

**Title:** Motivating factors that lead individuals into staying at short-term rentals tourism accommodation, and the opportunities and challenges for property owners / managers.

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Motivating Factors that lead individuals into staying accommodated  
(title of the thesis work being submitted) at a short-term rental tourism accommodation,  
and opportunities and challenges for property  
owners and managers.

## Abstract

Up until 2019 the global tourism industry experienced exponential growth and expected to grow further as economies prospered and stabilized from a global financial crisis experienced a decade earlier. On average the tourism sector directly contributes 4.4% of GDP, 6.9% of employment and 21.5% of service exports in OECD countries (OECD, 2020). As with any crisis, new opportunities emerged, and in the tourism accommodation industry this was particularly evident with the growing presence of short-term rentals (STR's) replacing traditional forms of tourism accommodation. The development of Web 2.0 and the creation of peer-to-peer (P2P) platforms enabled everyday citizens to elevate their households to a temporary tourism accommodation, initially with few regulations in place to deter the process. While there is growing research regarding STR's as a tourism accommodation typology, it is still somewhat limited to Airbnb research-based findings – a natural consequence, for being the key disruptive entity in the STR market. The following thesis throws light on the motivating factors that drive customers into staying at STR's as well as analyses the macro environment which helps to identify the opportunities and threats that currently impact the STR market in Portugal. Insights range from important key factors that influence STR guests in choosing to stay at a STR, how STR guests view and perceive the STR tourism accommodation typology, as well as, but not limited to, how much STR guests are willing to pay for a STR and what platforms and devices are used to make reservations. The research method applied in this master's thesis was conducted in the form of online surveys and e-mail-based interviews. The data collected was mostly qualitative, however an element of statistical analysis was conducted in the form of multi linear regression analysis to study how variations in the independent variables impact a dependent variable. The three dependent variables analyzed were:

- Regression 1: Factors that impact being a usual guest at a STR
- Regression 2: Factors that impact staying at a STR in a next trip
- Regression 3: Factors that impact spending more per night at a STR

The data sample is comprised of 214 completed online surveys. This sample base gives the researcher the possibility to extract findings associated to the characteristics of a STR guest. The final section of the qualitative analysis ends with an interview to a small number of property owners and managers. The purpose of this section was for the researcher to sense the common challenges that STR property owners face in the management of their properties, and to assist the researcher in providing a conclusive section with general ideas on the practices that STR property owners can implement to help improve customers overall experience. This master thesis is aimed at individuals and entities who wish to expand their knowledge about the STR market phenomenon along with key motivating factors for choosing to stay at a STR's.

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## 1.0 INTRODUCTION

It is no secret that over the last decade Portugal has established itself as an attractive tourism destination for many customer demographics due to its variety of accommodation on offer as well as the extensive range of tourism, entertainment and cultural attractions. This was the result of an aggressive and proactive long-term tourism plan developed by the national tourism board “Turismo de Portugal” and the numerous political and economic measures introduced by the Portuguese government to attract foreign investment through enticing public policies. Tourism has become a strategic economic activity for the development of social and economic aspects of the nation, positively impacting both the employment and export sector (Turismo de Portugal, 2018, Lestegás et al., 2019).

The contribution of the travel and tourism industry to GDP in Portugal has increased year-on-year, from 9.4% in 1999 to 19.1% in 2018 contributing approximately 35.2 billion euros to the nation’s economy (Knoema, 2020; Statista, 2019b). The GDP contribution is forecasted to continue growing to 44.7 billion euros by 2028 (Statista, 2019b). Consequently, the number of tourism accommodation establishments have also experience growth year-on-year. Comparative to 2017, in July 2018 there were a total of 6,868 establishments (+4.3%) in operation with a capacity of 423.2 thousand beds (+5.8%). The number of guests amounted to 25.2 million (+5.1%) and overnight stays stood at 67.7 million (+3.1%).

There is no international standard classification for classifying tourism accommodation establishments (Cooper et al., 2008), nonetheless modern frameworks often classify accommodation into two groups “Collective Tourism” and “Private Tourism Accommodation”. Across the Collective Tourism categorization lie hotels and similar establishments. In Portugal in 2018, hotel and similar establishments comprised a total of 1,865 establishments (+6.1%), representing the bulk of the available beds in the market, with a capacity of 321.0 thousand bed places, and hosted 20.5 million guests. However, around the world, and in Portugal included, a new tourism accommodation typology within the ‘Private Tourism Accommodation’ group has shaken traditional forms of tourism accommodation. Short-term rentals (STR’s) known as Alojamento Local in Portugal which are classified under “Private Tourism Accommodation” have boomed from a total of 2002 registered properties in the year 2008 to a total of 81,099 registered properties in 2018 (Turismo de Portugal, 2020). Of the registered properties, in 2018 a total of 3,534 establishments were active resulting in 78.2 thousand available bed places, which hosted a total of 4.0 million guests (Instituto Nacional de Estatística, 2018).

The growth of ‘Private Tourism Accommodation’, in particular STR’s is in part due to the development of Web 2.0 which has enabled the creation of P2P systems and has served as the catalyst of a new sharing economy permitting the transaction of goods and services, through online based services and platforms (World Bank Group, 2018). During the financial crisis people needed to find new ways of generating income, and this period helped to bring forward the sharing economy (Guttentag et al, 2017).

With the creation of Airbnb, an online marketplace, that connects people who want to rent out their homes with people who are looking for accommodation (Airbnb, 2018) the possibility to rent out or otherwise offer access to underused assets was made available to ordinary individuals, representing a transformative innovation within the tourism accommodation industry (Guttentag et al, 2017).

New faces of accommodation, such as private villas, apartment houses and caravan camping sites have now grabbed a piece of the hotel dominated accommodation supply. The growing popularity of niche segments is due to increased competition and market fragmentation, more discerning and difference-seeking customers, as well as disruptive communication technologies (Gunasekaran and Anandkumar, 2012). 'Newer' forms of accommodation typologies such as STR's are easing the accommodation sector by helping to cope with highly seasonal demand. Supplementary means of accommodation fulfils the middle-class-income travelers need of budget accommodation and also reflects the entry of new, young demographics in the travel market (Saxena, 2008).

There are conflicting views regarding the impact of STR's as a tourism accommodation typology. STR's are often seen as the cause for urban gentrification in particular in capital cities – whereby property owners are replacing tenants with visitors. According to a study conducted by Cocola-Gant and Gago (2019) the gentrification observed in certain neighborhoods in Alfama, Lisbon's historic district, is not fueled by local labour restructuring and an expanding middle-class, instead, it is driven by the extra-local demand that tourism offers and the role of platforms such as Airbnb in creating real-estate investment opportunities. Furthermore, according to Luis Mendes, a geographer from the University of Lisbon, Alfama's population has shrunk from 20,000 to around 1,000 today and more than 55% of Alfama's apartments are STR's (Wisniewska, 2019). One may also argue that the rise in STR's is a consequence of the way political entities have pushed foreign direct investment in particular towards real estate and issues such as urban gentrification was not seen as an immediate concern. Furthermore, traditional tourism accommodation sector, namely hotels, view STR tourism accommodation as a threat to their overall business due to lack of regulations in place creating much antagonism between the traditional tourism industry and new businesses that have emerged by leveraging P2P accommodation networks (Dolnicar, 2018).

Numerous academic research papers have attempted to explain what motivates tourists into choosing to stay at alternative accommodation categories over another. Some academics have studied the subject by categorizing the opinions of the supply-side (namely the alternative hoteliers/private tourism accommodation) and demand-side (namely, the guests at alternative hoteliers/private tourism accommodation) (Gunasekaran and Anandkumar, 2012). The supply-side typically look at tourists' motivations in general, or that of a specific group, such as the business traveler segment (Radder and Wang, 2006). Studies suggest that alternative hoteliers/private tourism accommodation, believe that location and geographic area, quality service and authenticity are the main motives that draw guests (Gunasekaran and Anandkumar, 2012). Whereas studies conducted to the demand-side have found that tourists choosing alternative accommodation are influenced by factors such as enjoyment of



country lifestyle and scenery, alternative to a hotel or a getaway to escape the larger hotel, meet the local people and authentic environment and coming closer to culture (Norman, 1988; Tussyadiah & Pesonen, 2016). Research around the factors that motivate consumers into participating in the sharing economy is still at its infancy, however recent studies on collaborative consumption in hospitality suggest that cost-savings and social motivations is what drives the use of P2P accommodation (Tussyadiah & Pesonen, 2016; Tussyadiah and Zach, 2016).

The following masters' thesis main focus is to uncover the drivers that motivate individuals in choosing to stay accommodated at STR tourism accommodations and to assist property owners in understanding the position of STR in the tourism accommodation market, which will consequently place them in a better position to develop marketing strategies that appeal to their target segments, and thus maximize opportunities by creating meaningful points of differences.

**The primary research question of this master's thesis is:**

- What are the primary motifs for choosing to stay accommodated at a STR?
- What are the challenges and opportunities that STR owners face?

## 1.1 Methodology

The objective of this thesis is to undertake an exploratory, qualitative and quantitative research on the STR tourism accommodation market to understand the primary motifs for choosing to stay accommodated at a STR and uncover existing opportunities and challenges within the market. Existing research available is somewhat limited to the last 10 years and the majority is based on the market innovation disruptor, Airbnb. The following report serves to add clarity to the STR market and to share a current view on the key factors that influence individuals into choosing this category for tourism accommodation purposes. This report used two different research methods:

- Literature Review
- Primary Research Data: An Online Survey was conducted as a means to examine through quantitative analysis the factors that lead individuals into choosing STR accommodations.
- Primary research: E-mail interviews with STR Owners / Managers were conducted to understand through quantitative analysis the challenges presented to them.

## 1.2 Data Collection

The literature review is comprised of information gathered from prominent academic journals, namely the *International Journal of Hospitality Management*, *International Journal of Contemporary Hospitality Management* and the *Journal of Tourism Management*, along with academic books such as the "Tourism Principles and Practice" published by Harlow: Pearson, and "Trust in the Sharing Economy: An Exploratory Study" published by University of Warwick, Coventry. The information and data in the



macro analysis section was obtained from private and public research and statistic entities such as Statista or Diário da República Eletrónico of Portugal respectively.

The primary data obtained in the online survey and interview section was collected in two different ways. The online survey was shared across a substantial number of individuals through Facebook, University Alumni networks as well as direct contacts. 238 individuals initiated the online survey and a total of 214 surveys were completed resulting in a 90% completion rate. 14 interview questions were submitted to property owners and property managers and a total of 7 responded resulting in a 50% response rate.

#### **Limitations to the online survey and interviews conducted:**

The primary research was conducted in the form of online surveys and e-mail interviews. It was requested that a minimum of 200 online surveys were completed to add significance to the results obtained. Overall a total of 214 surveys were completed. However, the respondents were particularly homogeneous, with 71% of individuals being from Portugal, and 85.06% were between the age of 25 – 44 years old. It would have been useful to have received answers from a more heterogeneous group of users, but nonetheless, the multi linear regression analysis was useful in tackling this limitation as it was able to aggregate findings and give the appropriate balance to obtain statistically relevant findings for determining key factors that influence the usage and consideration of STR's.

The analysis made in the data analysis section is based on the results obtained in the online survey and the multi linear regression analysis output which allows to infer the existence and form of a functional relationship in a data population analysis. To add value to this section of the report analysis the results were compared and discussed using literature review. Only a small number of interviews were conducted to STR property owners and managers. Seeing that this was solely a secondary element of the overall study this research was solely intended to give the reader a glimpse of the current opportunities and challenges these individuals currently face.

### **1.3 Disposition**

The thesis initiates with an introduction which gives a short but cohesive view regarding the tourism accommodation industry focused on the Portuguese market. This chapter is followed by a literature review which analyses the tourism accommodation industry and categorization of tourism accommodation, followed by the peer-to-peer global phenomenon across the accommodation sector which led to disruptive innovation. This section is completed with a brief analysis on STR's and its growing popularity. An online survey and a small number of STR property owner e-mail interviews were conducted as part of the qualitative research analysis. The results obtained were analyzed and compared against existing literature review to verify its veracity but also to unlock new findings. The final chapter is aimed at helping STR property owners in understanding what they can do with the insights uncovered in this report, followed by a conclusion that highlights key findings obtained in this report and to what extent the master thesis has contributed to existing literature.

