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The blurred line: Does Airbnb fit into the Collaborative Economy model?

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ABSTRACT

Even though the biggest changes occurred already in the last century, the world is constantly changing and new concepts are developed and have to be defined. Collaborating, sharing, working in team are current trends and, thus, tourism seeks to fit in this new scope. The traveller, now, does not want to have traditional holidays, but a unique experience. The online platform Airbnb was born with the idea of providing an easy allocation to those who wanted to get to know the local life of the inhabitants. Airbnb defines itself within this scope, within Collaborative Economy; therefore, it could be considered that the users of this platform want to foster the new tourism: sharing and collaboration rather than making money through a business. However, Airbnb is one of the richest companies, what means that there is an economic purpose behind this platform. The users, both hosts and guests, and the company have their own goals and reasons, but these may not conform the original idea of Collaborative Economy.

1. INTRODUCTION AND PURPOSE OF THE PROJECT

After studying Economics during four years, I would like to deviate a bit and look through something more specific as Airbnb is. However, before going to the focus, I want to deepen and give a clearer idea of what Collaborative Economy and, specifically, Collaborative Tourism are. The emergence of this type of economy has aroused intrigue, and many have tried to discover the factors that caused this phenomenon.

We have grown in a world focused on work and we have been taught that our goal must be to enter the labour market, thus, our decisions must follow our working life. However, the world is constantly changing and now it seems that people start thinking in a less materialistic way and give value to something else than work. Possibly, this change comes from the frustration of being in the shadow of big multinationals that concentrate the wealth and from the frustration that the world is divided between the few of the upper class and the many of the middle or lower class. Besides, probably due to the last financial crisis, people have wanted to act, and here is where Collaborative Economy enters. The idea behind the Collaborative Economy is cooperation rather than competition, because if people share and collaborate with each other, everyone should have more opportunities. The Collaborative Economy is relatively new and, for this reason, I will explain this new phenomenon before focusing on the main part of my project, which is Airbnb.

I have chosen this company because of its big influence in the accommodation sector and controversy of today. Although Airbnb is a big company that helps people by connecting renters and travellers, it is in the spotlight for legal issues and battles with the traditional market. Airbnb defines itself as a company that fosters Collaborative Economy, but there is also a profitable business behind. Then, there is a blurred line in considering Airbnb as a collaborative company or not, and this is the purpose of the project.

After the theoretical part where the concept of Collaborative Economy is explained, but also the changes in tourism in the last years and the functioning of Airbnb as an online platform, an interesting and more practical part comes in the end of the project. In this last part, a research in people's opinion is made with the purpose of getting a better idea if Airbnb should be considered collaborative or not. Since this is the focus of the project, I considered important to make interviews to users of Airbnb, hosts and guests. The goal of the analysis of these interviews is to discover which the people's reasons to use this platform are: ethical reasons that support the collaborative movement or economic reasons.

Thus, this project will lead to a clearer idea about why people use Airbnb, but aside from that, it will allow getting to know the Collaborative Economy concept, showing the advantages and disadvantages, and the current situation.

2. METHODOLOGY

To develop this project, first, a bibliographic review regarding Collaborative Economy has been made, as I believed this had to be the beginning for a further investigation. Therefore, I went through many published academic articles and books, as well as many authors who try to give a definition of Collaborative Economy, the “new phenomenon”. As the information was collected, more related topics were coming out, and I found interesting to focus more deeply on what collaborative tourism is, as the aim of the project is an investigation of the online platform Airbnb, a company on the tourism sector. Even if this is an economic-social project, the implication of laws on the sector has been mentioned as well, because, as this is a relatively new phenomenon, there are many lacks on legal issues. For its interest and importance, a section of regulation, concretely on how the European Union is facing the Collaborative Economy, has been written.

Later on, Airbnb has been the focus of the project as an example of what it is considered inside of the Collaborative Economy. The main part is a theoretical framework that includes a complete description of the company, explanation of how it works, how its business model is and how the company has grown until becoming one of the richest start-ups. In addition, the theory includes a small section of regulations, due to the implication that the laws on the tourism sector have on the battle that Airbnb is dealing against governments and the traditional market.

The investigation on people’s opinion is what comes last. I believe that the image of this company lies down on the collaborative concept, while, at the same time, there is a big business with a profit goal. Thus, I want to observe if users of Airbnb adapt themselves to the new phenomenon of Collaborative Economy or if, rather, they have economic purposes. My hypothesis is that the reasons of users to use Airbnb do not fit the collaborative tourism. Hence, my sub-hypothesis is that behind the choice of users to use Airbnb, there are economic reasons: users make decisions based on money.

To carry the investigation out, I have created two blocks: the first block is for hosts, people who own an accommodation in the Airbnb platform; the second block is for guests, people who have stayed, at least once, in an Airbnb accommodation. The investigation takes part in the island of Mallorca, what means that the participants must have been involved in this area: the hosts rent out in Mallorca and the guests have stayed in Mallorca. To collect information about the opinion of these blocks, I decided to interview eight people, four from each block, since I believed that I could create a closer environment with them. Moreover, the interviews could allow me to meet the hosts and guests, and better understand the reasons why they use or used this online platform. I thought that I could get to the story behind the decisions, how hosts feel when a “stranger” lives in their homes or how guests feel when they stay in a “strange” house.

It is important to mention that this is a pilot test that will not allow to extrapolate conclusions to the whole population. The answers, information and statistics found with this investigation will maybe open new questions and future research, but the conclusions can only explain the behaviour of the eight participants.

PART 1

3. LITERATURE

3.1. The importance of the Economy

The knowledge acquired in the degree allows me to understand some basic concepts related to economy. Below and throughout the project, the knowledge will help in describing these concepts and giving a clearer idea of what economy is. Moreover, this will allow to get to the focus of the project.

The Real Academia Española (2014) describes the concept of economy as the science that studies the most effective methods to satisfy material human needs while using a reasonable and effective administration of scarce goods; the set of those goods and activities integrates what is known as the wealth of a community or an individual. Many authors have given a definition to economy, trying to get a higher accuracy in the concept. One of the first and known definitions is the one proposed on *An Essay on the Nature and Significance of Economic Science* by Lionel Robbins (1932) "The science which studies human behavior as a relationship between scarce means which have alternative uses". However, since the Economy is a wide area, there can be many different focuses. From now on, the focus of the project will be on the Collaborative Economy or Sharing Economy, for its proximity to the research of Airbnb.

3.2. Collaborative economy

After having suffered the worst economic period during the Great Depression, we all are familiar with crises. During an economic expansion, agents seem not to worry for scarcity, as their consumption and spending rise with no reasonable use. It is only when a recession comes, when agents begin to think reasonably, so a recession is a warning that a change is needed. Collaborating, cooperating and sharing are smart actions that should be carried out (Alonso et al., 2018).

With the concept of economy already described, the collaborative concept is still left. The Real Academia Española (2014) refers to the term collaborate as working with another or other people to accomplish a work. Then, Collaborative Economy can be described as the fact of people working together to produce goods and activities that integrate the wealth of a community or an individual. However, as this is a relatively new concept, the definition is still ambiguous and accepts different names, as sharing economy, collaborative consumption, access economy, on-demand economy or peer to peer economy. (Alonso et al., 2018). They are not all the same because of the different terms used, but the core of the definition is. From now on, the term of Collaborative Economy will be used along the project.

Even if the expression of Collaborative Economy is relatively new, the act of sharing is not. It was already in the past when humans realized that it was better

to share and collaborate with others to get more profits than to work on its own. Adam Smith had a lot to say in this field with his magnum opus *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776), generally referred as *The Wealth of Nations*. However, the difference between the past and the current moment is the use of the Information and Communication Technology (ICT) that facilitates the process (Rodríguez, Alonso, Rubio and Celemín, 2016). Bulchand and Melian (2016) point out:

La colaboración directa entre personas buscando un beneficio mutuo siempre ha existido. Probablemente, el caso más conocido y antiguo sea el del trueque. No obstante, ha sido el avance tecnológico lo que ha hecho que a esta colaboración se la etiqúete de economía. (chapter 1, paragraph 1)

The original idea behind the Collaborative Economy was nonprofit online platforms that wished to help and connect economic agents to make exchanges. The aim was to connect people willing to sell goods and services to people willing to buy those goods and services (this would be the case of the platform WWOOF). Over time, this activity has been seen as a business, what means that more platforms have started to charge a price for their services. (Alonso et al., 2018).

