

Domestic Customers' Satisfaction towards Airbnb Provider

Mohamad Hazwan Mohamad Daud, Elina Bete, Nur Yasmin
Nazihah Yussof, Norliza Aminudin

Faculty of Hotel and Tourism Management Universiti Teknologi MARA, Cawangan Selangor,
Malaysia

Email: norliza@uitm.edu.my

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Abstract

This study investigates factors contributing to Airbnb customers' satisfaction towards property hosts in terms of amenities provided and host-interaction. Airbnb provides personalized experiences and bring out the best of hospitality and to best of the researchers' knowledge, there is lack of empirical research on satisfaction between local customers and Airbnb hosts. Social media platform was used to distribute a 5-point Likert scale questionnaire, specifically to those who have experienced using Airbnb. A non-probability sampling of convenience and snow-balling method was utilised, and most respondents were leisure travellers. Gathered data were analysed using reliability test, descriptive analysis, Pearson correlation analysis and hypotheses analysis testing (regression). Results show that minimal law and regulations imposed by hosts; their helpfulness, friendliness and interaction through social media are among factors causing customer satisfaction. Meanwhile, in terms of amenities, a proper lock of each door is considered important, superseding the availability of Wi-Fi and the Internet. However, hypotheses show no significant relationship between hosts' interactions towards customers' satisfaction, while there is a significant relationship between amenities provided by the hosts towards customers' satisfaction. The information obtained is useful, especially when current travel bubble only allows domestic movement, and it is expected that Airbnb would be one domestic travellers' choice.

Keywords: Airbnb, Customers' Satisfaction, Amenities, Host-Interaction, Peer-To-Peer Interaction

Background of Study

In connecting to demand and supply for lodging, Airbnb appears as an online platform in sharing the economy that connects people who want to rent out their homes with those who need lodging (Germann Molz, 2013; Guttentag, 2015). Begins in 2008, by early 2021, Airbnb covers more than 100,000 cities and 220 countries worldwide (Folger, 2021). Airbnb is making home-like environment lodging a mainstream of income for property investors and side-

income to the local (Cocola-Gant & Gago, 2019). In 2016, Airbnb described Malaysia as an “exciting growth market” for them, while the traditional hotel sector continues to do well, with occupancy and room rates (The Star, 2016). An unofficial endorsement from the government came during the Visit Malaysia Year 2014, when the Malaysian Ministry of Tourism, Arts, and Culture has supported the Airbnb platform to be used (Chin, 2019).

In 2018, Airbnb Malaysia experienced 137 per cent year-on-year growth, with approximately 32,000 daily listings and the most in the Asian Regions (The Star, 2019). In 2019, it contributed up to MYR3.98 billion to the country’s gross domestic product (GDP) and supported 52,100 local jobs (The Edge Markets, 2020). Airbnb is one of the fascinating innovations introduced to the tourism and hospitality industry worldwide (Reinhold & Dolnicar, 2021). Their study showed that Airbnb’s innovativeness and reputation continue to excel amidst Covid-19 pandemic when it gave full refunds and compensations to customers and hosts respectively. This is a good indication that Airbnb business will continue to thrive for a long time and hosts would want to make sure that they too flourish with the organisation. In order to achieve that they have to compete, and competition does not only exist among established lodging brands such as Agoda, Expedia, OYO and Tune Hotels (Malaysia) (Merican, 2019), competition appears among Airbnb hosts too.

Similar to other types lodging, satisfying customers remains a crux in capturing their future behavioural intentions and loyalty (Priporas et al., 2017). It is the main factor in a business success in the whole of hospitality business (Tutuncu, 2017). Literature on hotel services’ satisfaction is quite abundant, but few are carried out on the satisfaction of the Airbnb services (Priporas et al., 2017). On how satisfaction arises has been established, that is for an individual or group of customers to be satisfied with a specific product or services, the attributes should match their needs and exceed their expectations regarding the service’s overall performance (Boone & Kurtz, 1998).