## 2.0 LITERATURE REVIEW

### 2.1 Tourism

Tourism is a service industry that involves a network of different but interrelated segments that have their respective needs, capacities and roles. The study of tourism is multidimensional and requires a multi-dimensional approach because tourism itself is a bilateral exchange that encompasses a give and take transaction, organized by people for the benefit of people (Liu, 2008). Tourism emerged as the aftermath of the Industrial Revolution and processes of industrialization, urbanization, and technical and technological developments of society, having substantially evolved since the beginning of the 19th century, transforming tourism into a social practice, and a multi-sensory and physical experience (Dujmović & Aljoša Vitasović, 2015).

### 2.2 Definition of Tourism Accommodation

Accommodation or lodging is considered the most ubiquitous sub-sector within the tourism economy, and with few exceptions, tourists require a location where they can rest and revive during their travel through, or stay within, a tourism destination (Nutsugbodo, 2016). Although there is no universally accepted definition of “tourism accommodation”, it is often regarded as ‘any facility that regularly (or occasionally) provides overnight accommodation for tourists’ (United Nations, 1994). Tourism accommodation service comprises the provision, for a fee, of a sheltered overnight accommodation in appropriately equipped rooms, including at least a bed, offered as a main service to tourists and travelers (Pacheco-Torgal et al, 2014). Even though tourism accommodation typically involves a bilateral exchange, depending on the accommodation category type, it may not always involve a fee/payment, an example being private tourism accommodation where accommodation can be provided without charge by relatives or friends (Demunter, 2009) which reflects the great diversity of the tourism accommodation on offer - which is often characterized by extreme heterogeneity (Fletcher et al, 2018).

### 2.3 Classification of Tourism Accommodation

Several entities and bodies in the hospitality sector, namely the ECC-NET (European Centres Network) have undertaken considerable research and study to introduce a homogeneous categorization for Tourism Accommodation establishments, but there are shortcomings, as definitions can be vague resulting in different interpretations, putting completeness and comparability of data at risk (Eurostat, 2009) because of the diversity of the tourism industry of each country. While the categorization and designation of tourism accommodation may vary from country to country, more often, this is done without detracting from international comparability (ECC-Net, 2009). The existing classification facilitates the collection of data on means of accommodation and persons accommodated and helps to present findings collected in such a way that they yield the most useful information on this economic activity (United Nations, 1994). Modern frameworks generally classify accommodation into two main groups: “Collective Tourism” which is traditionally known as serviced accommodation and “Private Tourism Accommodation” which is associated with non-serviced/self-catering accommodation (Middleton, Fyall & Morgan, 2009; Akyeampong, 2007; Bhatia, 2006).

Table 1: Tourism Accommodation Key Categories

Collective Tourism	Private Tourism Accommodation
<p><u>Serviced Accommodation</u> Hotels &amp; Similar Establishments (e.g.: <i>Hotels &amp; Resorts</i>)</p>	<p><u>Non-serviced/self-catering accommodation</u> Accommodation that doesn't conform to the definition of 'establishment'. (e.g.: <i>Strata Units, Self-Catering Units &amp; Airbnb, Alojamento Local/ Short-Term Rentals</i>)</p>
<p><b>Description:</b> Number of places provided must be greater than a specified minimum for groups of persons exceeding a single-family unit. Overnight lodging for travelers in a room or unit. Must come under a common commercial-type management, even if non-profit making.</p>	<p><b>Description:</b> Provides limited number of places for rent or without charge. Each unit (e.g.: room, dwelling) is independent and occupied by tourists, usually by week, fortnight or monthly, or by its owners as a second holiday home.</p>

Source: (Middleton, Fyall & Morgan, 2009; Akyeampong, 2007; Bhatia, 2006)

Collective tourism establishments or serviced accommodation, such as resorts are usually described as a full-service hotel that provide access or offer a range of recreation facilities and servicing amenities (Brey, 2009). Private Tourism accommodation is typically classified as a non-serviced/self-catering facility and does not usually provide housekeeping duties but concentrates on providing hotel rooms/beds. Guests prepare their own meals, yet some form of recreational facilities is generally provided by the hosts (Nutsugbodo, 2016). Collective tourism establishments target customers who typically want an all in one offering, whereas private tourism establishments attempt to provide 'a home away from home', personalized service and larger living spaces (Geieregger and Oehmichen, 2008).

#### 2.4 Web 2.0 & Peer-to-Peer Accommodation

The development of the world wide web from web 1.0 to web 2.0 presented new opportunities for businesses and individuals. Web 1.0 was mostly focused on a read-only web, making it a somewhat static and mono-directional platform. Whereas Web 2.0 is known as the wisdom web, bi-directional, people-centric web, participative-web and read-write web. Web 2.0 permits the creation of peer-to-peer systems, namely the creation of social platforms and e-commerce (Aghaei et al, 2012).

The P2P economy (sharing economy) often refers to individuals offering their underutilized assets to others using digital platforms (World Bank Group, 2018). The P2P economy has changed the tourism landscape by giving people options of where to stay, what to do and how to get around (OECD, 2016). Informal, part-time and independent providers of alternative tourism services and accommodation have long been a prominent feature of global tourism. P2P service platforms, individuals as well as management entities of tourism accommodation are able to leverage on entirely new channels and marketplaces to reach and drive awareness of their accommodation units (OECD, 2019).

## 2.5 Disruptive Innovation across Tourism Accommodation Sector

The rise of the internet and digitalization transformed the way products and services are distributed around the world (Berne et al, 2012), shifting consumer behaviors, and giving opportunity for disruptive innovation, a term coined by Clayton Christensen in the 1990s (Larson, 2016). Disruptive innovation describes a process by which a smaller company, usually with fewer resources, is able to challenge an established business, by entering at the bottom of the market and continuing to move upward. A disruptive product will generally underperform with regards to the prevailing products' key performance attribute(s), but will offer a distinct set of benefits, namely around being cheaper, convenient, or simpler (Christensen et al, 2016). The disruptive product usually appeals to the low-end of the market or creates a completely new market. This initial market is limited in size and profit margins, so it is unappealing to leading companies that are content to focus on their more profitable markets and improving their products through 'sustaining innovations' (Guttentag, 2013). Airbnb is best described as the disruptive innovator of the hospitality and tourism accommodation sector (Christensen & Raynor, 2003). Through an innovative internet-based business model, Airbnb enables P2P short-term rental services by ordinary people, representing a transformative innovation across the tourism accommodation industry. Airbnb has made a visible dent in the lodging market. In just 5 years, Airbnb managed to go from 3% of the market to nearly 20% (Statista, 2019c) making it the perfect example of a product that is enjoying limited initial popularity, while growing in size as it enters the mainstream market (Guttentag, 2013).

Figure 1: Share of U.S. Consumer lodging market by lodging company, 2013 to 2018\*



Source: Statista, 2019c

## 2.6 The Short-Term Rental (STR) Phenomenon

In Portugal the STR tourism accommodation typology is known as **Alojamento Local** and sits under the Private Tourism accommodation category. It is defined as an establishment that offers temporary lodging in particular to tourists, for a specific fee, while meeting the necessary requisites and legislations (**INE, 2018**). The Alojamento Local accommodation typology (which is referred as STR in this report) in Portugal is sub-segmented into the following typologies: Dwelling, Apartments, Accommodation Establishments and Rooms (ISCTE, 2017).

STR tourism accommodation has grown very fast over the last decade for a number of reasons, one is the growth in demand, and the other, is technology and the rise of online travel (Wharton, 2019). The exponential growth of the STR accommodation typology, has not gone unnoticed around the world. On one hand, STR's are seen as an alternative form of accommodation that assists supply in meeting increased levels of tourism demand, allowing new demographics to travel due to lower accommodation costs (Saxena, 2008) while boosting local economies by supporting residents and local businesses (Airbnb, 2020). On the other hand, it is perceived as one of the causes for increasing real-estate prices (Wisnewska, 2019) and local gentrification (Lestegas et al, 2019) and are now taking a piece of the overall share of the traditional collaborative tourism accommodation. Consequently, competition has demanded increased regulations and policies, stating that new forms of private tourism accommodation are benefiting from unfair competitive advantage due to the lack of regulations in place (Carder et al, 2018). The changes brought by the sharing economy are new, complex and often unpredictable, and licensing and regulatory schemes are being adjusted to adapt to current contexts, but there is a growing need for flexibility (Wharton, 2019) as on a global context, increased rules and regulations have pushed listings underground (Carder et al, 2018) thus contributing towards increasing numbers of illegal rentals.

### 2.7 Consumer Motivations for using P2P Accommodation Services

Segmentation and customer profiles are used as the cornerstone for understanding consumer behavior, and since collaborative consumption is expected to transform the tourism industry, so is information regarding who the consumers are and what motivates them to choose new forms of tourism accommodation (Pesonen et al, 2017). It is becoming more obvious that different motivations for using P2P accommodation services are important for different people. The behavioral aspect of consumer motivation concerns the actions someone takes before purchasing and consuming a good or service (Bown-Wilson, 2019). Segmentation provides an excellent base for user profiling which seeks to understand more about a particular segment and thus enhance the satisfaction of that group (Kanoje et al, 2014) and motivations are used to segment and profile tourists since they provide a stable and actionable base for marketing purposes (Pesonen 2015).

A handful of studies have been conducted regarding tourists' motivations for choosing to stay at P2P tourism accommodation services. Despite the lack of perceived benefits that traditional accommodation offer, namely service quality, brand reputation and security, these studies have identified a range of motivations across the P2P accommodation sector (Guttentag et al., 2017). **Price** (and economic benefits) is often the key motivational factor, but other key motivators are household amenities, space authenticity, local, unique, and flexible accommodation that offer memorable experiences. There are still growing pains associated to P2P accommodation namely the inexistence of site-wide hospitality, standardization of accommodation, and safety (Finley, 2013). These factors are often associated with disadvantages linked to the time and convenience risks experienced by online shopping customers. Yet millions of guests continue to choose Airbnb and similar establishments over traditional forms of accommodation (Birinci et al, 2017).

### 3.0 MARKET ANALYSIS

The following report section conducts an objective analysis of the macro-economic factors impacting the STR accommodation typology in Portugal. The PESTL analysis helps the reader to understand the key external factors impacting the positioning of the STR tourism accommodation market in Portugal. This is followed by a SWOT analysis which is based on some of the insights gathered in the previous framework and assists in identifying internal opportunities and challenges in the STR market which will be key in preparing for the future by working on eliminating or diminishing weaknesses and threats and leveraging on strengths and opportunities in the STR sector.

#### 3.1 PESTL

##### **POLITICAL FACTORS:**

The 2008 financial crisis accelerated the concept of urban revitalization, as the attraction of both tourism and foreign investment came to be seen as a solution to the recession (Mendes, 2018; Cocola-Gant & Gago, 2019); and the Portuguese government inclusively targeted second-home buyers to attract foreign investment (Montezuma and McGarrigle, 2019). Numerous policies have since been introduced in Portugal to stimulate investment across a variety of sectors including tourism and real estate.

Table 2: Political Incentives to Stimulate Investment in Portugal

YEAR	POLICY	DESCRIPTION	REQUIREMENTS/CONDITIONS
2009	<b>Non-Habitual Resident Tax Regime</b>	Applicable to EU citizens who have not been residents in Portugal in the last 5 years and that remain a minimum of 183 days during the related year. Benefits are granted for a period of 10 years.	Exemption from taxation in Portugal, of foreign income, originated from dependent labour or pension income. Taxation at 20% flat rate of proceeds from Portuguese origin, that result from value added activities.
2012	<b>Golden Visa</b>	Immigrant investor visa that offers freedom of movement within the Schengen area and future Portuguese citizenship to non-EU applicants. The investor must stay in Portugal for a period of, at least, 7 days during the first year, and 14 days or more in the subsequent 2-year periods.	Investors must fulfil minimum requirements: such as purchase of a real estate property for a value above or equal to 500 thousand Euros; purchase of building older than 30 years or located in urban renovation areas, for a total value equal or above 350 thousand Euros.
2012	<b>Urban Renovation</b>	Legislative changes to urban renovation enacted in 2012 allowed administrative licensing procedures related with urban renovation to be simpler. The activity or urban renovation was bolstered with tax reliefs and incentives.	Exemption of Municipal Property Tax (IMI) for a period of 5 years when the property is used as a permanent residence. IRS deduction of 30% of the expenses assumed by the owner related to the renovation (up to 500 Euros).

<b>2015</b>	<b>CIT Exemptions</b>	Participation in real estate investment funds are taxed at 10% within the framework of the IRS, IRC and Capital Gains.	Most of the income obtained by investment funds are CIT exempt being the income subject to taxation at an investors level.
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Sources: CBRE (2018), JLL (no date), Idealista (2018), Aicep Global (no date).

