



Article Title

Price determinants of sharing economy based accommodation rental: A study of listings from 33 cities on Airbnb.com

Citation

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Abstract

The advent of the “sharing economy” challenges not only the business of hotel industry but also the theories and models based on the conventional hotel industry. A key dimension of the hospitality industry is pricing. The aim of this study is to identify the price determinants of sharing economy based accommodation offers in the digital marketplace.

Methods

A sample of 180,533 accommodation rental offers in 33 cities listed on Airbnb.com is investigated using ordinary least squares and quantile regression analysis. Twenty-five explanatory variables in five categories (host attributes, site and property attributes, amenities and services, rental rules, and online review ratings) are explored for the intricacies of the relationships between pricing and its determinants.

Results

Ordinary least squares analysis reveals that 24 of the 25 variables under study are good predictors of price, while quantile regression analysis indicates that all of the variables have significant effects on price, but these effects are often dependent on price range. The findings thus offer insights into the complexities of the price-determinant relationship in sharing economy based accommodation rentals.

Conclusion

This study takes the initiative to explore the price determinants of sharing economy based accommodation rentals by employing a dataset with the listings in thirty-three cities in thirteen countries of three continents. The findings provide a comprehensive understanding of the price determinants of the products in this new business model. With the linear OLS and linear QR analyses, this study not only identifies the price determinants, but also provides hidden price-response patterns in different price ranges of the property rentals.