The Principals of Managing Shared Economy Accommodation through the Airbnb Experience

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1. Introduction

1.1. Overview of the topic

The modern day company is ever-changing and does not closely resemble how it once looked. The age of military style organizations and traditional boss - employee chains are becoming a thing of the past. New startups are being cultivated every day, and even though most of them do not survive their first year, a select few of them make it through and thrive for long enough to conquer the world. Possibly one of the greatest examples of these “from rags to riches” startups is the company Airbnb. This innovative website was born in 2008 from a San Francisco apartment where two roommates were struggling to pay their rent. Their idea was to offer wary travelers an air mattress and breakfast, thus creating their eventual name: air bed and breakfast. My personal journey with Airbnb began 4 years ago and the way I’ve watched this company spark passion towards hospitality in people who otherwise would never move towards the industry, always made me wonder about the conscious decisions the company makes to achieve this.

With the appearance of this new type of peer-to-peer organization, work environments are changing. With the Internet as a mediator, managers often do not have the control over their employees that they once did. The only way forward is to find new management techniques that are suitable for the people working through these companies. This study is aimed to explore this topic and answer the question: What are the most important factors and ingredients in the long term success of Airbnb’s management techniques from the hosts’ point of view?

In order to answer this question, the following objectives were set up and later studied in the following pages of this thesis work.

1. To understand Airbnb as an organization and it’s positioning within the competition
   (Answers to be found in chapter 2.1.)
2. To compare and contrast the managerial style of traditional hotels or hostels to Airbnb (Answers to be found in chapters 2.2. and 4.2.)
3. To measure Airbnb’s sustainability (Answers to be found in chapter 4.4.)
4. To understand the Theory X and Y of Management and apply it to the management style of Airbnb (Answers to be found in chapters 2.2.2., 4. and 4.2.)
5. To propose managerial techniques to develop shared economy businesses through the example of Airbnb (Answers to be found in chapter 4.3.)

1.2. Outline

In order to answer the above stated research question and objectives, after the Introduction the thesis work will continue with the secondary research in the second chapter. The Theoretical background chapter is divided into 3 main parts. It will start by introducing Airbnb and then positioning the company within its main competitors. The next subchapter is aimed to detail Airbnb’s management techniques and introduces the theory applied in the thesis work: the Theory X and Y of Management. The chapter will finish studying Airbnb’s sustainability and look at the current relationship between traditional hotels and Airbnb.

The next part of the study will detail the Methodological background and approach, which will be used to analyze the practical problem: the semi-structured interviews and the triangulation method. In this chapter the hypothesis will be introduced for the first time, followed by the chosen research methods that will be explained in detail alongside their advantages, disadvantages and the attempt to eliminate the challenges that are linked to them.

When the research method was chosen, the advantages and disadvantages of the semi-structured interviews were weighed. However, the nature of the methodology caused the study to have limitations deriving from the volume of the studied subject group. Other limitations of the study emerge from the length and depth of the bachelor thesis work.
The fourth chapter will be the *Analysis of the practical problem* in which the interviews will be analyzed based on the research method introduced earlier. This will be set up in a similar partition as the *Theoretical background* chapter in order to support the secondary research with the primary research. It will start with explaining the reasons behind accepting the hypothesis and the Type Y personality traits of the Airbnb hosts interviewed. It will then continue with the management techniques and the success rate of these tools from the host’s point of view. The third subchapter will discuss the challenges of using the Theory Y of Management and the chapter will finish by measuring the sustainability of Airbnb in the form of income for hosts.

The last chapter, the *Conclusion* will end this thesis work by concluding the results of the study and propose further research in the topic. *References* and *Appendices* will follow and finish the thesis work.
2. Theoretical Background

2.1. Introducing Airbnb and the competition

*What are the most important factors and ingredients in the long term success of Airbnb’s management techniques from the hosts’ point of view?* In order to answer this question, we need to first understand Airbnb as a company, its position in the market and the competition. In this next chapter I will introduce Airbnb together with two of its main competitors: Booking.com and Couchsurfing, in order to answer Objective no. 1, which is “To understand Airbnb as an organization and its positioning within the competition”.

Online community building using tourism and traveling has a long history. It started with a hospitality network called SERVAS International in 1949 in order to encourage peaceful human interaction across the world after the end of world war two. Due to the lack of technology at the time, the contact details of the few hundred members of the community were written on paper. Those who desired to stay at another community member’s home across the world had to make phone calls or write letters and send postcards. However, in the 1990’s something occurred that no one had foreseen which would come to shape and change the whole industry. The creation and utilization of the internet completely transformed the term “community” from how we interpreted it before. Likeminded people could now interact with each other from across the world sharing common interests and different cultures without having the limitations of time and distance. Andreas Wittel introduced the term “network sociality” in 2001 describing this new form of belonging: “de-localized, which is a sociality on the move, a sociality over distance” (Wittel 2001: 70).

2.1.1. Airbnb as an organization

Airbnb is a company that is built on SERVAS International’s initial idea of connecting people through their love of traveling, while benefiting from sharing their homes and empty apartments. Airbnb is an online interface that allows potential guests and hosts to find each other. It sports a well-designed website and an easy to use application, where people can
list an empty apartment, a spare guest room or even just a couch. The hosts are encouraged to upload high quality photos, write an inviting description and fill in a pre-written list of amenities to give an in-depth view of the property they have to offer. Guests can browse these listings and narrow the search down by destination, type of property, price, or available amenities. This may sound like sites such as Booking.com or Expedia; however, Airbnb has something different to offer. The company’s main unique selling point is building on community. The idea is to develop trust between two individuals as a host and a guest. There are no big companies involved or travel agents, just two people communicating and interacting with each other in an informal environment. People seem to love this feeling that Airbnb emanates as a new wave with an old fashion feel. In 2017 the company made 93 million dollars in profit on 2.6 billion dollars in revenue.

Airbnb takes an approximately 3% commission (this may differ depending on regulations in different countries) from the finalized bookings of the hosts and takes a cut of 0-20% of the booking fee from the guests. This is still a small fee compared to all the services they offer in return. The company makes sure the payments are secure, offers a “Host Protection Program” and has a well-developed customer service system. On top of all these practical services, Airbnb puts a great emphasis on the well-being of both guests and hosts.

