

An Empirical Study on AIRBnB Accommodation Services and Customer Decision Making

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The purpose of this study is to exhibit and identify the most influencing factors in customer decision making regarding booking personal accommodation discovered online through Airbnb, a sharing platform that associates suppliers of living space with those requiring short-term accommodation. Since its first introduction in 2008, Airbnb has had fast germination that raises questions about its current and future impacts on the traditional accommodation division. An empirical method was adopted in this paper to gather data from Airbnb customers. The method consists of administering a total of 230 online surveys that were completed by customers who had consumed Airbnb services. The findings explain that some factors have fundamental importance in customer decision making process. The primary results recommended that both price value and social interaction are the most notable factors in Airbnb selection. This paper is supported by the concepts of sharing economy, collaborative consumption, peer-to-peer accommodation and customer decision making as the constructs for dependent variables, while price value, social interaction, home benefits and local authenticity are the constructs for the independent variables.

Key words: *Sharing economy, Airbnb, customer decision making, price value, social interaction, home benefits, local authenticity.*

Introduction

Online platforms create ways for brand-new business models, which are frequently referred to as sharing economy or collaborative economy. In a general approach, sharing economy can be defined as a "peer-to-peer-based act of obtaining, giving, or sharing access to goods and services, coordinated through community-based online services" (Hamari et al., 2015). This approaching is suitable to analyse the whole impact of the sharing economy, as it focuses on the technological alteration, instead of differentiating between the various sorts of collaborative services. Firms in the domain of sharing economy are intermediators between peers, sellers and buyers of goods and services. Hence, the major difference between a traditional and a sharing economy firm is detail through ownership of assets: sharing economy firms do not own the assets that are required to provide a service (Rauch and Schleicher, 2015).

Such a disruptive innovator, as an example of sharing economy, is Airbnb. Airbnb defines itself as a "reliable community marketplace" (Airbnb, 2017). To date, there are more than 53,000 listings in Malaysia on Airbnb and Malaysian continue to be the fastest growing country for Airbnb in Southeast Asia for the second year running (Inn,2019). Airbnb connects the owners of different types of accommodation with individuals looking for a place for an overnight stay. Airbnb is a specified provider of the ICT infrastructure for the transaction, it does not own any of the listed belongings. Airbnb charges a 6- 12% service fee from the guest (depending on the value of the transaction- the higher the lower the share of the fee), and 3% from the host (Airbnb, 2016). Guests could also be charged an additional cleanup fee or a deposit by the host. As these examples show, the final price of the Airbnb listing is a sum of all these separate costs, which makes the booking procedure less transparent than in the case of regular hotel rooms (Henten and Windekilde, 2015). As do other effective sharing economy businesses, the activity of Airbnb provokes many regulatory controversies. The question still remains as to what degree the success of Airbnb can be credited to innovative business theory and customer preference, or to unfair competitive advantages owed to tax and regulation avoidance. Advocates of sharing economy solutions contend that sharing economy creates an incentive by making utilization of underused resources (Wallsten, 2015).

Problem Statement

Airbnb reports that Malaysian hosts welcomed over 1.5 million guests in 2017, representing a 137% year-on-year growth in guest arrivals, the highest growth rate among the company's Southeast Asia markets. On a city level, Kuala Lumpur saw 510,000 inbound guest arrivals, while Georgetown had 210,000. Johor Bahru and Petaling Jaya had 130,000 and 80,000 inbound guest arrivals respectively. Currently, there are more than 31,900 Airbnb listings in Malaysia and the hosts have received travellers from 176 countries in their homes and communities. (NST Business, 2018). According to Mich Goh, Airbnb head of public policy for Southeast Asia (2018) state that as Malaysia continues to grow as a popular tourist

destination, Airbnb's strong local growth reflects the increasing popularity of Malaysia as a tourist destination on the global platform as it continues to grow from strength to strength.

Airbnb is the flagship trend for peer-to-peer economy in the accommodation field. Since Airbnb is quite new, very limited research has investigated the important question of why customers tend to use Airbnb accommodations. Even though Airbnb provides preferable value to similarly rated hotel companies, it remains a topic of considerable debate as traditional accommodations increasingly view Airbnb as a significant threat (e.g., Martin 2016). Nowak et al (2015) and Guttentag (2017) note that the ability of Airbnb to unlock new demand seems to be quite limited. Consequently, the purpose of this study was to investigate factors influencing customer decision making for using Airbnb accommodation. The threats from other traditional accommodation can only be overcome with a clear understanding of the customers' reasons for choosing the Airbnb accommodation services. The major issues discussed here and detailed throughout the study are the factors that are most influential in the customer decision making on Airbnb accommodations services, the customers awareness of the concept of Airbnb accommodation services and how effective the customer decision making on the acceptance of Airbnb accommodation services.

Literature Review

Introduction

The conceptual framework and the four core determinants related to the factors that influence customer decision making on Airbnb accommodation services in Kuala Lumpur are price, social interaction, home benefits and local authenticity were used in the proposed conceptual framework which will be discussed in detail.

The Sharing Economy

Anastasia (2015) outlined the sharing economy as a brand-new economic business model that focuses not solely on the possession but rather on the access to resources. Once the demand increases considerably and therefore the supplier cannot fulfil it, sharing economy is the answer to the problem. Nowadays, sharing economy is more cost-effective than other economic business models which alter to share through technology and create various consumer experiences (Anderson, 2016). This economic business model fits with the urban life style which typically is characterized with various neighbours and little storage. Moreover, sharing economy is also a new innovation that enables people to modify the way they work and interact with each other by using technology which can reduce transaction costs and make it easier and more economical to share assets with others (The Economist, 2013).

Airbnb, Alter Keys, 9 Flats, and Flipkey are the applications of sharing economy in the hospitality industry. They benefit by using apps, mobile devices that their users can easily utilize to obtain information about properties, restaurants in walking distance and the most attractive locations (Zervas et al., 2016; Khan, Uddin & Shathi 2018). Nevertheless, even though these companies are renowned for their affordable prices, this is not the only reason that attracts guests to use Airbnb accommodation; they want to get the cultural experience and to interact with locals and build relationships with the host (Heo, 2016; Kareem, Olusegun & Arogundade 2017).

