

**CONSUMER BEHAVIOR TOWARDS THE SHARING  
ECONOMY: CASE STUDY OF AIRBNB IN THAILAND**



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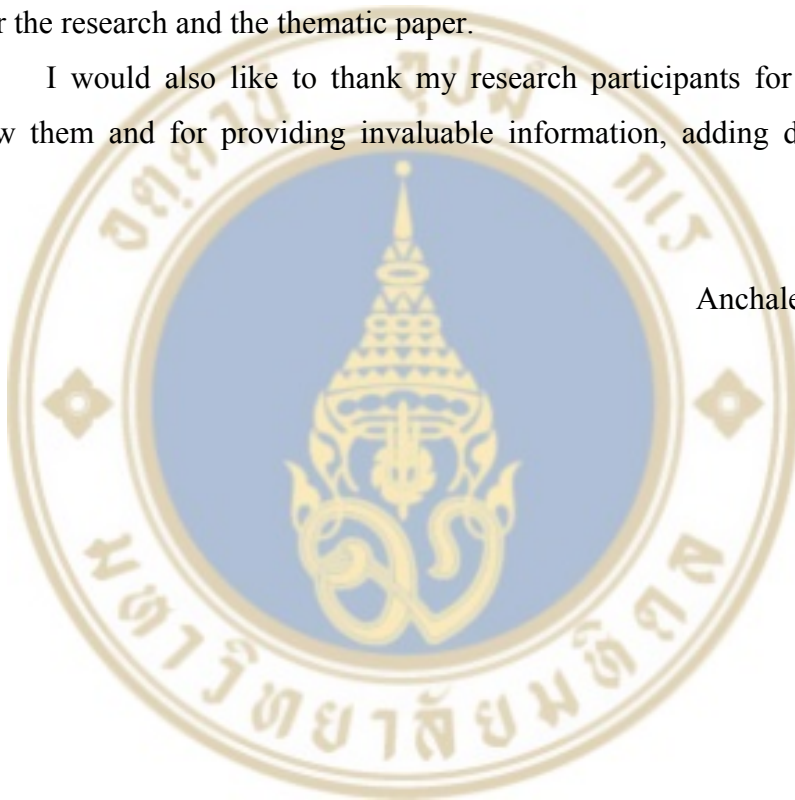
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**ABSTRACT**

The purpose of this research is to find the reasons behind the popularity and expansion of the collaborative economy exploring the fundamentals of sharing in the Thai society, the shift in consumer behavior towards sharing and sharing in correlation to the economy. The study was conducted within the context of the home-sharing platform Airbnb with respondents residing in the Bangkok region of Thailand.

The findings of this research showed that sharing is embedded in the Thai culture. However, sharing of the home touches upon more personal realm, which most interviewees felt uncomfortable share with a stranger. However, if it was the case of an extra home such as a condo that are not used, many respondents are open to listing them on Airbnb as a way of receiving extra income. Based on the research conducted, the economy has no effect on a person's likelihood to offer their homes on the home-sharing platform.

**KEY WORDS:** Airbnb / Airbnb in Thailand / Sharing Economy Thailand / Consumer Behavior

26 pages

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## **CHAPTER I**

### **INTRODUCTION**

#### **1.1 The Sharing Economy**

Through history, mankind began as hunters and gatherers, owning only essential items required for sustenance. With time, humans seem to have amassed material possessions, wanting to own more things with the growth of the capitalist world. In the 20th century people strive to become owners of cars, homes and everything associated with it. In addition, the modern world has created needs for all sorts of electronic devices and a realm of endless desire for accumulation of material possession because they define our identity (Walsh, 2011).

However, this is about to change. The first decade of the 21st century gives rise to a new trend. With thanks to modern technology, information is being shared almost instantly, reaching the masses faster than ever before. If information can be shared, why not products and services? The online world thus became the platform for a new marketplace. This has given birth to the sharing economy. The word ‘sharing economy’ refers to the sharing of information, services and products and this is largely possible because of information technology, but may or may not depend on it for sharing transaction to occur (O’Sullivan, Davis, & Hetzel, 2014). It is also known as the collaborative consumption, collaborative economy and peer-to-peer sharing. While these transactions may or may not incur fees, they possess tangible economic values. The sharing economy goes beyond the monetary realm as it touches the experiential side of consumption by means of creating personal relationships (Ardis, Fernandez-Lozada, Schmidt & Tize, 2013). This means creating more value to the community and at the same time the networks created and through the peer feedback system brings about trust between strangers to deliver the products or services as expected.



