TRUST BREAKTHROUGH IN THE SHARING ECONOMY: AN EMPIRICAL STUDY OF AIRBNB

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Abstract

Despite the acknowledged importance of trust in the sharing economy, especially for continuance use intention, a solid understanding of this phenomenon is still lacking. Due to the nature of the unique characteristics of Airbnb, as one of the most representative cases of sharing economy businesses, the effort of this research contributes to the literature by integrating attachment theory with the trust building model (TBM), which leads us to identify two types of trust initiators: cognitive- and affect-based trust. This work also reveals the mediating role of attachment in the relationship between trust and the behavioral outcome (i.e., continuous use intention). As the first stage of research in progress, the current paper presents a conceptual research model to be empirically tested in the next stage. At the end of the paper, expected implications for both theories and practices are discussed.

Keywords: Sharing Economy, Trust Building Model, Attachment Theory, Continuous Use Intention, Airbnb

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2 Corresponding author
1 INTRODUCTION

Smart technologies have released hidden economic treasures which are recognized as individual physical assets (Coppola 2016). Sharing businesses have unlocked individuals’ unutilized properties, which once would not have been considered as an economic asset, to create financial returns (Teubner 2014). The boundary of the sharing economy has extended its radius to cars, bikes, rides, residences, tools, toys, fashion items, and household goods for exchanging goods and services among peers online (Teubner 2014). That said, its new definition of the sharing economy relates to exploiting profits using the Internet to link between the unrevealed resources and demands of individuals (Rinne 2013). The ongoing development of web-based information technology has boosted the accessibility of individuals reaching out to others who are seeking goods and services (Zekanovic-Korona & Grzunov 2014). Due to its massive usage in the context of peer-to-peer services, Airbnb is a predominant example to explain this rising trend of the sharing economy (Teubner 2014). Airbnb describes itself as a “trusted community marketplace for people to list, discover, and book unique accommodations around the world” (Airbnb 2016). Its service offers two million accommodation options in more than 34,000 cities in 190 countries. As of February 2016, Airbnb reached 60 million willing members signed up as hosts (i.e., Airbnb hosts) (Digital Stats Reports 2016).

Unlike offline businesses, online transactions between owners and renters, indeed, require maximum security in many ways. One of the major ongoing issues is anonymity. Homeowners are completely unidentified to renters, and vice versa. In this situation, the most critical step is to establish trust building between them (Zekanovic-Korona & Grzunov 2014). In order to escalate the level of trust, Airbnb deals with informative as well as social interaction. While informative interaction is associated with cognitive features such as accommodation quality and privacy security features (Kim et al. 2008), social interaction refers to affective characteristics such as direct communication and real-time responses (Jiang et al. 2010). This interpersonal bond, which users unconsciously make with Airbnb hosts during the transaction, contributes to use intention by psychological attachment to both parties (Airbnb and its host), resulting in optimistic beliefs toward the object (Mikulincer et al. 2003).

In spite of numerous studies on Airbnb (Belk 2013; Guttentag 2013; Rinne 2013; Slee 2013; Teubner 2014; Zekanovic-Korona & Grzunov 2014) an explicit and comprehensive understanding of the sharing economy, especially focusing on the role of trust in users’ continuous use intention, is limited. Although Finley’s (2013) research is recognized as close to the main topic of this paper, it was qualitatively approached, leaving some rooms to be empirically validated with an integrated perspective of attachment theory and the trust building model (TBM). The purpose of this paper is to provide a research model that describes the procedural stages of gaining users’ trust online. This paper also seeks the core initiators of trust in two separate foundations (i.e., cognition and affect) on the web with uncertainty. This study, hence, investigates the directional and influential outcomes of users’ trust and attachment to two entities: Airbnb company itself and Airbnb hosts. Moreover, the effort of this research unveils the relationships among trust, attachment, and behavioral outcome (i.e., continuous use intention). This research theoretically lies in the trust building model (TBM) as the foundation of the conceptual framework. Unlike preceding trust studies focusing on trust and behavioral intentions, this research adopts attachment theory to redefine the meaning of trust with both cognitive and affective foundations in the context of the sharing economy, focusing on the Airbnb business model. This study also seeks to provide an in-depth understanding and practical insights, benefiting all cross-functional parties: Airbnb managers, Airbnb hosts, and eventually, Airbnb users.