Peer-to-peer accommodation

Collaborative consumption derives from various motivations. Users comprehend sharing to be time and cost saving, not in the course of possession duties and providing autonomy. Botsman and Rogers (2012) significantly elaborate the economic recession as an influencing factor on customers spending behavior and engagement with collaborative consumption. Hamari et al. (2015) pertain to the social appeal to interact in collaborative consumption that is driven by a need for community and social interaction (Hamari et al., 2015). Customers have the possibility to create new friends and to develop substantive connections (Botsman & Rogers, 2010). The mobile computing platforms challenge customers to connect and be a locality of a community, deepen their reputation and recognition (Botsman & Rogers, 2010; Ert et al., 2015; McArthur, 2015). Lastly, Su and Wall (2010) refer to enjoyment as a vital driver for customers using shared resources. In this context enjoyment is often twofold namely a) enjoyment of being a neighborhood of the community, and b) enjoyment of philosophy experiences offered by the sharing community.

The most outstanding kind of collaborative consumption in tourism is peer-to-peer accommodation, where locals open up their properties to tourists. Accordant to Tussydiah and Pesonen (2015), tourists interact in peer-to-peer accommodation consumption for several reasons. First, tourists book peer-to-peer accommodation due to the social interaction with the host and exploring the destination off-path. Second, economic and property consumption reasons are determined as essential drivers (Guttentag, 2015; Tussydiah, 2015). For instance, tourists perceive that their engagement in peer-to-peer accommodation to support area people.

Airbnb Company

Airbnb was established in August 2008 by Brian Chesky, Joe Gebbia and Nate Blecharczyk in San Francisco, California and it introduced itself on their web site as: “a reliable community marketplace for the masses to list, find, and book distinctive accommodations the globe over” (Airbnb, 2016). Airbnb represents a peer-to-peer marketplace within the sharing economy, where the financial gain originates from both customers and proprietors for this service,

implying that tenants repay a 9- 12% service commission for each reservation they create, dependent upon what extent their stay continues and proprietors pay a 3% service commission to hide the value of handling with charges. Airbnb enrolment is free for travellers and does not demand a commission for proprietors to supply their regular space or home for rent (Zervas & Prosperio, 2016; Kareem,et.al 2017).

On the online platform, there exists far more than 1,000,000 listings of various sorts of proprieties, in no fewer than 34,000 urban areas and 191 nations. There will be many kinds of properties, for instance, an entire property, such as apartments, castles or villas, private rooms, shared rooms or substantially increasingly extraordinary accommodations, for instance, boats, manors, tree houses, tipis, igloos, private islands. The real estate is contrary regarding the level of comfort, meaning they can differ from simple to luxurious and they can be rented for days, weeks, or months, with the approval of the host, who can likewise decline the request without any penalties (Airbnb, 2016).

Customer Decision Making

Analysts Howard and Sheth (1969), expressed that customers have consistent reasoning regarding the decision-making process, in this manner, they tried to design a conceptual framework to incorporate every step requisite for the consumer decision-making process. As indicated by Engel, Blackwell, and Kollat (1978), there are five main steps which a customer will go through in order to make a choice: problem recognition, search, alternative evaluation, choice, and outcomes. These researchers express that the decision making process before the choice out-come is a cognizant one because the outcome is already known. According to the literature, customer decision-making process relies on respective factors such as choice-set, individual factors or situational factors. Furthermore, Woods (1960) argues that the characteristic of the product and the personality of the purchasers corresponds to the two determinants in the choice outcome.

According to Lockyer (2015), customer decision making regarding hotels is based on two factors: must-haves and trigger points. Absolute necessities speak to key factors that influence the selection of any accommodation and trigger points represent reasons customers choose accommodation. Studies discovered that hotel products and prior experience are more relevant for men and frequent customers than for first-time users and women. Recommendations are more important for leisure and lower level education than for business travellers, meanwhile, higher education travellers make their own research before booking (Chan & Wong, 2006). Regarding Airbnb, customers find reliability of social media, meaning another guest review shared on social media or user-generated branding that represents: “the strategic and operative management of brand related to user-generated content to attain brand goals” (Burmann & Arnhold, 2009, p. 66).

Price value

Price value or profitable benefits are an essential factor in driving customer decisions to use Airbnb. In contrast to the summary construct of perceived value, which represents “the customer’s overall assessment of the utility of a product based on perceptions of what is received and what is given up” (Zeithaml, 1988, p. 14), price value is frequently conceptualized as a value dimension together with emotional value, social value, and quality value (see Sweeney & Soutar, 2001; Walsh, Shiu, 174 & Hassan, 2014). Price value is a cognitive tradeoff between the perceived benefits of the offering and the specific monetary cost for using it (Venkatesh, Thong, & Xu, 2012; Afthanorhan et al., 2018). Surveys prove that such financial value is critical in selecting Airbnb (Guttentag, 2016; Mao & Lyu, 2017; Satama, 2014; Tussyadiah & Pesonen, 2016a; Yang & Ahn, 2016).

Likewise, in a recent study examining ridesharing, Zhu et al. (2017) found that customer perceptions of value significantly predicted their attitude toward the application. Tussyadiah and Pesonen (2016a) also support the significance of cost-saving features, thereby suggesting that economic appeal is a factor driving consumer use of peer-to-peer accommodation. As was described, low cost is a classic characteristic and appeal of disruptive innovations (Christensen, 1997), and Adner’s (2002) analysis of consumer demand for disruptive innovations stressed the critical importance of price. Likewise, innovation diffusion research recognizes that financial cost is a very common aspect of relative advantage; indeed, economic factors are the very first variety of relative advantage that Rogers (2003) described.