Why does the collaborative economy work? Businesses are all about finding solutions for customers, making their lives better through the products or services that they deliver. The sharing economy has brought to the table the elements of social responsibility and frugality and ways to address them. According to the Forbes analyst Murray Newlands (2015), this new wave of economic behavior is shaping how people are shopping, eating, and spending their leisure time.

PricewaterhouseCoopers Megatrends Report 2014 notes the global sharing economy is worth \$15 billion and will grow to \$335 billion by 2025. This is an emerging economy and has so far made a significant impact to the traditional models. It is without a doubt a revolutionizing global trend and therefore an interesting research area.

## **1.2 Research Objective**

This thematic paper will discuss the reasons behind the popularity and expansion of the collaborative economy starting from the fundamentals of sharing, the shift in consumer behavior towards sharing, and sharing as a correlation to the economy. Using Airbnb as a case study, this research will look into how the shared economy is being practiced in Thailand and the motives behind why Thais choose to participate in the home-sharing platform. The scope of this research is limited to respondents residing in Bangkok region of Thailand.

The findings of this study will not only help to understand the consumer behavior in Thailand towards the sharing economy but will be beneficial for companies that incorporate this business model and how to market this growing trend to the Thai consumers.



## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Models of the Sharing Economy**

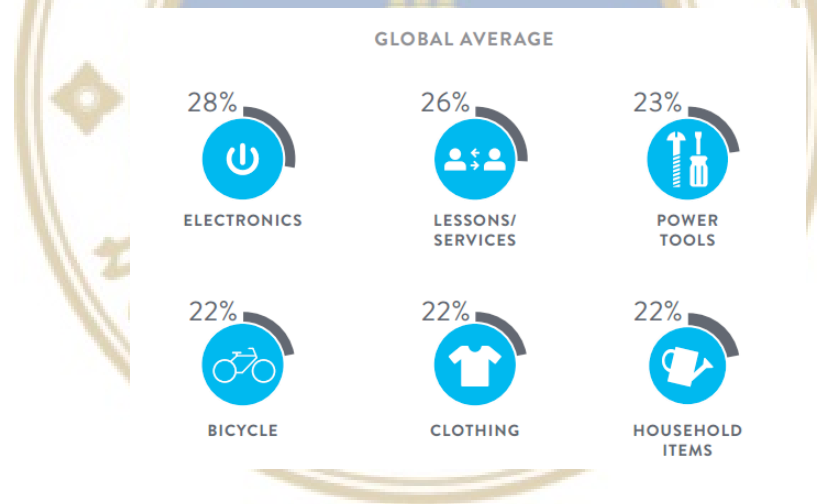
Initiated in the United States, this new type of collaborative consumption is making its presence globally. Airbnb is thought to be amongst one of the most prominent players in this new type of economy as noted by Forbes analyst Tomio Geron (2013). Founded in 2008 by 3 young guys struggling to pay their bills, the idea to rent out space in their own apartment came about as a means to make some extra cash. This later became the company's fundamental business model. To date, Airbnb has received over 40 million guests in its 2 million listings worldwide in 190 countries according to Airbnb's website (2015). The company is now valued over \$10 billion. The company is well known to be revolutionizing the sharing economy. What Airbnb does is simply matching homeowners with lodgers who are looking for a place to stay at an affordable price (Kurtz, 2014).

Other prominent businesses built on the structure of the collaborative economy are companies like Uber with its cab-share application, Relay Rides where idle cars are listed by their owners on the website and are offered to be rented out by others who need a car and Side Car with its application that connects riders with everyday car drivers using their personal vehicles. Even dog lovers and pet owners can make some extra money by offering their services to babysit other people's dogs through the platform DogsVacay (Geron, 2013).

The collaborative economy has become popular and as Joe Kraus, a general partner at Google puts it, "The sharing economy is a real trend....People really are looking at this for economic, environmental and lifestyle reasons. By making this access as convenient as ownership, companies are seeing a major shift" (Geron, 2013).