Eckhardt and Bardhi (2015, cited in Bulchand and Melian, 2016) discuss that sharing is an exchange between people that does not imply an economic benefit. Thus, exchanges in online platforms like Aribnb should not be considered as collaborative economy, but access economy, one of the names that are mentioned above, which implies the temporary access to a good or service for profit reasons. This delicate issue concerns the main part of the project: the precision of naming Airbnb Collaborative Economy.

Furthermore, the Collaborative Economy is a controversial issue that applies not only to include one company in its model or not, but this phenomenon is discussed at worldwide level. It can be seen as a positive activity that produces reduction of individual property needs or increase in use of underutilized resources, for example. However, some negative aspects must be taken into account, like strong opposition from traditional companies, pressure on governments to regulate collaborative activities or lack of trust, among others (Alonso et al., 2018).

As more people are entering this business and it is seen as a new opportunity of work, the European Commission has manifested the necessity of ensuring fair work conditions to protect workers. This need has arrived because unfavorable aspects of work have been suspected in activities involved in the Collaborative Economy, since it is relatively new and has not been completely regulated. Demand for short-term jobs, low or unskilled work, uncertainty, little negotiation power of workers and long working hours are unfavorable aspects among others of this new type of business (Melián and Bulchand, n.d.). Later, the most important issues on the role of the European Union will be reviewed.

3.3. Collaborative tourism

As economy is a broad area that is involved in many aspects, the Collaborative Economy is also. It is manifested in many sectors of the economy: good production, provision of professional and financial services, education, health, logistics, and many more. Even though it is possible to find it in almost every sector, the tourism sector is the most affected by the Collaborative Economy (Alonso et al., 2018). Now the question is how or what the reasons are why this phenomenon has specially entered the tourism sector.

3.3.1. Changes in Tourism

Already in the last decade of the 19th century, big changes appeared, like affordable mobile phones or Internet access for all; but the 21st century is the century of change and disruption. Everything is changing quickly, like people's mind, needs and motivations, and this is the reason why companies have had to adapt themselves to these changes. The tourism sector is not an exception; indeed, great changes are appearing in it, since travelling is no longer just a luxury for the privileged, but a necessity for all (Marshall, 2017). People do not look only for all-inclusive resorts or touristic attractions anymore, but look for new trends such as gastronomic and cultural tourism, agrotourism, natural areas or coexistence with local inhabitants. Collaborative Economy has seen a gap in this market, and more and more companies meet nowadays the desires of this new type of tourist – *“the key premise being that a collaborative working mentality can lead to sustainable growth, profits and long-term success”*. (Marshall, 2017, p.5).

Now, the next question is *how is the new traveler?* To respond to this, it is important to look at the new trends, which tell what motivations the travelers have and the reasons why they want to travel (Marshall, 2017):

- Personalization trends:

Companies are aware of the changes that are taking place in the tourism sector and the tourist itself. Thus, they are well prepared to provide exactly what each customer wishes, adapting themselves to the special needs or requirements of each client.

- Experiential trends:

For the tourist, it is important to visit a new country, city or area, but these days, people give more value to experiences. Nowadays it is common to look for unique music events, to immerse yourself in nature and surrounding habitat to “disconnect from the world” or to feel the local life of the inhabitants.

- Generational trends:

When companies try to meet the needs of everyone, this includes the needs of every generation, that is, of each member of the family. Services and attractions for elderly, new tourism for the “Millennials” and more opportunities for the whole family to travel together.

- Technological trend:

Technology is involved in our daily lives and people expect the same level of technology in the tourism sector. Therefore, differences in technology used by companies can lead to success or failure in the sector. Since people already rely on technologies, using internet for booking is a more convenient way, and customers can now check reviews and have an idea of how the future travel might be like, for example. New digital platforms have taken power in this market.

- Collaboration:

The tourism sector is highly competitive and everyone wants to provide the best experience for the customers, which leads to high pressure. This is the reason why more collaboration has been seen as a way of success in this sector, to overcome the rivalry and not fail in the sector.

The collaborative tourism sector encompasses other subsectors that have been affected as well: accommodation, transport, gastronomy and experiential tourism, among others. For its interest in the project, from now on, the focus will be the accommodation sector.

3.3.2. Business models in the accommodation sector

Many authors have explored the concept of business models. Probably, the most known definition is the one proposed by Osterwalder and Pigneur (2010) which is “a business model describes the rationale of how an organization creates, delivers, and captures value”. (p.14)

Four different models allow classifying online platforms that are dedicated to collaborative hosting (Alonso et al., 2018).

- Non-profit exchange model:

Online platforms that wish to connect people who travel with local population, without any kind of compensation: pure social goal. WWOOF is an example from this model. This organization explains in its official website (<http://wwooof.net/>) that links volunteers with farmers and organic producers to exchange cultural and educational experiences. Volunteering and help are clue words for this type of model, in which there is not monetary exchange.

In the following models, the original idea of the Collaborative Economy no longer exists. Online platforms still want to connect and help people in the tourism sector, but they charge fees for the service offered. There is a profit objective.

- Payment model by the host:

The host pays a commission to the online platform. If someone owns a property and wants to rent it out, this person can register on the online platform that will help to promote the property, but in exchange of a commission. The rate is usually a percentage of the rental price, although it can also be a fixed fee.

9flats is an example of this model. This online platform explains in the official website (<https://www.9flats.com/es>) that deducts a commission of 12% or 15% of

the total price paid by the guest. The amount of the commission depends on the reservation model and other conditions.

- Payment model by the user:

Unlike the previous model, the user pays the commission. If someone wishes to make a reservation on an online platform, this person must register on this platform and pay a commission for the service. Couchsurfing or Only-apartments are platforms that charge a fixed rate or percentage per reservation.

- Mix commissioner model:

The online platforms charge a commission to both the host and the guest. Airbnb is the best-known example of this type of model. Given that it is the focus of the project, the details of this company will be reviewed in more depth later.

3.4. The role of the European Union

The importance of the Collaborative Economy has risen in the last few years around the world. However, as this is a relatively new market, it is not completely regulated as the traditional markets. Therefore, tensions between these two markets have appeared. However, although traditional markets see the Collaborative Economy as an enemy and harmful, the Collaborative Economy has the clear support of the political bodies of the European Union. This social and economic union believes it will help to reactive the economy and to increase the standard of living of citizens (Alonso et al., 2018).

The Commission of the European Union stated in a communication (2016) in Brussels “The collaborative economy is small but growing rapidly, gaining important market shares in some sectors”. (p.2). Estimations performed by PwC Consulting as part of a study from the European Commission suggest that the gross revenue in the European Union from collaborative platforms and providers in 2015 was 28 billion euros. Nevertheless, far from being stuck, it is estimated that this figure will continue to grow (European Commission, 2016).

The European Union encourages National Public Administrations to promote this new economic model instead of limiting and restricting it. The Public Administrations should create regulations, including “factores claves como son los relacionados con la seguridad de los clientes, la defensa de sus derechos, la equidad tributaria entre la economía colaborativa y la tradicional y el control de la calidad de los servicios prestados” (Rodríguez Antón, 2016, cited in Alonso et al., 2018, p.10). The European Commission published on 2 June 2016 orientations to help member states to guarantee the development of the Collaborative Economy.

3.4.1. Market access requirements

Companies that are considered to be part of the Collaborative Economy are now entering markets or creating new ones. The key question is whether there must be requirements under which these businesses can be subjected. However, the answer relies on the nature of each business model: if it is a professional

provision of service, peer-to-peer provision of service or a collaborative platform (European Commission, 2016).

On one hand, under EU law, professional and peer-to-peer service providers do not have to be subjected to access market requirements, unless these requirements are specified to avoid discriminatory issues. However, the European Commission (2016) defends now a new flexible regulation, as “the relevant administrative procedures and formalities must also be clear, transparent and not unduly complicated [...], as speedy as possible and subject to tacit approval”. (pp.4-5).

On the other hand, collaborative platforms will be subjected to requirements depending on the nature of the activity. The European Commission (2016) states that if the platform provides a “service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of services” (pp.5-6) it cannot be subjected, since it is providing an information society service. However, if the collaborative platform provides other different services, it could be subjected to the relevant specific regulation for the sector of its activity.

3.4.2. Liability regimes

Member States are responsible to establish most relevant rules on contractual and extra-contractual liability. Then, in principle, national laws regulate this area. (European Commission, 2016).

However, under EU law, there is exemption from liability for the information stored to online platforms because of their nature, in the sense that they are providers of information society services. The applicability of this exemption depends on the accomplishment of certain conditions, as legal and factual elements of the activity performed. The European Commission (2016) explains that “The exemption from liability applies on the condition that the collaborative platform does not play an active role which would give it knowledge of, control over or awareness of the illegal information” (pp.7-8) and if it has knowledge of that, it has to act against to remove it.

