

Article Title

Does Airbnb have a homogenous impact? Examining Airbnb's effect on hotels with different organizational structures

Citation

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Abstract

Although a number of studies have examined Airbnb's impact on hotels, previous studies have yielded mixed results and are limited in their geographical scope. Additionally, the impact of Airbnb on hotels with different organizational structures has not been previously analyzed. Accordingly, the purpose of this study is threefold: 1) to add to our understanding of the impact of an increase of Airbnb inventory by clarifying previously inconclusive results; 2) to examine the extent to which Airbnb listings affect hotel performance measures in the overall U.S. hotel market; and 3) to investigate the influence of Airbnb on key hotel metrics by elaborating the effect of Airbnb on hotels operated under different organizational forms- chain-managed, franchised, and independent. Our results show an adverse impact of Airbnb on hotel RevPAR and ADR metrics across different organizational structures. However, interestingly, Airbnb listings did not negatively affect occupancy numbers. Theoretical and practical implications are discussed.

Conclusion

The research indicates that measures of incumbents to lower the price to compete with Airbnb type of lodging might eventually lead to weakening their competitiveness in the long term. It is suggested for incumbents to prepare for the battle against Airbnb listings. For independent hotels, it would be hashier for them since they lack resources compared to global chain hotels. But they can position themselves personalized home type of lodging with unique amenities and experiences like cooking class or wine tasting. Meanwhile, chain hotels should develop alternative measures like Accor Hotel's SquAIR that shares the hotel's public spaces with local residents aiming for active communication between residents and guests.

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