## 2.2 Fundamentals of Sharing

Sharing has been part of the human practice since the beginning of civilization and as Price (1975) mentions, is the basic and ubiquitous form of economic behavior. Sharing is strongest within families but becomes less as one looks outside this closed circle (Belk, 2007). According to Hellwig's research (2015), propensity to share varies with gender, age, occupation and as reaction to the popular culture of social media. Women are generally more willing to share than men and the younger are more likely to share than older. Willingness to share also has to do with the item itself. The more distant the object, the higher the willingness to share. More intimate objects people are less likely to share (Hellwig et al., 2015). Nielsen's Consumer Reports (2014) sums up the global average of items people are likely to share as seen in Figure 1.



**Figure 1.1 Global average of items people are likely to share**

The notion of the shared economy combines the economic exchange of goods and the dimension of social engagement, making the shared economy a form of hybrid economy which operates between the market and nonmarket economies by way of complex interactions (Scaraboto, 2015).

## 2.3 Shift in Culture and Social Norm

The act of sharing can also be viewed as a culture and social norm or a shift thereof. Societal rules and religious doctrines do have a degree of influence on individual's disposition to sharing. This type of introjected form of motivation for sharing takes roots from obligations to the society in terms of responsibility and conforming to social norms (Deci et al., 1999). Some people may feel guilty owning too many material possessions, thus sharing helps them feel good about themselves (Hellwig, 2015).

It can also be seen that there has been a change in ownership patterns, clearly seen in the choice of lifestyle of young adults. Environmental concerns, creative consumption to have “better” choices instead of having “more”, consumers prefer to find alternative services instead of wanting products (O’Sullivan et al., 2014). In a survey conducted by Latitude and Shareable Magazine (Gaskins, 2010) on the topic of sharing activities through the use of technology, 78% of the respondents are more welcoming to share with strangers due to online interactions with others. Thus growth of information technology creates and reinforces collaborative consumption, making it the rising trend of the 21<sup>st</sup> century.

## 2.4 Economics Reason

In an article *Airbnb and the Unstoppable Rise of the Share Economy*, Tomio Geron (2013) spoke of Frederic Larson, a man who has been negatively affected by the grim economy in the United States found the opportunity to make some extra income by renting out his home on Airbnb and benefiting from \$97 net profit a night and participated in the ride-share service, Lyft where he makes \$100 a night from fee paying passengers. It is no surprise that we see big rise in the numbers participating in the “gig economy” where numerous people become small entrepreneurs offering various services on the online to cope with the economy.

As consumers, the sharing economy provides convenience and is a way to save money and time. To some, it is a matter of financial utility that motivates them to share with others (Hellwig, 2015). In a survey conducted by Gaskin (2010), the participants with lower income have a higher tendency to sharing behavior and feel about it as opposed to those with higher level of income. This shows a direct connection with the economic situation affects each individual. On the other hand, looking at a more general picture, two-thirds of the respondents to the survey found it interesting to share if their personal possessions can generate monetary value.

Businesses can also increase profits from collaborative consumption by implementing sharing services to their business model (Melanson, 2011). This is the reason why Avis Budget Group invested into Zipcar, a car sharing service (Savitz, 2013).

In summary from the above literature review, the shared economy takes shape from the combination of the traditional economies of exchange and the intrinsic human behavior of sharing giving rise to a hybrid economy (Scaraboto, 2015). To some scholars, the collaborative model of consumer behavior is a result of technology which makes the sharing of information fast and efficient (O'Sullivan et al., 2014) and thus creating relationships and value to the society (Ardis et al., 2013) as this became a new platform for a new market space. This has resulted in the shift in the ethics of consumption to becoming the new norm (Deci et al., 1999; Gaskin, 2010; O'Sullivan et al., 2014). Others believe the peer-to-peer sharing happens as a result of financial utility (Hellwig, 2015) where personal items and space can be shared or in other words, rented out for money. The hardship in the economy in the last few years have led people to find ways to gain extra income (Geron, 2013). With all this being said, the majority of research takes a general global view of the consumer behavior, concentrating mostly in the Western side of the world. The notion of sharing has thus been generalized to the Western context and this leaves an area of research for other specific cultures (Hellwig, 2015). Therefore, the rest of this paper will delve into the sharing economy of Asia Pacific, in particular Thailand and the consumer behavior related to this new shift.

The phenomena of the Airbnb is also growing rapidly in Southeast Asia states Jie Jiah Chai, the managing director of Airbnb Southeast Asia and India in an interview

with Bloomberg (2015). Consumers in the Asia Pacific are eager to join the share economy with Thais, Filipinos and Indonesians in the frontline. In a study conducted by Nielsen research team measuring people's unwillingness to share their personal assets the Asian Pacific's figure was 22% compared to 32% of consumers worldwide (Nielsen, 2014). This shows the high level of acceptance of this new collaborative economic model.