Despite the several policy incentives to invest in real estate in Portugal, the 2020 State Budget (OE 2020) has proposed a number of changes that is expected to impact the real estate sector especially in the form of tax reforms (IMI: Municipal Property Tax & IMT: Municipal Property Tax Transfer). The reforms will penalize new property owners of STR's specifically in containment areas which is mostly applicable in Lisbon and Porto (Idealista, 2019). IRS (Personal Income Tax) is expected to increase from 35% to 50% of income, which means that instead of 0.35 the coefficient changes to 0.50 whenever a house or apartment under the STR regime is within a designated contention zone. The coefficient of 0.35 will remain unchanged for all remaining properties that sit outside contention areas (Idealista, 2019). According to Association of Alojamento Local in Portugal (ALEP), the potential new measures, could impact several hundreds of jobs and families and half a hundred micro-businesses as a result of a fiscal increase, and furthermore it could result in a number of negative impacts on a tourism level, in particular in Lisbon, given that the STR accommodation typology already represents almost half of the overall tourist overnight stays (Jornal de Negócios, 2019).

#### **ECONOMIC FACTORS:**

##### **GDP:**

In 2018 Portugal's economy continued its momentum with an estimated GDP growth of 2.1% (Cushman & Wakefield, 2019). Travel and tourism are significant contributors to GDP in Portugal – contributing approximately 35.2 billion euros in 2018 and its GDP contribution is forecasted to grow to 44.7 billion euros by 2028 (Knoema, 2020; Statista, 2019b).

##### **Employment:**

The tourism sector is without a doubt a key source of employment and big component of exports of services (Trading Economics, 2020). In 2018 the travel and tourism sector in Portugal employed 328,5 thousand people in Portugal (INE,2020) and by 2028 this figure is expected to reach 1.151 thousands of jobs (Statista, 2019b). The STR accommodation sector in Portugal entails circa 66 thousand jobs of which 20 thousand are direct jobs and 46 thousand are considered indirect jobs (Barlavento, 2019).

##### **Growth Rate of STR Tourism Accommodation:**

In 2018 there were a total of 81,200 registered STR's in Portugal resulting in a total of 188,063 rooms and 320,060 beds in Portugal. The total number of registered STR's in Portugal grew by 381% between 2014 and 2018 (Turismo de Portugal, 2020). In 2018 STR's in Portugal had the highest number of accommodation units available (51,5%), and a total of 18,5% of all beds (Estatísticas de Turismo, 2019). In 2014 STR's represented 8,9% of overnight stays, whereas in 2018 this number increased to 13,8% (Turismo em Portugal, 2018) illustrating the increasing popularity of the sharing economy.



## **SOCIAL FACTORS:**

### **Safety:**

According to the 2019 Institute for Economics and Peace Portugal is the 3rd most peaceful country in the world (IEP, 2019). The improvement in the overall peace index is a reflection of the ability the country had to recover from the 2008 global financial crisis. While security is considered a key factor when booking an accommodation, safety is perceived to be higher when staying in traditional accommodation, but a number of P2P platforms have managed to create a brand for themselves that offer customers the perception of security that is valued in major hotel chains (Pesonen, 2017).

### **Demographics:**

In 2018 in Portugal, Portuguese nationals represented 31,5% of the STR market guests, followed by Germans (14,5%) and French (12,3%). Females represented 59,4% of the demographic, and individuals between the age of 30-40 (58,3%) were the primary age group (HomeAway, 2019).

### **Lifestyle Trends:**

There is a growing trend amongst travelers to experience locations authentically, and the desire to experience cultures first-hand. According to the *'Barómetro de Alojamento Local em Portugal'* report conducted by CICANT for HomeAway Portugal, getting to know new locations or cities, stepping away from daily routine and enjoying free time with the people one travels with, ranked high on the motivational barometer for choosing Alojamento Local. The same report also highlights that location and pricing are the most relevant criteria when choosing Alojamento Local (HomeAway, 2018).

## **TECHNOLOGICAL FACTORS:**

### **Internet and Social Media Penetration:**

Portugal has a population of 10,27 million people, of which 78% are internet users, 65% are active social media users, and 58% are active mobile social media users and the predominating social media user profile age is between 24-35-year old's (32%). According to the Mobile connectivity index, Portugal scores 82.7 out of 100 on consumer readiness. From an e-commerce perspective Travel has experienced an 11% increase in the total amount spent online (Hootsuite, 2019). People's perception of the internet and e-commerce is changing, and in 2017, 24% of all individuals in Portugal used the internet for online travel services (booking online travel or accommodation) (Statista, 2019a).

### **P2P Platform Dependability:**

STR's have gained more traction due to P2P platforms such as Airbnb, Booking and HomeAway. These platforms have helped individual and corporate property owners to market their product on a platform accessed by millions worldwide, unequivocally creating a dependency from these platforms to market the accommodation as well as maximize occupancy rates in particular from private owners.

### **Digital Apps:**

There are several digital technologies that are impacting the tourism sector, including the STR sector, powered by the capabilities of Web 2.0. Whatsapp for business messenger enables businesses to keep in touch with consumers and clients at a touch of a button. It enables businesses to interact with customers, using tools that automate responses (Facebook, 2020) which ultimately increase consumer engagement and overall consumer trust.

### **LEGAL FACTORS:**

In Portugal, it was legally possible to rent out properties under the STR typology since 2008. The Decree-Law nº 39/2008 was introduced to regulate the provision of temporary accommodation services that did not have all necessary requirements to be considered a touristic development (DRE, 2020). In 2014 a new Decree-Law nº 128/2014 was established for the utilization of STR's (DRE, 2020) stating that owners of houses and apartments licensed for residential purposes are entitled to offer STR and related services to tourists. This legal frame constitutes an alternative to the lease market and allows broader investment possibilities and opportunities for the residential market without the necessity of obtaining specific licenses for tourism facilities.

## 3.2 SWOT ANALYSIS

### **STRENGTHS:**

- **Location:** Approximately 76,5% of all registered STR's are located in Lisbon (23,980), Porto (10,486) and Faro (33,305).
- **Authenticity:** STR tourism accommodations provide authentic and local experiences.
- **Size:** STRs are larger in space with a homely feel, comparative to traditional hotel rooms.
- **Refurbished:** Many properties newly refurbished to accommodate STR's accommodation.
- **Cost of Stay:** Usually cheaper than a hotel, making it financially attractive for families.
- **Ease of setting up a STR:** Extensive online information to assist in setting-up a STR.
- **Digital:** Ability to engage with customers on digital platforms before, during and after the consideration phase as well as post-experience.

### **WEAKNESSES:**

- **Visibility:** Besides the existing global P2P platforms available to market STR's, there are few other simple and relatively cost-efficient forms to drive visibility.
- **Awareness:** Reviews are a good way to generate property reputation. However, it is hard for properties to stand out and cut through the noise on P2P platforms.
- **Dependability:** Increased dependability on P2P platforms means that property owners and management entities are tied to a profit structure where a commission will always need to be paid to a third-party on a rent by rent basis thus reducing overall profit margins.

- **Seasonality:** Depending on location some STR's are highly dependable on external factors such as tourism peak-seasons, tourism attractions and weather.
- **Limited Capital:** STR owners often have limited financial resources for relevant training and investment.
- **Cost of Advertising:** Advertising can be expensive and often requires marketing knowledge.
- **Accessibility:** STR's located outside key cities can be more difficult to access by public transportation, which can result in additional travel costs, (e.g.: car hire).

#### OPPORTUNITIES:

- **Demographics:** The Portuguese Tourism board has effectively marketed Portugal to diverse global demographics. Aligning communication towards desired audiences is fundamental.
- **Strategic Alliances:** Initiating business partner alliances for tourism development purposes.
- **Brand Identity:** Develop a brand identity through a well-planned branding strategy.
- **Digital Communication Tools:** Leverage free digital tools for a personalized service.
- **Advertising:** Invest time and money building a social media and advertising strategy.

#### THREATS:

- **Regulations:** Regulations can impact market maturity and profit margins.
- **P2P dependability:** Dependency on P2P platforms impacts profit margins.
- **Competition:** Hotels are introducing similar accommodation business models and competitive weekend and holiday packages under a solid global brand.
- **Accessibility:** Lisbon airport is working at full capacity, limiting inflow of tourists and limiting number of carriers and consequently impacting tourism volumes as well as carrier competition.
- **Limited Attractions:** For STR's located outside key city areas there tends to be less awareness on tourism attractions available for tourists.

*Sources: Owned Analysis based on the following academic papers: "Peer to Peer Accommodation: Drivers and User Profiles" by Pesonen, J.A (2017); "Why Tourists Choose Airbnb: A Motivation-Based Segmentation Study" by Guttentag et al. (2017); as well as the previous chapter on AL market analysis: Estatísticas do Turismo (2018); Eco Sapo (2019), Observador (2019); Turismo de Portugal (2018).*

Portugal has set up a solid framework for individuals and interested parties to set-up and register STR's in a fairly simple and straightforward manner.

## 4.0 DATA ANALYSIS

This first section of this chapter summarizes the results obtained from the online survey (see Appendix 1 & 2) conducted between the 2<sup>nd</sup> - 9<sup>th</sup> of March 2020. The second section of this chapter consists in three regression analysis, calculated using R Studio. The three linear regressions look at the probability that an individual is a usual STR guest; the probability of individuals staying at a STR in the future; and

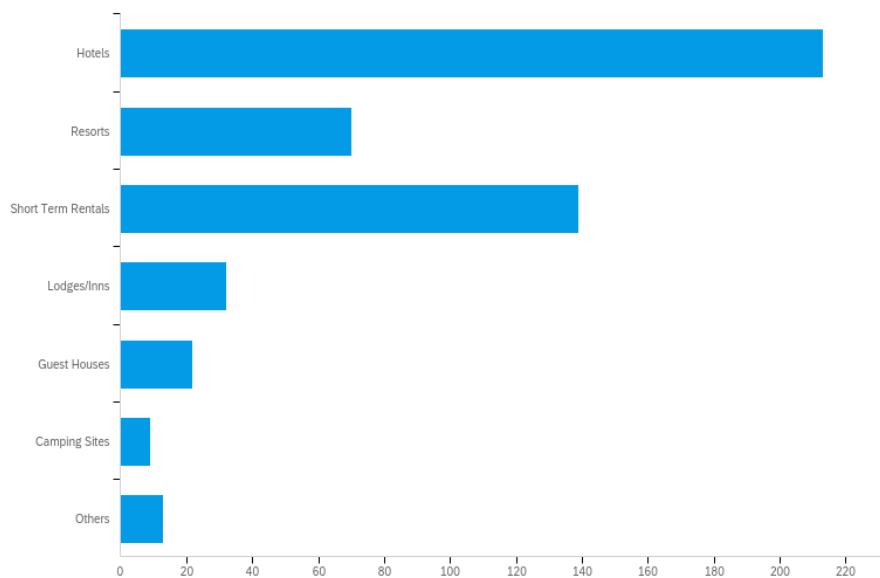
the factors that lead individuals into spending more per night on a STR. The final chapter includes a summary of findings based on e-mail interviews conducted with STR property owners / managers.

#### 4.1 Summary of Online Survey Results

##### Overall Respondents:

Overall respondents are seen as medium to frequent travelers having stayed at a tourism accommodation at least 4 or more times (84%) in the last two years. They mostly travel for leisure purposes although business related trips (14%) is an increasing trend. Most of the respondents stayed at Hotels, Resorts and Short-term rentals between 2018 - 2020; and they often book accommodation between 0 to 8 weeks prior to traveling (73%).

