DIGITAL MICRO-ENTREPRENEURSHIP IN PEER-TO-PEER ACCOMMODATION SECTOR: EVIDENCE FROM SRI LANKA

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ABSTRACT

Objective: Digital micro-entrepreneurship in the tourism and hospitality industry is a novel phenomenon driven by accommodation sharing platforms like Airbnb. The purpose of the study is to explore the attributes, motivations, perceptions, benefits, and challenges faced by entrepreneurs in the peer-to-peer accommodation sector driven by the Airbnb Platform.

Research Design & Methods: This study used a qualitative research design that followed inductive content analysis assisted by thematic analysis of semi-structured interviews with twelve micro-entrepreneurs who provide peer-to-peer accommodations in Sri Lanka.

Findings: Peer-to-Peer accommodation entrepreneurs were motivated mainly by the curiosity to try Airbnb, followed by monetary and social gains. Amidst several challenges, such as the uncleanliness of some guests and violation of house rules, peer-to-peer micro-entrepreneurs enjoy their role as hosts and are satisfied with the overall hosting experience.

Implications & Recommendations: The study provided peer-to-peer accommodation hosts a sense of empowerment and an opportunity to make their voice heard, which is crucial in developing an impartial public debate to develop the right policies for the peer-to-peer accommodation sector in Sri Lanka.

Contribution & Value Added: The study contributes to the existing body of knowledge on entrepreneurship in the informal sector by viewing Airbnb hosts as informal microentrepreneurs with distinct attributes, motives, perceptions, benefits and challenges while providing valuable insights for various stakeholders in the industry.

Keywords: digital entrepreneurship; micro-entrepreneurship; peer-to-peer accommodation; Airbnb, Sri Lanka.

JEL codes: L26, O30, Z30

Article type: research paper

INTRODUCTION

The prevailing social, cultural and economic changes and evolving technological advancements tend to encourage and drive entrepreneurial activity. Modern entrepreneurs are significantly different from traditional entrepreneurs due to their attitudes, knowledge and technology motivated processes (Romano et al., 2016), as knowledge and technological innovations are tactical assets and key facilitators of modern entrepreneurship (Audretsch, 2002). Both media (Zumbrun & Sussman, 2015) and the academic world (Çakmak, Lie and McCabe, 2018) have expressed their keen interest in observing how micro-entrepreneurship and flexible employment increase entrepreneurial activity as a result of sharing economy. Entrepreneurship is said to be dependent on the availability of slack resources. (Aggarwal et al., 2012).
Sharing economy platforms have enabled a new breed of micro-entrepreneurship where individuals exploit the assets they own with little to no capital to earn revenue and assure an income source from underutilised or idle resources (Alrawadieh, 2018). Although the sharing economy impacts practically every industry (Sigala, 2017), it appears to have a more significant impact on tourism and hospitality. The traditional tourist accommodation sector, in particular, has been regarded as highly susceptible to disruption by sharing economy peers (Sigala, 2017).

Besides the registered tourist accommodations, a surge of informal sector accommodations can be seen in Sri Lanka due to the sharing accommodation platforms like Airbnb (Daily Mirror, 2015; Ellepola, 2017). In Sri Lanka, informal accommodations account for about 50 per cent of the business (Jayasinghe, 2017) and around half of the travellers visiting Sri Lanka choose informal tourist accommodations over regular tourist accommodations (Miththapala & Tam, 2017). These platforms have changed the nature of the traditional tourism accommodation sector, which primarily relied on phone calls and walk-in reservations (Tajeddini et al., 2020). As these platforms operate all the time, potential tourists can make bookings whenever they prefer. It also offers a ranking of accommodations that helps tourists make decisions. In addition, these platforms offer an online marketplace that allows low budget accommodations in the informal sector (Ellepola, 2017). Most studies focusing on tourism and hospitality in the sharing economy are centred around tourist destinations and tourists (Alrawadieh, 2018). Sharing economy entrepreneurs do something traditional yet not defined and measured (Sigala, 2018b). This emphasises the importance of learning more about the nature, motivations, and challenges of rising micro-entrepreneurship in the peer-to-peer accommodation sector. Still, the literature investigating the role of microentrepreneurs and the underlying process of these microentrepreneurial enterprises operating in this innovative ecosystem is scarce and limited (Prayag & Ozanne, 2018; Sigala, 2018b). Additionally, none of the studies has explored the situation in Sri Lanka. So, by viewing Airbnb hosts as entrepreneurs pursuing their operations inside the informal economy, the current study aims to explore the attributes, motivations, perceptions, benefits, and challenges faced by entrepreneurs in the peer-to-peer accommodation sector.