Uber has made its way to Thailand, Vietnam and Jakarta. Other collaborative model businesses in the Southeast Asian region include My Teksi and Grabtaxi connecting taxi drivers with riders with the use of an application, through TriipMe, Vayable and Very Local Trip, residents of the host city become amateur guides, providing authentic travel experiences for curious visitors. My Plate and Withlocals are other platforms where travelers can mingle with local families while they can enjoy cooking and dining experiences with their hosts. All of the aforementioned businesses are built upon a strong fundamental core of members of a community of service providers and users, where trust and credit is earned through other using members' reviews.

According to Nielsen Consumer Reports (May 2014), with the well reception of the collaborative economy in the Asian Pacific, there are still many who still are unaware of it, therefore this proves a big potential growth. The tourism industry including accommodation seem to be the most prominent in the Asian Pacific context. Although incomes in Southeast Asian countries are on the rise, people are still looking for ways to supplement their source of earnings. What better way than to use the resources they already own, which may be left idle and make a bit of money out of it. With the emergence of the Internet and better connectivity, bigger and faster growth can be expected in the coming years (Nielsen, 2014). The travel market hence cannot deny it is being shaken by this new economy (Hawksworth, 2015). Thailand's market is no exception.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

The major objective of this research is to focus on the behavior of Thai consumers toward the sharing economy using Airbnb as a case study. This section discusses the research methodology that was chosen for this study, the scope of the study, the research design, population and sampling, which will lead to the collection of data to be analyzed.

#### **3.1 Research Design**

The research methodology to be used is qualitative as the consumer behavior and attitude toward the notion of shared economy need to be explored. This method will generate words as opposed to numerical data, which is designed to measure something (Bricki & Green, 2015). Qualitative research involves observation and also the interviews allows both the interviewer and the participants to share their stories, create a more relaxed atmosphere, and this will encourage both to draw out more in depth information (Sage Publication, 2013).

#### **3.2 Population and Sampling**

In qualitative research, purposeful sampling is selected in a systematic way. The sample size is usually small in qualitative work and is achieved through observation of reoccurrences of the same data whilst conducting the interviews. In other words, the sampling size will stop once the point of 'saturation' is reached (Bricki & Green, 2015).

For convenience purposes, the population of Bangkok will be observed as the researcher assumes that this group will be the first movers in the sharing economy as they

are mostly exposed to the international media and will be open to try new things compared to the other provinces. However, this does not mean that this sample group will represent the whole population of Thailand.

The sample group selected will be of various age groups of adults over 20 years of age who are already the users of home sharing platform Airbnb either have used it as a traveler, a host or both, or potential users who may or may not have heard of it. This means the sampling group should not be too young to use such services or individuals who do not use modes of modern telecommunications such as the computer and more so, the access of smartphones. All of the interviewees will be Thai nationals. The purpose of this research is to investigate the motivation behind the sharing economy in Thailand and whether the Thai culture has influence in the people's consumption behavior.

The group of sampling population will be selected for face-to-face interview. A set of predetermined questions, which will be mostly open-ended, allowed the possibility for the interviewees to fully express themselves.

### **3.3 Data Collection**

Data collection in qualitative work will involve the collection of words instead of numbers. This can be carried out in the form of interviews or group discussions. It is important to keep in mind that the generated data should be reproducible, systematic, credible and transparent. The interviews can be semi-structured with a topic guideline consisting of open-ended questions of the topics of interest. In-depth interviews are less structured and start off with more wide questions used for exploration of the interviewee's perceptions (Bricki & Green, 2015).

In this particular research, the data collection method will come in the form of one-to-one interview with the sample group members individually. A set of questions are predetermined to lead the interview. Most questions are open-ended and follow up questions will be asked to elaborate of the key issues.



The questions for the interview was self administered in English and Thai languages to investigate the respondents' knowledge about the shared economy in the context of popular business using this model, their belief about sharing in general and more specifically their thoughts about sharing their personal possessions with strangers for monetary gain and for social contribution. A set of open-ended questions have been designed so that respondents can freely elaborate their full opinion on the questions asked.