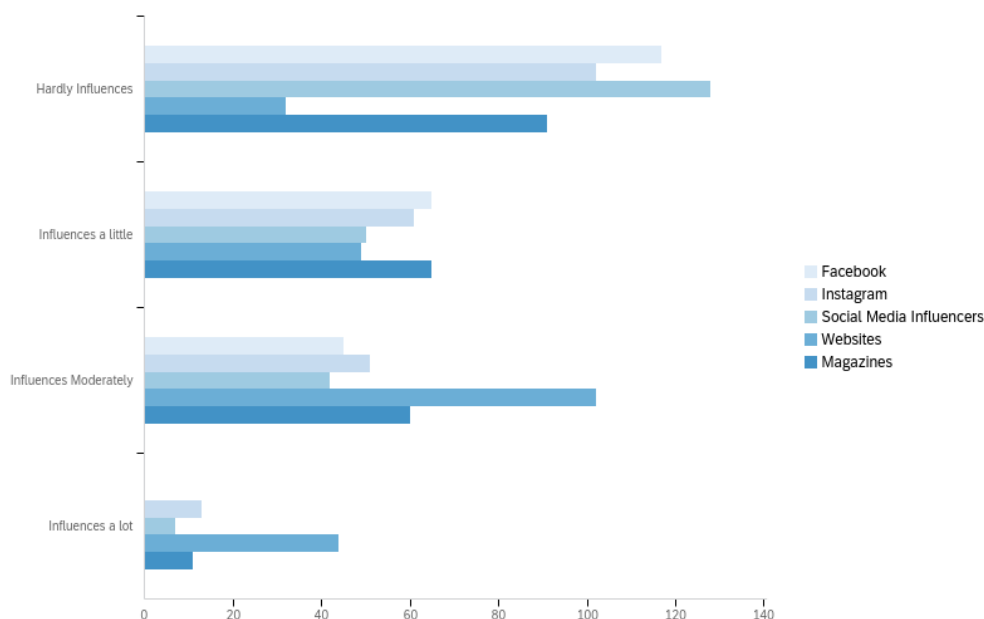
Graph 1: In which accommodation establishments do you typically stay at? (select up to 3 options)



Source: Primary Research Survey Data (2020).

Respondents are mostly digitally native which is reflected by the number of users who use their computer/desktop and smartphone to book tourism accommodation (66.08% and 28.63% respectively). Nonetheless, many respondents strongly believe that the digital world, namely social media hardly influences their decision in choosing a type of tourism accommodation category (See Graph 2).

Graph 2: Do adverts / general travel information in the following mediums of communication, influence in any way, your decision in selecting a tourism accommodation establishment?



Source: Primary Research Survey Data (2020).

The proliferation of information and communication technologies has always had a major effect on consumer behavior in tourism, and the Web 2.0 has transformed how individuals select and purchase tourism services online (Buhalis and Law 2008; Neuhofer et al. 2012; Gohil 2015). Recent travel social media studies have found that social media plays a key role before, during and after a trip has been conducted. Furthermore, it has been argued that social media plays a specifically critical role in the pre-travel stage, when tourists consult social media for travel planning (Cox et al. 2009; Zeng 2013). Despite the lack of perception from the online respondents in how social media impacts their consumer decision journey, the truth is that the majority of respondents perceived Online Accommodation Ratings (which are often user generated) as a very important factor when considering whether to book a STR (**See Appendix 1, Question 13**).

#### STR Users:

The majority of STR users from the online survey were Portuguese (71%) with a slight skew towards females (55%). STRs users are between 25-34 years old (58%) followed by 35 – 44 years old (27%) and the majority is single (47%) or married (39%). Most STR users have a master's degree (63%); for a quarter of the respondent's overall household income is above €90,000; and over half of STR users is employed full-time (60%), working over 40 hours per week. Respondents stated that they mostly make STR reservations on Airbnb (39.9%) and Booking.com (38.13%) and that are willing to pay between €0 - €160 euros per night (93.27%) (See Appendix 1, Q11 and Q12).

STR users claim that they are likely to stay at a STR in the future (73%) specifically in an apartment typology (75%) accompanied by friends (54%) or family (41%). Their average stay in a STR is 1 – 3

nights (63%) which suggests weekend city getaways, followed by an average of 4 – 7 nights (32%) which is often associated with family or season holidays where guests can enjoy off-the-beaten-track experiences in neighborhoods previously unvisited (Nieuwland and Van Melik, 2020). It is equally likely to find a guest staying at a STR by themselves (23.66%) as it is with 4 or more guests (23.66%).

The results obtained are in alignment with existing literature in respect to the accommodation attributes that users find important when considering staying at a STR. Location, price, privacy and online accommodation ratings are seen as very important. Size of accommodation, free car-parking, proximity to public transportation and possibility to prepare own meals is also seen as moderately important. Furthermore, STR users perceive STR accommodation to be a perfectly adequate tourism accommodation typology for holidays and leisure stays (See Appendix 1: Q14).

#### **Non STR Users:**

Only 15% of the overall respondents claimed that they have never stayed at a STR before which makes the analysis of non STR users limited. Reasons that appear to discourage non-users from trying STR accommodation is that they perceive to feel safer at a hotel or a resort, and if something does not go to plan during their stay, they do not have the infrastructure of a hotel to assist them. Respondents also moderately agreed that property photos available online might not meet reality.

## 4.2 Multiple Linear Regression Analysis Results

#### **Methodology:**

For each regression all 30 variables were introduced in R Studio. R Studio ran a regression using a fore loop approach, eliminating one variable at a time, pending on the P-Value score of the corresponding independent variable. In this analysis it was determined that the level of significance would be 0.10 corresponding to a 10% chance of wrongly considering the variables to be significant, in case they are not. Independent variables with a P-Value above 10 percentage points were eliminated enabling the regressions to be accurate while preserving a maximum number of explanatory variables.

#### **Regression 1: Probability that an individual is a usual guest at a STR**

Regression 1 takes into consideration individuals who stated in Question 2 the type of tourism accommodation establishments that they usually stay at (dependent variable). Those who typically stay at STR's were given a score of 1 and those who confirmed other typologies were given a score of 0. This allowed the regression to measure the impact of the independent variables on the dependent variable, giving the possibility to identify key factors that explain the variations in the dependent variable.

Data treatment was also applied to the price paid independent variable. Two groups were created based on how much a user is willing to pay for a STR. Those willing to pay between 0 – 80 Euros were given a score of 0 and those willing to pay 81 Euros or more were given a score of 1 (The data treatment applied to the price paid independent variable was applied to all three regressions).

$$P(\text{Usual Guest at a STR}) = a_0 + a_1\beta_1 + a_2\beta_2 + \dots + \epsilon$$

Regression 1 obtained R<sup>2</sup> of 14.21%, a fairly low value which means that this regression explains 14.21% of variation within the data. On the other hand, the P-Values considered significant (threshold of 10%) are all quite close to zero and therefore while the model does not explain much of the data variation observed the model is still significant and reflects an overall positive achievement based on the findings collected in this first study.

Table 3: Regression 1 “Factors that impact being a usual guest at a STR”.

	<b>Estimate</b>	<b>Std. Error</b>	<b>T Value</b>	<b>Pr (&gt;  t   )</b>
<b>Intercept</b>	0.7270	0.2764	2.6300	0.0092
<b>Price Paid</b>	-0.1615	0.0677	-2.3860	0.0180
<b>Close to Tourist Attractions</b>	-0.0866	0.0677	-2.3860	0.0180
<b>Leisure</b>	0.0867	0.0460	1.8861	0.0609
<b>Knowing the Place</b>	0.0618	0.0303	2.0363	0.0431
<b>Age</b>	-0.076	0.0393	-1.9391	0.0540

Primary Research Regression Analysis Data (2020)

**Price** resulted in a P-Value of 0.0180. The small P-value (<0.1) indicates strong evidence that it is the most statistically significant independent variable influencing the dependent variable. Price resulted in a negative estimate of (-0.1615). It appears that the higher the amount an individual is willing to pay for an accommodation, the less likely they are to be a usual guest at a STR. For every price level increase, there is a 16.15 percentage point decrease in the likelihood of being a usual guest at a STR. What R Studio does, is that it looks at each price block, and correlates it with question 2 (do users stay or not in short term rentals). For those who said yes, the program analyses whether this answer differs depending on how much an individual is willing to pay for a STR. Individuals who stated that they are willing to pay 81 Euros or more are, on average are 16.15 percentage points less likely to be a usual guest at a STR comparatively to those who pay between 0 - 80 Euros.

It is widely agreed across existing literature that STR guests are driven by value and convenience. According to the “Barómetro do Alojamento Local em Portugal” report commissioned by HomeAway Portugal (2018), the majority of individuals who choose to stay accommodated at a STR as opposed to a hotel are substantially motivated by price. This was also substantiated by a study conducted by Guttentag et al. (2017) across North America, which highlighted that while there are a range of motivations that attract tourists to Airbnb (STR’s), the principal motivation was “low cost” and consequently the importance of Airbnb’s (and other STR’s) price competitiveness and the impact STR draw as an economical hotel alternative, should not be underestimated.



**Close to Tourist Attractions** resulted in a negative beta estimate (-0.0866). Respondents who completely agree that proximity to attractions is a valuable factor when considering staying at a STR are 34.64 percentage points less likely to be a usual STR guest comparative to those who do not consider it important. Individuals who stay at STR's value being surrounded in a local and authentic environment and coming closer to culture. These attributes are seen as key motivators for choosing P2P accommodation over any other type of accommodation (Tussyadiah & Pesonen, 2016).

The negative **Age** (-0.076) beta estimate tells us that as the age of an individual increases, the less likely they are to be a usual STR guest. Respondents belonging to the 45-54 age group are 22.8 percentage points less likely to be a usual STR guest comparative to those in the 18-24 age group. Airbnb research provides support in explaining that Millennials account for 60% of all guests who book STR accommodation (Airbnb, 2017). Millennials grew up in a connected world. Their satisfaction with modern technologies is prominently influenced by cost savings, familiarity, service quality and trust (Hwang & Griffiths, 2017). Nonetheless, more data is required to fully understand whether the higher adoption rate by millennials is due to attractiveness of the P2P accommodation product for this age group, or due to their overall higher usage of digital technology (World Bank Group, 2018). Notwithstanding, the profile of users who choose to stay accommodated at STR's is increasingly heterogeneous - according to HomeAway and Airbnb the fastest growing demographic of STR providers and guests is the 60-year-old or above group (World Bank Group, 2018; Airbnb 2020).

**Leisure** (0.0867) generated a positive beta estimate and it is related to an individual's perception towards believing or not whether a STR is a perfectly adequate accommodation for a holiday. Individuals who completely agree that a STR is perfectly adequate for a holiday (Leisure) are 34.4 percentage points more likely to be a usual guest at a STR versus an individual who does not agree at all. While the majority of users who choose to stay at STR's typically do so for holiday purposes, it is important to convey that there is a growing demand across business travelers to extend their trips so as to include a day of leisure. Airbnb reported that more than 30% of *Airbnb for Work* bookings in 2017 included at least one weekend night (Airbnb, 2018).

**Knowing the Place** (0.0618) resulted in a positive beta estimate and it is related to individual's perception as to whether a STR allows you to better experience the area where it is located. Individuals who completely agree that a STR allows one to better experience the area are 24.4 percentage points more likely to stay at a STR versus those who do not agree at all. STR's value proposition has been additionally demonstrated via the likes of Airbnb by the relative importance of local authenticity for many of its guests. The findings show that guests do not simply seek to experience an authentic experience solely based on the accommodation itself, but this is connected to the broader neighborhood where the accommodation is located (Guttentag et al., 2017).

## Regression 2: Probability of staying at a STR in a next trip.

Regression 2 takes into consideration individuals who stated in question 8 the likelihood of staying at a STR in their next trip. Those who confirmed that they are very likely to stay at a STR in their next trip were given a score of 1 and those who answered otherwise were given a score of 0. This regression measures the impact of the independent variables on the dependent variable, helping to identify key motivators that are significant in explaining the likelihood of staying at STR's in the future.

$$P(\text{staying at STR in a next trip}) = a_0 + a_1\beta_1 + a_2\beta_2 + \dots + \epsilon$$

Regression 2 obtained R<sup>2</sup> of 30.09%, a higher value which means that this regression explains 30.09% of variation within the data. All P-Values considered significant (threshold of 10%) obtained a value very close to zero and therefore explains more of the data variation in the observed model.

Table 4: Regression 2 "Factors that Impact Staying at a STR in a next trip".

	Estimate	Std. Error	T Value	Pr (> t )
<b>Intercept</b>	-0.6596	0.2182	-3.0220	0.0028
<b>Price Paid</b>	-0.1330	0.0581	-2.2864	0.0234
<b>Host Availability</b>	0.04584	0.0250	1.8289	0.0690
<b>Leisure</b>	0.1202	0.0416	2.8861	0.0043
<b>Knowing the Place</b>	0.0999	0.0285	3.4970	0.0005
<b>Booking Directly with Host</b>	0.0566	0.0267	2.1216	0.0352
<b>Save € by Cooking</b>	0.0641	0.0310	2.0675	0.0401

Source: Primary Research Regression Analysis Data (2020)

**Price** resulted in a P-Value of 0.0234. The small P-value (<0.1) indicates strong evidence that it is one of the most statistically significant independent variables influencing the dependent variable. Price also resulted again in a negative estimate (-0.6596). Individuals who are willing to pay higher prices for an accommodation are less likely to stay accommodated at a STR. In this particular case, for every price level increase there is a 13.3 percentage point decrease in the likelihood of staying at a STR.