Social Interaction

Interaction means the activity of interacting with the host and local people and getting insiders' tips on local attractions (Poon and Huang, 2017). Vargo and Lusch (2014) noted the interaction of actors will create value. Some S-D logic scholars thought that the interaction concept is the central and productive option to service logic and interaction is a “generator of service experience and value-in-use” (Ballantyne and Varey, 2006, p.336). The opportunity for personal interaction plays a major role when choosing to stay at an Airbnb property (Poon & Huang, 2017). Those who prefer to stay in a recommended Airbnb have the attraction to get to know new people (Stors and Kagermeier, 2015). Grönroos, Christian and Päivi Voima (2013) pose that both the provider, customer and other participant’s actions can be categorized by spheres and their interactions lead to different forms of value creation and co-creation.

Airbnb fosters direct interactions between the host and guest by allowing tourists to connect with local communities and to share their personal experiences. As such, the opportunity for personal interaction plays a major role when choosing to stay at an Airbnb property. For

example, vacationers choosing Airbnb would like to get to know new people and to receive travel recommendations from the host (Stors & Kagermeier, 2015). Social appeal of such experience further includes interacting with the host and local people and obtaining insiders' tips on local attractions, which are the benefits of couch surfing (Poon & Huang, 2017).

Home Benefits

Guttentag (2016, p.169) noted that home benefit refers to “household amenities”, which was a “strong motivation” and that guests have the desire to choose accommodation with “a homely feel” and “a larger quantity of space” when they select accommodation. Home benefits belong to the functional attributes of a home (Guttentag, 2016). Airbnb accommodations provide many benefits similar to those coming from a home environment. Some tourists may prefer the feeling of being home while at a hotel and access to practical residential amenities such as a full kitchen, a washing machine, and a dryer (Guttentag, 2015).

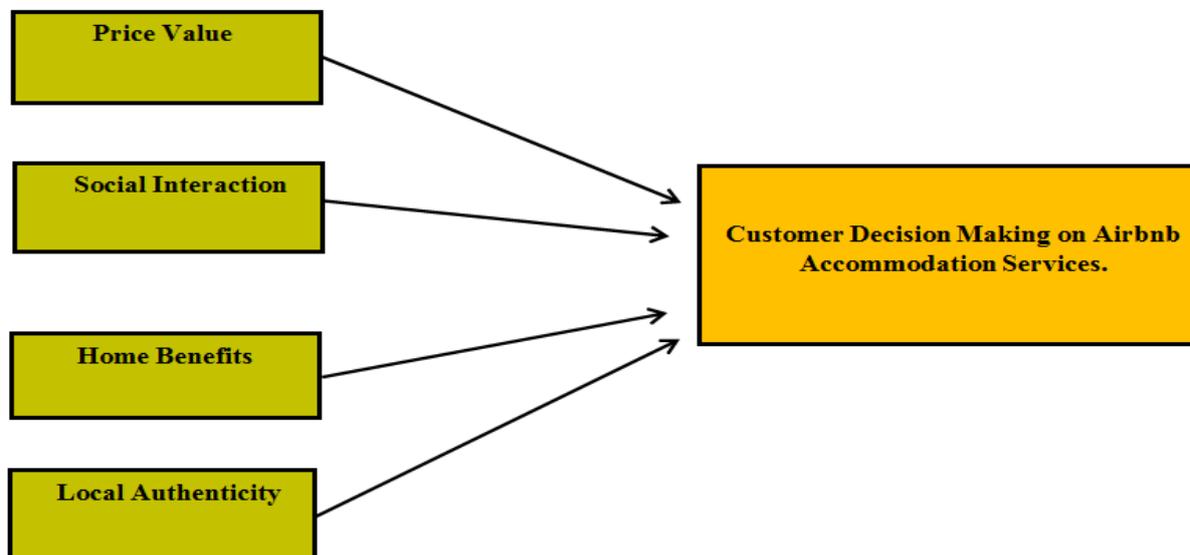
In Johnson and Neuhofer's (2017) theoretical framework of value co-creation for Airbnb, a key effective or value co-creation resource is Airbnb home, which is represented as a “home away from home”. This concept incorporates the properties of a home such as a sleeping room and a kitchen. Such home benefits reflect the main physical product that guests obtain through Airbnb. Nowak et al.'s (2015) survey of U.S. and European Airbnb users indicated that having your “own kitchen” was one of the main reasons for choosing Airbnb, emphasizing the significance of home benefits.

Local Authenticity

Authenticity is frequently viewed as a key to the Airbnb experience. The concept of authenticity has been extensively applied in the tourism field (e.g., Hughes, 1995; Wang, 1999) to examine tourism experiences or products such as agri-tourism (Daugstad & Kirchengast, 187 2013) and film tourism (Buchmann, Moore, & Fisher, 2010), as well as heritage (Halewood & 188 Hannam, 2001) and historic districts (Lu, Chi, & Liu, 2015). In the context of Airbnb, authenticity is defined as Airbnb consumer recognition of ‘real’ experiences of staying at an Airbnb property (Liang, 2015). The importance of authenticity has been highlighted in a number of prior hospitality studies including Lamb (2011) who reported “authenticity seeking behavior” as a primary driver in using peer-to-peer accommodation. A recent Morgan Stanley Report (Nowak et al., 2015) also found authentic experience to be one of the strongest motivations to use Airbnb. More recently, Poon and Huang (2017) suggest that authentic local experience is a unique appeal of peer-to-peer accommodation. Therefore, authenticity may serve as an important factor in driving customers' Airbnb decisions.

Ritzer (2011) noted that more and more customers were not satisfied with standardization and they want more customized services. Akaka et al. (2015) thought each consumer wanted a unique experience due to their difference in preference and their past experiences. The unique and authentic local experience has been used to explain and understand the rapid development of Airbnb and the demands from guests (Hughes, 1995). The sharing economy, specifically Airbnb, has emerged as a game changer to provide an online platform with the possibility to connect tourists with more local and authentic experiences in a host destination (Guttentag, 2015). In the case of Airbnb guests, who choose a local individual house or room on the platform of Airbnb, they are seeking a different and unique experience (Guttentag, 2015).