2 THEORETICAL BACKGROUNDS

By integrating the trust building model (TBM) and attachment theory, this research try to better understand the role of trust and attachment in users’ continuous use intention in the context of the sharing economy. Figure 1 presents the conceptual framework of current research.
2.1 Trust Building Model

The trust building model (TBM) explains multiple dimensions from the antecedents as trust building levers to trust-related behaviors (McKnight et al. 2002). TBM examines the importance of theoretical disciplines in terms of how to build consumer trust online (McKnight et al. 2002). In the web context, when users face unfamiliar factors, they tend to search for credible information and salient vendor points. Especially in the initial trust relationship between the user and website/vendor, the e-consumer depends on signs or symbols such as website quality, vendor’s reputation to assess the object’s credibility (McKnight et al. 1998). TBM posits two antecedents regarding the structural assurance of website as well as vendor factors (McKnight et al. 2002). It considers trust-related institutional factors as specific trust building levers to the assessment of the website quality and information depend on the Airbnb enterprise or website in the Airbnb context. On the other hand, as another lever, vendor factors depend on Airbnb hosts. Thus, we separate two types of antecedents of trust into the Airbnb company (or website) and its hosts.

Since trusting intentions and beliefs are based on cognitive-emotional trust (McKnight et al. 2002), two types of trust are separately considered in this research: cognitive-based trust and affect-based trust. Cognitive-based trust regards calculative and rational characteristics, such as reliability, integrity, competence, and responsibility (Cook & Wall 1980; Mayer et al. 1995; McAllister 1995). The antecedents of cognitive-based trust associate with trustors’ observations and perceptions about the features and traits of the trustee. In terms of the Airbnb context, cognitive-based trust has been developed by Airbnb company or its website information. On the other hand, affect-based trust relies more on emotional elements, social skills, and it is important in the context of social relationships (Kanawattanachai et al. 2002). The antecedents of affect-based trust are related to trustors’ interactions with trustees (Kim et al. 2008).

2.2 Attachment Theory

Attachment theory is recognized as a relevant theory for understanding how affective experiences influence emotional and physical well-being (Sable 2008). It is based on the premise of how human beings make and maintain lasting affective bonds with familiar organizations, and quality, security, and stability of these bonds lead to an individual’s belief (Sable 2008). Researchers in psychology and marketing areas have expanded this theory beyond person-to-person situations, focusing on such contexts as product possessions, brands, and places (Vlachos et al. 2010). Therefore, with the reference of previous studies, we will modify the two types of attachment (i.e., Attachment to Airbnb and its hosts) and highlight how the attachment theory could be applied in the current study.

Attachment arises in twofold. In the first way, attachment works through group identity, character, or purpose to which the group member feels connected (Hogg & Turner 1985). By contrast, in the second way, attachment works through interpersonal bonds (Festinger et al. 1950). Identity-based attachment to a group causes members to join and like the community; on the other hand, bond-based attachment to an individual causes members to focus on relationships with one another (Ren et al. 2012). In the Airbnb context, identity-based attachment to a group represents attachment to Airbnb, while bond-based attachment to an individual refers to attachment to Airbnb hosts.
3 RESEARCH MODEL AND HYPOTHESES

As shown in Figure 2, by integrating on both TBM and attachment theory, the research model with twelve hypotheses are developed. Especially, attachment plays a mediating role in the relationship between trust and behavioral intention (i.e. continuous intention to use Airbnb).