Airbnb is not just a great way for people to travel inexpensively, it also offers those who might not otherwise be able to travel at all or as much as they would like to, the ability to experience different cultures from the comfort of their own homes by introducing them to people from all over the world. Airbnb as a website or application is also built like other social media sites, like Facebook, meaning people need to build their own profile, which includes a picture of them, their personal information (like hometown, phone number, and languages they speak) and a short description of themselves. The information is verified which helps build trust between strangers and reliability in the service. This is also the interface where written reviews about them will appear. More particulars on the reviewing system will be discussed in greater detail throughout the next chapters.
2.1.2. Position in the market and the competition

When positioning Airbnb in the online based hospitality industry in terms of type and style, it falls somewhere between Booking.com and CouchSurfing.com. Booking.com is a 100% profit oriented online booking company, that is only focused on pairing guests with the perfect accommodation, while remaining in the background. On the other hand CouchSurfing.com helps by matching travelers who want to stay at places for free (or possibly offer something small in return like a souvenir from their country) and people who have a spare guest room, couch or even just an air mattress. Airbnb is a profit based company, just like Booking.com, but local community and authenticity is not just a huge part of the service they offer, it is a prerequisite, similar to CouchSurfing.com. It is important to examine these competitors to understand how Airbnb works, as they are at two different ends of the spectrum, while Airbnb falls somewhere in the middle. These companies can be looked at as the model of the two alternative futures for Airbnb. If Airbnb is unable to manage balancing increasing revenue and maintaining the sense of community, then they are destined to end up looking very similar to one of the aforementioned competitors.

Booking.com

Airbnb’s most formidable competitor in the market is Booking.com. This Dutch company was established in 1996, which makes it over a decade older than Airbnb. It is currently the largest e-commerce travel agency in the world. The company lists over 28,634,184 accommodations in 227 countries around the world. The two businesses are very similar to each other; however, there are many major differences.

The idea behind Booking.com is to provide a platform for hotels and bed and breakfasts’ that are not big enough to have their own websites and spend huge amounts of money on online marketing. They offer a website and an application that is well-known around the world and is already well established for reservations and customer service. In exchange, they take a commission from hotels. It seems like a win-win situation in that the hotel does
not need to spend unnecessary resources to optimize their website and online marketing, and Booking.com gets a minimum commission of 15% from every booking. (Booking.com, n.d.)

One of the other main differences between the two companies is that Airbnb’s aim is to fill their listings with mainly individual locals who otherwise would not rent out their rooms and target smaller businesses and boutique hotels as secondary customers of their service. Booking.com on the other hand targets mainly already established hotels and hostels and provides them an alternative to their websites. The hotels and hostels on Booking.com are usually listed on other booking interfaces, such as their own website, other e-commerce travel agencies and also sometimes on Airbnb.

**CouchSurfing.com**

On the other side of the spectrum, we have CouchSurfing.com. Looking at CouchSurfing.com is a great way to understand the success behind Airbnb, as it takes the idea of putting community in the main focus of tourism to the full extent. CouchSurfing.com is a website where people can create an online profile and use it to host other travelers for free for a couple of nights at a time. It is based on a “pay it forward” concept, and people who stay with someone through the website are encouraged to later host other like-minded tourists and hopefully continue the cycle. The company was founded in 2004, after the founder, Casey Fenton travelled to Iceland, but instead of paying for a hotel he could not afford, he spammed hundreds of local university students looking for an empty couch to sleep on. He received an overwhelmingly positive response, which made him think of the great potential in connecting available hosts with low-budget travelers. Over time the company became a huge success, having 14 million members in over 200,000 cities all around the world. (Couchsurfing.com, n.d.)

In 2011, Jennie Germann Molz coined the term “network hospitality” after Wittel’s (2001) “network sociality” mentioned earlier, to explain hospitality in this new, “mobile, mediated and networked society” (Jennie Germann Molz, 2011). She uses this concept to describe
the connection between couchsurfers and the type of relationships they establish, using the website. Molz says, “Like network sociality, network hospitality involves intermittent face to face and online interactions that are often attenuated and brief, and yet emotionally intense.” (Jennie Germann Molz, 2011). The success of Couchsurfing as well as Airbnb can be attributed to the idea of connecting people through the internet that would otherwise not be able to meet. (Jennie Germann Molz, 2011)

In this subchapter, Airbnb was introduced alongside two of its main competitors: Booking.com and Couchsurfing, then it was compared and contrasted in order to answer Objective no. 1., which is “To understand Airbnb as an organization and its positioning within the competition”.

### 2.2. Airbnb’s management

When answering the research question as to *What are the most important factors and ingredients in the long term success of Airbnb’s management techniques from the hosts’ point of view?* it is important to look at how Airbnb currently manages its hosts and therefore this chapter will answer objective no. 2.: “To compare and contrast the managerial style of traditional hotels or hostels to Airbnb”. Firstly, the concept of looking at Airbnb as a traditional hotel will be introduced, which will lead us to a detailed explanation of Theory X and Y of Management, Airbnb’s current management techniques and comparing it to the management techniques of traditional hotels.

#### 2.2.1. Airbnb versus hotels

One way to compare these two managerial styles is to look at Airbnb as if it were a regular hotel. The hosts are the employees of the hotel: the receptionist, the cleaning staff, the salesperson, etc. Airbnb as a company acts as the management of this hotel: it comes up with the strategy, manages the employees, provides the customer service and manages the website. In a traditional hotel, the management has complete control over its employees. In other words, they are physically in the same building, they delegate clear tasks to complete,
and give them tangible incentives such as monthly salaries or bonuses and promotions. If the employees prove to be incompetent or demotivated, the managers can sit down with them and discuss disciplinary actions that can range from small punishments to termination of employment. The management in a traditional hotel has control over the service they provide as well. In essence, they can tell the designers how to set up the rooms, the cleaning staff how to clean according to their standards, the revenue manager how to set the daily prices and tell each cook which meal they will prepare and serve in the hotel. This management style is clear and tangible. There is a completely different situation when the cleaning staff, the receptionist and the salesperson of this fictional hotel are not actually the company’s employees. They are not directly under the control of the “management”, but the service of the company is still dependent on the quality of their work. Therefore, in order to have the best possible service quality, the “management” of this hotel, in this case Airbnb has to be creative in using proactive and reactive management tools to oversee the quality of service that their hosts’ provide.

It is more important for Airbnb to have greater oversight on their hosts than other shared economy companies, such as Uber or taskRabbit. With Airbnb, we are not talking about a ten minute car ride with Uber or paying for services like getting your lawn mowed with taskRabbit. In this case, it’s about people’s hard earned money spent on their long awaited holiday, where they want everything to be perfect, or the next year they will move back to the safe, traditional hotel industry. On the other hand, hosts are letting strangers into their homes or apartments which is a huge responsibility for Airbnb and could be potentially fatal to the company if things were to go wrong.

Airbnb as an organization is set up based on the unique selling point of offering local and unique experiences that hosts from different cultures provide. To achieve this they needed to create an environment that does not restrict, but rather allows people to host at their own discretion within reasonable limitations. This causes each host’s property to vary from country to country, city to city and even from neighbor to neighbor. Airbnb does not wish to control its’ employees but rather desires to promote people’s love for hospitality and let
the environment mostly organically develop into what it is today, with the help of the review system and other management techniques.

