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How Does My Neighbor Feel About my Airbnb?

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The sharing economy and Airbnb in particular, has drawn significant media attention. A major disruptor to a global hospitality and tourism industry that remained relatively static for decades, the sharing economy has deeply divided its proponents and critics. The industry's initial response was to shrug off the threat of the sharing economy by highlighting it as a fundamentally different business model serving a completely new set of customers and therefore not directly competing with the hotel industry. However, there is now growing evidence that Airbnb is fast emerging as a substitute to the conventional hotel product (Guttentag & Smith, 2017). This recognition among hoteliers has elicited sharp criticism of Airbnb, particularly in the United States.

The American Hotel & Lodging Association (AHLA) has been most vocal in its opposition to Airbnb, arguing that Airbnb does not play by the same rules as it does and thus has an unfair competitive advantage. Its argument against Airbnb has two key prongs: first, that Airbnb is filled with commercial operators who are quietly running “illegal hotels” out of residential buildings and that these and other Airbnb hosts are not levied and/or do not collect taxes, thus creating an unfair economic advantage for the company. Second, on the back of a spate of incidents reported in the media, the hotel industry argues that Airbnb is not held to the same safety and customer protection standards as it is, and can thus grow exponentially and unchecked (Benner, 2017).

Media Discourse

Relatedly, a great deal of media discourse has surrounded Airbnb's negative impacts on destinations and communities. For example, a *New York Times* story highlights how "Airbnb pits neighbor against neighbor in tourist-friendly New Orleans" (Walker, 2016). Similarly, a headline in Australian publication *The Chronicle* reads "Residents powerless to stop Airbnb 'party houses'" (Chung, 2017), illustrating how Airbnb threatens residents in their own neighborhoods. These unwilling residents are individuals who do not host themselves using Airbnb, but are often neighbors to those who do. Stories in the media have highlighted a host of resident complaints and concerns pertaining to Airbnb. These issues include: the security threat posed by strangers in their backyard ("Airbnb Has Come to a Vermont Town and Some Residents Are Worried," 2017), an undermining of job growth ("Illegal Hotels," 2017), the disruption caused by "party houses" ("Nashville Residents Grapple With Their Own Airbnb Challenges," 2017), and the *museumization* of neighborhoods that character (Anderson, 2016). Many of these stories emphasize the negative impacts of Airbnb on residents' quality of life in destinations across the world (Shankman, 2017).



While some of this discourse is perhaps warranted, much of it is anecdotal and/or selective in its representation of how residents at large feel about Airbnb. To date, there is little empirical evidence to make generalizable assertions of residents' perceptions of Airbnb (Jordan & Moore, 2018). To address this gap, examination of how the average resident in the United States perceives Airbnb's positive and negative impacts, how these perceptions

influence residents' sense of empowerment, and whether this empowerment (or lack thereof) has an impact on residents' support for more Airbnb tourism was conducted. Residents were defined as those individuals who have never hosted using Airbnb themselves, but have and are aware of Airbnb activity in their neighborhoods. Following media discourse, it was hypothesized that:

H₁: Residents perceive higher negative than positive impacts of Airbnb.

H₂: Airbnb's negative impacts make residents feel less empowered more so than Airbnb's positive impacts increase residents' sense of empowerment through Airbnb.

H₃: Residents empowerment does not translate into support for Airbnb tourism. Relatedly, if Airbnb's negative impacts dampen residents' sense of empowerment more than Airbnb's positive impacts increase their sense of empowerment, as predicted by hypothesis 2, this dampening effect should carry forward into resident responses to Airbnb.

With this in mind, a positive relationship should not exist between empowerment and residents' support for Airbnb tourism, a relationship that has been previously validated in the literature.

Methodology

The sample for the study was drawn from an extensive panel provided by the online research company Qualtrics and consisted of residents who have never hosted using Airbnb themselves, but have and are aware of Airbnb activity in their neighborhoods. A total of 415 usable responses from residents across the United States was collected, including those who reside in urban, suburban, and rural settings.

Results

The profile of the respondents is presented in Table 1. Nearly two-thirds (64.3%) of the respondents were female. The majority of the sample was comprised of Millennials, between 18 and 34 years of age (42.4%), and members of Generation X, between 35 and 54 years of age (39.3%). Nearly half of the sample had a college degree (47.7%), with a large percentage having completed some level of formal university education (30.5%). A majority of respondents was Caucasian (77.1%), and nearly half of the sample had an annual household income of at least \$60,000. Relevant to the context of the present study, a majority (61.2%) of the sample owned the accommodation in which they currently live, with nearly half of the respondents (47.9%) living in suburban settings.