Figure 2. Research Model

According to TBM, there are two types of trust (i.e., cognitive- and affect-based trust), and they have own different antecedent factors, respectively (McKnight et al. 2002). In the Airbnb context, the two types of trust consist of trust in Airbnb and trust in its hosts. Trust in Airbnb depends on cognitive calculation or information; therefore, cognitive-based factors, such as security and privacy, IT quality, and Airbnb traits, may influence trust in Airbnb (Hsu el al. 2014). Thus, we hypothesize:

- H1. Cognitive-based factors have a positive impact on trust in Airbnb.
  - H1.a. Security and privacy have a positive impact on trust in Airbnb.
  - H1.b. IT quality has a positive impact on trust in Airbnb.
  - H1.c. Airbnb traits have a positive impact on trust in Airbnb.

On the other hand, trust in hosts relies more on people, emotion, and relationships with each other (Kanawattanachai et al. 2002). Therefore, affect-based factors, such as reputation, interaction, and familiarity, may impact trust in hosts (Hsu et al. 2014). Thus, we hypothesize:

- H2. Affect-based factors have a positive impact on trust in hosts.
  - H2.a. Reputation has a positive impact on trust in hosts.
  - H2.b. Interaction has a positive impact on trust in hosts.
  - H2.c. Familiarity has a positive impact on trust in hosts.

In order to expand TBM, we adopt attachment theory, and scrutinize the relationship between trust and attachment. Several prior studies have explained that attachment has a significant role as a mediator between trust and satisfaction/loyalty (Fiedler & Sarstedt, 2010; Ren et al. 2007). In addition, the positive causal relationship between cognitive-based trust and attachment has also been validated (e.g., Frazier et al. 2015; Louis et al. 2010). Thus, we posit:

- H3. Trust in Airbnb has positive impacts on attachment to Airbnb and hosts.
  - H3.a. Trust in Airbnb has a positive impact on attachment to Airbnb.
  - H3.b. Trust in Airbnb has a positive impact on attachment to hosts.

Trust plays an important role in improving the affecting bond among people (Belaid & Temessek Behi 2011). Especially affect-based trust has recognized as a sort of emotional ties connecting individuals, and promotes social ties (Hsu et al. 2007). In view of the relationship between trust in hosts (i.e., affect-based trust) and attachment, we hypothesize:

- H4. Trust in hosts has positive impacts on attachment to Airbnb and hosts.
  - H4.a. Trust in hosts has a positive impact on attachment to Airbnb.
  - H4.b. Trust in hosts has a positive impact on attachment to hosts.
Attached group members evaluate their group more positively than those not attached, participate more, and exert more effort in the group (Hogg 1992). We expect that increased attachment in a community will lead to visible behaviors, whatever the source of that attachment (Blanchard & Markus 2004; Ren et al. 2007). As a result, we posit:

- H5. Attachment to Airbnb has a positive impact on continuous intention to use Airbnb.
- H6. Attachment to hosts has a positive impact on continuous intention to use Airbnb.