**Leisure** and **Knowing the Place** were again significant in explaining variations on the dependent value. Both resulted in the lowest P-Values of 0.0043 and 0.0005 respectively illustrating the significance how significant these variables are. In this regression both independent variables had a slightly more significant influence over the dependent variable with estimates of (0.1202) and (0.0999) respectively. Individuals who are in complete agreement that STR are an ideal type of tourism accommodation and

believe it is a good way to knowing the area where the STR is located are 48 percentage points and 39.6 percentage points more likely to stay at a STR in the future relative to individuals who are in complete disagreement.

**Host Availability** (0.0458) is related to how individuals perceive host availability at a STR. It appears that those who believe it is very important are 18 percentage points more likely to stay at a STR in the future compared to those who do not find it important. **Direct Access to the Host** (0.0566) is related to the perception of being able to directly book accommodation directly with the host. The majority of STR's are rented without a host-guest suggesting that host-guest interaction is not a strong motivation for STR use nor a defining characteristic (Guttentag, 2013). However, the perception that a host is available during a guest stay does somewhat impact the possibility of booking a STR. Furthermore, host availability and access to the host is associated with experiencing an authentic stay through interactions with the local culture (Guttentag, 2013) which correlates with the 'Knowing the Place' independent variable which resulted in a (0.0999) positive beta estimate.

**Save Money by Cooking** resulted in a (0.0641) positive beta estimate. Individuals who are in complete agreement with the belief that they are able to save money by cooking in the accommodation are 25.6 percentage points more likely to make a STR reservation in a next trip relative to users who are in total disagreement. While STR's are primarily associated with cost-savings, individuals who typically stay at STR's often end up spending more than hotel guests, thus contributing towards tourism trade, especially to neighborhoods that aren't usually visited by the typical tourist. This is also due to the fact that they typically stay an extra 2 days compared to hotel guests (Tech Crunch, 2012).

**Regression 3: Factors that influence customers in spending more per night on a STR.**

Regression 3 seeks to understand which independent variables impact an individual's willingness to spend more per night in STRs, using the price paid in previous STR's as the dependent variable.

$$P (\text{Spending more per night at a STR}) = a_0 + a_1\beta_1 + a_2\beta_2 + \dots + \epsilon$$

Regression 3 obtained R<sup>2</sup> of 20.68% which means that this regression explains 20.68% of variation within the data. All P-Values considered significant (threshold of 10%) were below the threshold but were higher than the P-Values observed in the previous two regressions. Yet they are still equally significant in explaining the data variation in the observed model.

Table 5: Regression 3 "Factors That Impact Higher Spending Per Night in STR's".

	Estimate	Std. Error	T Value	Pr (>  t  )
<b>Intercept</b>	-0.6983	0.3865	-1.8067	0.0725
<b>Size of Accommodation</b>	0.11587	0.0446	2.5925	0.0103

<b>Price Importance</b>	-0.1021	0.0539	-1.8934	0.0599
<b>Pool/Garden</b>	0.0701	0.0330	2.1231	0.0351
<b>Close to Tourist Attractions</b>	0.0750	0.0403	1.8588	0.0647
<b>Knowing the Place</b>	-0.0745	0.0314	-2.3663	0.0190
<b>Host Available</b>	0.0799	0.0378	2.1108	0.0362
<b>Hotel is Safer</b>	0.0713	0.0292	2.4377	0.0157
<b>Age</b>	0.0961	0.0401	2.3936	0.0177
<b>HH Income</b>	0.0677	0.0226	2.9958	0.0031

Source: Primary Research Regression Analysis Data (2020)

**Size of Accommodation** resulted in a P-Value of 0.0103. The small P-value (<0.1) indicates strong evidence that it is one of the most statistically significant independent variables influencing the dependent variable. The positive beta estimate (0.1158) highlights how individuals who find size of accommodation a very important factor when considering staying at a STR are 46.32 percentage points more likely to pay a higher price per night compared to an individual who does not find size of accommodation important. According to research, Airbnb guests pay higher rates for space and privacy, despite the conception that the sharing economy is a social platform wherein participants are motivated by potential social interactions (Dogru and Pekin, 2017).

**Pool/Garden** also generated a positive beta estimate (0.0701). Individuals who find Pool/Garden a very important factor when considering booking a STR are 28 percentage points more likely to pay more for an accommodation per night comparative to an individual who does not find it important. A study commissioned by Airbnb in the USA confirmed that 97% of travelers surveyed say amenities impact their travel experience ranking ahead of shopping, dining, location, culture, and family/friends. In Brazil, India, Italy and Mexico, amenities also reign first. While pools are the top amenity globally, free parking and pet-friendly follow closely behind (Airbnb, 2018).

**Price Importance** resulted in a negative beta estimate (-0.1021). Those who consider price to be a very important factor are 40.8 percentage points less likely to pay more for a STR per night than those who do not consider it important. Price is without a doubt a key deciding factor when choosing to stay at a STR. Disruptive innovation is often classified as an inferior product when directly compared against competitors. The difference is that a guest is willing to compromise on a set of benefits, generally centered on being cheaper, simpler, novel and more convenient (Christensen & Raynor, 2003). This illustrates that the more importance individual's attribute to price, the less likely they are to spend more on an accommodation per night comparative to individuals who are less concerned about price.

**Close to Tourist Attraction** resulted in a positive beta estimate (0.0750). Individuals who find it very important to being in close proximity to tourist attractions are willing to pay more for a STR versus those who do not find it important. Hotel rates in proximity to tourist attractions are often higher implying that customers are mentally prepared to pay more in such areas (Ioannides et al, 2018)

**Knowing the Place** resulted in a negative beta estimate (-0.0745). Users who find it very important to getting to know the area where the STR is located are 28 percentage points less likely to pay more for an accommodation in comparison to those who do not find it important. This suggests that the more an individual is willing to pay for an accommodation, the more importance it gives to the actual usage of the accommodation and less about experiencing the local area.

**Host Availability** resulted in a positive beta estimate (0.0799). Individuals who perceive host availability as a very important factor when choosing to stay at a STR are 31.6 percentage points more likely to pay a higher price per night versus individuals who do not find it important at all.

**Hotel is Safe** resulted in a positive beta estimate (0.0713). Individuals who are in complete agreement with the perception that hotels are a safer alternative compared to STR's are 28.4 percentage points more likely to pay more per night for a STR comparative to individuals who are in complete disagreement. This suggests that the higher the cost per night safer the accommodation is likely to be. STR's are increasingly subject to regulations that involve safety procedures which in turn is minimizing the gap between hotels and STR's, as well as providing people peace of mind (Spross, 2019)

**Age** had a positive beta estimate (0.0961). The older an individual is the more they are willing to pay for a STR per night. Millennials spend less than previous generations because they have less disposable income than members of earlier generations (Blumberg, 2018). A **Household Income** that earns €90,000 euros or more per year are 26.8 percentage points more likely to spend more per night for a STR comparatively to users who belong to a household that earns below €10,000 per year.

#### 4.3 E-mail Interviews with STR Property Owners/Managers and Thematic Analysis

The e-mail-based interviews were carried out in February 2020 and used a semi-structured remote interviewing process to uncover top-line opportunities, challenges and insights from STR property owners (See Appendix 2). 7 out of 14 interviews were returned, resulting in a 50% response rate, with a 100% completion rate. The interview comprised 20 questions 4 of which were demographic related.

Table 6: Top Line STR Property Owners Survey Demographics

Age	Gender	Nationality	Education
25 – 34	Female	Portuguese	Master
57%	71%	85%	71%

Source: Primary Research Survey Data (2020)

The findings were analyzed using a thematic analysis approach, as it is a useful method for analyzing qualitative data, facilitating organization of data and enabling to capture valuable information (Braun and Clarke, 2006) as a means to interpret and determine common perspectives among participants (Creswell, 2012). Seeing that there was a very limited data set (one short focus-group) there was considerable overlap between the coding stage and the stage of identifying preliminary themes. Within the thematic analysis methodology, a recurrence of topics in the survey answers were identified highlighting both the opportunities and challenges STR property owners and managers currently face. These underlying topics were combined into groups allowing to identify 3 high-level themes (See Appendix 5. Table 1, 2 and 3).

### **Summary of Findings:**

The STR property owners interviewed own and manage between 1 and 2 properties, located in capital cities (Lisbon and London) followed by sub-regions that thrive during holiday / seasonal periods (Algarve, Sintra, Óbidos). In Portugal, while there isn't an official limit regarding the number of nights allowed per calendar year, according to the Decree-Law nº 62/2018 in certain containment areas, STR property owners cannot register or manage more than 7 STR's (Abreu Advogados, 2018). The STR's located in Lisbon reached an average of 204 nights, and the STR property on the Algarve reached a total of 96 nights per calendar year in 2019. The Algarve is the main holiday destination in Portugal, accounting for 33% of overnight stays in 2018 (Estatísticas do Turismo, 2018), however it is also subject to significant demand fluctuations, with a seasonality rate of 36.7% in 2018. The reduction of seasonality rate is one of the objectives of the Tourism Strategy 2027 (Turismo de Portugal, 2020).

### **Theme 1: Environmental Uncertainty:**

Almost all participants reported that government interventions were a cause for concern as they are seen as driving uncertainty across the STR market. One participant stated, "Constant changes in laws pertaining to the STR sector and negative press driven by political and economic parties deteriorate the reputation of the STR market". The negative press is specifically around urban gentrification and the impact of tourism on traditional neighborhoods, a complex topic in particular for Portugal, where tourism is a major driver of economic growth and job creation (Portugal Global, 2020). Other participants also stated that one of the biggest challenges is "the relationship with the government and the constant increase in taxes" and that "any further tax increases will have a significant negative impact on profit margins and question short-term rentals versus medium and long-term rentals". Environmental uncertainty was an overarching theme observed in the interviews conducted. It is evident that the relationship between government and STR property owners is somewhat antagonistic. The government is seen as imposing aggressive measures as opposed to facilitating STR's. One participant stated that "the latest proposed tax legislation is pushing small STR owners out of the market, as it will not allow one to live solely from this activity". Ironically governments throughout the last couple of decades were the key promoters of gentrification, and not solely corporate and individual investors (Hackworth & Smith (2001). According to Lee et al (2007) the gentrification observed today received explicit governmental support, through subsidies to large corporate developers and targeted policies to attract

individual gentrifiers. Yet the “success” obtained by STR’s is now being scrutinized by the entities who once promoted second-home properties.

### **Theme 2: Understanding Customer Needs**

Managing STR’s isn’t as trouble-free as one might expect. Across the group of participants, few confirmed to have prior experience in tourism hospitality and unsurprisingly this may be one of the reasons why several participants reflected on the theme that understanding customer varying needs is an on-going challenge. One participant acknowledged that “it is important to have an effective communication channel and availability (or the option to hire people to be available) to manage last minute requests”, another highlighted the challenge of “dealing with the customers and making sure their expectations are met, while always providing a good customer experience”, whereas another participant mentioned that obtaining “customer loyalty and sustaining a desired customer segment” is a very real challenge to property owners and managers. Efficient hospitality is key to any business, and in this industry, the customer is always the focus as is evident from one participant who stated that there is a pressing need for “obtaining maximum classification from customers” Learning the rules of hospitality enables good service, ensures customer loyalty, and separates one business from another.

### **Theme 3: Marketing Strategy**

Most participants claimed to have some level of digital and traditional marketing experience. Participants acknowledged that there are opportunities to be seized and some areas of expertise to be developed namely around price management, occupancy-rates, customer segments and alternative P2P platforms. One participant stated that there’s a need to “develop strategies to maximize occupancy rates while keeping the desired target market”, another stated that there’s a need to “explore a combination of online P2P platforms” and another stated the importance of keeping “up to date with prices being set by direct and indirect competition”. Competition is no longer indifferent to STR’s as a new tourist accommodation typology and large hotel groups, are starting to launch home rentals around the world, supplying more choice of accommodations that suit a range of travel needs (Marriott, 2019). While hotel chains might solely capture a certain target market, this is a sign that competition will only intensify and thus there is a fundamental need to deliver unique and authentic experiences and accommodations at a price that is in line with the desired customer segments. However, from the interview responses it is evident that the majority of STR property owners do not invest any of their annual profit in marketing or advertising, and those that do, solely invest circa 5% of their total earnings. Boosting and testing advertising during popular periods can be cost-effective, and it is a fully deductible expense. One property owner spent a total of “€550 in advertising between the 21<sup>st</sup> of August and 8 of September 2019 and obtained an additional €11,000 in revenue”. The results obtained in the interview-based survey identifies the importance of generating marketing strategy. This is an important finding, which requires cautious interpretation as different STR owners and managers will have different needs based on their customer segments and operating markets, which limit the generalizability of findings presented here.