Most respondents (93%) indicated that they were aware of between 1 and 5 active Airbnb hosts in their neighborhoods and more than two-thirds (67.7%) felt that this was the *right number* of neighbors hosting on Airbnb. Only 9% felt that there were *too many* Airbnb hosts in their neighborhoods. It is also worth noting that more than two-thirds (67.7%) of the sample had never used Airbnb as guests themselves; these numbers are consistent with research reported by Morgan Stanley.

These findings' implications have two main points. First, despite high awareness levels of Airbnb, its adoption rates continue to be relatively slow (Ting, 2017a). Second, it seems as though the sample for the present study is likely to be representative of the general resident who is not overly biased towards Airbnb, neither positively due to having used the service extensively themselves, nor negatively through a perception that there is too much Airbnb

activity in their neighborhoods. As previously indicated, it appears that most of the resident attitude discourse in popular media is based on anecdotal and/or selective evidence supporting a particular stance against Airbnb and does not provide a true assessment of residents' perceptions of Airbnb. The findings thus allow for more data-driven and informative decisions about how residents truly perceive Airbnb to be made.

Table 1. Respondent Profile

Demographic Category	n = 415	%
<i>Age</i>		
18-25	79	19.0
26-34	97	23.4
35-54	163	39.3
55-64	51	12.3
65 and over	25	6.0
<i>Gender</i>		
Male	148	35.7
Female	267	64.3
<i>Education</i>		
High school	90	21.8
Some college	126	30.5
College	135	32.7
Graduate school	62	15.0
<i>Income</i>		
Less than \$15,000	41	9.9
\$15,000-\$29,999	82	19.8
\$30,000-\$59,999	127	30.6
\$60,000-\$89,999	74	17.8

\$00,000-\$119,999	51	12.2
\$120,000 or more	40	9.7
<i>Ownership Status</i>		
Own	161	38.8
Rent	254	61.2
<i>Neighborhood Setting</i>		
Urban	112	27.0
Suburban	199	47.9
Rural	104	25.1
<i>Airbnb Hosts in the Neighborhood (Attitudinal)</i>		
Too few	97	23.3
About the right numbers of neighbors	281	67.7
Too many	37	9.0
<i>Airbnb Stays (as Guests)</i>		
0	281	67.7
1 or more	134	32.3

Table 2 presents the summary statistics for the items used to measure Airbnb’s positive and negative impacts, and the various other constructs used in the regression models. It is interesting to note that each of the individual items for the positive impacts are higher than each of the individual items for the negative impacts.

Table 2. Summary Statistics and Literature Sources
(Items used to measure perceived positive and negative impacts)

Constructs and Measurement Items ^a	Sample Size (n = 415)	
	Mean	SD
<i>Positive impacts of Airbnb</i>		
Creates opportunities for residents to participate in local culture	3.61	.95
Fosters community pride	3.52	.97
Fosters a feeling of belonging to the community	3.41	.96
Enables an understanding of different cultures	3.64	.93
Contributes to an improvement in neighborhood/housing appearance	3.66	.93
Improves the local economy	3.82	.88
Provides more business for local people and small businesses	3.85	.85
Creates more job opportunities for local residents	3.65	.92
Provides opportunities for cultural exchange between tourists and residents	3.70	.92
Improves image of the community and culture	3.54	.95
Helps improve the quality of community services such as local police, utilities, roads etc.	3.45	.97
Provides incentives for the preservation/restoration of local/historic buildings	3.59	.94
Positively impacts the cultural identity of the community	3.56	.95
Tourism through Airbnb encourages development of a variety of cultural activities by local residents	3.66	.93
<i>Negative impacts of Airbnb</i>		