### **3.3.1 Interview Questions**

1. What do you think is the meaning of sharing? Under what circumstances would you share?
2. Which personal belongings would you share with a stranger?
3. How do you feel about letting people stay at your home if you had extra space available? Explain why or why not?
4. If your answer in question 3 was negative, would you be fine with allowing someone stay at your home if you can receive monetary compensation for their stay? Justify your answer.
5. On a scale of 1 to 4 (1 being the most and 4 being the least) rate how much influence does your family have on your decision-making to let people stay at your house?
6. On a scale of 1 to 4 (1 being the most and 4 being the least) rate how much influence do your friends have on your decision-making to join Airbnb.
7. On a scale of 1 to 4 (1 being the most and 4 being the least) rate how much influence does social media have on your decision-making (social media include Facebook, Instagram, blogs, forums such as Pantip, etc.) to join Airbnb.
8. Are you a user of Airbnb platform?
9. If you are a user, how long have you been a user of Airbnb? If you are not a user but have heard about it, how long have you known Airbnb for?
10. How did you get to know about Airbnb? If you are a member of Airbnb, explain the reason(s) why you have decided to join?

11. If the economic situation was not so good in Thailand will that influence your likelihood to rent your space out on Airbnb? Explain why or why not.

12. What do you think about the notion of limited resources? Do you think Airbnb helps the economy?

### **3.4 Data Analysis**

Descriptive qualitative content analysis looks at all data to find common themes that reoccur. After all the interviews and observations have been made, the data need to be recorded. All of verbal, textual, and visual information gathered need to be transcribed in detail. The transcripts are annotated as the data is being recorded. Common issues are then identified. The assignment of codes to the data will help sift through the various themes and sub codes are used as more detailed analysis are made. After the assignment of codes, all of the information from the codes is extracted to find relationships and patterns and how each theme interrelate (Bricki & Green, 2015).

## **CHAPTER IV**

### **FINDINGS AND DISCUSSION**

This research studied of the behavior of consumers in Bangkok metropolitan area with regards to the home sharing platform Airbnb. This chapter analyses how the meaning of sharing are for different people, the reasons behind why someone would choose to share or not to share their homes with travellers and whether the economic impacts affect their willingness to list their homes on Airbnb. The data was collected from in-depth interviews of 15 respondents who are both users and non-users of the home-sharing platform.

#### **4.1 Demographic Data**

The demographics of the respondents can be summarized in Table 1. 15 respondents from Bangkok region were interviewed, 13 (86.7%) were female and 2 (13.3%) were male with 80% (12) between ages 25 and 34 years old. Of this group of 15 people, 60% have a master's level degree of education and 33.3% a bachelor's level. 80% are either single or in a relationship. 66.7% of the group are company employees and 40% making a monthly earning of over THB 60,000 and 13.3% and 20% with average income between THB 45,001- THB 60,000.

**Table 4.1 Summary of demographic data of the respondents**

<b>Demographic Background</b>	<b>Qty. (n)</b>	<b>Frequency Percent (%)</b>
<b>Gender</b>		
Male	2	13.3
Female	13	86.7
Total	15	100.0
<b>Age range group</b>		
25-34	12	80
35-44	2	13.3
Over 55	1	6.7
Total	15	100.0
<b>Educational level</b>		
High school or equivalent	1	6.7
Bachelor's degree	5	33.3
Master's degree	9	60
Total	15	100.0
<b>Income range (THB/Month)</b>		
15,000 or below	1	6.7
15,001-30,000	3	20
30,001-45,000	3	20
45,001-60,000	2	13.3
More than 60,000	6	40
Total	15	100.0
<b>Employment Status</b>		
Company Employee	10	66.7
Self Employed	4	26.7
Retired	1	6.7
Total	15	100.0

## 4.2 Factors that influence consumer behavior of Airbnb in Thailand

### 4.2.1 Concept of Sharing

From observation, the concept of sharing, charity giving or merit offering is common practice in Thai culture. With the Buddhist religion as the country's fundamental belief system, Thais give away food, money and material possessions as an act of merit making. Some may do it more regimentally, while others more occasionally on their birthdays or Buddhist holidays. According to Hofstede's (2015) Country Comparison Tool, Thailand is considered a country where individualism is quite low. Everyday activities are done usually in groups or communities. From the communal activities is where one can observe where most of the sharing happens. Thus it is common to see people eat together, share food at the office, and big family going places together.

From the interviews of the respondents, the meaning of sharing varies from person to person but to all, sharing means to give something away. To some, sharing is giving something that is no longer used or needed by the person, which indicates an access of personal possession or resources. *"Sharing is giving something to other people when we have something more than we need or we have something left."* (male, 28, company employee). A respondent mentioned human interdependence when it comes to sharing.