2.2.2. **Theory X and Y of Management**

This leads us to the Theory X and Y of Management. In this next subchapter objective no. 3 will be answered, “To understand the Theory X and Y of Management and apply it to the management style of Airbnb.”

One way of comparing and contrasting the managerial styles of traditional hotels or hostels to Airbnb and the management style they adopted in order to achieve this work environment for hosts, is through these theories. These theories were created in the 1960s by Douglas McGregor to help managers understand motivation through the traits of the two possible extremes. However, it is important to remember that even though people tend to be one of the two types, there are no complete Type X or Type Y people. The theory goes into extremes to help explain and understand managers and the best ways to motivate employees in their workplaces. (George, 2012)

Theory X assumes that employees do not like working and that the manager’s job is to counteract this resistance to work using close supervision, constant feedback, rewards and punishment in order to make the employee work properly. Based on this theory, people want to avoid responsibility at all costs and do not have any ambition to do their jobs well unless they have someone standing over them telling them otherwise. Type X workers can be motivated by money and the tools used to measure their results are usually key performance indicators which are number based such as number of sales, products finished, rooms cleaned, etc. The management accepting Theory X is usually working towards creating a work environment where the employee’s control is minimized and the managers have complete power over the final output of the company. (George, 2012)

Theory Y is the opposite as it assumes that employees like working and the manager’s job is just to create a work environment that encourages workers to do their job to the best of
their abilities. This theory suggests that people are not necessarily motivated by money, but rather by things like job enlargement and by creating a set of organizational goals that they can identify with. Managers who follow Theory Y will trust their employee’s potential and believe that if they give them more responsibility and room for creativity, workers will perform at in the highest capacity. Rather than using a strict reward and punishment system, managers should create a work environment that is optimal for employees to do their jobs properly, while being approachable and available if their staff needs assistance. The managers should provide feedback at the end of the day and work together with their employees in order to achieve the organization’s goals. Theory Y is a more decentralized way of management as the control in the organization is divided between the management and the employees themselves. (George, 2012)

As opposed to traditional hotels that are set up as a work environment that encourages managers to follow the Theory X more, Airbnb’s set-up as an organization suggests that it is an environment that is less controlled by the management. The typical management in hotels usually uses the managing techniques that correlate to the Type X people mentioned above. Some examples for comparison are evident when observing that there are designated employees to check the quality and cleanliness of a room cleaned by a room attendant at a hotel while Airbnb simply trusts the hosts to clean their rentals to the best of their abilities. They would rather use reactive management techniques to evaluate their hosts’ work, such as the review system. Hotels promote their sales staff and give out bonuses if they do their work efficiently, while Airbnb uses other - non monetary techniques to show the hosts their appreciation.

The work environment for hosts is created in a way that the hosts have almost full autonomy over the service they offer. Because of the physical absence, Airbnb is more reliant on reactive management techniques as opposed to proactive ones. In other words, they cannot tell people what to do but rather rely on feedback after the work is done. Airbnb as a “management” stays in the background most of the time and trusts the “employees” to do the implementation. They assume that whoever registers to the website as a host has the willingness to work and wants to do their job to the best of their abilities.
The hosts are not under complete control of the management as long as the basic requirements are being met and the advertisements are not so poorly done that they need to be taken down. It is up to the host to be creative and this is always strongly encouraged. Using proactive and reactive management techniques, Airbnb can’t really tell hosts what to do but they can reward them for doing something particularly well. Small gifts and gestures can make someone feel nice when they have been hard-working hosts. You can offer someone better positioning for their ads so that they appear first when being searched or money off of staying in another Airbnb by achieving the title of “Superhost”. Airbnb hosts like to do things their way but often need guidelines to follow, using blogs and gathering tips from other sources on how to price things and to determine how much money they can earn. Airbnb’s mission is to get hosts to represent a picture of the country they live in and give the total experience of the culture allowing guests to live as locals of cities all over the world. The company does a good job of emphasizing this and communicating this mission to the hosts who in turn are proud to be able to share a piece of their own world with others.

In this subchapter objective no. 4 was discussed, which is “to understand the Theory X and Y of Management and apply it to the management style of Airbnb”. This subchapter introduced the Theory X and Y of Management, which will be further discussed in chapter 4 through analyzing the information gained from the interviews.

### 2.2.3. Airbnb’s management techniques

In order to find further answers to objective no. 2 and 4, this next subchapter will look at Airbnb’s management techniques. In the following, the reader will gain more insight to be able “to compare and contrast the managerial style of traditional hotels or hostels to Airbnb” and “to understand the Theory X and Y of Management and apply it to the management style of Airbnb.” The information in the next subchapters is based on the company’s own website.

The first step of Airbnb managing its service is to attract hosts that they think will fit their company’s image, share their goals and become good representatives of their service. They
achieve this by marketing, word of mouth and the image they put out through their website. They also list a set of requirements on their website so people have a good understanding of what kinds of hosts and rentals they wish to have listed there. Once the potential host reads through the list of requirements provided by the company and decides that what they have to offer fits this image of a host or not, they are directed to a page where they can look at the basic demands for hosts. Here they can decide if they have what it takes to be an Airbnb host. Hosts have to be available to answer reservation requests within 24 hours, provide essential amenities, like toilet paper, soap, sheets, towels, pillows and other hygiene products, while providing an overall service that will result in high ratings from the guests.

By filtering the potential hosts, Airbnb can minimize the managing tools needed to provide the best possible service for the guests. However, creating an environment that attracts the right hosts is just as crucial. The company has to be ready to step outside the box and utilize its strengths to develop its brand and its brand awareness. The way they can achieve this is by creating a clear goal and motto of the company and making sure that they maintain the unique selling point that they started out with. This message that the company presents should be able to be felt through the design of the website and through every marketing campaign that it runs.

**Blog**

Airbnb created a blog for their website as a way of communicating good examples for hosts, such as sharing success stories, tips and tricks of hospitality and other posts that might be interesting for hosts to read, to learn and to draw inspiration from. By sharing real life stories about successful hosts from around the world they might inspire potential hosts to follow their dreams into the industry of hospitality and start renting on Airbnb or encourage people who already are working through the website to apply these tips and tricks to become better at what they are doing.
Superhost title

The Superhost title is a way for Airbnb to give hosts some positive feedback from the company itself by awarding them a distinctive indication that they are among the best and doing an excellent job. The title is given when they reach 80% or more 5 star ratings from guests along with a couple of other requirements. They are recognized and acknowledged in the community as the title will show up on the hosts’ advertisements causing them to be positioned ahead of the other listings without it and if they retain the Superhost title for a full year they will receive a hundred dollar credit that they can use to stay at other Airbnbs.