3.4.3. Protection of users

Regulations in market transactions are necessary, since there is always a weaker party that needs to be protected, either the business or the consumer, although it is usually the last one. However, in the Collaborative Economy, business and consumer are not always well defined, and thus, it is not clear who is the weaker party. (European Commission, 2016).

In the same communication of the European Commission (2016) is stated that the EU legislation makes a difference between a trader, “person acting for purposes relating to his trade, business, craft or profession”, (p.9) and a consumer, “person acting outside his trade, business, craft or profession”. (p.9). The frequency of the services, the profit-seeking motive and the level of turnover are important factors that can answer the question under which conditions one

can be qualified as trader. EU legislation only applies when the Collaborative Economy is qualified as a trader. Therefore, when there are consumer-to-consumer transactions, they fall outside the scope of the legislation since there are no traders.

Transparency requirements are essential. In the Collaborative Economy, online platforms play with personal data, for which they must comply with the applicable legal framework. Moreover, other trust mechanisms, such ratings and comments, can help to overcome the asymmetry of information (European Commission, 2016).

3.4.4. Self-employed and workers

The flexibility that the Collaborative Economy has is creating new opportunities. Therefore, where traditional forms of employment do not allow people to be economically active, the new market does. (European Commission, 2016).

However, some drawbacks for the economy have appeared. The line between self-employed and workers is not clear anymore, and more temporary and part-time jobs are signed, for example. Hence, the problem is the uncertainty regarding rights and social protection. For this reason, the European Union has developed minimum standards to establish fair working conditions to this new market, which will benefit the economy. However, member states should also assess their national rules on employment, taking into account the different needs that self-employed and workers have (European Commission, 2016).

3.4.5. Taxation

Even if there are lacks on the regulation of the Collaborative Economy, as any other business, these new business models are also subjected to personal income, corporate income and value added tax rules. However, still there are some difficulties to face, like "identifying the taxpayers and the taxable income, lack of information on service providers, aggressive corporate tax planning exacerbated in the digital sector, differences in tax practices across the EU and insufficient exchange of information". (European Commission, 2016, p.13).

PART 2

4. AIRBNB: A way of sharing

4.1. Knowing Airbnb

4.1.1. Brief description of Airbnb

Airbnb is an online platform through which it is possible to connect people wishing to rent out an accommodation and people wishing to get an accommodation. In Airbnb, there are multiple options to rent, from a whole house to a room in a shared apartment. The platform team expresses this connection idea in its official website as “an apartment for a night, a castle for a week, or a villa for a month, Airbnb connects people to unique travel experiences” (Airbnb.com, n.d.). Moreover, some of the numbers on the official website states that Airbnb has nearly 3.000 castles and 1.400 threehouses listed ready for renting.

In the table below, some interesting facts of Airbnb allow to have a better idea of how big this company is and how important its presence around the world is.

1 Fast Facts of Airbnb

Listings worldwide	Approximately 4 million
Cities list homes	More than 65 thousands
Countries with listings	More than 191
Guests arrivals all-time	More than 261 million
Top 10 markets by listings	Paris, London, New York, Rio de Janeiro, Los Angeles, Barcelona, Rome, Copenhagen, Sydney and Amsterdam
Top 10 destinations	The United States, France, Italy, Spain, the United Kingdom, Japan, Canada, Australia, Germany and Portugal
Top 10 sources of guests	The United States, France, the United Kingdom, Germany, Australia, Canada, China, Spain, Italy and the Netherlands

Source: Airbnb.com. Fast facts; own elaboration

Airbnb defends that “the Airbnb community benefits local economies around the world, as it has a positive impact on the residents and businesses of each locations, and encourages cultural exchanges” (translated by me) (Airbnb.com, n.d.). Moreover, the platform defends the difference between the traveler of Airbnb and the traveler from the traditional market:

- Travelers choose Airbnb to have a local experience: travelers do not look for the touristic areas anymore and this explains that 74% of Airbnb accommodations are located outside these areas. 91% of travelers want to live as an inhabitant

and to experience the local life, and 79% of them want to explore a specific neighborhood.

- Travelers from Airbnb stay more days and spend more money: both the length and the expense of the trip is 2'1 times bigger than the length and expense of a tourist of the traditional market. 42% of the expense produced by the guests is produced in the same neighborhood where they stay.

- Hosts see Airbnb as a way of earning an additional income: 52% of hosts have low or medium income, and almost half of the income received from this platform goes to pay domestic expenses.

4.1.2. Business model of Airbnb

Airbnb follows a mix commissioner model in which, as explained before, the platform charges fees to both hosts and guests. Airbnb call these fees "service fees", to help to the functioning of the platform. The official website explains with detail how these fees are charged and their amount (Airbnb.com, n.d.).

- Host service fees:

Airbnb charges a service fee to the host every time a host receives a booking. When the booking and the payment are accomplished, Airbnb deducts automatically 3% from the total amount of the booking payment (generally 3%, but this fee can be higher if the host has a super strict cancellation policy).

- Guest service fees:

When hosts confirm the reservation, Airbnb charges a service fee to the guest between 5% and 15% of the total price. Guests can see this fee before they book the reservation.

Sometimes Airbnb is required to collect the Value Added Tax. In this case, the company combine both service fee and VAT, thus the "service fee" may appear to be greater than 15%. In Airbnb is possible to book experiences as well. The platform charges 20% to hosts from the price they charge to guests. These lasts currently are not charged any fee for experiences.

4.2. Co-founders of Airbnb

Although Airbnb was founded already ten years ago, in August 2008, in San Francisco, California, it may seem that it is now when everyone knows this platform, either for its success or for the controversy. Three men are considered the co-founders of this online platform: Joe Gebbia, Brian Chesky and Nathan Blecharczyk, the men with the recipe for Airbnb's success to be at the top of the Collaborative Economy.

Joe Gebbia is the CPO (Chief Procurement Officer) of Airbnb, playing an active role on the Board of Directors and Executive staff. In addition, he is the leader of Samara, Airbnb's in-house design and innovation studio. Thus, he is the responsible for the culture, design and innovation of the company. (Airbnb.com,

n.d.). Gebbia points out in Forbes, an American business magazine, “Great ideas, I think they usually start out as polarizing. They either really tug on somebody’s emotions or a latent desire that they have that’s never been answered before or they really perturb them in some way”. (Forbes, n.d.).

Brian Chesky is the CEO (Chief Executive Officer) and head of Community of Airbnb. He is the responsible for the vision of the company, what means that he analyses which strategies should be taken for the company to grow. This vision has two interests: on one hand, the strategies followed need to provide unique experiences to travellers and, on the other hand, they need to protect the hosts of Airbnb. (Airbnb.com, n.d.). Brian Chesky has his own point of view, which refers to:

We had a saying that you would do everything by hand until it was painful. So Joe and I would photograph homes until it was painful, then we get other photographs. Then we’d manage them with spreadsheets until it was painful. Then we got an intern. (Forbes, n.d.).

Nathan Blecharczyk is the third co-founder, the CSO (Chief Strategy Officer) and Chairman of Airbnb China. As Brian, Nathan also plays an active role in searching for the best strategies, but more focused on the global view. Previously, he was the responsible for selecting the team of Airbnb in engineering, data science and performance marketing (Airbnb.com, n.d.).

4.3. How Airbnb was born

The foundation of Airbnb has its origin in a night when Joe Gebbia met a man who was alone in town for that night. Joe offered the man an airbed to sleep on, even though the man was a stranger. However, the experience was that good that the perspective of Joe Gebbia changed completely, “I’ve always believed that turning fear into fun is the gift of creativity” (Pérez Zabala, 2017), and from then on, the idea of developing a start-up took shape.

Two years later, there was an important conference in San Francisco and all the hotels were sold out. He, along with Brian Chesky, created the worldwide known online platform Airbnb, name that comes from Airbed and breakfast, to host participants of the conferences that could not find a hotel. However, the start of Airbnb as a company was complicated, since investors did not believe in a service based on contacting strangers. Therefore, the three co-founders began to work on trust, with a well-designed reputation system where guests could know more about the hosts and vice versa, so that everyone could feel closer and less strangers (Pérez Zabala, 2017).

Being an entrepreneur requires an irrational optimism and belief in your idea. When Joe Gebbia and the co-founders received no invest founding at the beginning, they had to reinvent themselves and truly believed that Airbnb could help people in the way they wanted. (Pérez Zabala, 2017). Joe Gebbia asks himself about what they could offer with Airbnb:

How do sharing and transactions go together? So let's be clear; it is about commerce. But if you just called it the rental economy, it would be incomplete. The sharing economy is commerce with the promise of human connection. People share a part of themselves, and that changes everything. (TED, 2016).