## 5.0 LOOKING AHEAD

The information gathered in this report acts as a starting point for STR property owners and managers to understand the positioning of STR's across the tourism accommodation market and the sharing economy along with critical factors of motivation that lead individuals into participating in the STR sharing economy. The following section provides STR owners or managers a quick overview of key elements to consider when planning a business or marketing strategy.

**Understanding Industry Context:** STR tourism accommodation offers the perfect balance between authentic yet comfortable holiday experience for a culture that is growing accustomed to a fast-evolving shared economy (Wharton, 2019). Many external factors are uncontrollable within an industry. Being aware of external factors that may sway an industry both positively and negatively is a basic responsibility as it enables STR owners and professional hosts to review objectives and set up contingency plans in a timely manner in a constantly changing market.

**Understanding Competition:** The STR accommodation market is no longer comprised solely of individual stakeholders who offer their excess capacity for collective use to maximize their assets. Competition now ranges from the individual stakeholder, to medium and large businesses that have observed the value and opportunities of the sharing economy. Competition with higher resources are entering the market and thus understanding what competition is offering, pricing fluctuations and capitalizing on unique strengths are basic requirements to succeed in the market.

**Understanding Customers:** It is imperative to know who your target market is and ensure communication is targeted at them to enhance the overall customer experience. Building a simple CRM database with information such as customer demographics, the channel used to make a reservation and guest ratings helps to understand which customers are the most valuable as well as how to better engage and track consumer behavior. Gathering customer data is an effective way to develop brand positioning and marketing strategy. The benefits retrieved from the data gathered can range from improved ability to target and profile specific customer types as well as but not limited to increased profitability due to improvements in overall business strategy. A customer profiling infographic (See Appendix 3) acts as a starting point to send personalized targeted messages to a group of individuals who are more likely to be receptive to your marketing initiatives. Knowing key pieces of data such as the device your customer uses to book accommodation, the average number of nights booked, the price they usually pay for accommodation and the main reasons for choosing one establishment over another allows one to devise effective and personalized customer-centric campaigns and strategies.

**The Power of Digital:** Being digital plays a vital role in achieving success across the tourism accommodation industry and specifically across the sharing economy where communication is outstandingly important and where travel consumers are willing to try new and unique experiences. Technology is a key enabler and the digitalization of the economy has created new ways for consumers

to interact and consume products. Being digital allows to establish seamless and easy interactions between STR owners or managers and their customers from the awareness and consideration phase all the way to the consumption and post experience phase.

**Acknowledge Your Resources:** Being aware of existing resources and building realistic expectations and goals to maximize opportunities is key to achieve desired results. Resources can be related to budget, individual skill sets, human capital and so on.

**Marketing Action Plan:** A marketing action plan requires time and commitment, but it is an extremely valuable process that can greatly contribute to the success of a business. Setting up realistic goals and tasks to achieve an overall desired outcome will inevitably help reduce costs of marketing and increase chances of generating leads into sales. Appendix 4 includes an example of a Marketing Action Plan produced by MA TRAVEL LTD, a small enterprise in Portugal that manages over 40 STRs. The strategy for 2020-2021 is to become increasingly digital especially from a customer engagement and communication standpoint. Goals have been set as well as the time expected to achieve each project.

## 6.0 CONCLUSION

During the research phase of this master's thesis, many countries around the world were going through a period of optimism and stability, after a painful decade which included a world financial crisis and a euro-zone crisis, impacting all sectors, especially the real estate and property sector which play an underpinning element in most developed country economy's (United Nations, 2008). The 'global deflation' in particular in Portugal was fueled by public policies that attracted foreign and local investment in order to salvage the local economy (Delmendo, 2020). Over the last decade Portugal has become a tourism hotspot for its timeworn charm and traditions, gastronomy, weather and more, and its global reputation did not go unnoticed, having swept up numerous awards year-on-year at the World Travel Awards (Turismo de Portugal, 2019). The government policy incentives coupled with the increase in tourism and shortage in accommodation supply in Portugal stimulated the renovation of properties by real estate investors, a contributing factor towards the remarkably rapid growth and professionalization of the sector making STR's an attractive new form of investment (Christie & Co, 2018). In time this raised the inevitable phenomena of uneven development and tourism gentrification, through the dramatic increase in house prices (Lestegás et al., 2019). Despite the negative press STR's have boosted the real estate and tourism economy, created new jobs, boosted the accommodation supply and offer superior profitability to traditional renting (David, 2018)

STR's are here to stay and the sharing economy activity has unlocked the value of unused or underused assets in ways that bypass traditional business models. The web changed the way we consume media, enabling a new, network-based way of exchanging goods and services, through a P2P sharing economy. As observed in this report, millennials are the segment of consumers for whom collaborative consumption is most appealing and their satisfaction with modern technologies is prominently

influenced by cost savings, familiarity, service quality and trust (Hwang and Griffiths, 2017). According to the findings identified in Regression 1 of the quantitative analysis individuals in the 45-54 age group are 22.8 percentual points less likely to be a usual STR guest comparative to individuals in the 18-24 age group. Despite the majority of survey respondents belonging to the millennial generation, according to larger research undertaken by Airbnb and HomeAway, senior adults over the age of 60 are the fastest growing segment and are an increasingly valuable as they begin to trust and understand how P2P platforms function (Airbnb, 2020 and Homeaway,2018). Other key findings were identified namely factors that greatly influence an individual into choosing to stay at a STR in a next trip (Regression 2), such as the level of agreement towards being able to experience the local culture when staying at a STR. Those in complete agreement were 48 percentual points more likely to stay at a STR in the future comparative to those who were not in agreement. Regression 3 was key in understanding the motivational factors that impact an individual into spending more per night at a STR. Accommodations with a variety of amenities such as pool, garden, size and safety of accommodation influence greater spending. However, household income (HHI) is naturally a contributing factor. Individuals who earn more per household are more likely to spend more per night at a STR. Lastly, as observed in all available literature, price is by far the key deciding factor across all regressions conducted, and the initial hook that assisted in building a disruptive product that became very attractive for a segment of individuals that is particularly price conscious and sensitive (millennials). This section of the report provides readers with quantitative data that allows readers to think of key factors and strategies towards efficiently target and understand customer segments.

With the rapid-evolving market there is a growing need for STR property owners and managers to truly understanding customer needs and develop marketing strategies, both of which were themes identified in the thematic analysis. Internet and mobile technologies have revolutionized the STR practice and allowed it to scale dramatically by facilitating virtual markets where communication and trust are established between hosts and guests (Guttentag 2017). Boosting digitalization and the use of online marketing and distribution tools is an opportunity that will assist property owners in unlocking greater value from their product offering and achieving the basis of competitive advantage. With increasing competition from other STR's and traditional forms of accommodation, building a marketing strategy and becoming digitally savvy gives property owners the tools and opportunity to smartly target customers; as well as adopt technologies that will ease the communication between hosts and guests and meet customer needs in a timely and personalized manner. While it can be a challenge to learn how to build effective marketing strategies and the power of digital, the time invested in understanding key aspects that power the sharing economy will likely reap benefits in the form of additional revenue.

Recent global events demonstrate how important it is to acknowledge the need to build strategies to seize and overcome external challenges. This may involve rethinking a target market, how products are purchased, reconsidering existing P2P platforms while investigating the most cost-effective mediums to engage with desired audiences. STR property owners who are able to invest time analyzing their

target market and build a strategy around their guest's needs and behavior are more likely to maximize their returns by generating customer loyalty, improved customer interaction and familiarity.

**The study has made the following contributions to existing literature:**

- It has confirmed that customers are price-driven, and that authenticity and experiencing the local culture is a key motivating factor into booking STR's, and amenities and privacy play an important role in the overall decision factor.
- The older the people are the less likely they are to choose to stay at a STR, however senior individuals are growing accustomed to digital technologies and is a rapid growing segment.
- STR property owners have mostly acquired hospitality skills by being directly involved in the management of STR's but invest very little in developing marketing skills.

Acknowledging the fact that conclusions in this report mostly derive from a small-scale qualitative and quantitative study and noting the limited scope of the current study, further work could examine the grounds for additional research to be conducted namely around the benefits of acquiring skills to develop effective marketing strategy specifically encompassing online advertising for maximizing occupancy-rates and generating additional revenue.

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## 9.0 APPENDIXES

### Appendix 1: Online Survey Questions: *Short-Term Rental Customer Profile*

#### **Alojamento Local - Perfil dos Consumidores**

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##### **Start of Block:** Default Question Block

I am a student from **The Lisbon MBA** undertaking a study on the profile of users who choose to stay (or not) in short-term rental accommodations (e.g: Airbnb).

All answers are anonymous and will solely be used for academic purposes.

It should take you 5 minutes to complete the survey. Thank you for your time.

**Survey available in** Portuguese & English.

---

Q1 Between 2018-2020, how many times did you stay at a tourism accommodation establishment, whether for leisure or professional purposes? e.g: Hotels, Resorts, Short-Term Rentals...

- 1 (1)
  - 2 (2)
  - 3 (3)
  - 4 (4+)
- 



Q2 In which accommodation establishments do you typically stay at? (select up to 3 options)

Hotels (1)

Resorts (2)

Short-Term Rentals (3)

Lodges/Inns (4)

Guest Houses (5)

Camping Sites (6)

Others (7)



Q3 From the options provided, please highlight the 3 main reasons that motivate you to travel?

Discover New Destinations (1)

Visit family or friends (2)

Escape Daily Routine (3)

Visit historical and cultural centres (4)

Attend festivals and concerts (5)

Shopping (6)

Relaxing Retreats (e.g. Yoga e Meditation) (7)

Sports (e.g.: Golf, Surf, Canoeing) (8)

Professional Resasons (9)

---

Q4 How much in advance do you typically reserve your accommodation for holiday purposes?

0 – 4 weeks (1)

1 – 2 months (2)

2 – 3 months (3)

4 months in advance or more (4)

---

Q5 Do adverts / general travel information in the following mediums of communication, influence in any way, your decision in selecting a tourism accommodation establishment?

	Hardly Influences (1)	Influences a Little (2)	Influences Moderately (3)	Influences a lot(4)
Facebook (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Instagram (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Media Influencers (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Websites (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Magazines (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q6 Which device do you most frequently use when making a tourism accommodation reservation?

- Computer/Desktop (1)
- Tablet (2)
- Smartphone (3)
- Telephone (4)
- Other (5)

Q7 Have you ever stayed in a short-term rental accommodation? (e.g.: Airbnb)

- Yes (1)
- No (2)

Display This Question:

If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes

Q08 How likely are you to consider staying at a short-term rental in your next trip?

	Extremely Unlikely (1)	Unlikely (2)	Not Likely, or unlikely (3)	Likely (4)	Very Likely (5)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Default Question Block

Start of Block: Block 3

Display This Question:

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q09 In which of the following short-term rental accommodation typologies do you tend to stay at?

- Apartment (1)
- Vacation Homes / Villas (2)
- Hostels (3)
- Rooms (4)

Display This Question:

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q10 With whom do you usually share a short-term rental accommodation?

- Friends (1)
- Family (2)
- Work Colleagues (3)
- Only myself (4)

Display This Question:

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*



Q11 Which online platform do you most frequently use to book your short-term accommodation rentals? (Select up to 3 options)? (Select up to 3 options)

- Airbnb (1)
- Homeaway (2)
- Olx (3)
- Booking.com (4)
- TripAdvisor (5)
- Expedia (6)
- Edreams (7)
- Other (Specify) (8)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q12 Between 2018-2020, what was the **average price per night**, that you paid for a short-term rental?

- €0 - €80 (1)
- €81 - €160 (2)
- €160+ (3)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q13 **How important** are the following factors, when you are **still considering** whether to book a short-term rental?



	Not Important (1)	Slightly unimportant (2)	Indifferent (3)	Moderately Important (4)	Very Important (5)
Location (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Proximity to Public Transport (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size of Accommodation (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Host Availability Throughout Your Stay (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Privacy (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pool, garden and other external services (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Private carpark at no additional cost (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Proximity to cultural and tourist attractions (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possibility to prepare own meals within the accommodation (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online accommodation rating (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Display This Question:*  
 If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes

Q14 What is **your current perception** regarding short-term rental accommodations?