Review system

Airbnb’s review system is a huge part of the organization’s culture. Contrary to Booking.com and other online booking websites, the review system is double-ended; meaning both the hosts and the guests will write reviews on each other. Airbnb does a great job at following-up after the stays and remind both parties to not just evaluate using a 5-star system based on set criteria, but to give written opinions as well.

To counteract the fact that Airbnb does not have control on most of its service, it puts a lot of time and effort into what they have control over. Their website is beautifully done and really enjoyable and easy to use. Their customer service is very efficient and it is easy to reach them which is a trait that many other companies are lacking nowadays with excessively long wait times to receive assistance. Their satisfaction rate for hosts and guests is one of the highest and their strong social media presence make the company a force to be reckoned with. (Wilson, 2014)

2.3. Sustainability of Airbnb

In order to answer objective no. 3. which is “To measure Airbnb’s sustainability” this next chapter will look at Airbnb as a threat to the more traditional competitors in the industry, and their response to this threat. This next chapter will help the reader understand how
sustainable Airbnb is for hosts as a job, counting with the risk factors associated with the company.

As mentioned before, Airbnb started out with regular people, sometimes coming from outside of the hospitality industry, renting out a room or even just an air mattress in their houses or apartments to strangers for a relatively cheap price. The main idea was to get like-minded people together, while saving some money. However, as a profit oriented company, Airbnb was open to expanding its business. As people saw the potential in the website, the original idea took a bit of a back seat after seeing the possible increase in revenue caused them to refocus their attention to the financial growth that could follow.

Along with Airbnb becoming a more common and established choice of tourists to stay with, Airbnb’s success and growth is causing hotel chains, smaller hotels and other, more traditional hospitality establishments to see it as a real threat. There are multiple debated questions surrounding the topic, including the lack of set regulations Airbnb falls under and the issue of already established hotels placing their listings on Airbnb in order to circumvent taxes. There is a fear that well established companies will take over these online interfaces and it is unclear whether or not at this time they should be prevented from doing so. Even though Airbnb does not state a clear standpoint whether or not they are against this possible shift in their host customers, they have a loose policy written on their website about hotels that are encouraged to be listed with them, and declares that any listing that does not meet these requirements will be removed. Most of these requirements on both the listed properties and the hosting service are emphasizing the importance of local influence and originality. (Airbnb.com, n.d.)

The topic of peer-to-peer accommodation services versus hotels has been a popular topic ever since the former started to gain a significant amount of market share. When Airbnb started, people thought it will only threaten cheaper bed & breakfasts’ and hostels, but more recent studies show that people seeking more luxurious accommodations also choose the company’s services rather than going to four or five star hotels. Airbnb has also moved towards working with companies by starting a Business Badge that listings could gain by
meeting certain requirements, like having ironing boards, hangers, Co2 detectors and other necessary installments for a business trip. This was later expanded by the company entering the world of MICE, by offering team building experiences and collaborative spaces which extends something that most hotels are not able to by providing medium to long term apartments for people relocating to a different city or country. Data shared by the company itself on their website, shows that almost 700,000 companies have had employees book and stay in a room or apartment since August of 2018. This is a clear indication of how the company was able to fulfill a task most assumed to be impossible before. One of the reasons that startups and new wave companies prefer Airbnb is because of its flexibility. They are not forced to commit to one multinational hotel chain, but rather give their employees the autonomy to choose the best fit for themselves. Today giant companies like Facebook, Twitter and Gap, send their workers on business trips through Airbnb and the number of companies doing the same are increasing dramatically. (Trivett, 2013)

The hotel industry is mostly using reactive, rather than proactive tools to fight back the growing new wave competition. Instead of realizing the need for technological improvement, increased marketing activity and experience-based hospitality services, most hotels are trying to attack the legality of Airbnb and how they operate. Hotel chain giants are funding studies to prove that the peer-to-peer company is taking advantage of the “grey area” of the hospitality industry, causing big losses for hotels that are regulated closely by governments and are heavily taxed. A study funded by the American Hotel & Lodging Association (AH&LA) published by Penn State in 2016 says: ”There is an explosion of multi-unit operators, defined as hosts renting out two or more units. We found this to be an issue in all 12 of the cities we analyzed, which also represent the largest cities in the country” (O’Neill- Ouyang, 2016). The study also states that “Multiple-unit operators (2+ units) account for nearly 40% of the revenue on Airbnb”. With these numbers, Penn State indicates that some hotels are using Airbnb as a way of bypassing taxes and other regulations. Airbnb responded by saying that the study found what it was paid to find and spoke up for the community it claims to work for. Their spokesman said “While Airbnb hosts keep 97% of the price they charge for their listings,”; “hotels take most of the money they earn out of the community.” (Elliott, 2016)
2.4. Conclusion of the Theoretical background

Based on the secondary research, there is sufficient evidence that the Theory X and Y of Management can be linked to Airbnb as a work environment for hosts and the management techniques Airbnb uses tend to be following the Theory Y of Management. After studying the literature and articles mentioned in this chapter, the primary research should explore the topic from the hosts’ point of view and should be aimed at supporting these assumptions.
3. Methodological background and approach

What are the most important factors and ingredients in the long term success of Airbnb’s management techniques from the hosts’ point of view? In order to answer this question and based on the theoretical research in the previous chapter, the following hypothesis was set up: *Airbnb hosts are more likely to be Type Y people and therefore should be managed using the Theory Y of Management.* The following section of this thesis will explain how the problem will be approached through the chosen primary research method: interviews in order to accept or reject said hypothesis.

3.1. Triangulation

Since the nature of the problem is quite objective, starting an open conversation with the hosts is necessary, therefore it is useful to let the hosts discuss the topic freely and share their opinions while still being able to discover a tendency in the answers. Thus, the decision was made of mixing a qualitative and a quantitative research method in order to not just be able to see tendencies, but also the reasons behind said tendencies. This way of mixing both research methods, called “triangulation”, is a common way of analyzing social sciences, such as the topic of personality types and appropriate management styles. Based on some studies, these two research methods complement each other and are beneficial to use together. (Denzin, 1978)

Triangulation is a method described by Denzin in 1978 as “the combination of methodologies in the study of the same phenomenon”. One of the biggest advantages of this technique is that it allows the researcher to be more certain of the results in the study. In the case of this study, it allows us to see the tendencies and the reasons behind them. (Denzin, 1978)
Interviews seemed to be the most appropriate choice in order to decide whether the hypothesis is true and if Airbnb is using the right managing techniques fitted to the hosts’ personality types.