**LITERATURE REVIEW**

**Digital Entrepreneurship in Sharing Economy**

The typical entrepreneur is an independent, risk-taking, growth or profit-oriented individual who seeks, identifies, and exploits market possibilities (Carland et al., 2007). Furthermore, the process of beginning a business is typically related to factors such as identifying existing entrepreneurial opportunities, developing a viable product, and creating new value (Shane & Venkataraman, 2007). These elements are also applicable to digital-age entrepreneurial ventures (Hull et al., 2007; Standing & Mattsson, 2018). However, entrepreneurship in the digital age differs significantly from entrepreneurship in the non-digitised world (Standing & Mattsson, 2018). As a facilitator of digital entrepreneurship, digital technology increases the opportunity to become an entrepreneur due to the rapid development and expansion of technologies. Additionally, the use of digital technologies lowers the costs of setting up a business virtually (Hull et al., 2007).

The synergies of technology and entrepreneurship have a significant socio-economic impact. However, there is a distinction between digital technology entrepreneurship and digital entrepreneurship (Giones & Brem, 2017). As for digital technology entrepreneurship, new products and services brought to market are solely based on ICT technologies, and entrepreneurial activities are tied to the development of ICT-based smart gadgets, such as smartphones, with the use of the internet. Digital entrepreneurship, on the other hand, refers to new goods and services that are based on the internet and in which technology is one of several input factors. As a result, the novel product or service is often hosted in the cloud and makes use of big data or artificial intelligence (Giones & Brem, 2017). Examples include Airbnb, Snapchat, and Uber. Digital entrepreneurs can be defined as “any agent engaged in any commercial, social, government, or corporate venture that uses digital technologies” (Sussan & Acs, 2017). Richter et al. (2017) highlighted the major opportunities associated with the sharing economy: the occupation of market niches; the innovativeness of an
entrepreneurial idea; the discovery of a previously unknown path; rule-breaking; and the abandonment of an existing business model in favour of the establishment of a new model. All of these factors can be traced back to various entrepreneurial activities occurring in the sharing economy (Leick et al., 2020). Accordingly, the sharing economy represents a different breed of internet-based digital entrepreneurship that uses digital technology to provide physical or intangible digital products and services (Giones & Brem, 2017). For example, Uber’s taxi driver service supplies a tangible product, but a substantial portion of the service offering is digitally structured (Sussan & Acs, 2017). This is also true for Airbnb, which uses a digital approach to link accommodation users with suppliers but ultimately provides non-digital accommodation services (Leick et al., 2020).

**Digital Entrepreneurship in Sharing Accommodation Sector**

Ferreira et al., (2018) define “Tourism e-micro entrepreneurship” as “the process of launching or adding value to a small tourism enterprise that relies partially on web marketplaces to attract visitors and employs no more than five people, with the goal of serving a global market and allowing the owner a desired livelihood and lifestyle”. People as enterprises are an emergent economic phenomenon and a novel type of urban micro-entrepreneurship in which local governments reimagine the socio-spatial relations of urban living to address environmental and economic demands (Stabrowski, 2017). Entrepreneurs, including small and micro-entrepreneurs, provide goods and services in these peer-to-peer markets (Sundararajan, 2014). Sundararajan (2014) identifies Individuals who rent their residence to peers as short-term accommodation through Airbnb as microentrepreneurs and peers who rent the place as consumers. On a similar note, Martin (2016) describes people who work and make money in the sharing economy as microentrepreneurs. Airbnb hosts could be thought of as microentrepreneurs who engage in fictitious sharing (Belk, 2014b) and engage in micro competitive platform capitalism, driven by the review function as a surveillance mechanism (Meged & Christensen, 2017). On the one hand, previous research has demonstrated that non-financial considerations inspire tourist microentrepreneurs (Ateljevic & Doorne, 2000), who prioritise the quality of life over business growth (Peters & Schuckert, 2014).

Individuals can legally bind contracts with others and exchange peer-to-peer goods and services, which is central to micro-entrepreneurship in sharing economy platforms (Zhang et al., 2019). These platforms are highly recognised as having the potential to boost entrepreneurship and innovation (Molly & Arun, 2017). Although the sharing economy has extended to many industries (Belk, 2014a), tourism and hospitality appear to be the most widespread (Priporas et al., 2017). It is not surprising that the nature of tourist and hospitality activities and the sharing economy are often connected with service delivery (Abrate & Viglia, 2019). In terms of demand and supply, peer-to-peer accommodation is similar to traditional accommodation (Alrawadieh, 2018). Sigala (2018a) concluded that the services provided by Airbnb entrepreneurs are identical to those provided by traditional tourist accommodation providers, leading to the conclusion that these entrepreneurial activities contribute to the monetisation of peer-to-peer accommodation authenticity. As a result, peer-to-peer accommodation providers may practice what may best be described as sharing economy entrepreneurship (Sigala, 2018a).