4 RESEARCH METHODOLOGY

The data collection in this study will be described to test the projected research hypotheses. The scales of the measurement will be specified for trust antecedents, two types of trust (i.e., cognitive- and affect-based trust), attachment, and users’ behavioral intention. In order to ensure the validity and reliability of the scales, measurement items will be developed from the previous literature, which provides a proper description for our research aims. Table 1 shows the operational definitions of constructs. Some of the scales will be modified for the current research context. Respondents will be asked to indicate the extent to which they agree or disagree using a seven-point Likert scale for each item (from strongly disagree to strongly agree) based on their own Airbnb experiences.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Operational Definitions</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security and Privacy</td>
<td>How well personal information (credit card info, website protection, or personal info) is used and protected before and after making a transaction</td>
<td>Hsu et al. (2014)</td>
</tr>
<tr>
<td>IT Quality</td>
<td>The degree to which Airbnb users feel about using the website such as ease of use, controllable, intuitive to find sources, and website design and effects</td>
<td>Hsu et al. (2014)</td>
</tr>
<tr>
<td>Airbnb Traits</td>
<td>The extent to which an Airbnb accommodation has its unique characteristics in addition to the traditional hotel accommodation</td>
<td>Self-developed (derived from <a href="http://www.airbnb.com">www.airbnb.com</a>)</td>
</tr>
<tr>
<td>Reputation</td>
<td>The degree to which Users’ emotion with Airbnb hosts by reading their personal information, rating, reviews, or super-host recommendation</td>
<td>Hsu et al. (2014)</td>
</tr>
<tr>
<td>Interaction</td>
<td>The extent to which Airbnb hosts and users experience somehow in the process of making a transaction by ongoing conversation or real-time feedback</td>
<td>Hsu et al. (2014)</td>
</tr>
<tr>
<td>Familiarity</td>
<td>The degree to which agreement or preference that users find similar interests, values, or lifestyles with Airbnb hosts</td>
<td>Gefen et al. (2003)</td>
</tr>
<tr>
<td>Trust in Airbnb</td>
<td>The extent to which users’ recognition whether to trust to Airbnb company or not</td>
<td>Zhao et al. (2010)</td>
</tr>
<tr>
<td>Trust in Airbnb hosts</td>
<td>The extent to which emotional connection between Airbnb hosts and users within the interacted environment</td>
<td>Gefen et al. (2003)</td>
</tr>
<tr>
<td>Attachment to Airbnb</td>
<td>The extent to which cognitive trust-based attachment with Airbnb leads users to maintain it in their proximity</td>
<td>Ren et al. (2012)</td>
</tr>
<tr>
<td>Attachment to hosts</td>
<td>The extent to which affective trust-based attachment enables users to feel Airbnb hosts are their friends and trustworthy people</td>
<td>Ren et al. (2012)</td>
</tr>
<tr>
<td>Intention to continuously use</td>
<td>The extent to which Airbnb users’ attitude toward Airbnb usage subsequently resulting in their behavioral intention to use on a regular basis</td>
<td>Lee (2010)</td>
</tr>
</tbody>
</table>

Table 1. Operational Definitions of Constructs

5 EXPECTED IMPLICATIONS

Building trust with consumers in the online environment is the biggest challenge for most web-operated businesses (Slee 2013). When uncertainty kicks in, especially, users tend to stop their
intentions to continuously use a service. In this regard, the aim of this research is to investigate what initiating factors are influencing the acquisition of trust between Airbnb and its users. It is expected that this research reveal two types of parallel directional trust and attachment toward the Airbnb website (company) and Airbnb hosts, resulting in users’ behavioral intention.

The theoretical contributions will be recognized in incorporating two overarching theories in the context of the sharing economy: TBM (McKnight et al. 2002) and attachment theory (Vlachos et al. 2010). Attempting to identify trust into two types will lead this study to offer cognitive and affective trust initiators and their impacts on users’ trust in the Airbnb context. Moreover, the trust antecedents of the original literature (Hsu et al. 2014) will be enhanced and diversified with the integration of Airbnb’s traits and familiarity, which are more suitable for Airbnb characteristics as one of the most popular business models of the sharing economy. Finally, this research will also empirically test the mediating role of attachment in the relationship between trust and continuous use intention of Airbnb business. The results of this research will garner practical contributions that will benefit all parties involved. For Airbnb operational managers, this study will explain trust breakthrough with their consumers within the web and the sharing economy environment. More specifically, trust and attachment are the relational factors that operate to expand users’ continuous use. In addition, this research will help Airbnb hosts design and coordinate their accommodation exposures on the web page in more effective and efficient manners. Finally, users will be able to be assisted with a judgment guide in evaluating and selecting a suitable accommodation among the millions of alternative choices within Airbnb. Furthermore, this study interests hotel practitioners to evaluate these sharing trends that have influenced hotel and tourism industries.

References