5. AIRBNB: keys that lead to product differentiation

5.1. Disruptive innovation

The disruptive theory states that a product is considered disruptive when it transforms a market because it offers different benefits, like lower price, convenience or simplicity; either the product appears on the low-end of the current market or it creates a completely new one. The beginning of the product is usually difficult, with limited profit margin since it has to compete with the traditional products. Nonetheless, the disruptive product attracts soon more customers, what makes the product to gain more market share and to create a new trend. (Guttentag, 2015).

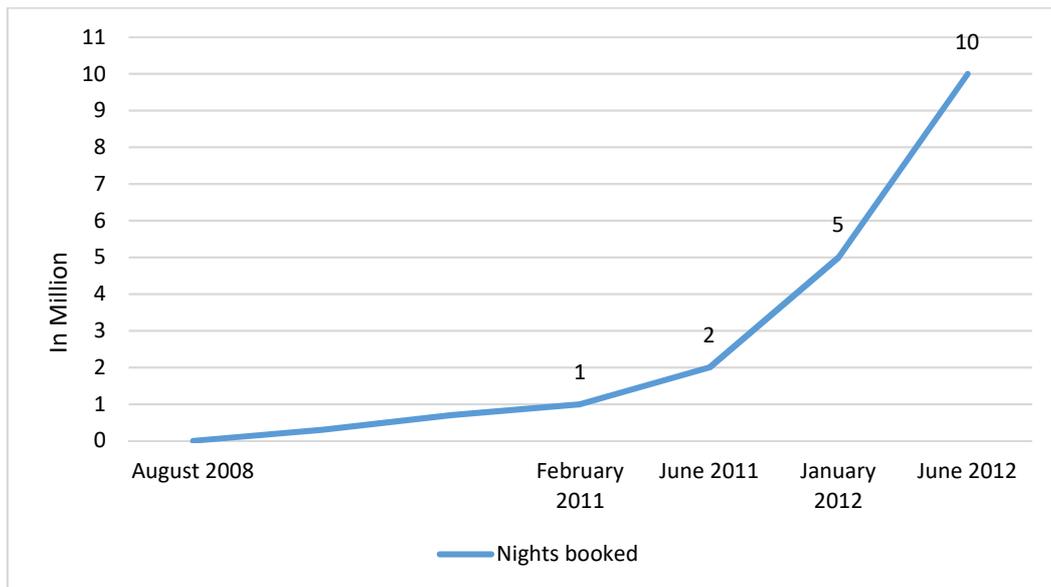
The Collaborative Economy is a new market, where traditional companies struggle to enter or to compete. The traditional market of tourism accommodation consisted in booking rooms from formal businesses (physical agencies or hotels), but Airbnb, and other companies like HomeAway or 9flats, provides an online platform that connects people. At the beginning, peer-to-peer accommodation faced difficulties related to make the accommodation known and, more important, to overcome the fear of connecting "strangers", people that did not know each other but wanted to connect. Airbnb has been able to face these difficulties thanks to new technologies and the spread of Internet. Therefore, Airbnb can be best thought of as a disruptive innovation due to new his model (Guttentag, 2015).

Being disruptive means that the product that enters the market, or even creates a new one, is able to offer benefits that will overcome the deficiencies of traditional attributes. In the case of Airbnb, the major benefit is the cheaper price that hosts can offer, making them very competitive in the sector. This is possible because hosts generally have their fixed costs already covered, do not have labour costs, do not depend on their rent revenue and do not charge taxes. Moreover, Airbnb can offer the feeling of being at home, the necessary amenities such as a kitchen, washing machine, dryer machine, etc., and the chance to have a more local experience, being in contact with an inhabitant that can recommend hidden places of the area to avoid the touristic places (Guttentag, 2015).

5.1.1. Airbnb's rapid growth

As mentioned before, a disruptive product usually has a difficult start, since there are leaders with a strong share in the current market, however, the product will soon grow in the market. Airbnb has experienced exactly this trend, as during the first years after its founding, the company was not as popular as it is nowadays.

I Growth of Airbnb measured in total of nights booked



Source: *Airbnb.com; Market Wired (2012); own elaboration*

It took almost three years until Airbnb got its first one million of nights booked, by February 2011 (Airbnb.com, n.d.), but from that point Airbnb has grown very quickly. In June 2011, only four months later, Airbnb had booked one more million, reaching two million of nights booked in total. In January 2012, five million of nights booked were reached, and in June 2012, Airbnb got the figure of ten million of nights booked (Market Wired, 2012). Brian Chesky, CEO and co-founder of Airbnb pointed out:

10 million nights booked means that Airbnb is bringing people around the globe together like nobody has before. Years from now we'll look back on this as a key milestone in the development of the global sharing economy, which is creating new opportunities for people in every corner of the world.

5.1.2. Financial and valuation history

It is common that a start-up gets money from investors in order to survive in the market and to grow, but in exchange for an ownership stake, and this is exactly what Airbnb has done since its inception, known as funding rounds. The advantage for the start-up is that this money does not have to be paid back, and the advantage for the investors is that they can make a lot of money if the start-up is acquired or goes public (Katie Roof, 2017).

When Airbnb was founded, August 2008, 15 investors rejected the project because no one believed in the idea of sleeping in a stranger's house. However, a few days later, after the 2008 Democratic National Convention, where the Airbnb team promoted themselves, the success of this company was just to come. Soon after, Airbnb received the first \$20.000 seed investment (first Seed Round), and after the last funding round in March 2017 of almost \$5M, Airbnb has been valued at \$31B. (Walters, 2017).

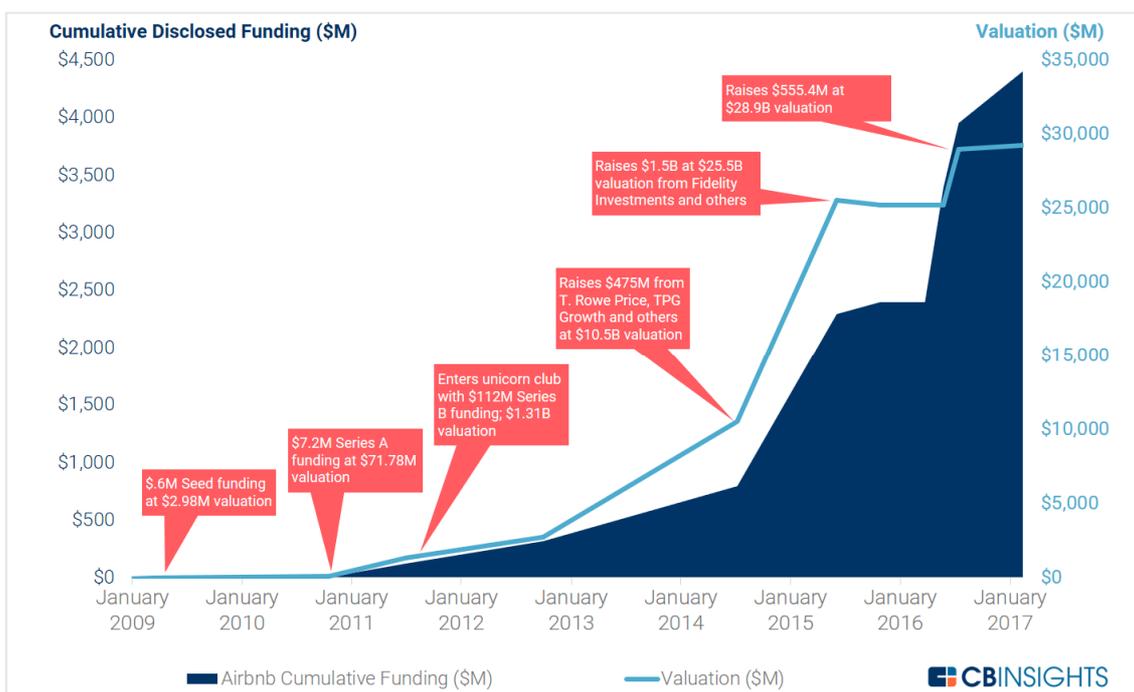
II Funding Rounds Airbnb

DATE	TRANSACTION NAME	Nº OF INVESTORS	MONEY RAISED	LEAD INVESTORS
January 1, 2009	Seed Round	1	20.000\$	Y Combinator
April 1, 2009	Seed Round	2	600.000\$	Sequoia Capital
November 10, 2010	Series A	8	7.200.000\$	Greylock Partners
July 25, 2011	Series B	8	112.000.000\$	Andreessen Horowitz
October 28, 2013	Series C	5	200.000.000\$	Founders Fund
April 16, 2014	Series D	6	475.000.000\$	NA
January 1, 2015	Series D	NA	NA	NA
January 28, 2015	Series E	14	1.500.000.000\$	General Atlantic, Hillhouse Capital Group
November 20, 2015	Private Equity Round	1	100.000.000\$	FirstMark
June 16, 2016	Debt Financing	4	1.000.000.000\$	JP Morgan Chase & Co.
September 22, 2016	Series F	5	555.462.100\$	CapitalG, TCV
March 9, 2017	Series F	4	447.800.000\$	CapitalG, TCV

Source: Walters (2017)

In the graph below is possible to see how the valuation of Airbnb has grown over the years. As mentioned before, as a disruptive company, its start was slow but soon it knew how to success.