Entrepreneurship in the sharing economy differs from traditional entrepreneurship in several ways. First, since sharing economy entrepreneurs make money from their own assets, the starting capital needed in sharing economy-based entrepreneurship is far lower compared to traditional entrepreneurial ventures (Alrawadieh, 2018). Next, unlike traditional hotel enterprises, peer-to-peer accommodation entrepreneurs are less likely to rely solely on revenue earned by their operations (Guttentag, 2015). Third, qualities and attributes of entrepreneurs such as risk-taking mentality and tolerance of uncertainty (Chye Koh, 1996) may not apply to sharing economy enterprises (Alrawadieh, 2018). Finally, sharing economy entrepreneurs are more likely to start small and are more engaged in the service delivery process (Alrawadieh, 2018). As a result, unlike traditional accommodation establishments, the peer-to-peer accommodation industry’s connection between hosts and guests may be defined by greater engagement and lower levels of formalities (Alrawadieh, 2018). This stems from the fundamental nature of sharing, in which the service provider and the client share the same resources. As a social practice, interaction contributes to the overall co-creation of value (Camilleri &
Neuhofer, 2017). At the same time, high amounts of engagement between hosts and guests may give considerable social benefits by allowing guests and hosts to understand each other’s traditions better (Lampinen & Cheshire, 2016). It also has transformative potential because it may lead to cultural assimilation in which both the hosts’ and the guests’ beliefs and values alter (Decrop et al., 2018). As a result, cultural integration may be more common in peer-to-peer accommodations than their traditional counterparts (Alrawadieh, 2018).

The motives for entrepreneurship in the shared accommodation sector have also been studied in the past. The need to avoid unemployment as well as provide a source of income are two main motivations that drive entrepreneurs in the peer-to-peer accommodation sector (Martin, 2016). Apart from financial gain, many entrepreneurs desire freedom, prestige, pleasure, and a better quality of life (Hamari et al., 2015; Hawlitschek et al., 2016). In the sharing economy, lifestyle, in particular, emerges as a key motivation (Cheng, 2016; Hawlitschek et al., 2016) that highlights the desire to explore new ways of life that fulfill one’s financial, personal, and social ambitions without being confined by traditional labour (Carlsen et al., 2008). Accordingly, the formation of small tourism enterprises is heavily influenced by one’s lifestyle (Alrawadieh, 2018). The importance of lifestyle entrepreneurs in providing novel experiences in tourism markets is also highlighted in the literature (Ateljevic & Doorne, 2000). The sharing accommodation concept is based on offering a product that reflects locals’ daily lives. As a result, lifestyle entrepreneurs seeking social value from their operations can benefit from the shared accommodation philosophy (Hawlitschek et al., 2016). Thus, economic reasons and a desire to interact with others drive participation in the sharing economy (Hamari et al., 2015; Lampinen & Cheshire, 2016). Sharing accommodation entrepreneurs, like informal tourism entrepreneurs, may be encouraged to build strong community ties, which is a type of social capital that is essential for the growth of their businesses (Çakmak et al., 2018). In this case, entrepreneurs are more likely to use their social networks to outsource services. This is due to the foundation of the sharing economy, which is based on creating a more sustainable and decentralised economy (Martin, 2016).

Despite the rise in studies on the sharing economy over the last few decades, research on the supply side of the sharing economy, particularly the peer-to-peer accommodation sector, is still scarce. The current study aims to address this gap in knowledge by thoroughly studying the characteristics, motives, and obstacles faced by peer-to-peer accommodation entrepreneurs in Sri Lanka.

METHODS

A qualitative research approach was considered appropriate for the current study because of the exploratory nature and the aim of hearing from individual peer-to-peer microentrepreneurs followed by the scarcity of entrepreneurship research, particularly in the peer-to-peer accommodation sector. Therefore, the study follows the case study approach as the research strategy and Airbnb was chosen as the representative peer-to-peer accommodation platform.

The sampling method follows the ideas of purposive sampling, and the respondents have come from different tourism zones of Sri Lanka. The purpose of the sampling approach was to produce a diversity of viewpoints, with respondents representing a broader cross-section of micro-entrepreneurs in Sri Lanka that run peer-to-peer accommodation enterprises. Airbnb was chosen as the study’s representative peer-to-peer accommodation platform, and relevant micro-entrepreneurs were found through the search function of the Airbnb platform. The data was acquired through semi-structured interviews, which is suitable when the proposed study has an exploratory element (M. Saunders et al., 2009).

