Airbnb customers choose accommodation based on a non-monetary price and past experience

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Inés Küster and Juan J. Pascual, researchers in the Department of Marketing and Market Research at the University of Valencia, point out

that non-monetary price and experience are the variables that most influence the purchasing decision Airbnb users. In addition, in an article published in the journal Management Letters / Cuadernos de Gestión, they recommend that hosts focus on generating enjoyable experiences rather than maximizing the value of their offering.

The hiring of P2P hosting services, or hiring from computer to computer, without intermediaries has had an exponential growth since 2011. An example is Airbnb. The city of Valencia, a Spanish tourist hub, joined this trend a few years ago and there has been an increase in academic research that seeks to understand the non-monetary motivations of its users to rule out a hotel and choose a full house or flat with a private individual.

"Travelers want to reduce non-monetary or subjective costs, and not monetary ones, linked to the consumption of an accommodation alternative like Airbnb," explains Professor Küster. "In addition, we know that using a P2P service involves financial, service and time risks, and yet customers still prefer them. The reason is that these users define the price they want to pay based on emotional value, social value, and then the relationship between price and cost, and performance and quality," concludes the expert. "One possible answer to why they prefer Airbnb is that the non-monetary or behavioral price is more relevant in defining the value assigned when deciding accommodation," the researcher concludes.

In the article, "Non-monetary price perceived in e-peer-to-peer accommodation. Airbnb guests perspective," they used an essentially quantitative technique, a novelty since these studies are mostly conducted from a qualitative perspective. Inés Küster and Juan P. Pascual used a closed questionnaire with 136 Airbnb guests residing in Valencia.

"We find evidence that shows that past experience, financial risk, and time risk influence the perceived non-monetary price and guests' intentions to re-hire the service," Professor Küster explains.

Along with this, researchers have found that past experience has a positive indirect effect on non-monetary price. In other words, "the previous experience of the guests with Airbnb has an effect on giving more importance to aspects related to the non-monetary price, in other words, to issues beyond the monetary price that is paid for this service," indicates the professor.

This type of price is one of the strongest variables that affects the decision-making process of Airbnb guests, especially when consumers purchase travel products considered of high risk, as is the case in the use of this platform.

In addition, the perceived benefits of using tourism accommodation services, such as convenience, hedonism, ease of booking, and selection of services, do not show a significant relationship with the perceived non-monetary price. "Moreover, these factors cannot be considered to affect this value component relative to the use of these services in online consumer or eC2C experience environments," explains Inés Küster.

That's why one of Küster and Pascual's recommendations to Airbnb hosts is that they don't focus on maximizing their value "as they don't have a direct relationship with the intention of booking rooms in eC2C environments." And they add that it would be interesting to focus on generating pleasant experiences because they increase both the perceived value and the purchase intention: "Perceived risks will decrease and non-monetary price perceptions, which significantly affect the reserve intention, will increase," they conclude.

More information: undefined undefined et al. Non-monetary price

perceived in e-peer-to peer accommodation. Airbnb guests' perspective, *Cuadernos de Gestión* (2021). DOI: 10.5295/cdg.201290ik

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