Leads to improper zoning/land use	2.85	1.09
Makes the community less safe	2.71	1.13
Increases the crime rate in the community	2.64	1.09
Contributes to an increase in the cost of living	2.93	1.12
Results in more vandalism	2.62	1.08
Creates traffic problems in the community	2.89	1.11
Increase in the number of Airbnb visitors results in noise and pollution/litter	2.95	1.14
Negatively affects the community's way of life	2.67	1.13
Results in overcrowding and congestion	2.86	1.11
Puts a burden on community services such as local police, utilities, roads etc.	2.83	1.08
Makes the community too expensive to live in	2.70	1.08
Leads to friction between local residents and visitors	2.75	1.07
Increases the prices of buying and renting homes in the community, making it too expensive to live in	2.90	1.09
Local residents are the ones who suffer from the development of Airbnb	2.82	1.08
Airbnb visitors have little consideration for the local population	2.80	1.10
<i>Psychological Empowerment</i>		
Airbnb makes me proud to be a resident in my neighborhood	3.39	.92
Airbnb makes me feel special because people travel to see my neighborhood's unique features	3.38	.98
Airbnb makes me want to tell others about what we have to offer in my neighborhood	3.40	.97
Airbnb reminds me that I have a unique culture to share with visitors	3.57	1.00
Airbnb makes me want to work to keep my neighborhood special	3.60	.97
<i>Social Empowerment</i>		
Airbnb makes me feel more connected to my neighborhood	3.21	1.05

Airbnb fosters a sense of community spirit within me	3.27	1.06
Airbnb provides ways for me to get involved in my neighborhood	3.28	1.04
<i>Political Empowerment</i>		
I have a voice in neighborhood decisions related to Airbnb development	2.99	1.09
I have access to the decision making process when it comes to Airbnb in my neighborhood	2.98	1.08
My vote makes a difference in how Airbnb is developed in my neighborhood	3.22	1.04
I have an outlet to share my concerns about Airbnb in my neighborhood	3.30	1.04
<i>Trust in Local Government</i>		
I trust local elected officials to make the right decisions pertaining to the development and regulation of Airbnb	3.25	1.07
I trust local government to do what is right in the case of Airbnb development and regulation	3.25	1.04
I trust local government to look after the interests of the community as it pertains to Airbnb development and regulation	3.29	1.08
I trust the decisions made by local government pertaining to the development and regulation of Airbnb	3.26	1.04
<i>Support for Tourism</i>		
Tourism helps my neighborhood grow in the right direction	3.59	1.03
I am proud that tourists are coming to my neighborhood	3.64	.98
Tourism continues to play an important economic role in my neighborhood	3.66	1.04
I support the development of tourism as it is vital to my neighborhood	3.68	1.01
My neighborhood should attract more tourists	3.54	1.04
<i>Support for Airbnb</i>		
Airbnb helps my neighborhood grow in the right direction	3.44	.90
I am proud that Airbnb visitors are coming to my neighborhood	3.50	.92

Airbnb will continue to play an important economic role in my neighborhood	3.57	94
I support the development of Airbnb as it is vital to my neighborhood	3.47	1.00
My neighborhood should attract more Airbnb visitors	3.43	.98

^aMeasured on a 5 point Likert scale, where 1 = Strongly disagree and 5 = Strongly agree

Hypothesis 1 Testing

Airbnb’s positive impacts, as perceived by residents, was significantly higher than Airbnb’s perceived negative impacts (Positive impacts: $\bar{x} = 3.62$; Negative impacts: $\bar{x} = 2.79$; $p < 0.001$). Thus, evidence exists to contradict hypothesis 1; this finding is the opposite of what is often portrayed in the media.

Hypothesis 2 Testing

Table 3. Results of Regression 1: This table is representative of the dependent variables—i.e. psychological empowerment and social empowerment—and their individual regression on Airbnb’s positive and negative impacts.

	Coefficient	Std. Error	Standardized Coefficients (Beta)	t	Sig.
Dependent Variable: <i>Psychological Empowerment</i> ($R^2 = .696$; Adjusted $R^2 = .695$)					
(Constant)	.243	.153		1.594	.112
Positive Impacts	.947	.032	.816	29.379	.000
Negative Impacts	-.072	.027	-.075	-2.699	.007
Dependent Variable: <i>Social Empowerment</i> ($R^2 = .584$; Adjusted $R^2 = .582$)					
(Constant)	-.486	.205		-2.365	.019
Positive Impacts	1.024	.043	.767	23.616	.000
Negative Impacts	.012	.036	.010	.323	.747

Table 4. Results of Regression 2 (including control variables): Here the results of the second set of regression equations, in which the dependent variables were individually

regressed on Airbnb's positive and negative impacts, are recorded. This includes the control variables: age; gender; income; education; previous Airbnb use; perception of the number of Airbnb hosts in neighborhood; urban, rural, or suburban setting; perceived political empowerment; trust in local government; and general support for tourism.