There is no universal guideline for the number of respondents needed. According to Saunders (2012), the number is based on “research aim, the type of information required, the issue of credibility, and the resources available”. Guest, Bunce and Johnson (2006) also suggest that when the research aims to explain a shared perception or behaviour between a relatively homogeneous group, a sample of twelve respondents is likely to suffice. A study by Eisenhardt (1989) found that the saturation point of newly acquired knowledge is around 12 interviews. The researcher conducted 12 interviews and concluded...
that the data had reached a saturation point and that more interviews would most likely confirm the previously discovered opinions, patterns, and themes. Therefore, the number of people interviewed in this study matches the criteria proposed by Guest, Bunce and Johnson (2006) and the notion of theoretical saturation (Eisenhardt, 1989).

An inductive content analysis approach was used because of the novelty of the sharing economy entrepreneurship phenomenon and the scarcity of related studies. The content analysis of the interview notes was conducted through Leximancer. The analysis is also assisted by thematic analysis, which searches for topics that appear to be critical to understanding the phenomenon in focus (Fereday & Muir-Cochrane, 2017). Thematic analysis is often used in analysing interview data (Roulston, 2001).

As Lincoln & Guba (1985) suggested, the researcher addresses credibility through prolonged engagement, persistent observation, and peer debriefing to ensure the trustworthiness of a qualitative research inquiry. As for the transferability of the study (Tobin & Begley, 2004), the researchers described the study in sufficient detail so one can begin to evaluate the extent to which the conclusions drawn are transferable to other times, settings, situations, and people. In addition, the researcher included the reasons for theoretical, methodological, and analytical choices throughout the entire study so that others can understand how and why decisions were made to ensure the dependability of the study (Koch, 2006).

FINDINGS

Background of the Interviewees

Table 1 provides the background information of the entrepreneurs who participated in in-depth interviews. The majority of entrepreneurs were Females (67%) and married (58%). Most of them are in the age group of 41-50 years and have between 02 to 05 years of hosting experience. The majority of informants are full-time hosts and, on average, spend around 12 hours per day in hosting activities. The number of informants is equal in Listing Type, and most properties are “Houses” (75%). Almost all informants have listed their property on multiple online platforms (92%) and are property owners. Since most informants are married, the business is typically supported by one additional family member, usually the spouse.

Motivations to offer peer-to-peer accommodations

The Leximancer’s Concept Map comprises the names of the key concepts that appear in the text. The themes facilitate interpretation by grouping clusters of concepts and are shown on the map as coloured circles (Figure 1). The themes are colour-coded to denote their prominence. According to the colour wheel, the ‘hottest’ or most important topic appears in red, the next hottest in orange, and so on. Six major themes emerged from the text analysis of the discussions had with the entrepreneurs, namely “airbnb”, “income”, “location”, “experience”, “recommend” and “job” based on the connectivity score (Table 2). The connection scores reveal how important the topics are in relation to one another.

Airbnb: Among the motivations to engage in the sharing accommodation business, the concept or the influence of Airbnb has affected immensely. Platforms like Airbnb enables individuals and groups to make income from underutilised spaces of their properties that may be offered as short-term accommodation. With a few clicks of a mouse, anybody can become a supplier of accommodations without significant capital investment. This has become a significant enabler for people to provide peer-to-peer accommodations. P10 revealed, “I have always wanted to rent out my place, and the concept of Airbnb motivated me”. Some hosts became entrepreneurs due to their curiosity about short term renting and have studied the concept using platforms like YouTube and got motivated to enter into the business. For example, P9 commented, “Airbnb and VRBO, but really became motivated watching YouTube videos on short term renting”.

Income: The desire to generate income was identified as a significant motivator to join the sharing accommodation business. The majority of the informants are full-time hosts who solely depend on the short-term rental business to make a living. These hosts have entered the short-term rental industry to
overcome unemployment, underemployment, or dissatisfaction with previous employment. For example, P3 mentioned, “Husband left me, and I had two houses on my property and needed a way to make a living”, while P9 said, “To make enough income to leave my full-time job in consulting”.

Table 1. Background of Entrepreneurs and Their Accommodation Businesses

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>33</td>
</tr>
<tr>
<td>Female</td>
<td>67</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>58</td>
</tr>
<tr>
<td>Single</td>
<td>42</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>21-30</td>
<td>25</td>
</tr>
<tr>
<td>41-50</td>
<td>42</td>
</tr>
<tr>
<td>51-60</td>
<td>17</td>
</tr>
<tr>
<td>61 or over</td>
<td>17</td>
</tr>
<tr>
<td>Residential Property Type</td>
<td></td>
</tr>
<tr>
<td>House</td>
<td>75</td>
</tr>
<tr>
<td>Apartment</td>
<td>25</td>
</tr>
<tr>
<td>Listing Type</td>
<td></td>
</tr>
<tr>
<td>Entire Place</td>
<td>50</td>
</tr>
<tr>
<td>Private Room</td>
<td>50</td>
</tr>
<tr>
<td>Hosting Experience</td>
<td></td>
</tr>
<tr>
<td>Between 01 year and 02 years</td>
<td>8</td>
</tr>
<tr>
<td>Between 02 years and 05 years</td>
<td>42</td>
</tr>
<tr>
<td>Between 05 years and 07 years</td>
<td>25</td>
</tr>
<tr>
<td>More than 07 years</td>
<td>17</td>
</tr>
<tr>
<td>Nature of Hosting</td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>83</td>
</tr>
<tr>
<td>Part-time</td>
<td>17</td>
</tr>
<tr>
<td>Property Listed on Multiple Platforms</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Compiled by the Author, 2021

