Understanding the Effect of Trust, Familiarity, and Uncertainty on Use Airbnb

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Abstract

This study investigates the factors that affect individuals’ intention to book on Airbnb, a dominant sharing economy platform for lodging services. We develop a research model based on the prospect theory and familiarity and trust model to understand why individuals decide to book on Airbnb. The study proposes that perceived uncertainty and principle incentives, including economic and social benefits, are primary motivators of the intention to book on Airbnb. The perceived uncertainty involved is expected to be mitigated by the individual’s trust in Airbnb, the hosts, and the destination, as well as the familiarity with Airbnb and destination, but magnified by fears of host opportunism. The research model will be tested using empirical data collected via a survey conducted in Hong Kong (HK) and the United States (US). We expect to collect 300 responses from each locality. HK is chosen because it is a relatively nascent market for Airbnb and its culture is different from that of the US, where most of the studies on peer-to-peer accommodation have been conducted. All the measurement scales will be borrowed from prior studies to ensure the validity of the measurement scales of the constructs. The research model will be tested using structural equational modeling (SEM). The research study aims to provide the following contributions. First, this study is expected to contribute to the collaborative consumption (CC) literature by highlighting the pivotal role of perceived uncertainty in the decision making process in CC. Second, this study is expected to show that the sources of familiarity and trust involved in the decision making on whether to book on Airbnb do not originate solely from the hosts in Airbnb, but also from the destination and Airbnb website. This is because according to the service-dominant logic, the experience of consuming a service should also be affected by other stakeholders or parties. Third, this study is expected to reveal the importance of destination in affecting the travel-related decisions of individuals. The characteristics of a destination should play an important role in determining the decision of individuals regarding the types of accommodations in the destination, as the accommodations are embedded in the destinations.

Keywords

Airbnb, Collaborative Consumption, Familiarity Trust, Uncertainty.