	Completely Disagree (1)	Disagree slightly (2)	Don't Disagree, or disagree (3)	Agree slightly (4)	Completely agree (5)
Short-term rentals are perfectly adequate for a holiday accommodation (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term rentals are perfectly adequate for a work trip accommodation(2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term rentals are perfectly adequate for religious retreats (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term rentals are perfectly adequate for sport retreats (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term rentals are a cheaper choice vs traditional hotel establishments (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term rentals allow you to better experience the area where the accommodation is located (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is fairly easy to book a short-term rental directly with the property owner / property manager (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The property owner / property manager is always available (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel safer in a hotel than in a short-term rental (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In a short-term rental I can save money on food expenses as I can cook in the accommodation (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q15 Between 2018-2020, what was your **average length of stay** in a short-term rental?

- 1 - 3 Nights (1)
- 4 - 7 Nights (2)
- 8 Nights or more (3)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q16 Between 2018-2020, on average what was the **total number of family/friends** that stayed with you in a short-term rental?

- 1 (1)
- 2 (2)
- 3 (3)
- 4+ (4)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q17 What is your age?

- 18 - 24 (1)
- 25 - 34 (2)
- 35 - 44 (3)
- 45 - 54 (4)
- 55 - 64 (5)
- 65 - 74 (6)
- I prefer not to say (7)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q18 I identify my gender as?

- Female (1)
- Male (2)
- I prefer not to say (3)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q19 What is your marital status?

- Married (1)
- Divorced (2)
- Widowed (3)
- Separated (4)
- Single (5)
- Civil Partnership (7)
- I prefer not to say (6)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q20 What is your nationality?

▼ Options

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q21 What is the highest degree or level of school you have completed? If currently enrolled, highest degree received.

- Some high school, no diploma (1)
- High school graduate, diploma or the equivalent (for example: GED) (2)
- Some college credit, no degree (3)
- Professional/Trade/technical/vocational training (4)
- Bachelor's degree (5)
- Master's degree (6)
- Doctorate degree (7)

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q22 What is your current employment status?

- Employed. I work between 1-39 hours per week (1)
- Employed. I work 40 or more hours per week (2)
- Unemployed. Looking for employment (3)
- Unemployed. Not looking for work (4)
- Retired (5)
- For personal reasons, I am unable to work at the moment (6)

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = Yes*

Q23 Which income group does your household fall under? Consider total annual income before taxes.

- Below €10,000 (1)
- €10,000 - €30,000 (2)
- €30,000 - €60,000 (3)
- €60,000 - €90,000 (4)
- Above €90,000 (5)
- I prefer not to say (6)

End of Block: Block 3

---

Start of Block: Block 1

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = No*

Q08 Why have you never opted to stay in a short-term rental accommodation? (e.g: Airbnb)

	Completely disagree (1)	Disagree Slightly (2)	Don't agree, or disagree (3)	Agree Slightly (4)	Completely Agree (5)
I am not familiar with the short-term rental concept as an option for temporary accommodation (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel safer at a hotel or a resort than in a short-term rental accommodation (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The risk of something not going to plan during my stay and not having the infrastructure of a hotel to assist me (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Property images available online might not meet reality (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of trust in the digital platforms that promote short-term rentals (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer to stay at a tourism accommodation where food is included (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer to stay in a tourism accommodations that include entertainment attractions within the actual facility (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Display This Question:

If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = No

Q09 What is your age?

- 18 - 24 (1)
- 25 - 34 (2)
- 35 - 44 (3)
- 45 - 54 (4)
- 55 - 64 (5)
- 65 - 74 (6)
- Prefiro não revelar (7)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = No*

Q10 I identify myself as?

- Female (1)
- Male (2)
- I prefer not to say (3)

---

*Display This Question:*

*If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = No*

Q11 What is your marital staus?

- Married (1)
  - Divorced (2)
  - Widowed (3)
  - Separated (4)
  - Single (5)
  - Civil Partnership (6)
  - I prefer not to say (7)
-



Display This Question:

If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = No



Q12 What is your nationality?

▼ Afghanistan (1) ... Zimbabwe (1357)

Display This Question:

If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = No

Q13 What is the highest degree or level of school you have completed? If currently enrolled, highest degree received.

- Some high school, no diploma (1)
- High school graduate, diploma or the equivalent (for example: GED) (2)
- Some college credit, no degree (3)
- Professional/Trade/technical/vocational training (4)
- Bachelor's degree (5)
- Master's degree (6)
- Doctorate degree (7)

Display This Question:

If Have you every stayed in a Short Term Rental? (e.g.: Airbnb) = No

Q14 What is your current employment status?

- Employed. I work between 1-39 hours per week (1)
- Employed. I work 40 or more hours per week (2)
- Unemployed. Looking for employment (3)
- Unemployed. Not looking for work (4)
- Retired (5)
- For personal reasons, I am unable to work at the moment (6)

End of Block: Block 1

## Appendix 2: E-mail Survey Interviews: *STR Property Owners/Managers*

I am a student from **The Lisbon MBA Portugal** undertaking a study on the short-term rental accommodation market as part of my qualitative investigation analysis for my master-thesis. The goal of the interview/survey is to understand the challenges and opportunities short-term rental property owners face in managing their own short-term rental properties. **Your identity will not be disclosed.** The survey includes 20 questions and should take approximately **10 minutes** to be completed. Whenever possible, please refer your answers to your **personal experience in 2019**.

### **Property Owner/Manager #1**

1. **Where is your short-term rental property located?**  
Lisbon and Sintra
2. **How many short-term rental properties do you manage?**  
7
3. **What was the total number of nights booked in 2019?**  
n/a
4. **In 2019 what percentage of your overall annual profit was spent on marketing & advertising?**  
0%
5. **In 2019 what were the top 3 nationalities of your customers?**  
Canada, USA, France
6. **What is your level of experience with digital marketing & traditional marketing? (Any courses, practical experience)?**  
Some. Plenty of experience in previous consulting job. Involved in Digital market transformations with customers in the UK
7. **In 2019 did you advertise/promote your short-term rental property? Where?**  
Online booking platforms only. Aribnb mainly
8. **Which P2P platforms generate the highest number of reservations for your property? What is the percentage split?**  
Airbnb
9. **Does anyone else assist you in the management of your properties? What role do they play?**  
Yes. Primarily cleaning, check in, maintenance and change over services.
10. **Is your short-term rental property your primary source of personal income?**  
No.
11. **What is the most convenient way to keep in touch with your clients? (Whatsapp, Whatsapp for Business, Facebook Messenger, E-mail etc).**  
Platform communication channels and whatsapp (partially)
12. **Some countries intend to increase taxes on total income generated from short-term rental properties. How concerned are you? Can this impact your overall gains significantly?**  
Yes. Would have a significant negative impact on Profit margins and question short term vs long term rental options.

13. **Prior to managing a short-term rental property did you possess any tourism hospitality experience?**

Yes

14. **What challenges do you face in the management of short-term rental properties?**

At the moment, unpredictable global crisis (COVID 19) as well as last minute maintenance.

15. **What opportunities do you believe you can still explore and benefit from as a short-term rental property owner?**

More varied online platforms and own marketing and online presence.

16. **Do you feel you provide a unique accommodation experience to all your guests?**

Yes.

17. **What is your age? (Please highlight in bold)**

- **25 - 34**
- 35 - 44
- 45 - 54
- 55 – 64
- 65 – 74

18. **I identify my gender as: (Please highlight in bold)**

- Female
- **Male**
- I prefer not to disclose

19. **What is your nationality?**

Portuguese

20. **What is the highest degree or level of school you have completed? If currently enrolled, highest degree received. (Please highlight in bold)**

- Some high school, no Diploma
- High School graduate, diploma or the equivalent
- Some college credit, no degree
- Trade/technical/vocational training
- Bachelor's Degree
- **Master's Degree**
- Doctorate Degree

## **Property Owner/Manager #2**

1. **Em que zona se localiza o seu Alojamento Local?**

Praia del Rey – Óbidos em AL desde 2019. Praia da Luz – Algarve em AL desde 2020.

2. **Quantos Alojamentos Locais é que gere?**

2

3. **Qual foi o número total de noites reservados em 2019?**

96 noites. Tendo em conta a localização, é um apartamento que só tem procura no verão.

4. **Em 2019 qual foi a percentagem dos gastos que teve em marketing e publicidade relativamente ao lucro que obteve?**

Zero. Apenas publicámos os anúncios na plataforma AirBNB. Apenas é cobrado o fee por reserva. Este ano passámos a publicar no Booking também.

5. **Em 2019 quais foram as 3 nacionalidades predominantes dos seus clientes?**

Muito variado, não tivemos a mesma nacionalidade repetida 3 vezes.

- 6. Qual o seu grau de competência a nível de marketing digital e marketing tradicional? (e.g.: Algum curso? Experiência própria).**  
 Não tenho experiência nessa área. O Nuno é formado em Gestão de Marketing, que ajuda bastante. O foco tem sido a interação com clientes/potenciais clientes através das mensagens trocadas na plataforma no momento de reserva.
- 7. Em 2019 fez alguma publicidade/promoção do seu Alojamento Local? Se sim, aonde?**  
 Publicidade não. Promoções fizemos algumas das sugeridas pelo Airbnb nas estadias mais longas.
- 8. Quais as plataformas é que trazem a maioria das reservas para o seu AL? Qual a percentage?**  
 Airbnb. Só começamos a utilizar o booking este ano . Temos tido algumas reservas através de lá, mas não na mesma proporção.
- 9. Alguém lhe dá apoio na gerência do seu Alojamento Local? Qual é a função que exercem?**  
 Sim, contratámos empresas locais especializadas para check in /check out e apoio aos hóspedes. Também fornecem lençóis e toalhas e fazem a limpeza do espaço entre hóspedes. Quando necessário também fazem pequenas reparações.
- 10. O seu Alojamento Local é a sua fonte de rendimento principal?**  
 Não, funciona como um complemento.
- 11. Qual é a forma mais conveniente para manter em contacto com os seus clientes? (Whatsapp, Whatsapp for Business, Facebook Messenger, E-mail)**  
 Mensagens através do Airbnb e por telefone com as empresas que fazem a gestão dos apartamentos.
- 12. Alguns países intencionam aumentar os impostos associados às receitas obtidas pelo aluguer de Alojamento Local. Qual o seu nível de preocupação? Poderá impactar significativamente o seu retorno/lucro anual?**  
 Por enquanto não é uma preocupação.
- 13. Antes de gerir o seu próprio Alojamento Local possuía algum tipo de experiência a nível de turismo hoteleiro?**  
 Não.
- 14. Que desafios é que encontra na gestão do seu Alojamento Local?**  
 Não há grandes desafios até ao momento. O importante é ter um bom canal de comunicação e disponibilidade (ou no nosso caso contratar esse serviço) para resolver questões que sempre surgem no momento. Já tivemos algumas situações que necessitaram de resolução imediata e que nós nunca a poderíamos dar pessoalmente considerando a distância a que estamos dos apartamentos. É também importante manter a contabilidade organizada.
- 15. Quais as oportunidades que acha que ainda pode explorar e beneficiar como proprietário de Alojamento Local?**  
 Tomámos a decisão de no ano passado comprar um segundo apartamento no Algarve com o objetivo de utilizarmos a título pessoal e de conseguirmos alugar durante mais meses do que o apartamento da Praia del Rey (embora sempre sazonal). O nosso objectivo foi fazer bons investimentos imobiliários ao nível da utilização pessoal com o objetivo de se pagarem em termos de despesas e trazerem um rendimento adicional. Neste momento o projeto está a correr muito bem mas não temos um novo projeto nesta área, Ainda estamos a implementar.
- 16. Sente que oferece uma experiência única de alojamento a todos os seus clientes?**  
 Não sei se diria única, são estadias em ambiente familiar com boas comodidades (condomínio, piscina, serviços), perto da praia. Diria que o nosso publico alvo são famílias semelhantes à nossa, que viajam com crianças e que pretendem férias de descanso (geralmente estadias longas 5+ noites). O feedback tem sido super positivo da parte dos

nossos hóspedes.

**17. Qual das categorias inclui a sua faixa etária? (Marcar em Bold)**

- 18 - 24
- 25 - 34
- **35 - 44**
- **45 - 54**
- 55 - 64
- 65 - 74

**18. Qual é o seu sexo? (Marcar em Bold)**

- Feminino
- Masculino
- Prefiro não revelar

No nosso caso é um turismo mais familiar, então não conseguimos fazer essa distinção.