Attributes of an Airbnb property would include both tangible amenities and intangible services, with some of hotel’s amenities (Li et al., 2013) are similar to that of Airbnb, with car park making a different offering. Some Airbnb provides free parking, consisting of free street parking and free parking on premises (Tussyadiah & Zach, 2016). They highlighted specific kitchen appliances for the customers, provided by Airbnb hosts is also one of the main household amenities, which most customers look forward. Adding to the household amenities are household facilities such refrigerator, the washer and dryer, comfortable beds and clean room are key advantages to Airbnb. Like hotels, a lock on the bedroom adds customers’ confidence (Yu et al., 2020). Hotels alike, the main in-room technologies of Wi-Fi and the Internet are in Airbnb listings (Jung et al., 2014).

In lodging industry, social interaction becoming more important in the contribution of the satisfaction towards Airbnb, especially in the absence of front desk as in hotels (Mauri et al, 2018). Social interaction normally occurs between host and customers where they communicate, sharing jokes, exchange information, interest and experiences (Guttentag et al., 2018; Lutz & Newlands, 2018). A number of studies on customers’ satisfaction have social interaction as one of their independent variables (Bucher et al., 2016; Jung et al., 2016; Malarde & Penard, 2019; Priporas et al., 2017; Tussyadiah, 2016). Although Airbnb provides personalised experiences and portrays hospitality such as hosts greeting their customers

personally and building a strong relationship with their customers (Merican, 2019), customers reactions and expectations varies. They expect the host to greet them upon arrival, preparing a quick tour around the house; to communication suffice just through the Airbnb websites before they visit the place (Camilleri & Neuhofer, 2017; Lyu et al., 2018).

A literature review shows an increasing number of research have been carried on various perspectives of Airbnb worldwide. However, in the context of the current study, to the best of the researchers' knowledge, there is a lack of empirical satisfaction research between local Airbnb hosts and Malaysian customers. Therefore, this study investigates factors contributing to Airbnb customers' satisfaction towards property hosts in terms of amenities (mattress, bathroom, lock on doors, parking space, kitchen appliances and cooking basic, laundry appliances, and Wi-Fi and the Internet) host-interaction. Additionally, this study also aims to determine the relationships between hosts' attributes of towards customers' satisfaction (refer to Figure 1.1). Two hypotheses were developed:

H₁: There is a significant positive relationship between amenities provided and customers' satisfaction

H₂: There is a significant positive relationship between host interaction and customers' satisfaction

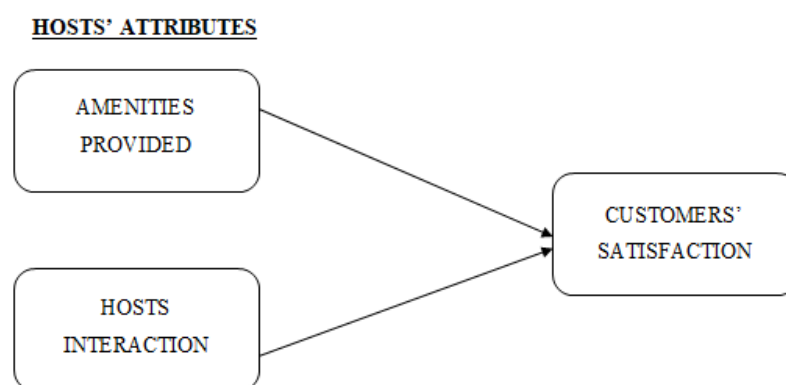


Figure 1.1 Conceptual Framework

Methods

A quantitative research approach is used in this study, applying a structured questionnaire, containing both close- and open-ended questions. The two open-ended questions require respondents to state their town and state origin and where the destination of the Airbnb property. It is a cross-sectional survey design where respondents were approach only once. Cross-sectional survey is the most widely adopted approach in marketing research and relatively inexpensive and efficient, has a low rate of attrition, and does not require long-term administration (Salkind, 2000). Questionnaire is bilingual, in both English and Bahasa Malaysia, adopting translating from English to Bahasa Malaysia, followed by re-translation Bahasa Malaysia to English approach. There are two sections in the questionnaire; section A which is demographic profile, and section B is to measure the satisfaction level of customers towards the amenities and the interactions between hosts and customers, with each statement using the 5-likert scale. In order to determine the salient dimensions in section, dimension and items were sought from relevant literature review. A limited pilot study was conducted by pre-testing the questionnaire with 10 users of Airbnb to determine its content

validity and whether the respondents would be prepared to provide information requested (Appiah-Adu, Fyall & Singh, 2000).