Interviewing is a qualitative research method, used mostly for social sciences. Kvale (1996: 174) describes it as: “a conversation, whose purpose is to gather descriptions of the [life-world] of the interviewee”. Interviews are used to gather in-depth information and to perceive one or more point of views on a certain topic. There are four types of interviews: structured, open-ended (or unstructured), semi-structured and focus group interviews. All four have their advantages and disadvantages, therefore it is important to choose the best suited one for each problem. As structured interviews are usually answered with yes or no responses, this is more of a questionnaire type research method. Open-ended or unstructured interviews give complete freedom to both the interviewers and interviewees. The semi-structured interview falls somewhere in the middle, as it is structured enough to stay on the topic and doesn’t cause the two opposing sides to digress into irrelevant banter. Appearing as the best of both worlds, this option still provides ample room for follow-up questions, explanations and more detailed and thorough answers. (Kvale, 1996)

After looking at the nature of the problem and considering the benefits and drawbacks of the three types of interviews, it became clear that the best fitting research method would be to facilitate the semi-structured interviews. This way minimizes the possibility of digression, assuring that the interview subjects remain concise and to the point, while allowing enough room for creativity and original thoughts. Interviews also allowed me to gain the maximum amount of information with the limited number of subjects I may be able to be in contact with during the study. This was the perfect method to combine with the triangulation method, to look at the tendencies in the problem with questions where I restricted the answers, while still allowing to ask for more detailed explanation and the reasons behind the answers after. For example, I asked them to pick a number from 1-5, where one meant they did not agree at all and 5 meant they completely agree, and then
asked them to tell me the reasons behind choosing that number. By combining this almost questionnaire-like quantitative research method with the qualitative research method of the interviews, it became easier to analyze the copious amount of data received. I also made sure to utilize one of the benefits of interviews as a research method, the flexibility that comes with the real-time live conversations. This flexibility came in handy when I had to change some of the interview questions during the first interview, since it proved to be too close ended and not thought provoking enough. Due to viability reasons the interviewee base is from Hungary and Hungarian Airbnb hosts.

3.3. Challenges and attempt to eliminate them

3.3.1. Challenges of the triangulation method

Drawbacks of this method comprise of the difficulty of explaining the method of research in detail, since there is no exact way of performing. To overcome this challenge, I made sure to explain the analysis in a simple and practical way in the next chapter. Another disadvantage of mixing qualitative research and quantitative research is to decide on the volume of the respondents. Qualitative research methods usually work with a smaller group of interviewees, while quantitative methodologies collect data from a broader group of people in order to gain a sufficient amount of information. To balance the amount of interviewees with the practicality of the interviews, I decided to maximize the number of interviews to perform and paid close attention in order to be more skeptical with the gained data and thus the tendencies.

3.3.2. Challenges of the Semi-Structured Interviews

One of the potential challenges of using interviews as a research method can come from the size of the sample. As interviews are a more time consuming way of gaining information, the number of quality interviews are more than likely going to be smaller. This can cause a lack of information and possibly one-sided objectivity. However, by maximizing the number of possible interviews and standardizing answers to certain questions, I can look
for tendencies and once found, explain these with the detailed answers received from the interviewees. It is important to mention that since the interviewees are all Hungarian Airbnb hosts, the results will only represent trends in this country, and for this reason the results may be biased to this area and may not be applicable for other areas in the world.

Another common challenge that might occur during the analysis of these kinds of research methods comes from the huge volume of acquired data. Unlike quantitative methods that usually follow an objective, standard analysis process, the analysis of qualitative research methods, like interviews is reliant on the researcher. These interviews usually surmount to an abundant amount of pages worth of answers and is therefore arduous and more time consuming to analyze. To overcome this obstacle, as I mentioned earlier in this chapter, I combined a questionnaire-like method with a more open-ended interview-like method and paired a numerical answer to every question it was possible to pair it to. This way it was easier to examine the tendencies while still being able to explain them with detailed reasoning.

3.4. Implementation of Said Research Methods

To overcome the challenges mentioned above and to gain the least biased information possible, in order to accept or reject the hypothesis, there has to be a representative of all the different “types” of Airbnb hosts. In order to see multiple points of views, the interviewee sample has to be as broad as possible. As there are different ways to group Airbnb hosts, the first step is to choose categorizing criteria. Hosts can be categorized by the number of rentals they have, the degree to which they rely on Airbnb as an income, their nationality, the geographical allocation of the rental (capital city, small city, countryside, etc.), the type of rental they have listed (room, whole apartment, house, B&B, boutique hotel, etc.), the type of extra services the host offers, and so on. These criteria obviously relate, however it is important to choose one and make sure to represent at least one interviewee from the different levels within these categories.
In order to successfully run their business, Airbnb has to manage and navigate all of its’ hosts and measure their success while looking for areas to improve on. This makes it important to interview a representative from the different levels of involvement among the hosts in the business. Therefore, in order to find out whether the hypothesis can be accepted or not about the interviewees personality types, and for this answer not to be biased, two criteria were chosen to be combined: the number of the hosts rentals and the type of rental they have listed on the site (this was closely related, as all the hosts renting out a part of their own home have only one rental advertised). Using these two criteria will allow the study to ask opinions from hosts from all the main groups and their motivations behind them working with Airbnb: (1) who use Airbnb as a hobby, (2) who use Airbnb as an extra income when they need some supplementary cash for a short period of time, (3) who uses Airbnb as a regular extra income for a longer period of time, but do not entirely depend on it for their income (two or less rentals) and (4) who use Airbnb as their main source of income and rent out 3 or more rentals.

Different approaches were executed in order to find potential interviewees until the goal was reached of interviewing a sufficient number of Airbnb hosts. The goal was to interview over 30 people and talk with at least four of the above mentioned groups of motivations. This goal was ultimately met with a final count of 32 interviews. The most successful approach was to join a Facebook group for Hungarian Airbnb hosts and post on their asking hosts to participate in a phone or skype interview with me.

In order to start an interview with the necessary relaxed atmosphere to be maintained throughout the rest of the conversation, it is important to create a safe space where interviewees are encouraged to share their opinions and ideas, especially since the interview is focused on the personality types of the interviewees. To achieve this, most interviews started with small talk, while asking them to tell me about how they started Airbnb and then gradually moving into me asking them to specify exactly what category they fall into. This would then move to stating the type of rental they have, how many rentals they have listed on the website, how long they have been working through Airbnb, if they clean and let the guests in themselves or have co-hosts or staff and whether they use
self-check in or not. After creating a relaxed environment I moved towards asking the more complex questions that require more explaining. While writing the questions it was important to keep the questions simple, but thought provoking at the same time. The questions were written in a way that they are not too intimidating for the interviewee, to try to eliminate the possibility of them having a more negative answer and feeling about the overall outcome of the interview. In other words, if the question is too “open”, it can cause the host to get overwhelmed and end up leaving feeling as if they didn’t give sufficient answers and feel bad about the interview. Therefore the questions had to be worded simply and to the point, while promoting the interviewee to share their own experiences and encourage some expansion of their answers.

