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Consumer Decision Making for Accommodations in the Shared Economy

ABSTRACT

Although many components of the shared economy have existed over time, it has recently blossomed into a thriving business that facilitates sharing of assets and services with strangers by using applications on the Internet. Recently, a convergence of many factors favorable to the development of the shared economy occurred and has become a new way of doing business for many and has introduced a new business model. Many people are shifting their goals from owning assets to borrowing them. This is not only economically favorable, but it is also environmentally favorable for the planet.

The Lodging Shared Economy (LSE) is the portion of the shared economy that focuses on the sharing of accommodations such as Airbnb and Vacation Rental by Owner (VRBO). The LSE enables homeowners and tenants, where it is legal, to rent out an extra room or full house/apartment either while they share the residence or while the host is away from the property. This new accommodation arrangement has become very popular with leisure travelers and more recently with business travelers, but little is known about how much business travelers utilize LSE properties for their business travel. Much of Airbnb's advertising campaign is targeted at showing a stay at an Airbnb property is more about creating an experience rather than merely spending the night. This dissertation focuses on business travelers' motivations and preferences for travel while away from home on business. Specifically, this dissertation

explored how much effect seven independent variables had on business travelers' level of satisfaction. The independent variables are as follow: Price/Value, Financial Security, Personal Safety, Location, Empathy, Amenities, and Cleanliness. It then proceeds to evaluate whether three moderators of Gender, Age, and Accommodation Type affect the individual relationships between the independent variables and satisfaction.

This dissertation begins with an introduction to shared economy (and LSE) concepts that are necessary to understand to better comprehend the studies. This is followed by a literature review, which describes and catalogues the current body of literature available regarding the LSE including several theories that guide guests to choose between diverse accommodation options. Chapter 2 ends with a conceptual model. Chapter 3 discusses the methodology of designing the survey instrument as well as methods used to conduct the test. Additionally, the pilot study results were presented and discussed as a precursor to the final study, which were presented to business and leisure hotel respondents as selected using the MTurk respondent database.

Results of the final study were presented and discussed in Chapter 4 within the framework of a Structural Equation Modeling (SEM) framework along with various statistical tests and safeguards to ensure valid and reliable results. Chapter 5 discussed implications from the study and makes suggestions for both LSE hosts and hoteliers based on results found.