Figure 1. Theoretical Framework



Source: Based on Theory of Planned Behavior (TPB)(Ajzen, 1985, 1991)

Methodology

The methodology used for this study is a quantitative approach. The compilation quantitative data is achieved through a survey tool by distributing the designed questionnaires to the respondents through Google Online Form Survey in order to gather data based on customer decision making on Airbnb accommodation services in Kuala Lumpur. This questionnaire was designed based on four variables which are price, host interaction, home benefits and also local authenticity. The questionnaire has Section A, Section B, and Section C. Section A will be focusing on the demographic profile of the respondents. Section A is applying nominal and ordinal scale which respondents can answer the questions by ticking the options provided. Section B is about the independent variables which are price value, social interaction, home benefits, local authenticity that influence the customer decision making on Airbnb accommodation services in Kuala Lumpur.

Each Independent Variables (IVs) consists of 10 statements which discuss the elements that influence customer decision making on Airbnb accommodation services using the Likert Scale (non-comparative techniques) which is an interval scale of measurement. It made up of a range between 1-5 (1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree). While Section C focused on the Dependent Variable (DV) including 10 statements that describe the customer decision making on Airbnb accommodation services in Kuala Lumpur. All questions are designed as closed-ended questions to facilitate collating responses. As Rescoe (1975) cites in Sakaran (2000:296), "sample sizes larger than 30 and less than 500 are appropriate for most research". In consideration of these limitations, the sample size in this study consisted of about 230 questionnaires, designed for the customers that experienced the Airbnb accommodation services in Kuala Lumpur. For the data collection, respondents ranging in age from below 20 to 50 years and above have been chosen.

The data that was gathered was calculated and analysed using the Statistical Package for Social Science (SPSS) software. The descriptive (mean and standard deviation) and inferential statistics (Pearson Product Moment Correlation Coefficient) (r) and multiple Regression will be used to answer research questions and the hypotheses of the study. The method of quantitative data analysis will provide information towards the dependent variable. The descriptive correlation will be used in the study as well as regression analysis to test the hypotheses. Descriptive correlation will be used in the study as well as regression analyses to test the hypotheses. From this analysis, it can be identified whether the relationship between independent variables and dependent variables is significant or not significant.

Results and Discussions

In Chapter IV, this study discusses the findings that were retrieved from the test that had been done on the SPSS data. In this chapter, the test had been done on the Reliability test, Descriptive test, Frequencies test, Pearson's Correlation test, Independent Sample T-Test, and also the ANOVA test with a total of 230 respondents.

From the analysis of respondent demographic profile in Chapter 4, we know that female respondents obtained a higher number with 55.70% than male respondents with only 44.30%. Furthermore, the majority of the respondents are from the age of 21 to 30 years old with 136 respondents, 59.10%. Moreover, it was also found that the highest number of the respondents are employed with 37.40% in terms of occupation. In terms of current level academic of qualification, the highest amount of respondents have a Bachelor's Degree with 52.60%. In addition, the highest percentage of respondent monthly income is less than RM 1,500 that have been accommodated at 34.30%. Further, based on respondent awareness about the concept of Airbnb accommodation services, a total of 230 respondents stated 'Yes' and have been aware of the concept of Airbnb accommodation services. In relation to respondent purpose of stays

at Airbnb accommodation, the highest amount of respondent purpose of stays at Airbnb accommodation is mostly for Traveling purposes with 57.40%, while Working is 16.50% and Leisure is 26.10%.

For the level of selected variables, in terms of Price Value, the Table 4.2.1 shows that the result that has the highest level of agreement from the respondents were displayed on Item 3, “I think that Airbnb offers a good product and service for the price” (mean= 4.0565; mode= 4.00; standard deviation= .68759) which means there is agreement that most of the respondents prefer to stay at Airbnb accommodation because the product and service provided is worth for the price charged. Meanwhile, the statement which has the lowest mean= 3.7043; mode= 4.00; standard deviation= .83560 is Item 4 “I think Airbnb is economical”. This statement shows dissatisfaction by the respondents because Airbnb charges different price values for different property listings in Airbnb such as for whole home rentals, shared room rentals, bedroom rentals and many more. Also, in many local markets, the arrival and expansion of Airbnb are raising questions about how its potential growth might impact on local housing costs and quality of life in a residential neighborhood which can result in Airbnb being less economical for the respondents. Table 4.2.2 shows the Cronbach Alpha for the reliability of items for Price Value is 0.948. Since the alpha score is higher than 0.7, the items are reliable.

In terms of Social Interaction, the Table 4.2.3 shows that the majority of respondents agreed on Item 4, which is “I agree that Airbnb offers the opportunity to receive useful information and tips from the host” (mean= 4.1696; mode= 4.00; standard deviation= .67516). This statement explained how the respondents agree that the Airbnb host is enthusiastic and passionate to share the local facts and details with their guests. Since Malaysia is becoming one of the top nature holiday destinations, the Airbnb host must be knowledgeable with regards to the popular spots to be shared with the guests during their stay in Airbnb accommodation. The statement which has the lowest score is Item 7, “I believed that the Airbnb host is willing to attend to customer queries and complaints” with mean= 3.5826; mode= 4.00; standard deviation= .92969. The above statement might influence customer decision making when selecting to stay at Airbnb accommodation because the Airbnb host should always be prepared to resolve guest complaints as early as possible in order to make their stay more pleasant. Table 4.2.4 shows the Cronbach Alpha for the reliability of items of Social Interaction is greater than 0.7, the items are considered as reliable.

Moreover, in terms of Home Benefits, Table 4.2.5 shows a higher level of agreement from the respondents on Item 1, which is “I hold the view that Airbnb offers spacious accommodation like homes” (mean= 4.3217; mode= 4.00; standard deviation= .59176). In relation to the statement, respondents agreed that staying at spacious housing is one of the effective experiences for them in order to give a sense of happy satisfaction or enjoyment at the Airbnb accommodation. The lowest score was for Item 9, “According to me, the basic amenities at

Airbnb accommodation are very sufficient” with mean= 4.0043; mode= 4.00; standard deviation= .73287. This statement reveals dissatisfaction by the respondents because the conveniences at Airbnb are less than desirable and respondents are expecting the amenities at Airbnb accommodation can provide them a homely feel during their stay. Table 4.2.6 shows the Cronbach Alpha for the reliability of items of Home Benefits is greater than 0.7, the item of Home Benefits scale is reliable.