**House:** Large houses with small families often have underutilised spaces. With the advent of sharing accommodation platform, such families could easily rent out these spaces and generate some extra income. P1 mentioned, “We did not have any idea of renting the house when we were building the house. We built this for our family’s use. Later we thought that this was too large for our usage, so we looked for an opportunity and found about this”. People who had multiple residential properties often rent out their properties in the rental market and mostly in long term rental market. P8 mentions, “My property was purchased as an income property and has been rented full time since it was purchased”. However, with the rising popularity of sharing accommodation platforms, property owners prefer to list their properties as short-term rentals due to convenience, financial attractiveness and other benefits. For instance, P8 mentioned, “I was tired of offering my income property as a long-term rental. It is more lucrative to use it as a short-term rental”. These types of short-term rental listings are classified as “Entire Place” listings where the guests enjoy the entire property space since the host is not present at the property.

**Easy:** Airbnb is known as a digital disruption due to its innovative business model. Even though sharing is not a new phenomenon sharing through sharing economy is a novel concept. So people are curious and want to try the experience. For instance, P7, who started to become a host because of curiosity, mentioned, “I started to be an Airbnb host mainly because of curiosity and to have a travelling experience at home. So It was an easy way to try it, so why not” Airbnb has also improved the connectivity, communication and convenience among both host and guest where both parties can plan their activities. For example, P1 said, “This is more convenient than conventional hosting, and it is easy to connect with guests”.

**Recommend:** Some hosts entered into the sharing accommodation business due to the influence of an external party. The external party could be a friend or a relative, who may be a host or have stayed at an Airbnb as a guest. For example, P1 revealed, “One of my friends have used Booking.com, and he introduced us to it, so we started hosting. We registered in Airbnb and Booking.com almost at the same period”. These recommendations are often complemented by the location or the nature of the property. For instance, P2 revealed, “I felt that this location is good, and the rooms are good, and all my friends also asked me why I do not do that. So, I started this” and on a similar note, P2 said, “He
saw my house and said that it is like an Australian house and so told me about Airbnb and to register in Airbnb.

Figure 1. Concept map of the themes and concepts
Source: Compiled by the Author (Leximancer Analysis Output), 2021

Table 2. Analyst Synopsis of Each Theme

<table>
<thead>
<tr>
<th>Theme</th>
<th>Colour</th>
<th>Connectivity Score</th>
<th>Main Concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>airbnb</td>
<td>Red</td>
<td>59</td>
<td>airbnb, motivated, host, rent, place, wanted, started</td>
</tr>
<tr>
<td>income</td>
<td>Yellow</td>
<td>17</td>
<td>income, property, time, job</td>
</tr>
<tr>
<td>house</td>
<td>Light Green</td>
<td>5</td>
<td>house, need</td>
</tr>
<tr>
<td>easy</td>
<td>Light Blue</td>
<td>5</td>
<td>easy, guests</td>
</tr>
<tr>
<td>recommend</td>
<td>Dark Blue</td>
<td>1</td>
<td>friends, rooms</td>
</tr>
</tbody>
</table>

Source: Compiled by the Author, 2021

Identity of the peer-to-peer accommodation hosts

Figure 2 is a word cloud that presents the frequent words used by the informants to describe themselves or the way they perceived themselves as a host. The most frequent words were friendly, good, accommodating, flexible, authentic, caring, guest-centric, thoughtful, attentive, and available. These qualities are often reflected in the previous studies on guest experiences based on Airbnb guest reviews (Cheng & Jin, 2019).

Experience in hosting peer-to-peer accommodations

Overall, hosts enjoy their lives as hosts and are very positive about their hosting experience so far. For example, P10 states, “I love hosting and sharing my knowledge of the area to visitors eager to experience my hometown”. Hosts have found meeting and interacting with guests, receiving compliments, decorating and improving the property to be most enjoyable within the hosting experience. For instance, P7 mentioned, “What I enjoy most is meeting guests”. P5 said, “I enjoy receiving compliments from the guests”, and on a similar note, P9 mentioned, “I enjoy hearing how much guests enjoyed their stay”. In addition, P10 mentioned, “I enjoy decorating and sharing local tips with guests”, while P3 revealed, “I enjoy most in constantly improving the property”. In terms of
negative experiences, most hosts found violation of house rules and guests asking for favours to be least enjoyable. For example, P9 revealed, “Least enjoyable is dealing with guests who break the rules (bringing pets saying they did not saw the listing does not accept pets)”, and P5 mentioned, “Least when guests are asking favours of late checkout and lower price”. Some hosts have found cleaning the property to be one of the least enjoyable tasks in their routine, and for some, it does not bother at all. As P3 mentioned, “Cleaning is the least enjoyable task”.