	Coefficient	Std. Error	Standardized Coefficients (Beta)	t	Sig.
Dependent Variable: <i>Psychological Empowerment</i> ($R^2 = .734$; Adjusted $R^2 = .724$)					
(Constant)	.398	.224		1.781	.076
Positive Impacts	.744	.044	.641	16.790	.000
Negative Impacts	-.092	.027	-.096	-3.451	.001
Age	-.068	.021	-.089	-3.186	.002
Gender	.038	.047	.022	.808	.419
Education	.009	.025	.010	.348	.728
Income	-.014	.010	-.045	-1.453	.147
Number of Airbnb hosts					
(attitudinal)	-.009	.030	-.009	-.317	.751
Airbnb stay	.082	.050	.045	1.633	.103
Urban	.021	.063	.011	.329	.742
Suburban	-.010	.056	-.006	-.176	.860
Own accommodation	.017	.052	.010	.324	.746
Political empowerment	.118	.029	.127	4.013	.000
Trust in local					
government	.041	.025	.048	1.663	.097
Support for tourism	.123	.033	.125	3.770	.000

Dependent Variable: *Social Empowerment* ($R^2 = .641$; Adjusted $R^2 = .629$)

(Constant)	-.168	.299		-.562	.575
Positive Impacts	.743	.059	.557	12.575	.000
Negative Impacts	-.033	.036	-.030	-.918	.359
Age	-.037	.029	-.042	-1.292	.197
Gender	-.081	.063	-.040	-1.283	.200
Education	-.011	.034	-.011	-.330	.742
Income	-.030	.013	-.083	-2.302	.022
Number of Airbnb hosts (attitudinal)	-.007	.040	-.005	-.166	.868
Airbnb stay	.085	.067	.041	1.273	.204
Urban	-.118	.084	-.054	-1.396	.164
Suburban	-.080	.075	-.041	-1.074	.284
Own accommodation	.021	.070	.011	.303	.762
Political empowerment	.232	.039	.217	5.903	.000
Trust in local government	.058	.033	.059	1.758	.080
Support for tourism	.097	.044	.085	2.219	.027

The results for both regression equations (Tables 3 and 4) clearly indicate that the magnitude of the relationships between Airbnb's positive impacts and residents' psychological and social empowerment is significantly higher than that of the relationships between Airbnb's negative impacts and residents' psychological and social empowerment. In fact, Airbnb's negative impacts do not significantly affect social empowerment in either set of equations. These findings contradict hypothesis 2, and further highlight the average resident's generally positive disposition towards Airbnb, contrary to what is often portrayed in the media.



Table 4 also indicates the importance of political empowerment's relationship to psychological and social empowerment. When residents perceive that they have a say in how Airbnb develops in their neighborhoods, this sense of empowerment works in conjunction with Airbnb's perceived positive impacts to make residents feel psychologically and socially empowered vis-à-vis Airbnb.

In fact, the magnitude of these associations between political, psychological, and social empowerment is stronger than that of the (negative) relationship between Airbnb's negative impacts and residents' empowerment. Moreover, these associations are found to hold true even after controlling for residents' general support for tourism, indicating that the Airbnb phenomenon by itself elicits a generally positive response by the average resident, irrespective of how favorably they perceive tourism development as a whole.

Relatedly, older residents perceived somewhat lower psychological empowerment, and those with higher income perceived marginally lower social empowerment. These marginal effects are unsurprising given the largely Millennial and Generation Z demographic that Airbnb as a brand would resonate with (Airbnb Citizen, 2017).

Hypothesis 3 Testing

Table 5 presents how support for Airbnb was regressed on psychological and social empowerment. Both psychological and social empowerment were significant predictors of residents' support for Airbnb, indicating that there was no carry-forward dampening effect of Airbnb's negative impacts, as predicted by hypothesis 3.

Table 5. Results of Regression 3: The dependent variable "support for Airbnb was regressed on psychological and social empowerment

	Coefficient	Std. Error	Standardized Coefficients (Beta)	t	Sig.
Dependent Variable: <i>Support for Airbnb</i> ($R^2 = .688$; Adjusted $R^2 = .687$)					
(Constant)	.723	.095		7.581	.000
Psychological Empowerment	.595	.045	.613	13.359	.000
Social Empowerment	.213	.039	.253	5.512	.000

Implications

This study addresses the lack of empirical research on the impact of Airbnb on residents, as perceived by the residents themselves. It is a more representative account of the average resident in the United States and sets the foundation for future research on this important issue.