In terms of Local Authenticity, Table 4.2.7 shows that the majority of the respondents are agreed on Item 2, which is “It seems to me that Airbnb tends to offer a unique, one-of-a-kind experience” (mean= 4.2348; mode= 4.00; standard deviation= .60320). In regards to the statement above, it explains how the Airbnb platform is sharing their skills, hobbies, and interests with those that come and stay, and it provides the guest with a unique experience. It can not only provide a unique experience for the guest but also offers chances to meet new people as well as offering new things for those that want to stay at Airbnb accommodation. Item 9 has the lowest score, “In my opinion, an Airbnb accommodation offers a feeling of a real home for my trip” with mean= 3.8000; mode= 4.00; standard deviation= .86867. This statement reveals dissatisfaction by the respondents because staying at Airbnb accommodation can provide guest relaxation and enjoyment, but Airbnb cannot replace the feeling of staying at our real homes. Staying at Airbnb accommodation will not be able to provide exactly the experience of staying at home but it will be the closest experience possible. The Table 4.2.8 shows the Cronbach Alpha for the reliability of items of Local Authenticity is greater than 0.7, the items are considered as reliable.

In relation to customer decision making, based on Table 4.2.9 the majority of the respondents are agreed on Item 10, which is “Overall my decision making on Airbnb accommodation services in Kuala Lumpur can be best described as very satisfactory” (mean= 4.2522; mode= 4.00; standard deviation= .63855). It can be said that Kuala Lumpur is the fastest growing cities with highest amount of available accommodation as identified with the emergence of Airbnb property listings. An article in New Straits Times (3rd of April 2019), states that Kuala Lumpur is Airbnb’s third city in Southeast Asia to launch the Airbnb Plus, a new tier of homes. Airbnb Plus is intended for guests looking for one-of-a-kind, thoughtfully designed and beautiful homes with exceptional hosts.

The lowest score would be on Item 2, “I choose Airbnb because I prefer the philosophy of Airbnb over other types of accommodations” with mean= 3.6652 and standard deviation= .86973. This statement explains how the philosophy or the principles of Airbnb is different from other types of accommodation. Airbnb’s brand philosophy brings to life the real opportunity that exists inside the shared economy. According to Levy (2017), the biggest way that Airbnb has created belonging is bringing people together across geographies as a significant philosophy of Airbnb industry. Table 4.2.10 shows the Cronbach Alpha for the

reliability of items for Customer Decision Making (DV) is greater than 0.7, where the items are considered as reliable.

One-Way ANOVA was conducted and the results are presented in table 4.3.2 which shows that the result of p-value is 0.018, which is less than 0.05 and determines that age is statistically significant on the Customer Decision Making for Airbnb Accommodation Services. In terms of occupation status, Table 4.3.3 represents the result of p-value is 0.015, which is less than 0.05 and determines that occupation status is statistically significant for Customer Decision Making on Airbnb Accommodation Services. The current level academic of qualification results in Table 4.3.4 illustrate that the p-value is 0.051, which is more than 0.05 and is determined as not being significant on the customer decision making on Airbnb accommodation services.

For monthly income, Table 4.3.5 demonstrates the result of p-value is 0.089, which is more than 0.05 and it is determined that the monthly income is not significant on the customer decision making on Airbnb accommodation services since p-value is greater than 0.05. Lastly, from the result in Table 4.3.6, where the result of p-value is 0.014, which is less than 0.05 it is determined that the purpose of staying at Airbnb accommodation is statistically significant on the customer decision making on Airbnb accommodation services since p-value is smaller than 0.05. Using the Scheffe Post Hoc Test, it can be concluded that for the purpose of staying at Airbnb accommodation, Leisure and Working have statistical significance on Customer Decision Making since the p-value is 0.014 which is less than 0.05.

In conclusion it can be said that the results from findings can resolve the research questions that have been investigated in this study which show that all the variables, including price value, social interaction, home benefits and local authenticity do intensely affect customer decision making when choosing to stay at Airbnb accommodations. Furthermore, it can be determined that each of the Independent Variables, price value, social interaction, home benefits and local authenticity has a positive relationship individually with the Customer Decision Making on Airbnb accommodation services. Reference to Table 4.4.2, utilizing Pearson's Correlation analysis, show that the research objectives and research hypotheses has been proven.

The Respondents' Profile

Gender	Male Female
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Age	Below 20 years old 21 to 30 years old 31 to 40 years old 41 to 50 years old Above 50
Occupation	Students Employed Self-employed (Entrepreneur, etc), Unemployed
Current Academic Qualifications	Level High School Diploma Bachelor's Degree Master's Degree Doctorate Degree Others
Monthly Income	Less than RM 1,500 RM 1,500 to RM 3,000 RM 3,000 to RM 4,500 More than RM 4,500
Do you aware of the concept of Airbnb accommodation services?	Yes No
Purpose of staying at Airbnb accommodations?	Working Traveling Leisure

Mean, Mode, Standard Deviation and Verbal Description of Sub-Dimensions and Dependent Variable (N=230)

Mean, Mode, Standard Deviations and Verbal Description of Price Value			
Item	Mean	Mode	Std. Deviation
1.I think that Airbnb accommodation are	3.9652	4.00	.71087

reasonably priced.			
2.I think that Airbnb offers value for money.	3.9087	4.00	.69018
3.I think that Airbnb offers a good product and service for the price.	4.0565	4.00	.68759
4.I think that Airbnb accommodation is economical.	3.7043	4.00	.83560
5.I feel that staying at Airbnb accommodation help guests to lower their traveling cost.	3.7696	4.00	.88852
6.I understand the price information on Airbnb's booking website is understandable and comprehensible.	3.8043	4.00	.82588
7.I feel that the facilities in Airbnb accommodations is worth for the price charged.	3.9957	4.00	.72085
8.I believed the Airbnb host is very responsive for the amount the customer pay for their stay.	3.9000	4.00	.71996
9.I believed the price and quality at Airbnb accommodation meet my needs.	3.9870	4.00	.72075
10.I believed that the money can be refundable if there is any cancellation occurs.	3.9304	4.00	.68956

The Cronbach Alpha for Reliability of items for Price Value of Airbnb accommodation services.