Figure 2. Word Cloud
Source: Compiled by the Author, 2021.

In terms of effort and time consumption, almost all informants agree that cleaning and preparing the property for guests to be the most time-consuming. For instance, P3 and P6 mentioned, “I found cleaning to be the most time-consuming task”. However, one informant mentioned checking in the guest to be the most time consuming, but this is not the case for all. For example, P2 said, “It is not time-consuming at the check-ins and outs because I plan them well. At night I plan that at what time will they arrive, what should prepare for breakfast like that”.

In respect of being a host and its impact on other domains of life, every informant enjoys their life as a host and reveals that it does not negatively affect their personal life and well-being. For instance, P4, who is a full-time host said, “I work at home, so hosting fits right in”, and P9 states, “Works out very well. I have people who can help and back me up when I am out of town, by delivering towels or anything else if needed”. Similarly, part-time hosts who are employed too have found hosting to be rewarding. For example, P6 mentioned, “I am a busy mother of three children and work full time, but hosting does not impact my daily life”, and P4 states, “It is easy to fit my life around being a host as I can plan ahead and prepare”.

Most hosts have enabled instant booking, which does not facilitate the control to select guests. Few (3) hosts who have not enabled instant booking usually do a background check on guests by going through their Airbnb and Social Media profiles such as Facebook before accepting the reservation request. For example, P8 mentions, “I primarily check the reviews about the guest. If the guest has no reviews, I will ask for as much information as I need to feel comfortable, I do not rent to anyone under 25. I try to look people up on Facebook whenever possible”.

All hosts are optimistic about their future as Airbnb hosts. For instance, P10 said, “I see exponential growth for Airbnb in the next generations, which I am very excited for. Demand for a variety of hosting opportunities is going to increase”. As for future plans, most hosts are planning to either upgrade their property or expand their business by adding additional properties to their portfolio. For
example, P1 revealed, “We are willing to change the model as an apartment. Due to the high demand, we are also looking for a new apartment somewhere else”. P9 mentioned, “I am building several new cabins on my property to rent, and plan on managing other properties”. However, one host mentioned that she had plans for expansion but at the moment reluctant to proceed due to market uncertainty and the situations prevailing in the country (“I had a plan to list another one, but with this situation, I do not think so. Otherwise, there is a lady who keeps asking me to buy her apartment but with this situation I have doubts”). Another host mentioned she like to expand the business but will not proceed due to prior negative experience (“I would like to expand, but I had a negative experience with my one attempt to expand, so probably will not do so. I will host until I can no longer do so”).

Benefits and challenges of being a peer-to-peer accommodation host

Being a host has made a positive impact on all informants. Financial gains were the most popular benefit among others. Informants who have left their full-time jobs to become full-time hosts are highly satisfied with their decision. The overall quality of life has improved due to increased family time and improved social life due to meeting new people from various backgrounds and various parts of the world. As P1 elaborately mentioned, “My life has changed since I became a host. The awareness about the world has increased. We meet different people from different cultures. It is good on the social side. Our kids also move with that. Satisfaction is higher than doing a job. We can save time. It is better than the jobs we have done in the past. Earlier, we worked at a paint manufacturing factory. So, we spent most of our time there and had no time for family. However, now we have plenty of time. Since the stage we begin this, everything has been improving step by step. We meet new people, and we get new ideas”.

Another important benefit mentioned by the informant is having more control of the property compared to long term rentals and continuous development of the property due to upgrades and decorations. For instance, P5 mentioned, “Can earn extra money and give me more control of the property”. P7 said, “The state of the house benefits from it”, and on a similar note, P4 mentioned, “More money and flexibility to renovate my home”. Interestingly, some hosts could join business ventures with their interactions with the guests. For example, P2 revealed, “Because of hosting, I was able to join new businesses ventures. I am a director of an Indian startup company that deals with wastewater management and purification. I got this opportunity through an Indian couple who stayed in my place. Such things also happen”.

The hosts mentioned a few challenges in engaging in sharing accommodation business, such as the uncleanness of some guests and violation of house rules were often highlighted. For example, P1 states, “There are not many or too big problems, but when the Asians like Indians visit, it is difficult to handle them like other nationals. Their behaviour is a bit bad, less cleanliness, and expect more than what they pay”. Additionally, maintenance, decoration of the property, and maintaining healthy relationships with neighbours have also been mentioned by the hosts as challenges. For instance, P8 said, “It is a challenging task to clean the property on my own, also regular maintenance, paying bills and keeping the neighbours happy”. Previous studies have indicated that residents face various difficulties such as nuisances, traffic, and parking problems due to the sudden influx of tourists into their neighbourhood due to the impact of sharing accommodations (Gurran & Phibbs, 2017).