II Airbnb: cumulative funding and valuation history



Source: Airbnb Strategy Teardown: Ahead of Potential IPO, Airbnb Looks Beyond The Hotel Industry (2017)

5.2. Airbnb in the main cities

Airbnb grew rapidly and this platform became more and more rich and famous all over the world. Now it is interesting to see Airbnb in few main cities, like San Francisco for being the city where the headquarters are located, London and Paris as capital cities in Europe, Hong Kong in Asia, Barcelona as an important city in Spain and Mallorca for its interest in this project.

III Airbnb in cities in numbers

Area	Listings	Entire homes	Private rooms	Shared rooms	Price/night	Estimated income
San Francisco	8.665	57.2%	37.6%	5.2%	\$252 (202.37€)*	\$1.884 (1.512€)*
London	49.348	51.2%	47.3%	1.4%	98£ (111.30€)*	661£ (750.70€)*
Paris	55.723	85.7%	13.3%	1%	95€	668€
Hong Kong	6.474	49.9%	44.9%	5.2%	HK\$774 (79.90€)*	HK\$3.556 (367.07€)*
Barcelona	17.369	50.4%	48.4%	1.2%	84€	582€
Mallorca	14.858	87.5%	12.3%	0.2%	143€	274€

* Tipo de cambio de <https://themoneyconverter.com/ES/USD/EUR.aspx>, 31/01/2018

Source: Airbnb.com. Inside Airbnb; own elaboration

In most of the cities, the percentages of entire homes and private rooms for renting are similar, always around fifty and forty percent respectively, leaving a small percentage for the shared rooms. Only Paris and Mallorca deviate from this trend. More than 85% in both cities of the listings are entire homes, while only a bit more than 10% are private rooms, and 1% in Paris and 0.2% in Mallorca are shared rooms. Prices differ from city to city. San Francisco, California, is the most expensive city (among the ones chosen for the graph), reaching more than 200€ per night as an average. In Mallorca, London and Paris, ordered from the most expensive city to the cheapest one, guests pay as an average around 100€ per night. Barcelona has an average price of 84€ per night, and Hong Kong, being the cheapest one, close to 80€ per night. What it is important to mention is that even though Mallorca has a high average price per night, the estimated income that one host can earn per month is not high, less than 300€. In the rest of the cities, the estimated income per month is around 500€, and more than 1.500€ in San Francisco, California. It's also curious to mention that San Francisco has few listings comparing to the other cities, even if it's the city where Airbnb was born.

5.3. The legal issues and threats surrounding Airbnb

5.3.1. Legal issues

Legal issues associated with general legality and taxes threaten the rapid growth of Airbnb in the future. Many of the rentals of Airbnb are illegal because they have not been registered, but also Airbnb has been accused of avoiding its full tax obligations. This is why it is said that Airbnb is helping to foster the expansion of an informal tourism, concretely in the sector of accommodation. As seen at the beginning of the project, this happens because there is a lack of regulation for these new businesses that play in the Collaborative Economy (Guttentag, 2015).

The illegality of the rentals of Airbnb comes from the reason that many cities have prohibitions for short-term renting at least the host has special permits. In addition, these cities may also have restrictions as limiting short-term rentals to certain geographic areas, limiting the proximity between short-term rentals or limiting the number of times one person can rent out his or her residence. (Guttentag, 2015).

However, tourism has also advantages, and this is why some other cities are more permissive trying to look for the sake of the economy. While the main reasons for prohibiting or restricting short-term rentals are social, there are two strong reasons for being more permissive with short-term rentals: they may help foster tourism and they provide an additional income to hosts. Moreover, if short-term rentals were legalised, they would contribute to the government revenue through the taxes. Nonetheless, what happens now is that accommodation taxes are used for destination promotion, from which all tourism suppliers benefit. Since Airbnb does not charge these taxes, the company and its hosts are free riders from this destination promotion, what gives them a competitive advantage (Guttentag, 2015).

Airbnb is aware of these illegalities, but the company states that they cannot control all of the users, who are subjected to local laws. However, this is not enough to avoid the fight for legal issues between the company and governments, who have to determine how strictly laws must be and how to tax the rentals. What is clear is that cities have now realized the importance of this phenomenon, of the informal peer-to-peer accommodation, and they need to establish regulations taking into account the characteristics of each city (Guttentag, 2015).

5.3.2. Battle with traditional markets: hotels

Despite all the legal issues surrounding the platform, hotels see Airbnb as a threat for the competition. In the 60s, when tourism emerged, people wanted to go on vacation to escape from the routine. Hotels were the best at providing this experience: all included, buffet, resorts, etc. Nowadays, trends have changed and people like to feel at home when travelling. Airbnb, as other peer-to-peer accommodation platforms, provide this new experience, the opportunity to be somewhere else, but feel like home. Hotels cannot compete with this or, at least, they are struggling so much.

The vice president and Chief Executive Officer of Melià Hotels International, Gabriel Escarrer, has argued that hotels must grapple Airbnb by offering value added, it means, hotels must offer something else but a bed, like gastronomy, leisure and wellness. He has warned that those hotels that are focused on competing in prices with the leader platform Airbnb will be the most vulnerable in this battle. (Cinco Días, 2016).

Even so, directors of hotel chains continue to demand attention from Governments to establish regulations for Airbnb in the same level as they have, in order to have fair competition (Guttentag, 2015).

In this battle, the case of New York has been striking. An anti-Airbnb coalition from the hotel industry launched a harsh campaign against Airbnb in mid-2017 to denounce the possible illegality and dangers that one can be exposed to because of Airbnb. The advertisement attempts to warn the population about the security conditions, and even it refers to the Manchester Arena bombing suffered on the 22nd of May, 2017. The ad refers to the English attack stating that the bomber stayed in a short-term rental apartment, but also denounces danger and claims safety with sentences like "There are over 40.000 Airbnb listings in NYC, who's in your building? Are you at risk?" (Lovett, 2017).

5.3.3. HOTREC

HOTREC defines itself as "the umbrella Association of Hotels, Restaurants, Pubs and Cafes and similar establishments in Europe, which brings together 40 national associations in 29 countries, and is the voice of the hospitality industry in Europe" (Hotrec.eu, n.d.). This association argues the current situation that Europe is facing related to the short-term rentals and the traditional market of hotels. In the table below, the five policy priorities to achieve fairer competition that HOTREC argues are shown (de Barrín and Estalella, 2017).

IV Five pillars to foster a fairer Collaborative Economy

	CURRENT SITUATION	PROPOSED SOLUTION
REGISTRATION	Authorities have no certainty about rentals and only have access to unofficial sources of information	<ul style="list-style-type: none"> - Property owners must register with the local authority. - Platforms must cooperate with authorities, removing listings with no valid registration and sharing data.
THRESHOLDS	Unfair competition since traditional operators play under regulation	<ul style="list-style-type: none"> - Limit in the number of days per year a property can be rented out. - Limit in the number of guests allowed per type of property.
TAXATION	Lack of legislation that entails no fiscal obligations.	Legality of properties to contribute with taxes. For this, platforms must collaborate providing exact information.
HEALTH AND SAFETY	Lack of control of health and safety, because of no system or place to register the activity	Subjection to basic health and safety requirements, as well as to inspections
LIABILITY	Unclear limits of liability, leading to confusions	<ul style="list-style-type: none"> - All parts, renters and authorities, must make liabilities clear, as everyone must assume them. - When avoiding responsibilities, authorities must be prepared to impose sanctions.