*"Costs can be too high if certain things are not shared."* (male, 30, master's student). One person doesn't mind sharing anything that can be cleaned or washed for hygienic purposes (female 39, self employed). Some would share with those who are in need or to those who will need the materials more than they do and perceive them as valuable. *"(Sharing) is letting other people use or enjoy stuff I own only when it is not being used or I have more than enough."* (female, 39, self employed). To many of the respondents, sharing is *"spreading out of good things"*, which could be something tangible or even intangibles such happiness and experiences.

The interviewees were asked which items they own that they were willing to share. Some said they do not mind sharing things that to them are not very personal items such as books, stationery items such as pens, and household appliances such as a washing machine and kitchen utensils. Others were willing to share personal care products such as shampoo, soap, toothpaste and even cosmetics but would typically share these items with people they know such as friends or family members, but will be less inclined to do so with a complete stranger. *"I can hardly imagine sharing my personal belongings with (an) absolute stranger."* (female, 32, company employee).

Aside from letting other people use their personal items, some respondents see sharing as an act of using the same resources such as carpooling. *"I don't mind letting people sit in my car if we're going the same direction."* (female, 40, master's student). Minority of respondents are happy to share their living space because they have extra room in their homes or can let people use their house when they are away.

Some respondents mentioned the circumstances they will be willing to share is when they think it's a fair exchange, meaning something should come back in return when something is given away. It could come in the form of payment for the use of their personal belonging or for the use of their room while to others the exchange can be immaterial such as good experiences and friendship.

From this study, it can be seen that even if Thailand is a collective society where things are done as a community, the idea of sharing still varies from person to person and varies by different degrees. When it comes to sharing one's home, concluding from the interviews with 15 people, most respondents view sharing one's home as something too personal and therefore, not voluntarily practiced. This follows the findings by Hellwig (2015) that the closer the personal possession, the less inclined a person is willing to share with others, especially strangers. Sharing becomes easier with less intimate and personal items.

#### 4.2.2 Home Sharing and Cultural Norm

When it comes to the sharing of their homes, most respondents gave out similar answers. 11 out of 15 respondents felt uncomfortable sharing their homes because the home is a personal space.

*“I don’t feel comfortable having strangers in the house. I have too many personal things there.”* (male, 31, master’s student) Many view they will be losing their privacy when allowing other people to stay at their home.

Some were afraid of unforeseeable circumstances or the possibility of their personal belongings will get dirty or damaged through the usage of another person. *“If I let other people use my home they can make it dirty or make things out of order.”* (female, 28, master’s student) While others felt it’s a matter of personal safety and trust in a complete stranger and chose not to share their homes. *“I do not trust strangers. We don’t know who they are how can we trust them. They can destroy my place or steal my things.”* (male, 30, master’s student)

Of this group that will not be willing to share their homes with complete strangers, almost half will be happy to share their living space with close friends and 41% with close relatives. The other 4 respondents were open to home sharing with paying travellers and two like the idea of getting to meet new people as a motive. Of the group of 15 interviewees, 8 are users of Airbnb, 5 have heard about the platform either from friends, family or have read about it and 2 do not know what Airbnb is.

With regards to the users, most respondents use this platform to find good priced accommodations for their travels with 3 using it for the unique travel experience it offers. However, of the 8 users, 5 have their properties listed on Airbnb. Of these 5 who have their listing, only one would rent out a room in the same house she is living in on the home sharing platform. The rest would list the condo that they are not currently using.

When asked why the other 3 users did not list their homes on Airbnb their responses were as follows:

*“I am a very neat person. I cannot stand the fact that people can come and mess up my things.”* (Female, 29, master’s student)



*“I think it’s too much of a hassle. I prefer to take long-term tenants.”*

(Female, 27, master’s student)

For the non-users of Airbnb who have heard of the platform, when asked why they have not used it yet, most were reluctant to use the Airbnb because they feel more secure booking their accommodations at hotels especially going to a place they are not familiar with. Two respondents showed strong distrust in the Airbnb system and the idea of strangers staying in private homes or the idea of staying in a stranger’s home.

*“It is difficult for me to trust strangers especially when it comes to safety and security for their own sake. People especially at my age and above will have trust issues because we do not trust or believe anything so easily.”* (Female, 40, company employee).