When creating the interviews, the questions were put in a specific order to promote the best flow and ease the interviewee’s train of thought. However, for the purpose of facilitating the analysis, the interview questions were grouped in a different sequence than the way it was ultimately presented to the hosts. The questions were first grouped into the main three topics of the study: (1) Type Y personality traits of hosts, (2) Airbnb’s management techniques and (3) Airbnb as an income. Then these topics were divided into subgroups, in order to make the analysis process easier.

The interviews were performed through a mix of skype calls and personal meetings depending on the availability of the interviewee. The interview questions are presented in the first appendix.

To conclude this chapter, in order to answer my research question through accepting or declining the hypothesis, I have decided to use the triangulation method of mixing qualitative and quantitative research methods through semi-structured interviews as my primary research method. Then I chose to interview Hungarian based Airbnb hosts and decided on combining numerical answers in order to search for tendencies and then pairing more detailed answers when looking for the reasons behind these tendencies.
4. Analysis of the practical problem

To understand *What are the most important factors and ingredients in the long term success of Airbnb’s management techniques from the hosts’ point of view* and to answer objective no. 4: “To understand the Theory X and Y of Management and apply it to the management style of Airbnb”, a hypothesis was set up and researched based on other studies and articles in the beginning of this thesis. If the hypothesis is true, that *Airbnb hosts are more likely to be Type Y people and therefore should be managed using the Theory Y of Management* as opposed to people who work in more traditional workplaces like hotels and other hospitality facilities, that means Airbnb’s management techniques should be tailored to these type of people and their management needs. To test this hypothesis and eventually answer the research question, 32 Airbnb hosts from Hungary were interviewed, focusing the questions on Airbnb’s management techniques, the hosts’ preferences on these techniques and therefore their traits in regard the Theory X and Y of Management.

4.1. Type Y personality traits of Airbnb hosts

Based on my previous research in the theoretical background as well as on other articles and studies, it was found that Airbnb is set up as a work environment for hosts to fit personality Type Y people the best. To test this hypothesis I asked the interviewees to explain if they would like Airbnb to use a more proactive approach in managing them. In essence, if they wanted more help in being the best host possible coming from Airbnb and closer supervision on their part. I did not state specific examples of management techniques during the interviews, only explained proactive approaches in more detail if needed, therefore the interviewees interpreted these management techniques their own way.

19% of the hosts said they would like more help from Airbnb, in the form of tips and tricks, recommended prices and other, more hands-on management techniques. 28% of the interviewees said they do not care if Airbnb does more to guide them or not and an overwhelming 53% said they would not like a more proactive approach at all, on the
contrary, they prefer to be their own bosses. Three of the interviewees mentioned that in their opinion the quality of the service they offer does not depend on Airbnb, but rather the motivation and goal behind what they do and why they do it. In other words, these people who host out of their love for this type of hospitality without a keen desire of gaining monetary wealth will have a completely different view of the work they do through Airbnb. Later in the analysis the reader will get a more detailed explanation of the main motivation factors of those who work through the website and will be able to understand Airbnb as a source of income for hosts based on analyzing the data gained throughout the interviews. However, even with such a small focus group, it is clear that Airbnb hosts tend to bear the traits of Type Y people, as they claim to not need any close supervision in order to provide the best service possible and the success of the company proves them right.

Even though these people all work in the industry of hospitality, most of them have never worked in hotels, and when asked if they would ever want to work in a hotel or hostel 56% said they would not, 28% said maybe and 16% said they would. A few of the recurring answers as to why they would not work in a hotel were: the lack of personal connections as oppose to those obtained through Airbnb, lack of autonomy in their work and the fact that they want to be their own bosses. These results confirm the initial assumption that people who work as Airbnb hosts fall under the Theory Y of management and thus the hypothesis that *Airbnb hosts are more likely to be Type Y people and therefore should be managed using the Theory Y of Management* can be accepted in regards to Hungarian hosts based on the interviews.

**4.2. Management techniques**

Based on the previous chapter, the hypothesis was accepted that most of the people who join Airbnb as a host want to be their own boss and want to bear the responsibility of their work, thus Airbnb has to use more of the Theory Y management techniques in order to motivate and navigate its’ hosts. In order to further investigate objective no. 2 and 4: “To compare and contrast the managerial style of traditional hotels or hostels to Airbnb” and “To understand the Theory X and Y of Management and apply it to the management style
of Airbnb.” the next chapter will look at the different management techniques and their success rate among hosts.

**Superhost Title**

A great example of using a more Theory Y type management technique is the Superhost title that hosts can achieve when meeting the preset list of criteria. This achievement impacts people’s competitive spirit, their egos and performs as an award, without being too blatantly obvious. It motivates people to provide the best service possible and navigates them in the right direction without actually telling them how to do their jobs.

During the interviews only two people mentioned the money benefit as the reason it is important for them to achieve the Superhost title. This is also an indicator that the hosts are mostly Type Y people, since money as a reward is not the main motivating factor for them. These people rather desire more recognition and positive feedback, letting them know that they are performing above average or very well in all aspects of their job.

**Blog**

The initial assumption of the blog in the theoretical background was that it is a perfect example of the Theory Y management technique and therefore is a useful tool for giving tips and tricks, without being too nit-picky in telling the hosts how to do their jobs. However, during the interviews it became clear that most hosts do not know about the blog and those who knew it existed, had only ever read it once or twice.

41% of the hosts claimed they had heard of Airbnb’s blog and out of this 41%, only 46% had read it once or twice since finding out it existed. Out of the 32 interviewees, only 12.5% of the people read the blog regularly (at least once a month) which implies that the blog is not very successful even based on this small of a representative group. The fact that some of the interviewees, when asked what areas Airbnb can improve on in managing the hosts, answered that they wished there was an online interface where Airbnb could share
tips and tricks on how to be the best host possible and examples from other hosts around the world, was quite ironic. They were essentially describing Airbnb’s already established blog which has all of aforementioned details and more such as tips from professionals throughout the industry.

Clearly the main problem pertaining to the blog is that 59% of the hosts do not know about it, even though based on the interviews there is a (small) need for such an interface, and whoever knows about it does not read it regularly. This may be caused by the quality and topic of the blog posts, the lack of language knowledge (the articles are written in English and are not translated) or the lack of reminders from Airbnb. If done right, the blog could be a great way of encouraging hosts to offer the best service possible and share examples of other Superhosts to follow without being too aggressive and hurting Type Y people’s need for autonomy.

**Gifts and credit**

Another tool that Airbnb uses as a Type Y management technique is giving smaller gifts and credit, not just as a reward for being a Superhost for a whole year as mentioned before, but also in other situations. This might occur as a reward, for example when a dispute was handled smoothly between hosts and guests or as compensation when Airbnb’s customer service is not performing at its best.