Data Collection and Data Analysis

Google Form was utilised for the questionnaire and the link were distributed through various platforms, including Airbnb's official Facebook page, Twitter, LinkedIn, and WhatsApp. Personal contacts through family and friends were useful in distributing the questionnaire and in total responses were obtained within two months, May and June 2021. The targeted samples were among domestic travellers who have at least experienced staying once and for a duration of at least a day at an Airbnb property in the last three years. According to The Edge Market Malaysia (2020), Airbnb in Malaysia has welcomed almost 38 million guests for the period of July 2018 to July 2019. In this study, individuals are used as units of analysis. The sample size is based on Krejci & Morgan (1970, as cited in Sekaran 2005) calculation table, for a known number of populations of $N=38$ million, the sample size is $S=384$ respondents. Similarly, Roscoe (1975, as cited in Sekaran, 2005) proposed a rule of thumb suggested that a sample size larger than 30 and less than 500 was appropriate for most research. A non-probability sampling, through convenience sampling followed with snow-ball technique were used. A total of 385 usable data were available for the study.

Data were examined and hypotheses were tested using IBM SPSS Statistics software version 20. Accordingly, steps were taken for reliability and validity tests, descriptive statistics, Pearson correlation coefficient and regression analysis. To ensure usable, data screening process were applied prior to further analysis. Consistency of scale through Cronbach's Alpha value coefficient (Hair et al., 2010), showed that all items in each of the variable were considered reliable for all three variables, customers' satisfaction ($\alpha= 0.778$), amenities ($\alpha=0.883$) and host interaction ($\alpha=0.917$). Descriptive statistics provide basic information about the variables in a dataset and highlight potential relationships between variables and measure the centre of mean, median and mode (Hayes, 2021).

Result

Demographic Data

The number of respondents from were 41.04% ($n=158$) and 58.96% ($n=227$) male and female respectively. Meanwhile, the highest respondent age was between 25-34 years old (41.6 per cent), followed by 35-44 years old (27.5 per cent), 18-24 years old (24.9 per cent), 45-54 years old (4.9 per cent) and the lowest number of respondents from the age group of over 55 years old (1 per cent). Corresponding to the age, 61.8 per cent ($n=238$) of the respondents were employed, followed by 25.7% ($n=99$) were students, unemployed with 9.6% ($n=37$) (accompanying), and 2.9% ($n=11$) were retirees.

As the study is for the whole country, the state of origin showed that the top three respondents came from Sarawak (46.1 per cent), Sabah (13.7 per cent), and Selangor with 11.5 per cent cent. Meanwhile, the top three latest Airbnb property location visited by respondents were in Kuala Lumpur (32.9 percent, $n=142$), followed by Sarawak with 23.9% ($n=90$), and Sabah (12.3 per cent, $n=41$). The breakdown of respondent purpose of staying at Airbnb properties were for leisure (41.3 per cent, $n=159$), followed by staycation (24.4 per cent, $n=94$), business (12.5 per cent, $n=48$), attending event (11.2%, $n=43$) and shopping (10.6 per cent, $n=41$). Nearly half of the respondents have stayed more than three times in a year,

while a quarter half stayed once and more than five times each. About 75 per cent of the respondents stayed with family, friends, or colleague, while the rest stayed alone at the Airbnb property.

Important Factors Leading to Satisfaction, Correlation Analysis and Hypotheses Testing

Based on the two identified dimensions of amenities, mean score and standard deviation score showed that, in descending order, respondent ranked the items as follow: lock on each door of the Airbnb property (M: 4.59 SD: 0.648); Wi-Fi and the Internet (M: 4.55 SD: 0.783); kitchen and cooking appliances (M:4.53 SD:0.700); mattress provided (M:4.53 SD:0.699), laundry appliances (M: 4.52 SD: 0.722); bathroom (M: 4.51 SD: 0.718); and parking space (M: SD: 0.814). Correlation analysis is a powerful tool that provides understanding of the strength of the relationship between two variables (Pallant, 2005). Based on the correlation output, there is a positive relationship and very strong correlation between customer satisfaction and the amenities ($r = 0.827$, $p > 0.01$).