Airbnb provides insurance for both the host and the guests; this interviewee was asked whether this would alleviate the trust issue. Her response is as follows:

*“I don’t think people care so much about insurance at the beginning. I still will not trust it and Airbnb can also face legal issues here in Thailand.”* (Female, 40, company employee).

Another male respondent gave his take on Airbnb.

*“I do not trust strangers. The host can become a case like the Uber taxi drivers who even the company cannot fully guarantee their safety. Trust issue is the problem here. In the case to rent share my house with a stranger, they can destroy the place or steal. The tourists Thailand receives are low quality budget travelers so I will not trust to have my property to be in their hands and ensure that they will take care of it.”*

(Male, 30, master’s student)

The other respondents, who were non-users of Airbnb, were asked whether or not they would list their space on Airbnb. Their responses were as follows:

*“I live with my parents now and the decision to rent out our place would be their decision. If I had my own place I would consider it.”* (Female, 32, company employee)

*“It really depends on the person’s background or upbringing. If you are familiar with foreigners and are used to seeing backpackers, then you would trust to rent the place out to them.”* (Male 27, company employee)

*“I personally would give it a try but that’s because I speak English well. I have relatives who have properties they can rent out, but I don’t think they will rent it out on Airbnb because I think language is a barrier. The use of language translating apps (Google Translate) do not work for Thai and communicating with guests will be quite difficult.”* (Female, 29 master’s student)

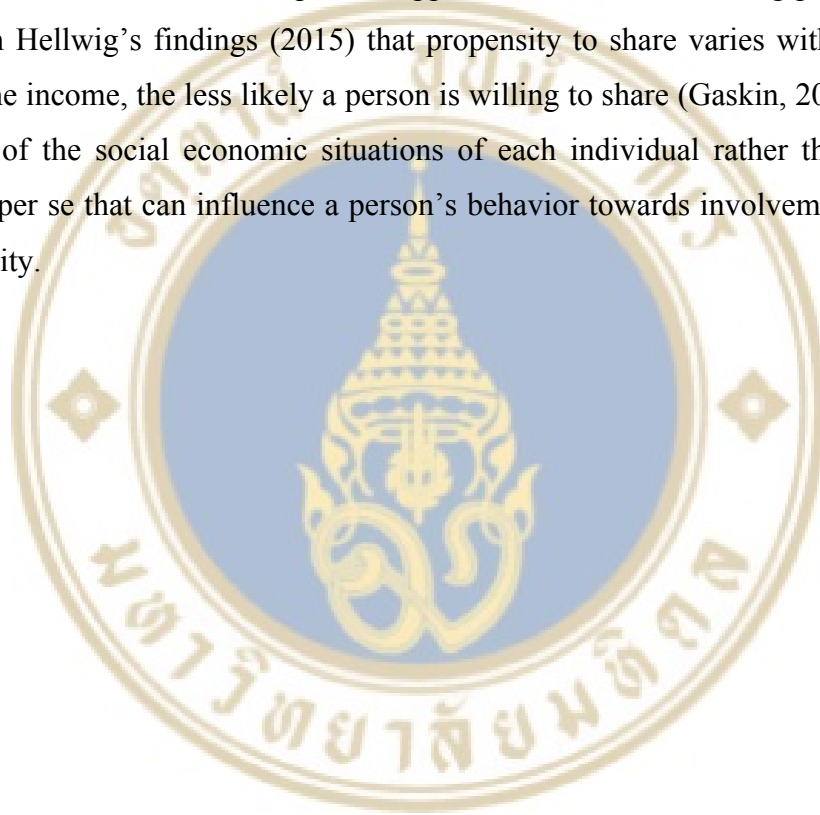
From the study, it can be seen that most respondents are aware of Airbnb home-sharing platform and this has largely to do with how information is shared through technology. Most respondents interviewed have a medium to high degree of influence by the social media and collaborative economy has become a notable trend. People are finding alternative ways of consumption as O’Sullivan has mentioned (2014), but in Thailand there may be barriers such as trust, language and that is why only people who are comfortable at communicating in English tend to be users and service providers of Airbnb in Thailand. In accordance to findings by Hellwig (2015), the person’s background and age also have majors when it comes to sharing and thus impacts the degree of growth of the sharing economy business model in Thailand when compared to countries in Europe where higher percentage of people can speak multiple languages.