Source: de Barrin and Estalella (2017); own elaboration

6. TOURISTIC LAW IN BALEARIC ISLANDS

6.1. New regulation

A Royal Decree transferred, in 1983, the competence of the tourism from the State to the Autonomous Communities. The article 30.11 of the Statute of Autonomy of Balearic Islands indicates that this community has the functions and services related to tourism. The law enacted regarding tourism and tourist rental was modified last summer in order to improve it, due to the explosion in popularity of the phenomenon of Airbnb, among other platforms (BOIB, 2017).

“Ley 6/2017, de 31 de julio, de modificación de la Ley 8/2012, de 19 de julio, del turismo de las Illes Balears, relativa a la comercialización de estancias turísticas en viviendas”

The modification aims to regulate the commercialization of horizontal properties, it means, multi-family accommodations. In order to do this, a new zoning law has been designed, to delimitate in which areas the commercialization of tourist rental is allowed and in which is not. The delimitation has to be carried out by the Island Councils and the City Council of Palma. Moreover, it has been considered necessary to limit the time that the owner can use the accommodation for tourism purposes, although this limit could be renovated, as long as the necessary requirements are met when renewing the permit (BOIB, 2017).

The Spanish Constitution, in the article 33, recognizes the right to private property, therefore owners of private properties would be entitled to any use of the property, however, this right has social limits. Therefore, the neighbors can limit the right of the owners to rent, because they share common areas and have to coexist together. For this reason, the modification of the law also aims to ensure that owners take care of their clients, making sure that they obey the rules and respect the coexistence with the neighbors, especially if they rent a house in a horizontal property (BOIB, 2017).

Because of many illegal rents in the last years, it is mandatory to present the “Declaración Responsable de Inicio de Actividad Turística” (DRIAT) and to register this activity in the corresponding insular registry of companies, activities and tourist establishments. The modification that has been carried out comes next, when the touristic administrations now have to communicate these registrations to tax administrations, city councils and Property Registration. In addition, the guests of the accommodation have now the right to know the tourist registration number. Articles 15 and 23 collect these points in the new law of tourism in Balearic Islands (BOIB, 2017).

Another modification is in the article 28, that establishes that the advertising or realization of the tourist activity without presenting the DRIAT or if it is presented but does not meet all the requirements, will be considered an illegal offer and unfair competition, for what those accommodations cannot use the term of holiday, tourist or similar. Moreover, the article establishes that the person who owns the advertising medium or platform will be responsible for this illegal offer in the same level as the person who publishes the illegal accommodation (BOIB, 2017).

The point thirteen of the article 50 is important for the case of Airbnb. It establishes that any accommodation that is commercialized touristically, it has to be marketed for a short period, that is, days or weeks, but not more than one month (BOIB, 2017).

In addition, the new law modifies the sanctions that infractions can entail. Fines from 4.001 euros up 40.000 euros will sanction the serious infractions. However, if the infraction consists in not presenting the DRIAT, the fine will be from 20.001 euros up to 40.000 euros (BOIB, 2017).

6.2. How the new law affects Airbnb

In the middle of August 2017, with the new law already enacted and working, the Balearic Government warned online platforms of tourist accommodations that in 15 days they had to remove all the illegal advertisements from their platforms. Otherwise, they could get a sanction between 40.000 euros and 400.000 euros (ABC, 2017).

Since the new law was enacted, the main online platforms have been against it. Airbnb said that the new law in Balearic Islands was complicated and could lead to confusion. Airbnb defended themselves saying that the platform helps to create sustainable tourism that can benefit local families and communities, instead of promoting the mass tourism. Moreover, Airbnb said this new law would harm especially small areas, because around 70% of Airbnb advertisements are outside of touristic areas where there are not big touristic supply, like Inca, Algaida or Campanet (Diario de Ibiza, 2017).

Another problem was that this happened during the high season, in summer, and many tourists could not be relocated when they saw their reservations cancelled. Because of the high fines that owners could get, up to 40.000 euros, some of them have withdrawn their accommodations from the platforms (Gutiérrez, 2017).

PART 3

7. ANALYSIS AND RESULTS OF THE INTERVIEWS

What follows is the analysis and results of the interviews in order to answer the hypothesis raised above. This part is divided in two parts, one part to examine the answers of the four hosts, which I called H1, H2, H3 and H4 to preserve their anonymity, and the other part, the answers of the guests, which I called G1, G2, G3 and G4 for the same reason.

THE HOSTS:

The first part of the interview consists in personal questions related to the motivations for renting out an accommodation and the experience of the hosts concretely with the online platform Airbnb. The purpose of these questions is to inquire why the hosts rent out their house, apartment or room, because the hypothesis is that there is little related to sharing and collaborating with the society, but a lot with economic reasons, that is, earning extra money. Furthermore, the purpose is to inquire if the hosts are willing to help and provide a more valuable experience to tourists or if they do not care about that.

The second part of the interview consists in questions related to the concept of Collaborative Economy and the model and legal framework of Airbnb. These questions have the purpose of inquiring if the hosts know about the platform that they use, because this could give a better idea of the reasons for choosing Airbnb.

- Participant H1:

“En mi caso, que lo que hacía era la gestión del portal online y la entrega de llaves a cambio de un porcentaje de la reserva, la razón era obviamente económica”. He has a strong and direct opinion about why he uses Airbnb, but he also thinks that people renting their houses, not as a manager but as a host, have economic reasons, “tienen más de una vivienda y ven la posibilidad de aumentar la rentabilidad alquilando por días a turistas”. This fits perfectly in the hypothesis of the project, because he leaves no space to other reasons, but money. He tells that he chose Airbnb because it is the most famous platform, which can give him more clients, “es muy sencillo crear una cuenta y optimizarla para que te encuentren relativamente fácil, [...] Además, te ofrece una sesión de fotos gratuita para que puedas comercializar tu piso mejor”. He really likes this platform and he never felt unsecure, even if it deals with strangers, “también hay desconocidos paseando por las ciudades de noche y no por ello dejamos de pasear”.

He has heard about the concept of Collaborative Economy, but he does not have a deep knowledge about how it works or how it was originated. This is why his response in the question about the business model is positive. He totally agrees on the commissions and understands that Airbnb charges fees to both, because “la plataforma es el medio que conecta la oferta con la demanda y tendrá que comisionar por hacer de intermediario”.

He does not know the legal framework in which Airbnb is located, but overall he thinks that this platform is a good activity for the economy of the country, but also for the hosts and guests. He would like this activity to be legal, which would allow everyone to benefit from it.

“Si mi economía me lo permite me alojaría en un hotel, pero si me tuviera que adaptar, no tendría ningún problema en alquilar una habitación o un piso en Airbnb u otras plataformas”. This is an evidence, again, that he chooses either to stay in one place or another depending on the budget: the price is the main reason.

- Participant H2:

The participant H2 tells that the main reason for renting his house is to be able to maintain it, since “es una casa rústica, nadie iba, y mantenerla nos salía a 800 o 900 euros fijos cada mes durante todo el año, entonces al menos para poder mantenerla”. Here, already, the concept of money is mentioned as the main reason for renting out an accommodation.

When this participant tells why he chose Airbnb and not another platform or agency, he tells that he likes how Airbnb was born because he finds the story curious and funny, and he likes supporting and fostering good ideas. Moreover, he mentions that he has been living abroad many years and he likes that Airbnb is a worldwide platform that connects international people. This participant likes receiving the guests by himself, “les entrego las llaves, les explico un poco lo que necesitan saber... no únicamente de la casa, sino cosas típicas del pueblo y eventos... porque a mí me gusta interactuar con una comunidad internacional”. This is interesting because even if this participant has an economic reason for renting the house, this answer seems to fit in the concept of Collaborative Economy, because of the interest in connecting people and providing a useful information to guests to provide them a better trip.

After the personal questions about the experience with Airbnb, the next question is about the Collaborative Economy, but this participant does not know what this concept means. However, when asking about his opinion of the mix commissioner model that the platform has, he agrees with these services fees. He thinks that these fees are fair and worth it because the platform is helping him to promote his house, and this allows him to have the extra money to maintain the house. These answers confirm that this participant did not choose Airbnb because the platform defines itself as Collaborative, since he agrees in the profit purposes the platform has.

Finally, this participant says that he would choose to stay in a hotel or in an accommodation of Airbnb depending on his needs. However, it is interesting to mention that when he refers to the hotel, he refers to those hotels that provide more facilities like “pequeños apartamentos en los que puedas tener la lavadora y otras cosas” what gives the idea that when he travels, he likes to feel at home, something that Airbnb can provide.