Reliability Statistics	
Cronbach's Alpha	N of Items
.948	10

Mean, Mode, Standard Deviations and Verbal Description of Social Interaction			
Item	Mean	Mode	Std. Deviation
1.I agreed that Airbnb offer guests opportunity to interact more directly with local people.	4.0826	4.00	.70997
2.I agreed that Airnb offer guests the opportunity to interact more with other guests.	3.5957	4.00	.92372

3.I agreed that Airbnb offers guests good social opportunities with the host.	3.5957	4.00	.91898
4.I agreed that Airbnb offer the opportunity to receive useful local information and tips from the host.	4.1696	4.00	.67516
5.I believed that Airbnb make sure the host response in time when reservation request is made by guests.	4.0130	4.00	.77898
6.I believed that the Airbnb host is able to converse well.	4.1478	4.00	.64400
7.I believed that the Airbnb host is willing to attend to customer queries and complaints.	3.5826	4.00	.92969
8.I believed that there is availability of the host to provide service to the cutomers.	3.6478	4.00	.89265
9.I believed that the Airbnb hosts deal with customers in a professional manner.	4.0304	4.00	.69555
10.I believed that the Airbnb hosts are friendly towards the customers.	4.0261	4.00	.69886

The Cronbach Alpha for Reliability of items for Social Interaction of Airbnb accommodation services.

Reliability Statistics	
Cronbach's Alpha	N of Items
.940	10

Mean, Mode, Standard Deviations and Verbal Description of Home Benefits			
Item	Mean	Mode	Std. Deviation
1.I hold the view that Airbnb offers spacious accommodation like homes.	4.3217	4.00	.59176
2.I hold the view that Airbnb provide guests with home-like amenities.	4.2000	4.00	.63658
3.I feel that Airbnb provides a "homely" feel during the stay.	4.1609	4.00	.70880
4.I believed guests can feel home and relax at Airbnb accommodations.	4.1957	4.00	.65483
5.I believed that Airbnb offers convenient location for the guests.	4.2435	4.00	.65539
6.I believed that Airbnb offers a very neat and clean home for the customers.	4.3043	4.00	.60815
7.I believed that Airbnb offers an entertaining accommodation experience for the customers.	4.0783	4.00	.71963
8.According to me, Airbnb accommodations are cozy and comfortable.	4.2522	4.00	.61769
9.According to me, the basic amenities at Airbnb accommodation are very sufficient.	4.0043	4.00	.73287
10.According to me, the surrounding areaof Airbnb accommodation is quiet and peaceful.	4.1652	4.00	.60465

Table 4.2.6: The Cronbach Alpha for Reliability of items for Home Benefits of Airbnb accommodation services.

Reliability Statistics	
Cronbach's Alpha	N of Items
.956	10

Mean, Mode, Standard Deviations and Verbal Description of Local Authenticity			
Item	Mean	Mode	Std. Deviation
1.It seems to me that Airbnb tends to provide an authentic local experience.	4.1609	4.00	.63743
2.It seems to me that Airbnb tends to offer a unique, one-of-a-kind experience.	4.2348	4.00	.60320
3.It seems to me that Airbnb tends to provide an opportunity to stay in a less standardized accommodation environment.	3.9348	4.00	.68681
4.It seems to me that Airbnb tends to offer an accommodation that intergrates local cultures.	3.9217	4.00	.68862
5.It seems to me that Airbnb tends to offer a stay in a non-touristy neighborhood.	4.0826	4.00	.67206
6.It seems to me that Airbnb tends to offer an authentic travel experience for the guests.	3.9565	4.00	.71039
7.In my opinion, living in Airbnb accommodation represents the local ways of life.	3.9826	4.00	.70535
8.In my opinion, living in Airbnb accommodation represents the local community.	3.9609	4.00	.70136
9.In my opinion, an Airbnb accommodation offers a feeling of a real home for my trip.	3.8000	4.00	.86867
10.In my opinion, living in Airbnb accommodation allows for interaction with the local community.	3.9652	4.00	.63974

Reliability Statistics

Cronbach's Alpha	N of Items
.937	10

The Cronbach Alpha for Reliability of items for Local Authenticity of Airbnb accommodation services.

Mean, Mode, Standard Deviations and Verbal Description of Customer Decision Making

Item	Mean	Mode	Std. Deviation
1.I choose Airbnb because of its comparatively low cost.	3.7609	4.00	.92005
2.I choose Airbnb because I prefer the philosophy of Airbnb over other types of accommodations.	3.6652	4.00	.86973
3.I choose Airbnb because staying at Airbnb accommodation is environmentally friendly.	3.9174	4.00	.72819
4.I value the flexibility, affordability, and convenience when selecting Airbnb accommodations.	4.0652	4.00	.69314
5.I concern the responsibility, accountability, and safety aspects provided by Airbnb accommodation services.	4.0739	4.00	.69226
6.I choose Airbnb because my experience with staying in Airbnb accommodation has been enjoyable.	3.9696	4.00	.68924
7.I prefer Airbnb because the ranges of services the Airbnb host offers satisfy my needs.	3.9870	4.00	.75043
8.I choose Airbnb accommodation because it provides good quality service to its customers.	4.0652	4.00	.71790
9.I am more willing to purchase the Airbnb accommodation if I think it is cheaper than a hotel room.	4.2217	4.00	.63963
10.Overall my decision making on Airbnb accommodation services in Kuala Lumpur can best be described as very satisfactory.	4.2522	4.00	.63855

The Cronbach Alpha for Reliability of items for Customer Decision Making on Airbnb accommodation services.