One particularly interesting story which stood out from the interviews was about a host whose air conditioner broke in her rented apartment during the hottest week of the summer. Initially the guests said they would be able deal with the heat as the host tried everything they could to cool down the apartment. They went out and purchased a brand new fan and tried to circulate the airflow as best they could. However, after spending a night in the top floor of a downtown apartment, the guests decided they could no longer bear the heat and would move to a different Airbnb which meant the host would need to refund the entire amount paid (the hosts get paid the full amount the following day after the guests arrive). However, instead of contacting the host about it, they went straight to customer service.
(which is recommended by the website in similar situations). Customer service then contacted the host and explained the situation, told her if she decides to refund the whole amount they will subtract the money from her account and give it back to the guests. The host agreed, even though this meant a whole week’s worth of money lost in the peak season. Not long after she hung up and cut her losses, she got an email from Airbnb saying they want to offer her a small gift for being such a great host, how the company is beyond thankful for the great humaneness and how she is an example to follow in this community. She received a handmade mug with the Airbnb logo on it, that she still cherishes and told me during the interview how the letter and the gift meant so much to her that she almost forgot about all the money she lost.

The above case indicates that Airbnb has been using reactive management techniques, which in essence is a way of damage control in a situation where the host lost a significant amount of money. Customer service did not control the situation in the way of telling the host exactly what to do, trusted the host to do the right thing and when this happened, gave positive feedback and a small token of appreciation, while spending an insignificant amount of money. The Airbnb staff applied the Theory Y of management, trusting their “employee” to do the right thing in a situation, where the final result impacted the organization just as much as the host herself and when what they hoped happened, they responded with positive feedback while giving her something other than money.

**Review system**

The review system could be an example of the type X managing method, since if hosts fall under a certain standard set by the company, it may be removed and if the hosts rise above an 80% of 5 stars they become a Superhost. Sounds a bit like the carrot and stick approach, therefore during the interviews I asked the hosts to agree or disagree with the following statement: “Better reviews equal higher profit.” 53% of them disagreed, 31% said sometimes it is true, but there are also other important factors and only 16% agreed. This means that the hosts want better ratings regardless of if it translates to more money in
return for their services. This supports the hypothesis that Airbnb hosts are more likely to be Type Y people.

**Registering to the website**

Based on the interviewee’s answers, it is simple and enjoyable to register to Airbnb’s website, which makes it very easy to enter the market. The “recipe” for a good advertisement is written step-by-step and Airbnb walks the potential hosts through the process. It tells them how to take high quality photos, how to write the descriptions and how to set the prices. Airbnb basically provides every ingredient necessary in making your rental house or apartment the most desirable for the guests and making creating a professional advertisement easy for people who may have never worked in the hospitality industry. The fact that 84% of the interviewees started renting through Airbnb supports this statement.

It is so easy to register a room or apartment on the website that some people would try out renting on Airbnb before making it legal and paying taxes to the government. This is a consequence of lack of government control over the online service in Hungary, and it results in people - who otherwise would not move into the industry - renting on the website instead of investing into a much more costly boutique hotel or bed & breakfast. However since this is a broad topic and is not closely related to the subject of this thesis work, I am not going to delve into this deeper.

**4.3. Challenges of managing Type Y people**

Even though based on the primary and secondary research so far Airbnb is doing well at managing its hosts according to their personality types, there are always some challenges when it comes to developing a proper work environment. In this chapter, the answer for objective no. 5. will be detailed: “To propose managerial techniques to develop shared economy businesses through the example of Airbnb.”
One of the negative sides of managing type Y people is to keep the service to a somewhat steady standard, since the lack of proactive management and strict guidelines can cause inconsistency in the service. During the interviews I found that the most efficient motivation tool that Airbnb uses to eliminate this issue is the above mentioned mutual review writing. Airbnb managed to make this evaluation of guests and hosts, a huge part of its culture and the main feedback source for the hosts. This two sided evaluation shows that it is a community in the sense that not only the guests have to write and evaluate the hosts, but the other way around as well and this allows them to be equal parties.

There is two ways Airbnb encourages people to write reviews. The first one targets people’s curiosity and ego, since the only way they can see the review they get from the other party is if they write their own reviews. The other way is sending regular messages and e-mails, reminding both guests and hosts to write the reviews. The interviewees indicated that this is sometimes annoying for them, but it still reaches its goal and 80% of the hosts claim to write reviews most of the times and get useful feedback from the guests. This helps hosts see what they do right and where they have room to improve in giving the best possible customer experience.

Booking.com has a different approach towards its customers. It is less personal, in contrary to Airbnb, it does not have a system based on profiles and therefore reviews are not two sided. The follow-up from the company is less efficient than Airbnb’s and only the hosts write reviews of the guests. Booking.com’s goal is clearly creating a space for people where they can make cash and they do not try to hide it. Interviewees who have decided to use both surfaces - Airbnb and Booking.com unanimously said they prefer to use Airbnb. They stated many reasons: the transparency, lower service fees, faster payouts, a better insurance policy, the lack of personal connection and the fact that they cannot select whose reservation they accept. It does not follow Airbnb’s and other peer-to-peer company’s social media-like structure, where the profile is in the center and the profiles build a community.
Based on my findings Airbnb could improve in some areas regarding its management techniques. One that was mentioned multiple times from the hosts was the “value” category in the ratings. The hosts do not understand the exact meaning of it; therefore it does not help them improve the customer experience they offer, simply because they do not know what to work on. The written reviews are more understandable and therefore more useful for the hosts as they can see the actual points of weakness in their services.

It refers to the hosts’ personality Type Y, how they think sometimes Airbnb is a little too involved in their work. Some interviewees indicated that it is annoying how the company writes them too many emails about the amount of reservations they accept and this makes them feel that Airbnb is trying to restrict their decision-making rights. A big part of the concept of Airbnb is connecting with other people, and by trying to increase the number of reservations hosts accept the company defeats the purpose. This was mentioned multiple times among interviewees who rent a room in their own house or apartment. They said the only reason they rent out a room is because using Airbnb they have the right to choose who they let in their personal space (as opposed to for example Booking.com). However, by pushing to fill up their calendars and setting criteria of what percentage of the reservations hosts should accept, Airbnb takes away the comfort of making their own decisions. This also indicates that Airbnb is moving away from the initial concept and prioritizing profit maximization which, if gone too far, might cause a shift in the customers - both hosts and guests.

4.4. Airbnb as an income

In order to answer objective no. 3 “To measure Airbnb’s sustainability” it is necessary to look at Airbnb as a source of income for the hosts and the potential risk factors. If Airbnb proves to be a reliable income in the eyes of the hosts and therefore is a more sustainable source of income, it might pose a bigger threat for other competitors in the industry.