- Participant H3:

The first words of the participant H3 related to the question that asks for the reasons for renting out are “tema económico, puramente económico”. This gives an evidence of the motivations of this participant, without leaving any space to other social reasons. The participant also refers to the ease of renting for short term, because it may avoid the problems that a fixed contract with a tenant can have. However, the main reason is that he knows that renting an accommodation for holidays is an easy extra income, because a holiday rental gives you “el triple que un alquiler tradicional”. Again, the reasons are not related to any wish for making easier and better the experience of the tourist, which is the hypothesis of the project.

This participant chose Airbnb on the recommendation of a friend. He got informed and was aware that people renting their flats or rooms in this platform could get a lot of benefits, even he mentions that “una persona podría dejar de trabajar... ¡las ganancias que te da Airbnb son más que un sueldo!”. Again, he refers to economic reasons for renting in Airbnb, telling his personal experience as “fue un año y medio o dos gloriosos, que tuve unas rentas estupendas”. However, when asking for the process to meet the guests, this participant tells that the whole process was carried out by a friend. This is an evidence of not worrying about the social purpose of Airbnb, but of the extra money that it provides, approaching to the hypothesis of the project.

This participant does not have knowledge about the concept of Collaborative Economy, what gives an idea that choosing Airbnb for him has nothing related to the purpose of collaborating and sharing. Moreover, when asking for the mix commissioner model that the platform has, he does not have a clear opinion, because he believes that the model that a platform follows depend on the market trend. Again, like the participant H2, these answers confirm that this participant did not choose Airbnb because the platform defines itself as Collaborative, since there is no knowledge nor opinion.

This participant has some knowledge about the legal framework in which Airbnb is located and about the laws on the tourism sector. This means that this participant cares where he advertise his accommodation and has a strong opinion about latest modifications on the touristic law and controversies regarding Airbnb.

When asking if he would stay in a hotel, his answer is very interesting for the hypothesis. He understands the reasons for choosing Airbnb before than a hotel, but he refers again to economic reasons, “básicamente yo creo que como siempre todo gira entorno a una valoración económica”. However, he would never stay in an Airbnb as a guest, what gives the idea that this participant has a clear and unique goal of having an extra income with the rent, but that he does not fit in the concept of collaboration of this platform.

- Participant H4:

When asking for the reasons to rent a house, this participant gives an evidence of economic reasons: “tienes una vivienda vacía a la cual le tienes que sacar provecho”. And when asking why he chose Airbnb, he says “cuando te metes en Airbnb es porque te viene a la mente Airbnb. Es como la Coca-Cola, la marca

más grande que hay es Airbnb”. However, he uses not only Airbnb, but also many other platforms to advertise his house. This makes clear that he uses the platform for promoting and having higher probabilities of getting clients and rejects the idea of using Airbnb for the collaborative goals.

He knows perfectly what Collaborative Economy is and what the original idea and purpose are behind it, he can give some examples of collaborative platforms that do not charge commissions. For him, Airbnb, is not a collaborative company as it is defined, but “sale como un intento de economía colaborativa porque es un peer to peer [...], pero ahora se meten hoteles, entonces ya deja de ser una economía colaborativa, esto es un negocio, es una OTA, Online Travel Agency”. However, he agrees on the service fees since he sees Airbnb as a business, “yo estoy de acuerdo [with the commissions], cada uno tiene que cobrar lo que quiera cobrar, después está el usuario que quiera pagarlo o irse a otra plataforma”.

He has strong knowledge about the legal framework in which Airbnb is located. He completely disagrees with the modification of the law. He thinks it is a full stop in the touristic supply of Balearic Islands for the middle-class, which does not want or cannot stay in a hotel, but it is favorable for hotels, which have been benefited already for many years.

Finally, he tells that he has stayed in Airbnb accommodation in four occasions as a guest, but that he had two very bad experiences. For this reason, he claims a regulation in this platform to ensure good quality of the service. He does not want to forbid or limit the use of the platform, but to guarantee that the accommodations listed in Airbnb are good enough to provide a good experience during the trip.

THE GUESTS:

The first part of the interview consists in personal questions related to the motivations for going on vacation and the experience of the guests when they stayed in an Airbnb accommodation. The purpose of these questions is to inquire why the guests chose Airbnb, because the hypothesis is that there is little related to the concept of Collaborative Economy that defines the platform, but a lot with economic reasons, that is, Airbnb is a cheap option.

The second part of the interview consists in questions related to the concept of Collaborative Economy and the model and legal framework of Airbnb. As the interview for hosts, these questions have the purpose of inquiring if the guests know about the platform that they use, because this could give a better idea of the reasons for choosing Airbnb.

- Participant G1:

When this participant tells his holiday experiences, he mentions that he would never go alone, because he enjoys sharing time with friends and family and discovering new things with them. He points that an accommodation that fits the needs of the group is the most important thing when looking for a place to stay. “I checked both the Airbnb platform and some hotels, but the needs that we had were our limited budget and the space, because we were six people, so Airbnb

could easily fit us”, when talking about the experience in Mallorca. However, even if his first option is now Airbnb due to the good experiences he had, the good organization of the platform and the cheap possibilities it offers, he has stayed in hotels in the meantime as well. Hence, he already mentions the money as a reason to choose Airbnb, what approaches to the hypothesis of the project, because he would stay in a hotel if he found a cheap room.

This participant guesses that Airbnb could play in the Collaborative Economy, but he does not know what the concept means. Moreover, he agrees on the service fees that Airbnb charges, “It’s fine, because you [the platform] have to take some money from somewhere... Usually you [the guest] don’t spend a lot of money in Airbnb, and that percentage is fine”. He believes that these fees are not only for the functioning of the platform, but to create benefits, but he thinks, “It’s normal that the company wants to make money”. These answers confirm that this participant did not choose Airbnb because the platform defines itself as Collaborative, since he agrees in the profit purposes the platform has.

Finally, he would stay in a hotel in the future if he found cheap options, otherwise he would prefer Airbnb because, as he mentioned before, it is cheap but also offers you other facilities.

- Participant G2:

This participant tells that when he travels, he wants to escape from the routine, and he wants to disconnect from the city he lives in and from the work. Even if he chose Airbnb because of the price among other reasons, he also mentions that “los hoteles están en zonas más turísticas y Airbnb te da la oportunidad de alojarte en cualquier lugar, cosa que no te da un hotel”. This participant seems to fit in the concept of the new tourist that wants a unique experience when travelling, so he could deviate from the hypothesis of the project. However, he also tells that “no prefiero Airbnb a un hotel, simplemente depende de adónde vaya, el precio, la localización, la calidad... entonces, escojo uno u otro”.

Anyways, he tells that he really likes Airbnb for the good contact with the hosts, who are always willing to help and want to provide a pleasant stay. This gives him a trustworthy experience, “me resulta muy cómodo saber quién es la persona que hay detrás, si hay algún problema, ella me lo puede solucionar... saber que es una persona bastante cercana...”, but instead, in a hotel he thinks that there are too many clients for few workers.

He has heard the concept of Collaborative Economy before and he knows what it is the idea behind it, giving some examples as CouchSurfing or BlaBlaCar. In addition, he knows the idea behind this concept, “tener una sociedad menos capitalista en el aspecto de que no vaya todo el dinero a los dueños de los hoteles y magnates, y que vaya más a la gente más de barrio”. When he gives his opinion about the service fees of Airbnb, he agrees because “es una oportunidad para que sea un negocio para todos... A mí me da igual adónde va el dinero, al de la casa o al otro [platform], pero con unos mínimos para todos, no queremos explotar al de la casa”. This gives an idea that he agrees on the Collaborative Economy and likes to participate on it, even if some companies make money with it.

- Participant G3:

This participant, like G2, also tells that he wants to escape from routine, he wants to be away from his hometown and from work, and he wants to relax and know about the local life. This fits perfectly in the concept of the new tourist; however, when asking why he chose Airbnb, the first thing he tells is that it was cheaper than a normal apartment and, in addition, he tells that in the meantime he has been in hotels as well. Hence, the economic reason is a reason for choosing between Airbnb and a traditional accommodation, what approaches to the hypothesis of the project: people choose Airbnb because of the price. Though, he explains that he is very happy with Airbnb because “there is a good situation of this platform because everyone wants to do this, to share, everyone is looking for having a pleasant deal, what it’s really nice”.

This participant does not know what Collaborative Economy is, but he agrees on the service fees that Airbnb charges, since “they will have some costs to have this platform working, and then I think they will need some money to have an option to catch something out”. However, he thinks that Airbnb is making a lot of money charging both, hosts and guests.

To the last question, if he would stay in a hotel in the future or just in Airbnb, he tells that it always depends on the situation. She would stay in a hotel if it is well located, but she would prefer an Airbnb accommodation if she wanted to get information about local places and experience the inhabitant life. Therefore, it seems that he understands the purpose of Airbnb, but he would not matter to stay in a hotel if he finds a good offer.