The summarized results of multiple regression analysis demonstrated that amenities directly relate to satisfaction where the standardised coefficient at 0.837 and $p = .000$ (< 0.05). Hence, H_1 was supported (refer Table 1). This is similar to findings by Tussyadiah & Zach (2015) and Yu et al. (2020). Similarly, Jung et al., (2014) emphasized on technology on personal security, where some the Airbnb listings had provided a 'lock on bedroom door' and offer a 'safety card', thus offering safety and security to customers.

As for the host interaction, in descending order, the respondents agreed as follow: friendly host and helpful during the stay (M: 4.39 SD: 0.815); host interaction through social media before the stay (M: 4.27 SD: 0.851); host greet and give a tour upon arrival (M: 4.26 SD: 0.898); and quality interaction rather than needful interaction (M: 4.23 SD: 0.970). The correlation relationship between customer satisfaction and host interactions is considered as weak ($r=0.362$, $p > 0.01$). The hypothesis on host interaction and customers' satisfaction is not significant, with standardised coefficient at 0.023 and $p = .481$ (> 0.05) (refer Table 1).

Table 1:

Summarised Results for Hypotheses H_1 and H_2

Hypothesis	Standardised Coefficient, p -value	Result
H_1 : There is a positive significant relationship between amenities provided and customers' satisfaction	0.837 ***	Supported
H_2 : There is a positive significant relationship between host interaction and customers' satisfaction	0.023 $p = 0.481$	Not Supported

Note: *** Significant at $p < 0.01$ ($t > \pm 2.58$)

Discussion and Implications

Like hotels, Airbnb properties vary in price, depending on a few factors such as location and amenities provided (Yu et al., 2020). Since this study investigates what hosts provide from

customers' perspective, location is not included as a factor since it is beyond hosts' control, but providing car park is. It is considered as an important amenity, as many use their own transport, especially for family travelling (Cheng, 2018). This could be related to the country's small size, especially on the peninsular side, and where there is inadequate and inefficient public transport (Kamba et al., 2007). Additionally, the car rental in Malaysia is reasonably priced and easily accessible (Wonderful Malaysia, n.d.).

For the importance of other amenities, the results are similar to previous studies (Tussyadiah & Zach, 2015; Yu et al., 2020) and when a bigger percentage of respondents are between the age of 18-44 years old, technology becomes important, the accessibility of Wi-Fi and the Internet (Kunachagaran, 2017). It is undeniable that to some group traveller, they prefer Airbnb as hotel prices are considered as higher, and the availability of kitchen and cooking appliances help them to save cost. Similarly, laundry appliances added to Airbnb attractiveness in cost saving (Li & Srinivasan, 2019). However, it is also interesting to note that Airbnb has broadened its business from just lodging to 'cooking' category on 'Airbnb Experiences' (Airbnb, 2019). The price is not cheap as it is offered to a smaller group with personalised touch.

Other amenities such as mattress and bathroom indicate that customers are not taking it lightly either as these are important in terms of hygiene and comfort (Lutz & Newlands, 2018). However, the highest concern is the feeling of safety and security when respondents ranked lock on each door as the highest. Nevertheless, this finding is not only unique in Malaysia, but in other countries as well. This is due the perception of sleeping in a strangers' home and trust formation (Mao et al., 2020).

The other dimension investigated is customers' interacting with hosts, contributing to their overall experience (Guttentag, 2015; Ju et al., 2019; Ren et al., 2016). During this communication, the challenges would be possible loss of information when interact between parties (Tadelis, 2016). Ranking (according to mean) of importance given to items under this dimension are between 4.39 to 4.23, however the relation between host interaction and satisfaction is found to be not significant. An indication that satisfaction need not necessarily come from interaction with the Airbnb property host. Further investigation in this context is required to reveal more insights.

Future Research and Conclusion

This study was carried out during the Covid-19 pandemic where there are still movement restrictions and the respondents' latest experience was more than a year ago. Nevertheless, the finding is still useful as a perception among Airbnb users. A more recent experience could have different implication and follow-up research may have different results. Airbnb has broadened its tentacle to include 'Airbnb Experiences', an innovative step that offers more home-based entrepreneurship to the host. The creativeness of Airbnb did not stop there, during this pandemic, their 'Airbnb Online Experiences' are thriving which is opening more venue to be researched.

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