Reliability Statistics

Cronbach's Alpha	N of Items
.959	10

Analysis of Differences:

Differences in the Customer Decision Making (DV) of Respondent Grouped by Gender

Gender	n	Mean Score	Standard Deviation	t-value	p-value
Male	102	3.9108	.63228	.043	.836 ^{ns}
Female	128	4.0672	.62521		

^{ns} Not significant at 0.05 significance level ($p > 0.05$)

One-Way ANOVA in the Customer Decision Making (DV) of Respondents Grouped by Age

Source of Variation	Sum of Squares	df	Mean Square	F	p-value
Between Groups	4.697	4	1.174	3.047	.018**
Within Groups	86.712	225	.385		
Total	91.409	229			

**Significant at 0.01 significance level ($p < 0.01$)

Scheffe Post Hoc Test of Differences in the Customer Decision Making of Respondents Grouped by Age.

Multiple Comparisons

(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
below 20	21-30	.40536	.24060	.586	-.3419	1.1527
	31-40	.47679	.24887	.454	-.2962	1.2498

	41-50	.80649	.26939	.066	-.0302	1.6432
	above 50	.30952	.31285	.913	-.6622	1.2812
21-30	below 20	-.40536	.24060	.586	-1.1527	.3419
	31-40	.07143	.09857	.971	-.2347	.3776
	41-50	.40114	.14266	.099	-.0420	.8442
	above 50	-.09583	.21367	.995	-.7595	.5678
31-40	below 20	-.47679	.24887	.454	-1.2498	.2962
	21-30	-.07143	.09857	.971	-.3776	.2347
	41-50	.32971	.15620	.351	-.1555	.8149
	above 50	-.16726	.22294	.967	-.8597	.5252
41-50	below 20	-.80649	.26939	.066	-1.6432	.0302
	21-30	-.40114	.14266	.099	-.8442	.0420
	31-40	-.32971	.15620	.351	-.8149	.1555
	above 50	-.49697	.24564	.396	-1.2599	.2660
above 50	below 20	-.30952	.31285	.913	-1.2812	.6622
	21-30	.09583	.21367	.995	-.5678	.7595
	31-40	.16726	.22294	.967	-.5252	.8597
	41-50	.49697	.24564	.396	-.2660	1.2599

Based on observed means.

*The mean difference is significant at the 0.05 level.

One-Way ANOVA in the Customer Decision Making (DV) of Respondents Grouped by Occupation status

Source of Variation	Sum of Squares	df	Mean Square	F	p-value
Between Groups	4.114	3	1.371	3.550	.015**

Within Groups	87.295	226	.386		
Total	91.409	229			

**Significant at 0.01 significance level ($p < 0.01$)

Scheffe Post Hoc Test of Differences in the Customer Decision Making of Respondents Grouped by Occupation status.

Multiple Comparisons

(I) Occupation	(J) Occupation	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Student	Employed	.07930	.09623	.878	-.1917	.3503
	self-employed (Entrepreneur, etc)	.24297	.10536	.153	-.0538	.5397
	Unemployed	-.91605	.44486	.240	-2.1691	.3370
Employed	Student	-.07930	.09623	.878	-.3503	.1917
	self-employed (Entrepreneur, etc)	.16367	.10404	.481	-.1294	.4567
	Unemployed	-.99535	.44455	.174	-2.2475	.2568
self-employed (Entrepreneur, etc)	Student	-.24297	.10536	.153	-.5397	.0538
	Employed	-.16367	.10404	.481	-.4567	.1294
	Unemployed	-1.15902	.44661	.084	-2.4170	.0989
Unemployed	Student	.91605	.44486	.240	-.3370	2.1691
	Employed	.99535	.44455	.174	-.2568	2.2475
	self-employed (Entrepreneur, etc)	1.15902	.44661	.084	-.0989	2.4170

	ur, etc)					
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Based on observed means.

*The mean difference is significant at the 0.05 level.

One-Way ANOVA in the Customer Decision Making of Respondents Grouped by Current Level Academic of Qualification

Source of Variation	Sum of Squares	df	Mean Square	F	p-value
Between Groups	3.742	4	.935	2.401	.051 ^{ns}
Within Groups	87.667	225	.390		
Total	91.409	229			

^{ns} Not significant at 0.05 significance level (p>0.05)

**Post hoc tests are not performed for Customer Decision Making of Respondents Grouped by Current Level Academic of Qualification because at least one group has fewer than two cases.

One-Way ANOVA in the Customer Decision Making of Respondents Grouped by Monthly Income

Source of Variation	Sum of Squares	Mean Square	F	p-value
Between Groups	2.592	.864	2.198	.089 ^{ns}
Within Groups	88.817	.393		
Total	91.409			

^{ns} Not significant at 0.05 significance level (p>0.05)

Scheffe Post Hoc Test of Differences in the Customer Decision Making of Respondents Grouped by Monthly Income.

Multiple Comparisons

		Mean			95% Confidence Interval
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(I) Monthly Income	(J) Monthly Income	Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
Less than RM 1500	RM 1500 to RM 3000	.22099	.11473	.297	-.1022	.5441
	RM 3000 to RM 4500	.04361	.11972	.988	-.2936	.3808
	More than RM 4500	.22905	.10685	.207	-.0719	.5300
RM 1500 to RM 3000	Less than RM 1500	-.22099	.11473	.297	-.5441	.1022
	RM 3000 to RM 4500	-.17738	.13246	.617	-.5505	.1957
	More than RM 4500	.00806	.12095	1.000	-.3326	.3487
RM 3000 to RM 4500	Less than RM 1500	-.04361	.11972	.988	-.3808	.2936
	RM 1500 to RM 3000	.17738	.13246	.617	-.1957	.5505
	More than RM 4500	.18544	.12570	.538	-.1686	.5395
More than RM 4500	Less than RM 1500	-.22905	.10685	.207	-.5300	.0719
	RM 1500 to RM 3000	-.00806	.12095	1.000	-.3487	.3326
	RM 3000 to RM 4500	-.18544	.12570	.538	-.5395	.1686

Based on observed means.

*The mean difference is significant at the 0.05 level.

One-Way ANOVA in the Customer Decision Making of Respondents Grouped by Purpose of staying at Airbnb accommodation.