No evidence to support the hypotheses that underlie the rhetoric portrayed in the media against Airbnb was found. In fact, these observations support the opposite: that residents view Airbnb's impacts positively more than they do negatively. Moreover, these positive impacts lead to residents feeling psychologically and socially empowered more strongly than the negative impacts detract from residents' sense of empowerment. These relationships remained the same even after we controlled for a number of demographic and situational variables. Finally, both types of empowerment contribute to residents' support for Airbnb, indicating their generally positive disposition towards the phenomenon.

These findings are particularly interesting in the context of the anti-Airbnb propaganda of the hotel industry, and Airbnb's own public relations efforts, particularly through *Airbnb Citizen*, the company's platform to showcase the power of home sharing as a "solution" that promotes positive economic, social, and community impact across the world ("Airbnb

Citizen,” n.d.). The ongoing battle between the hotel industry and Airbnb “to win the hearts and minds of the American people” (Ting, 2017b) is one that is centered on creating the right kind of knowledge, one that supports or rejects Airbnb’s legitimacy. As is the case with marketing to customers, perception is reality. To advance its agenda, the hotel industry must ramp up its PR efforts at a time when jurisdictions across the country and the world are trying to determine the best way to regulate Airbnb and the sharing economy. Resident support can be a key factor in who wins this battle.



Tarik Dogru earned his Ph.D. in Hospitality Management from University of South Carolina, and holds Master's degree in Business Administration from Zonguldak Karaelmas University in Turkey. Prior to joining the Boston University School of Hospitality Administration faculty, he was an adjunct faculty at University of South Carolina (2013-2016) and research assistant at Ahi Evran University (2009-2012) in Turkey. He has taught a variety of courses, including Economics, Finance, Accounting, Hospitality, and Tourism in business and hospitality schools. He is a Certified Hospitality Educator (CHE) and holds Certification in Hotel Industry Analytics (CHIA) from American Hotel & Lodging Educational Institute. Tarik's research interests span a wide range of topics in hospitality finance, corporate finance, behavioral finance, real estate investment trusts (REITs), hotel investments, tourism economics, and climate change.



Makarand Mody, Ph.D. has a varied industry background. He has worked with Hyatt Hotels Corporation in Mumbai as a Trainer and as a Quality Analyst with India's erstwhile premier airline, Kingfisher Airlines. His most recent experience has been in the market research industry, where he worked as a qualitative research specialist with India's leading provider of market research and insights, IMRB International. Makarand's research is based on different aspects of marketing and consumer behavior within the hospitality and tourism industries. He is published in leading journals in the field, including the International Journal of Contemporary Hospitality Management, Tourism Management Perspectives, Tourism Analysis and the International Journal of Tourism Anthropology. His work involves the extensive use of inter and cross-disciplinary perspectives to understand hospitality and tourism phenomena. Makarand also serves as reviewer for several leading journals in the field. In fall 2015, he joined the faculty at the Boston University School of Hospitality Administration (SHA). He received his Ph.D. in Hospitality Management from Purdue University, and also holds a Master's degree from the University of Strathclyde in Scotland.



Courtney Raeisinafchi, Ph.D spent 6 years designing and developing hotels and restaurants with Jordan Mozer and Associates, Ltd., an architecture firm based in Chicago, IL, after completing a bachelors degree at the School of the Art Institute of Chicago where she studied architecture. Some notable projects she was involved in includes Marriott’s Renaissance Hotel, Times Square and Hotel 57 in Manhattan, NY; both hotels have received the International Hotel , Motel and Restaurant Society’s Golden Key Awards for Best hotel design. While drafting new proposals for hospitality projects for Jordan Mozer and Associates in Southeast Asia, she began a masters degree, studying hospitality administration, at the University of Nevada, Las Vegas (UNLV) in Singapore. After graduating, she continued to complete her doctoral degree in Hospitality Administration at UNLV in Las Vegas and studied towards a second masters degree in architecture at UNLV’s School of Architecture. Courtney joined the Boston University School of Hospitality Administration in 2013, where taught the Design and Development Class as well as Lodging Operations and Technology. In 2017, she joined Texas A&M University Department of Recreation, Parks and Tourism Sciences as an Assistant Professor. She is an active quantitative researcher on the topics of hospitality development and built environments, as well as design and atmospherics impacts on consumer behavior.

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