- Participant G4:

This participant thinks that travelling is a way of doing something different and disconnecting from routine, but he does not explain more about how he likes travelling. More conclusive is his response to the question about why he chose Airbnb when he came to Mallorca. He likes the freedom that Airbnb offers and the opportunity of feeling at home, but he also mentions that he checked everything before opting for this platform, “miramos de todo, creo, si me acuerdo bien, pero los hoteles no nos daban lo que buscábamos [...], además era temporada alta en Mallorca, y no había nada a buen precio”. The decision of staying in an Airbnb accommodation or in a hotel depends on the circumstances, but he always takes the decision thinking in the location and price.

He does not know what Collaborative Economy is, but has his opinion about the service fees that Airbnb charges to hosts and guests. He understands that Airbnb charges some fees to operate the platform, because it is the intermediate between two people, who want to exchange something, “Entiendo que Airbnb, como empresa, quiera cobrar tanto a unos como a otros. [...] Realmente hace un trabajo de selección de personas, filtra quién es el mejor propietario para el inquilino, y al revés”. He thinks that these fees are justified because Airbnb does a good job for hosts in promoting their houses and a good job for guests in giving a trustworthy service.

In the end of the interview, he tells that he would stay in hotels as well as in Airbnb or in other platforms, “yo busco unas condiciones, y si me las ofrece un hotel, no

tengo ningún problema en alojarme en un hotel". This is an evidence that he does not choose Airbnb for any reason related to the collaborative idea.

8. CONCLUSIONS

In this project, the theory of the Collaborative Economy, the new tourism and tourist and the specific case of Airbnb have been investigated and studied. The analysis of the interviews, made to hosts and guests of Airbnb, had the purpose of proving the hypothesis of the project. The hypothesis attempted to observe if Airbnb can be defined as collaborative as the company does itself or if there are evidences that users of this platform have economic reasons as the main motive. In the last part of the project the analysis and comments on the interviews are performed. This part is separated in two blocks, one for hosts and another one for guests, as the questions for each group are different, although the conclusions go in the same direction. My hypothesis is confirmed: people use Airbnb because of economic reasons.

People are not fully aware of what Collaborative Economy is. The tourism has changed, and this has been prove with the interviews. All the guests explained that they like travelling for disconnecting and getting involved in the local life of the new country. They do not look for traditional ways of travelling and they do not like going to touristic places, but they ask for recommendations to hosts and they want to discover hidden places that do not appear in touristic guides. This could be close to what Collaborative Economy is looking for, since people are bothered for the mass tourism and hotel chains. However, the reason of guests and hosts to choose Airbnb before other platforms or hotels is always the money.

The four guests that have been interviewed coincide that when they came to Mallorca they stayed in an Airbnb accommodation because it was the cheapest option. They checked many options before choosing Airbnb, but when comparing, they found this platform cheaper than the rest. Therefore, guests do not choose Airbnb because it plays a role in the Collaborative Economy and they want to support this cause, but because economic reasons. It is true that they are happy with the platform and see some advantages in staying in a house or apartment rather than in a hotel. An Airbnb accommodation offers more facilities, like the kitchen or a washing machine; also, it offers the feeling of being at home, the good disposal from the hosts, etc. However, all of them have said that they would not have cared to go to the traditional market and they would have stayed in a hotel if the price had been lower.

Similar to guests, all of the hosts have told that the reason for renting the house in the Airbnb platform is the money that they can make. All of them chose Airbnb for the higher opportunities that they have to get clients, because this platform is the most known all over the world. Although the participant H2 mentioned first the necessity of earning some extra money to maintain the house, he was the only one who emphasized the good feeling of sharing the house with international people and helping tourists to have a better experience. This participant was the closest one to the idea that Airbnb as a company wants to transmit. Even so, I

stress that everyone seeks a benefit in this market. Everyone agreed on the commissions they have to pay, because they think that they are fair for the promotion service Airbnb does. Far from the concept of collaborative.

It is not bad that by offering a service, one wants to get something in exchange. Time and effort are worth it. Everything changes and adapts to new situations, and the Collaborative Economy was born in a context of crisis and frustration, but nowadays it is seen as a business. However, what I want to express after my research is the problematic of locating Airbnb inside the Collaborative Economy, since this platform is far from the original idea of non-profit purposes and people are not using it for other reasons than economical. It is a business, very profitable; many people will see many advantages in using it, as hosts and guests, and many others will see disadvantages and will be against it, as hotels and residents.

This investigation has been carried out in Mallorca and only with eight people. I believe that the conclusions could be different in other areas, because Mallorca is a very touristic place, and hotels are usually full or are expensive during the high season. This could be a reason why people that come to Mallorca prefer to stay in Airbnb, where they see more opportunities. Even so, it is not possible to extrapolate the conclusions to the whole island. This is just a sample that could help for future investigations, in Mallorca, but also in other areas or countries.

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ANNEX

Interview model for Hosts of AirBnB

Introduction part:

- a) Presentation of the project.
- b) Aim of the interview and importance of his or her collaboration.
- c) Measures to preserve anonymous if desirable.

Guide to interview questions:

I would like to start with some personal questions regarding your experience as a host.

1) Could you tell me which are your motivations or reasons for renting your flat, house or room out?

1b) And, what exactly are you renting out?

2) You could tell me now what AirBnb offers you that you could not find in other platforms or agencies. In other words, which are the reasons for choosing AirBnB among the online platforms?

3) I would like you to explain me how is the process when you receive a notification that a guest wants to book your flat/room.

3b) And how is the process when you finally meet your guest?

3c) Which is your opinion about these processes (easy/complicated, safe, etc.)?

Now I would like to ask you about a new concept that seems to be a trend.

4) Do you know what Collaborative Economy is? (If the interviewed knows the concept, I would like him or her to give me an example. Moreover, I would like him or her to realize that AirBnB defines itself as a Collaborative Economy).

5) Airbnb follows a mix commissioner model, which means that the platform charges fees to both hosts and guests. They usually charge you 3% as a host, and between 5% and 15% to guests. Airbnb call these fees "service fees", to help to the functioning of the platform. Which is your opinion about this model?

We are reaching the end of the interview...

6) I would like to ask you about the legal framework in which this platform is located. Do you know this legal framework? (If the interviewed knows the laws, I would like to ask him or her some more questions: what is his or her opinion and how the modification of laws can affect his or her situation).

7) Last question. As a guest, would you stay in a hotel in the future?

Now that we have reached the end of the interview, I would like you to tell me if there is something that we did not cover in the interview and that you would have liked it. Also, if you have anything else to comment, please feel free.

This is the end of the interview. Thanks for your collaboration.

Interview model for Guests of Airbnb

Introduction part:

- a) Presentation of the project
- b) Aim of the interview and importance of the interviewed
- c) Measures to preserve anonymous if desirable

Guide to interview questions:

I would like to start with some personal questions regarding your experience as a guest.

1) Could you tell which your motivations for travelling are (what your aim is, what you look for, etc.)?

2) Why did you choose AirBnb when you came to Mallorca?

2b) Had you stayed in an AirBnb before? You could tell me since when you use this online platform or if you have stayed in hotels in the meantime.

2c) What does AirBnb offers you that you could not find in other platforms or allocations like a hotel?

3) I would like you to explain me how is the process when you want to look for a flat/room and make a booking.

3b) And how is the process when you finally meet your host?

3c) Which is your opinion about these processes (easy/complicated, safe, etc.)?

Now I would like to ask you about a new concept that seems to be a trend.

4) Do you know what Collaborative Economy is? (If the interviewed knows the concept, I would like him or her to give me an example. Moreover, I would like him or her to realize that AirBnB defines itself as a Collaborative Economy).

5) Airbnb follows a mix commissioner model, which means that the platform charges fees to both hosts and guests. They usually charge 3% to hosts, and between 5% and 15% to you as a guest. Airbnb call these fees “service fees”, to help to the functioning of the platform. Which is your opinion about this model?

We are reaching the end of the interview...

6) I would like to ask you about the legal framework in which this platform is located. Do you know this legal framework? (If the interviewed knows the laws, I would like to ask him or her some more questions: what is his or her opinion and how the modification of laws can affect him or her).

7) Last question. Would you stay in a hotel in future travels?

Now that we are reaching the end of the interview, I would like you to tell me if there is something that we did not cover in the interview and that you would have liked it. Also, if you have anything else to comment, please feel free.

This is the end of the interview. Thanks for your collaboration.

