An Exploratory Study of Airbnb Customer Reviews and Impact of COVID - 19

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Emergent Research Forum (ERF)

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Abstract

Short-term rentals (peer-to-peer platforms) are great contributors to the sharing economy. Airbnb has enabled individuals to use under-utilized inventory via fee-based sharing collaboratively. Online platforms such as Airbnb, VRBO, and HomeAway have pioneered the use of shared accommodation by connecting people who own unused assets with those who require short-term rentals at cheaper rates. The unused goods were shared among the peers with temporary ownership, unlike the permanent ownership of the community-based model. This resulted in creating a larger workforce, gig economy, and opening of job opportunities to more individuals (Vinod, 2021). As of April 2019, Airbnb was available in more than 1,000 cities across the world and was expected to have served more than 500 million guests (Airbnb, 2019). Airbnb has also gained public trust, reflected in the 250 million reviews from guests and hosts as of 2019 (Airbnb, 2019). In 2018, Airbnb had a market valuation of nearly $31 billion, $2.6 billion in profit, and $93 million in revenue (Bloomberg, 2019).

In January 2020, a novel Coronavirus Disease outbreak was seen worldwide, with more than 180 countries being affected. During that time, lockdown and some significant precautionary steps impacted many businesses, including the sharing economy. Forecasts indicate that the global sharing economy market can grow exponentially from US$15 billion in 2015 to US$335 billion in 2025 (Narasimhan, 2018). However, the Covid-19 has impacted the sharing economy; gross booking value crashed by more than 100 percent in March and April compared to the previous year, meaning that gross bookings were negative as cancellations exceeded bookings (Statista, 2020). In addition, the pandemic has disrupted the rental market – the peer-to-peer rental market since the World Health Organization declared the novel coronavirus outbreak a public health emergency of international concern on January 30, 2020.

We investigate how travelers changed perceptions of staying at an Airbnb during the pandemic. Specifically, we compare consumers' behavior and preferences with using Airbnb before (pre-pandemic) and during the pandemic. In our multi-city/state analysis, first, we examine Nashville, Tennessee, in the United States; the city topped charts as one of the best places to visit in the United States and set a tourism record in 2019 with 15.8 million visitors (Travel Pulse, 2019). Due to the pandemic, as expected, sanitation, cleanliness, and hygiene have become more critical. As next steps, we will compare customer perceptions, examine their influence on customer satisfaction, and explore the factors that influence guest satisfaction. We will perform exploratory data analysis for the city-state; the impact of COVID-19 on the sharing economy in different cities; analyze customer reviews using sentiment analysis to differentiate between positive and negative reviews; and check the robustness of these reviews. We also found that the customer interaction with Airbnb experiences has increased compared to the pre-pandemic era. The reviews help spread the word about what tourists are expecting, help revert pandemic impact, and attract businesses to recover with higher survival rates. We point out implications and avenues for future research based on the findings.

Keywords

Sharing Economy, COVID 19, Airbnb, Customer Reviews, Text analytics