Since these peer-to-peer accommodations are operated in an informal setting, hosts face difficulties in access to finances and other services. As P1 reveal, “There are some instances like, we cannot accept credit cards unless it is registered as a business. The bank does not provide the facility to accept credit cards if the business is not registered as a business organisation”. Another challenge faced by hosts is lack of regulation and enforcement, leading to low-quality accommodation providers, which damage the reputation of the peer-to-peer accommodation sector. P2 revealed, “Some people just rent out places without any quality, that is a bad impression for Sri Lanka. So, I think it is better to monitor them before they start hosting. I have gone to several such houses, but I cannot even go into the house, very dirty places” also she added, “There was a lady in Tourism Board when she was in duty, we get a message every year reminding the payment of registration fee. After she was resigned, I have not paid yet, because they do not send reminders, and we also forget. Most of the hosts have not registered”.

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**Hosts suggestions for Airbnb platform**

Most of the hosts are satisfied with the platform in terms of user experience and features. However, hosts have highlighted a significant issue with the Airbnb platform. A host needs to create separate listing pages and cannot integrate them into a single profile when a host is willing to rent multiple rooms. As a result, additional effort is needed to create and manage the listings. As P1 revealed, “One issue with Airbnb is that we cannot add new properties for the same profile. In Booking.com, if we make a listing, we can add rooms for the same listing. However, in Airbnb, we need to create a new listing for each property or room. If we have eight rooms, we have to create eight listings. So, the guests cannot see the variety of rooms that we offer on a single page, as it shows only one room on the property. I think that needed to be changed in the Airbnb.” The hosts also raise the need for a mechanism to identify typical customer scams. Few hosts mentioned improving customer service and support for hosts and should take away the feeling that hosts are working for a boss.

**DISCUSSION**

This is probably the first study to look at the peer-to-peer tourist accommodation sector in Sri Lanka from the supply side. Specifically, the study looked into the attributes, motivations, perceptions, benefits, and challenges entrepreneurs face in the peer-to-peer accommodation sector driven by the Airbnb Platform. As a result, the study provided timely and substantial insights into an important but under-researched area of study.

In the sharing economy, males appear to be more interested in entrepreneurship than females (Alrawadieh, 2018). However, this study contrasts with the long-held belief that women are less likely than men to start their own businesses (Alrawadieh, 2018). Additionally, findings contradict with the claim that men are more likely than women to be involved in larger tourism businesses (Ioannides & Petersen, 2003). The peer-to-peer accommodation hosts usually list their property in multiple platforms to increase their effectiveness as hosts (Semi & Tonetta, 2020). Similar behaviour can be seen in Sri Lanka.

Some informants were inspired to join the sharing economy because of their previous industry experience and knowledge (Alrawadieh, 2018). The study adds evidence to that unemployment is a significant motivator for people to start their own businesses or seek self-employment (Benoit et al., 2017). The findings are consistent with the literature that indicates unemployment and underemployment can encourage entrepreneurial initiatives since individuals in such situations have spare time and hope for higher economic benefits (Acs et al., 2008). The study adds evidence to the fact that the lifestyle in sharing economy, in particular, emerges as a key motivation (Cheng, 2016; Hawlitschek et al., 2016) that highlights the desire to explore new ways of life that fulfill one’s financial, personal, and social ambitions without being confined by traditional labour (Carlsen et al., 2008). Entrepreneurs were also motivated by the desire to mingle with tourists from varied cultural backgrounds in addition to the financial incentives (Alrawadieh, 2018; Zhang et al., 2019). Similar to Alrawadieh’s (2018) findings, few peer-to-peer accommodation entrepreneurs in Sri Lanka see their operations as a way to supplement their income rather than as their primary source of revenue. It is less expensive to set up a business virtually due to the rapid expansion and development of technologies that facilitate digital entrepreneurship (Hull et al., 2007). Since sharing economy entrepreneurs make money from their own assets, the starting capital needed in sharing economy-based entrepreneurship is far lower compared to traditional entrepreneurial ventures (Alrawadieh, 2018) and thus has become a significant motivational factor in becoming a peer-to-peer accommodation host in Sri Lanka. The study also found that certain hosts entered the sharing accommodation business due to an external influence. The external party could be a friend or relative who is either an Airbnb host or has stayed as a guest at an Airbnb.