#### **4.2.3 Factor of the Economy**

The economic situation of a country can have an effect on consumption behavior but is not a strong factor of influence to a person’s decision to home-share on Airbnb. The respondents were asked if the economic situation of Thailand was not looking so good, will that encourage them to list their properties on Airbnb. One respondent states that Airbnb is about the unique experience and not about the money, most respondents do see that listing properties on Airbnb is a good way of making extra income. *“It does not cost anything much and I have rooms available and this should be a good idea of making extra money.”* (Female, 29, master’s student). Another interviewee mentioned how it would be a *“win-win situation for the economy. The host get paid for sharing their rooms to guests and the guests are getting a reasonable priced accommodation.”* (Female, 31, company employee). All of the respondents who have their listings on Airbnb said that they would still rent out their condos the same way in

whatever the economic circumstances. When asked the respondents who were not users of the home-sharing platform or who are but do not have a listing, their answers were quite similar in that the economy has no effect on their likelihood to list their space. However, if Airbnb generates a higher earning than their current job, they would consider a change in career to devote more time to this business.

It was notable that the group with higher income (more than 60,000 THB a month) tend to have more of a passive approach to the home-sharing platform. This is in line with Hellwig's findings (2015) that propensity to share varies with income and the higher the income, the less likely a person is willing to share (Gaskin, 2010). Therefore, it is more of the social economic situations of each individual rather than the economic impacts per se that can influence a person's behavior towards involvement in the sharing community.



## **CHAPTER V**

### **RECOMMENDATIONS**

Although the concept of Airbnb is a platform for homeowners to host travelers for the unique experience, almost all respondents who have their properties listed on this website would use the condo or apartments that they are not currently living in or only do so occasionally. The non-users of Airbnb are also interested in the fact that it can be a means to generate additional income on idle assets. However, not all welcome this idea deeming rental to budget travelers meaning their properties will be at risk of damage and theft of personal possessions. Some do not trust the support system that Airbnb provides and say that it will take a while for this concept to be accepted in Thailand. Yet others see that the a major barrier for Thais not to fully embrace this home sharing platform is not a matter of trust but a matter of the lack of language skills required to communicate with foreign travelers when there are inquiries. There is yet to be an easy to use or cost effective application that can assist with this problem making many homeowners reluctant to enter the new sector of the market.

From the findings of this research on the Thai consumer behavior towards the sharing economy this section will discuss the practical implications that can be applied to the business of Airbnb to grow the business in Thailand. The second part of this section discusses the limitations of the study and recommendations on future researches.

#### **5.1 Practical Implications**

With observation from direct experience of the researcher herself and from friends who have their properties listed on Airbnb, bookings are coming in regularly showing an increase in demand by travelers visiting Thailand. Airbnb can easily become

another business opportunity for many Thais as a form of alternative income. This study will benefit not only users the home-sharing platforms such as Airbnb but other community based sharing platforms that will connect visitors with locals for shared experiences in traveling, dining, etc.

Language barrier is one of the main obstacles that Thais may face when becoming a host. This is especially the case in areas outside Bangkok. To grow their network, platforms such as Airbnb should consider language training courses for interested hosts or should develop a software that can provide basic response templates that are come many languages to assist communications between hosts and guests.

Although the host and guest screening procedures and peer-to-peer reviews are quite effective ways of building virtual trust, there may be occasions where disputes would arise and law enforcement procedures may need to take place. Airbnb should also consider hiring legal consultants and home-based insurance companies in each country to become more credible and to gain the trust of local hosts and guests alike. Having an office with local customer service providers will prove very beneficial in assisting users with any problems.

## **5.2 Limitations of Study and Future Recommendations**

This research has been conducted through interviews with 15 respondents of residents living in the Bangkok region. By no means is this research representative of the entire country of Thailand. Further research can be done in other provinces to be able to address the topic of consumer behavior towards the home-sharing platforms such as Airbnb, which may differ from city to city.

As this research has been conducted through in-depth interviews of 15 respondents, more interviews can be carried out to explore other elements that can have an effect on consumer behavior toward the likelihood of becoming a member of Airbnb. The notion of trust in the Airbnb system may also differ with different age groups and educational level. As this study was done mostly with respondents who either have a

bachelor's degree or master's degrees with most having traveled abroad, it would be interesting to investigate other potential users of this platform who may not have such background. Consumer behavior may also differ from people of different family upbringing and from one province of Thailand to another and therefore, more in depth study can be conducted around these topics to obtain a more clearer results that can be beneficial for the usage of Airbnb to carry out an action plan to attract wider range of users.



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