional hotels.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I am worried that the information on the Airbnb Website might be different from the actual accommodation.

1   2   3   4   5

Strongly   ○   ○   ○   ○   ○   Strongly

I think I will get a lower service compared to the money I paid to Airbnb.

1   2   3   4   5

Strongly agree   ○   ○   ○   ○   ○   Strongly disagree

I am afraid that the sanitation at the accommodation is below expectations when using Airbnb.

1   2   3   4   5

Strongly agree   ○   ○   ○   ○   ○   Strongly disagree

It is likely that the costs will actually be higher than those proposed by Airbnb.

1   2   3   4   5

Strongly   ○   ○   ○   ○   ○   Strongly disagree

Airbnb is honest.

	1	2	3	4	5	
Strongly	○	○	○	○	○	Strongly

Airbnb demonstrates it belief that "the customer is always right".

	1	2	3	4	5	
Strongly	○	○	○	○	○	Strongly

Airbnb puts customers' interest before its own.

	1	2	3	4	5	
Strongly	○	○	○	○	○	Strongly

Airbnb keeps its promises.

	1	2	3	4	5	
Strongly	○	○	○	○	○	Strongly

Airbnb is competent in carrying out its online booking accommodation transactions.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

Airbnb knows how to provide an excellent online booking accommodation service.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I believe that Airbnb hosts are honest.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I believe that Airbnb host care about guests.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I believe that Airbnb hosts provide good service.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I believe that Airbnb hosts are trustworthy.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I believe that Airbnb hosts are predictable.

	1	2	3	4	5	
Strongly	○	○	○	○	○	Strongly disagree

I believe that Airbnb hosts are not opportunistic.

	1	2	3	4	5	
Strongly	○	○	○	○	○	Strongly

I choose accommodation where the host is not present.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I plan to use Airbnb in the future.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

I believe that Airbnb hosts know their

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

When I stay at a local person's home and can experience their home, it gives me abetter understanding of both the host and locals.

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

Do you think it is necessary to legally regulate and include government inspection for Airbnb cleanliness and facilities (verification stating that the "host" profile has amenities like WiFi, air conditioning, parking, a washing machine, a hair dryer, etc.)?

	1	2	3	4	5	
Strongly	○	○	○	○	○	Strongly disagree

Should cleanliness and facilities of the accommodation be inspected by the government at the expense of price increases?

	1	2	3	4	5	
Strongly agree	○	○	○	○	○	Strongly disagree

Your gender:

○ Female

○ Male

○ Other:

Your age (please select only one option):

○ 18 - 21

○ 22 - 25

○ 26 - 28

○ 29 - 32

○ 33 - 35

Highest education level achieved:

○ High School

○ Bachelor's degree

○ Master's degree

○ Ph.D. degree

○ Post-Doctoral degree

○ Other:

Employment status:

○ Full-time employed

○ Part-time employed

○ Unemployed

○ Self-employed Student

○ Other:

Monthly income:

○ Less than 1000 BAM

○ 1001 - 2000 BAM

○ 2001 - 3000 BAM

○ 3001 - 4000 BAM

○ 4001 - 5000 BAM

○ More than 5000 BAM