In terms of the host’s identity, the majority of hosts used words such as friendly, good, accommodating, flexible, authentic, caring, guest-centric, thoughtful, attentive, and available which are the qualities most often reflected in peer-to-peer accommodation user experience studies (Cheng & Jin, 2019).
Overall, informants are satisfied with their experience of hosting peer-to-peer accommodations and very optimistic about their future. The majority of hosts intend to either upgrade their property or grow their portfolio of properties. These findings contrast to the observation where informal entrepreneurs are more likely to be less worried about the growth of their business (Çakmak et al., 2018).

Financial gain was the most popular benefit of being a peer-to-peer accommodation host (Zhang et al., 2019). Informants who quit their careers to become full-time hosts are very happy with their choice. The hosts emphasised that overall quality of life has improved due to more family time and social interaction with people from all over the world with different cultural backgrounds (Zhang et al., 2019). Additionally, having more control of the property compared to long term rentals and continuous development of the property due to upgrades and decorations are some other benefits mentioned by the informants. However, the hosts frequently noted the uncleanliness of some visitors and violations of house regulations as obstacles in the business of providing room-sharing services. Additionally, the hosts have cited difficulties in maintaining the property, decorating it, and keeping good connections with their neighbours as problems. As a result of the informal nature of peer-to-peer lodgings, hosts often have limited access to financial resources and other essential services. In addition, the lack of regulation and enforcement puts hosts at risk of dealing with subpar accommodation providers, damaging the industry’s reputation as a whole. Previous research has shown that regulatory environments in developing countries are generally unstable (Thai & Turkina, 2014).

CONCLUSION

The study adopted an exploratory research approach to explore the micro-entrepreneurship in the peer-to-peer accommodation sector and provides significant contribution by exploring an understudied research area in the domain of sharing economy. The study aimed to identify attributes, motivations, perceptions, benefits, and challenges the micro-entrepreneurs face in the peer-to-peer accommodation sector based on content and thematic analysis of interview notes.

Theoretically, the study provides an understanding of the entrepreneurial behaviour relating to entrepreneurship theory by viewing Airbnb hosts as informal microentrepreneurs with distinct attributes, motives, and perceptions. Previous studies examining peer-to-peer accommodations have mostly focused on guests and destinations (Cheng, 2016), while the current study moves the attention from guests to hosts. Besides, informal entrepreneurs point of view is often overlooked in academic discussions (Çakmak et al., 2018). By exploring the experiences of entrepreneurs in the peer-to-peer accommodation sector, the study contributes to the existing literature on entrepreneurship in the informal sector. Moreover, this study expands the geographic coverage of the research stream on sharing economy, which is generally undertaken in regions such as Europe and North America (Adamiak, 2019).

The study provides valuable insights to various stakeholders in the travel and tourism industry. In Sri Lanka, regardless of the scale, tourist accommodation service providers must get registered and obtain a license from Sri Lanka Tourism Development Authority (SLTDA) to provide hospitality services. The study’s findings indicate that entrepreneurs in the sharing or peer-to-peer accommodation sector in the country prefer to operate off-the-books. Even though “Homestays”, which resembles the host present Airbnb Hosting (Private and Shared room listings), have been formally recognised and regulated by the SLTDA, the lack of enforcement has created various issues. The regulation of Airbnb is a heated topic among practitioners and academicians alike. There is little rationale for not regulating peer-to-peer accommodations (Ginindza & Tichaawa, 2019; Guttentag, 2015); however, it is highlighted that authorities should be careful not to over-regulate to an extent where they will not be able to survive (Pizam, 2014). The regulation of peer-to-peer is crucial to maintain fair competition in the market and make formal resources more accessible to micro-entrepreneurs. Nevertheless, sharing accommodation’s economic, social, and cultural benefits should not be overlooked. The above concerns and benefits are evidenced in the findings of this study. Therefore, the authorities should support these entrepreneurs by giving training opportunities in service delivery and online reputation management while regulating these entrepreneurial activities, ultimately improving their attitudes and

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tourism development. Thereby, Airbnb hosts can become major stakeholders who play a vital part in ensuring a pleasant overall destination experience.

The study has several limitations that could lead to further studies in the area. First, as Patton (2014) points out, the human element is both the greatest strength and the most fundamental drawback of qualitative research; therefore, a quantitative study could be used to validate these findings using a larger sample. Second, the study identified several important challenges micro-entrepreneurs face in the peer-to-peer accommodation sector, but strategies and mechanisms to overcome those challenges were not discussed in detail. Third, the informants who participated in the interviews were primarily from popular touristic cities and attraction sites. Thus, the outcomes of the study may be biased and context-specific. Therefore, future studies may focus on different destinations with different characteristics. Finally, the study has only focused on peer-to-peer accommodation entrepreneurship. More studies are required to look at other tourism and hospitality entrepreneurs who have developed due to the sharing economy.

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