To examine Airbnb as an income source for the hosts, I asked them to describe how reliable Airbnb is as an income in their opinion on a scale from one to five. When analyzing the
answers, I found a tendency related to the time they spent as hosts on the website and the level of reliability in their answers. To test this tendency I weighed their answers (i.e. multiplied the number of answers in each time frame with the weight of their answer: 1-5) and created a graph. The Y axis shows the time passed since the interviewee started as a host on Airbnb and the X axis shows the weighted level of reliability of Airbnb as an income. Thus the graph I created based on the interview findings represents the correlation between time passed since being hosts through Airbnb and their thoughts on the level of reliability of hosting on Airbnb as an income.

*Figure 1 - Level of reliability of Airbnb as a source of income for hosts*

Since the number of interviewees is smaller, there is a decline around the one-to-two and two-to-three year period, but the trend in the graph is clear enough to sufficiently show that there is a correlation between the time spent as a host and the reliability of Airbnb as an income. As the trend line shows, the longer the host is working through Airbnb, the more reliable Airbnb is as an income in their opinion.
According to these findings, people tend to be more skeptical towards earning money through Airbnb and committing to rely solely on being a host, especially since 84% of the interviewees started renting through Airbnb which means they did not have experience in this exact area previously. People who stated that Airbnb is not a reliable income brought up reasons such as seasonality (i.e. it is reliable in the summer, but not during the rest of the year), risk in sudden changes of government regulations, economic changes and shifts in the trends in terms of the tourism and the hospitality industry.

The trend line shows that the tendency will continue to grow, therefore if none of the above mentioned risk factors occur in the next couple of years, Airbnb will become a more and more reliable income in the eyes of the hosts and this will result in people treating this type of hospitality seriously in the future. This is a significant threat towards the industry’s more traditional competitors, since this was one of their advantages as a workplace. However, if the reliability of Airbnb as an income continues to grow, Type Y people may start shifting away from hotels and other hospitality establishments.
5. Conclusion

This thesis work was aimed at finding the answer to the research question: *What are the most important factors and ingredients in the long term success of Airbnb’s management techniques from the hosts’ point of view?*, through focusing on the hosts management, the sustainability of the company and through comparing these factors with those of the more traditional competitors in the industry. After conducting the primary and secondary research during this study, the conclusion is that Airbnb hosts are more likely to be Type Y people and therefore should be managed using the Theory Y of Management, thus the hypothesis is accepted.

While comparing and contrasting the managerial style of traditional hotels or hostels to Airbnb, the secondary research indicated correlation between the differences in these management styles to the Theory X and Y of Management. Airbnb as an organization, among other shared economy companies, is set up as a work environment to benefit the Theory Y of Management, while traditional hotels do the opposite. The hosts have almost full control over the service they provide and are trusted to offer the best customer experience on their own. When observing the current management tools of Airbnb, one may notice that the company only gently navigates the hosts through reactive management techniques, as opposed to using cash benefits as a primary motivator.

Secondary research also showed that even though there are many risk factors associated with Airbnb and its sustainability, the company is becoming more of a threat to other, more traditional competitors in the industry over time and simultaneously becoming a more sustainable and reliable income for hosts. It is no longer simply an inexpensive way to travel, as the company is gaining market share in the MICE and luxury travel markets as well.

The primary research proved the assumptions based on the secondary research to be correct. Hungarian Airbnb hosts were chosen to be interviewed, thus personal interaction was feasible, although this narrowed down the results to represent hosts residing only in
this country. While it can be considered as a limitation of the primary research, the author suggests carrying out further, similar researches in the Central-Eastern European countries.

In the first part of the interview, in order to accept or reject the hypothesis, hosts were asked to explain if they would like Airbnb to take on a more proactive approach to management. 19% of the hosts said they would like more help coming from the company, which indicates that Airbnb hosts tend to bear the traits of Type Y people, as they claim to not need any close supervision in order to provide the best service possible, even with such a small focus group.

The second part of the interview questions were aimed to look at the different management techniques Airbnb uses and its success rate among hosts. The answers showed that the Superhost Title is a perfect example of the Theory Y of Management, as people focus on the feedback aspect of the title rather than the cash benefit associated with it and it is highly desired among hosts. However, contrary to the initial assumptions of the blog’s expediency, the information gained through the interviews proved it to be unsuccessful. Out of 32 interviewees, only 12.5% read it regularly (at least once a month). Airbnb’s review system proved to be a supporting factor of the hypothesis as even though all of the hosts work to get good ratings, only 16% of the interviewees think better ratings translate to higher profit.

Even though based on the primary research, Airbnb is exceeding expectations when it comes to managing its hosts according to their personality types, there is room for improvement. Interviewees mentioned a couple of things, such as the lack of clarity of the “value” category in the review system. Some of them also think Airbnb is too involved and hands-on when it comes to managing, preferring more control and freedom when it comes to their work through the website.

The last leg of the primary research was to measure Airbnb’s sustainability through looking at it as a source of income for hosts. Based on the interviews, the conclusion was that the longer the hosts were working through Airbnb, the more reliable Airbnb became as an income in their opinion.

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Based on the primary and secondary research, the hypothesis that *Airbnb hosts are more likely to be Type Y people and therefore should be managed using the Theory Y of Management* is approved. In conclusion of this study, Airbnb should continue implementing and developing these techniques in order keep its “employees” happy and thus ensure the company’s successful growth rate.

The limitations of the research method and the length of the study left plenty of room for further exploration of the topic. In the case of a larger interviewee base with more countries included in the study, the results could be extended to other regions of similar background. As Airbnb is a prime example of a shared economy company and the work environment in many cases is similar to those of other peer-to-peer companies, the research could be extended to other similar companies and organizations.
6. References


7. Appendices

7.1. Appendix A - Interview questions

1. What type of Airbnb do you own? (E.g. whole apartment/ whole house/ a room in your home/ a couch or matrace in your home/ etc.)
2. How many Airbnb rentals do you have?
3. When did you start doing Airbnb?
4. Do you clean your rentals yourself?
5. Do you let the guests in yourself?
6. Do you use self-check in?
7. Did you start renting on Airbnb?
8. Do you use Booking.com?
9. Which one do you prefer and why?
10. How reliable is Airbnb as an income in your opinion? (answer 1-5)
11. Do you know Airbnb has a blog?
12. If yes, how often do you read it? (1 - read it once, 5 - read it at least once a month)
13. Are you a Superhost?
14. Is achieving the Superhost title important to you? Why?
15. Do you write reviews of the guests? (1 - Yes, always, 2 - 50%, 3 - No, almost never)
16. Do you agree or disagree with the statement: Better ratings equal higher profit?  (1 - Agree, 2 - Sometimes true, but there are other factors, 3 - Disagree)
17. Why do you agree/ disagree?
18. Did you ever receive gifts from Airbnb?
19. Would you want Airbnb to use a more proactive management style to navigate hosts? (1 - Yes, I would like more help, 2 - Maybe in some areas, 3 - No, I prefer to be my own boss)
20. What do you think Airbnb could improve in order for you to become a better host?