Source of Variation	Sum of Squares	df	Mean Square	F	p-value
Between Groups	3.391	2	1.695	4.372	.014**
Within Groups	88.018	227	.388		
Total	91.409	229			

**Significant at 0.05 significance level (p<0.05)

Scheffe Post Hoc Test of Differences in the Customer Decision Making of Respondents

(I) Purpose of staying at Airbnb	(J) Purpose of staying at Airbnb	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Working	Traveling	-.22628	.11464	.145	-.5087	.0562
	Leisure	-.38158*	.12910	.014**	-.6997	-.0635
Traveling	Working	.22628	.11464	.145	-.0562	.5087
	Leisure	-.15530	.09695	.279	-.3942	.0836
Leisure	Working	.38158*	.12910	.014**	.0635	.6997
	Traveling	.15530	.09695	.279	-.0836	.3942

***Grouped by Purpose of staying at Airbnb accommodation.
Based on observed means.***

The mean difference is significant at the 0.05 level.

From the Scheffe Post Hoc Test, it can be concluded that for the purpose of staying at Airbnb accommodation, Leisure and Working are statistically significant on Customer Decision Making since the p-value is 0.014 which is less than 0.05. It can be presumed that both Leisure and Working are significant in customer decision making when selecting Airbnb accommodation services because Kuala Lumpur localities might be chosen more for business

or working purposes or spending time with families as customers can access information from emerging platforms like Airbnb easily via the internet and social networks.

Inferential Analysis of Research

Pearson's r Correlation between the Airbnb Accommodation Services (IV) and Customer Decision Making (DV) (N=230)

Customer Decision Making (DV)	r	p-value
Airbnb Accommodation Services (IV)	.869**	.000

**Significant at 0.01 significance level ($p < 0.01$)

*Significant at 0.05 significance level ($p < 0.05$) Not significant at 0.05 significance level ($p > 0.05$)

Pearson's r Correlation between the Airbnb Accommodation Services (IV), Sub-Dimensions and Customer Decision Making (DV) (N=230)

Customer Decision Making (DV)	r	p-value
Price Value (IV)	.807**	.000
Social Interaction (IV)	.785**	.000
Home Benefits (IV)	.764**	.000
Local Authenticity (IV)	.776**	.000

**Significant at 0.01 significance level ($p < 0.01$)

*Significant at 0.05 significance level ($p < 0.05$) Not significant at 0.05 significance level ($p > 0.05$)

Conclusions and Recommendations

To date, Airbnb has made a fundamental impact on the tourism accommodation industry and it is crucial to find out the incentives from the customer side for using this innovative service. There still exists the question of why people tend to choose Airbnb rather than traditional accommodation and what will be the future impact of it for the traditional accommodation industry. This study has attempted to find some answers to these questions by revealing the factors that influence customer decision making on selecting Airbnb as a replacement for traditional tourist accommodations such as hotels.

This study exposes some of the most relevant factors including price value, social interaction, home benefits, and local authenticity to be the motivating factors on customer decision making on Airbnb accommodation services. This result questions Airbnb's marketing, which states that they do not want to compete with the hotel industry and the fact that hoteliers do not

consider Airbnb as a competitor for them because it addresses a contrastive market segment than hotels. The reality that hotels do not see Airbnb as a threat for them is a big mistake because according to this study, many respondents have said that they used it as a hotel substitute. Specific recommendations for the Airbnb industry in consideration of accessing customers to a high functioning selection process so that they can make the best decision when selecting the Airbnb accommodation services.

The study shows that the significant key to providing better Airbnb experiences for the customers as a host is to understand what the customer needs. The needs of the Airbnb guests will vary depending on the location they are visiting, the season, the reason for their travel, and their personal preferences. Improving the Airbnb experience on offer must be foremost for Airbnb hosts all the time in order to maintain the highest standards and become unique compared with their competitors, such as hotels. Further, Airbnb hosts are required to put more effort into engaging with their guests. This is because the best Airbnb experiences for most guests are the ones which offer outstanding hospitality services. Moreover, the Airbnb experience focuses on the interaction between the guests and hosts, unlike in the case of hotels which deal with guests in a strictly business and professional manner, without engaging with them at all. Airbnb hosts who interact with their guests mostly get positive reviews on the Airbnb platform. For example, guests might require help from their hosts with regards to transportation, sightseeing, dining, and more. The guarantee that hosts are friendly and helpful is paramount.

Furthermore, providing Airbnb breakfast for the guests during their stay is a priority as Airbnb by its acronym BnB implies that Bed and Breakfast will be provided. The entire initial campaign of Airbnb focused on giving better and different bed and breakfast options. So, offering breakfast to the guests might sound like a redundant cost, but in reality, it is a superior opportunity to be different by upgrading the Airbnb services for the guests. For instance, a rental property that offers a breakfast option can be more likely to witness more demand than its competitors.

Providing guests with entertainment at the Airbnb rental property can enrich the guest experience at Airbnb accommodations. Owners managing a rental property can add more expenses that are considered luxurious in order to boost the Airbnb experiences of their guests. Nevertheless, in the challenging world in which we live today, such additive services are becoming essentials. For example, Airbnb owners can have a feature like Netflix, because it is proven that it works to give better Airbnb experiences for guest stays. When Airbnb tends to provide this kind of experience, there will be more possibility for the guests to have a positive conversation about these elements in reviews that boost ratings. Also, Airbnb operators are urged to register legally with their operations under the Ministry's policies and law so that regulation of the accommodation premises industry is guaranteed.

In summary, the Airbnb industry is in high demand in the hospitality realm. Hence, level of creativeness must be retained to provide guests with the best Airbnb experiences and motivate them to select the Airbnb accommodation for vocational or traveling purposes. Ensuring guests have a positive experience during their stay in the rental property will boost Airbnb reviews, which will lead to increased demand and ultimately more rental income for the Airbnb hosts. The competition in the world of Airbnb is increasing without a doubt, and the experiences of the Airbnb guests are the main factor that will keep a property at the very top of this booming industry.

The findings of the study will contribute to the improvement of Airbnb's operation as it suggests customer service preferences. The insights will contribute to the growth of Airbnb's business as travellers increasingly seeking more local, unique and authentic experiences.

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