**19. Qual é a sua nacionalidade?**

Portuguesa

**20. Qual é o nível mais elevado de educação que tem completo? (Marcar em Bold)**

- Escola Secundária incompleta
- 12º Completo - Escola Secundária ou Equivalente
- Alguma experiência universitária, ainda por completar
- Curso Profissional
- Bacharelato Universitário (Equivale a uma licenciatura de 3 anos)
- **Mestrado Universitário**
- Doutoramento Universitário

**Property Owner/Manager #3**

**1. Em que zona se localiza o seu Alojamento Local?**

Santos, Lisboa.

**2. Quantos Alojamentos Locais é que gere?**

4.

**3. Qual foi o número total de noites reservados em 2019?**

1061.

**4. Em 2019 qual foi a percentagem dos gastos que teve em marketing e publicidade relativamente ao lucro que obteve?**

0.

**5. Em 2019 quais foram as 3 nacionalidades predominantes dos seus clientes?**

França, Espanha, Brasil.

**6. Qual o seu grau de competência a nível de marketing digital e marketing tradicional? (e.g.: Algum curso? Experiência própria).**

Sem experiência.

**7. Em 2019 fez alguma publicidade/promoção do seu Alojamento Local? Se sim, aonde?**

Não.

**8. Quais as plataformas é que trazem a maioria das reservas para o seu AL? Qual a percentagem?**

Airbnb 62.2% e Booking 37.8%.

**9. Alguém lhe dá apoio na gerência do seu Alojamento Local? Qual é a função que exercem?**

Sim. Temos um casal que nos ajuda nos check-in's, gestão de limpeza e acompanhamento dos clientes.

10. **O seu Alojamento Local é a sua fonte de rendimento principal?**

Não. É secundária.

11. **Qual é a forma mais conveniente para manter em contacto com os seus clientes? (Whatsapp, Whatsapp for Business, Facebook Messenger, E-mail)**

Directamente nas plataformas (Airbnb e Booking) mas por vezes por whatsapp.

12. **Alguns países intencionam aumentar os impostos associados às receitas obtidas pelo aluguer de Alojamento Local. Qual o seu nível de preocupação? Poderá impactar significativamente o seu retorno/lucro anual?**

Sim, se aumentarem mais vamos deixar este negócio porque em 2019 já quase não compensou porque nós alugamos as casas. Logo, em cima de todos os custos temos rendas para pagar. Antes de 2019 compensava mas com o aumento brutal de concorrência e consequentemente descida de preços, já quase não compensa.

13. **Antes de gerir o seu próprio Alojamento Local possuía algum tipo de experiência a nível de turismo hoteleiro?**

Não.

14. **Que desafios é que encontra na gestão do seu Alojamento Local?**

Ter classificação máxima de todos os clientes; Ter a limpeza das casas sempre impecável; ter os preços pretendidos por noite;

15. **Quais as oportunidades que acha que ainda pode explorar e beneficiar como proprietário de Alojamento Local?**

Com a nova legislação do AL, espero que em 2020 haja menos concorrência e por isso melhores preços por noite.

16. **Sente que oferece uma experiência única de alojamento a todos os seus clientes?**

Não. Sei que as nossas casas têm alguns problemas que não podemos controlar como humidade e pouca luz natural e por isso sei que não tenho alojamentos incríveis. No entanto, tentamos tornar as estadias o melhor e mais confortáveis possível.

17. **Qual das categorias inclui a sua faixa etária? (Marcar em Bold)**

- 18 - 24
- **25 - 34**
- 35 - 44
- 45 - 54
- 55 - 64
- 65 - 74

18. **Qual é o seu sexo? (Marcar em Bold)**

- **Feminino**
- Masculino
- Prefiro não revelar

19. **Qual é a sua nacionalidade?**

Portuguesa.

20. **Qual é o nível mais elevado de educação que tem completo? (Marcar em Bold)**

- Escola Secundária incompleta
- 12º Completo - Escola Secundária ou Equivalente
- Alguma experiência universitária, ainda por completar
- Curso Profissional
- Bacharelato Universitário (Equivale a uma licenciatura de 3 anos)
- **Mestrado Universitário**
- Doutoramento Universitário

#### Property Owner/Manager #4

1. **Em que zona se localiza o seu Alojamento Local?**  
Lisboa e Troia
2. **Quantos Alojamentos Locais é que gere?**  
2
3. **Qual foi o número total de noites reservados em 2019?**  
213
4. **Em 2019 qual foi a percentagem dos gastos que teve em marketing e publicidade relativamente ao lucro que obteve?**  
5%
5. **Em 2019 quais foram as 3 nacionalidades predominantes dos seus clientes?**  
EUA, Rússia e Suécia
6. **Qual o seu grau de competência a nível de marketing digital e marketing tradicional? (e.g.: Algum curso? Experiência própria).**  
Experiência própria
7. **Em 2019 fez alguma publicidade/promoção do seu Alojamento Local? Se sim, aonde?**  
Online, em plataformas de reservas (Airbnb, Booking e Home Away). Também em páginas próprias de Instagram e Facebook.
8. **Quais as plataformas é que trazem a maioria das reservas para o seu AL? Qual a percentage?**  
Airbnb com mais de 90%
9. **Alguém lhe dá apoio na gerência do seu Alojamento Local? Qual é a função que exercem?**  
Não, a gestão é 100% do proprietário
10. **O seu Alojamento Local é a sua fonte de rendimento principal?**  
Não
11. **Qual é a forma mais conveniente para manter em contacto com os seus clientes? (Whatsapp, Whatsapp for Business, Facebook Messenger, E-mail)**  
Whatsapp e Email
12. **Alguns países intencionam aumentar os impostos associados às receitas obtidas pelo aluguer de Alojamento Local. Qual o seu nível de preocupação? Poderá impactar significativamente o seu retorno/lucro anual?**  
Se Portugal também o fizer, sim, poderá ser preocupante
13. **Antes de gerir o seu próprio Alojamento Local possuía algum tipo de experiência a nível de turismo hoteleiro?**  
Não
14. **Que desafios é que encontra na gestão do seu Alojamento Local?**  
Relação com o Estado, impostos e taxas constantes; Fidelização dos clientes; Estratégias de angariação/aumento da ocupação conseguindo manter o tipo e segmento de clientes.
15. **Quais as oportunidades que acha que ainda pode explorar e beneficiar como proprietário de Alojamento Local?**  
Aumentar a taxa de ocupação conseguindo manter o nível de clientes

16. **Sente que oferece uma experiência única de alojamento a todos os seus clientes?**  
Sim

17. **Qual das categorias inclui a sua faixa etária? (Marcar em Bold)**

- 18 - 24
- 25 - 34
- **35 - 44**
- 45 - 54
- 55 - 64
- 65 - 74

18. **Qual é o seu sexo? (Marcar em Bold)**

- Feminino
- **Masculino**
- Prefiro não revelar

19. **Qual é a sua nacionalidade?**

Português

20. **Qual é o nível mais elevado de educação que tem completo? (Marcar em Bold)**

- Escola Secundária incompleta
- 12º Completo - Escola Secundária ou Equivalente
- Alguma experiência universitária, ainda por completar
- Curso Profissional
- Bacharelato Universitário (Equivale a uma licenciatura de 3 anos)
- **Mestrado Universitário**
- Doutoramento Universitário

#### **Property Owner/Manager #5**

1. **Where is your short-term rental property located?**

Caramulo, Freimoninho and Corte

2. **How many short-term rental properties do you manage?**

2

3. **What was the total number of nights booked in 2019?**

401

4. **In 2019 what percentage of your overall annual profit was spent on marketing & advertising?**

0%

5. **In 2019 what were the top 3 nationalities of your customers?**

German, French, Portuguese

6. **What is your level of experience with digital marketing & traditional marketing? (Any courses, practical experience)?**

Some but in another areas of products

7. **In 2019 did you advertise/promote your short-term rental property? Where?**

Airbnb and Booking

8. **Which P2P platforms generate the highest number of reservations for your property? What is the percentage split?**

Airbnb 80%

9. **Does anyone else assist you in the management of your properties? What role do they play?**



No

10. **Is your short-term rental property your primary source of personal income?**

No

11. **What is the most convenient way to keep in touch with your clients? (Whatsapp, Whatsapp for Business, Facebook Messenger, E-mail etc).**

Whatsapp, Airbnb and E-mail

12. **Some countries intend to increase taxes on total income generated from short-term rental properties. How concerned are you? Can this impact your profit significantly?**

Yes

13. **Prior to managing a short-term rental property did you possess any tourism hospitality experience?**

No

14. **What challenges do you face in the management of short-term rental properties?**

Knowing what the guest expects from me as host.

15. **What opportunities do you believe you can still explore and benefit from as a short-term rental property owner?**

If someone in the local authorities creates conditions to explore nature. They should rebuild the pedestrian courses at Caramulo destroyed by the fire 3 and 6 years ago.

16. **Do you feel you provide a unique accommodation experience to all your guests?**

Yes

17. **What is your age? (Please highlight in bold)**

- 18 - 24
- 25 - 34
- 35 - 44
- **45 - 54**
- 55 - 64
- 65 - 74

18. **I identify my gender as: (Please highlight in bold)**

- **Female**
- Male
- I prefer not to disclose

19. **What is your nationality?**

Portuguese

20. **What is the highest degree or level of school you have completed? If currently enrolled, highest degree received. (Please highlight in bold)**

- Some high school, no Diploma
- High School graduate, diploma or the equivalent
- Some college credit, no degree
- Trade/technical/vocational training
- **Bachelor's Degree**
- Master's Degree
- Doctorate Degree

#### **Property Owner/Manager #6**

1. **Em que zona se localiza o seu Alojamento Local?**

Alfama

2. **Quantos Alojamentos Locais é que gere?**  
1
3. **Qual foi o número total de noites reservados em 2019?**  
223
4. **Em 2019 qual foi a percentagem dos gastos que teve em marketing e publicidade relativamente ao lucro que obteve?**  
Nenhum
5. **Em 2019 quais foram as 3 nacionalidades predominantes dos seus clientes?**  
Canadá – EUA - França
6. **Qual o seu grau de competência a nível de marketing digital e marketing tradicional? (e.g.: Algum curso? Experiência própria).**  
Licenciatura em comunicação social onde tive noções de marketing tradicional.
7. **Em 2019 fez alguma publicidade/promoção do seu Alojamento Local? Se sim, aonde?**  
Não
8. **Quais as plataformas é que trazem a maioria das reservas para o seu AL? Qual a percentagem?**  
Airbnb – 100%
9. **Alguém lhe dá apoio na gerência do seu Alojamento Local? Qual é a função que exercem?**  
Não. Sou só eu.
10. **O seu Alojamento Local é a sua fonte de rendimento principal?**  
Sim
11. **Qual é a forma mais conveniente para manter em contacto com os seus clientes? (Whatsapp, Whatsapp for Business, Facebook Messenger, E-mail)**  
Na própria plataforma do Airbnb e também Whatsapp
12. **Alguns países intencionam aumentar os impostos associados às receitas obtidas pelo aluguer de Alojamento Local. Qual o seu nível de preocupação? Poderá impactar significativamente o seu retorno/lucro anual?**  
Muito preocupada. Vai ter bastante impacto no meu retorno/lucro anual.
13. **Antes de gerir o seu próprio Alojamento Local possuía algum tipo de experiência a nível de turismo hoteleiro?**  
Nenhum
14. **Que desafios é que encontra na gestão do seu Alojamento Local?**  
As mudanças contantes na lei e na fiscalidade; A concorrência que pratica preços demasiados baixos, principalmente na época baixa; A campanha negativa que grupos políticos e económicos fazem ao AL originando uma má imagem.
15. **Quais as oportunidades que acha que ainda pode explorar e beneficiar como proprietário de Alojamento Local?**  
Trabalhar com outras plataformas.
16. **Sente que oferece uma experiência única de alojamento a todos os seus clientes?**  
Sinto e faço por isso. Tenho atenção aos detalhes necessários que fazem a diferença para a estadia ser confortável e os hóspedes têm reconhecido isso através dos seus reviews.
17. **Qual das categorias inclui a sua faixa etária? (Marcar em Bold)**
  - 18 - 24
  - 25 - 34

- 35 - 44
- **45 - 54**
- 55 – 64
- 65 – 74

**18. Qual é o seu sexo? (Marcar em Bold)**

- **Feminino**
- Masculino
- Prefiro não revelar

**19. Qual é a sua nacionalidade?**

Portuguesa

**20. Qual é o nível mais elevado de educação que tem completo? (Marcar em Bold)**

- Escola Secundária incompleta
- 12º Completo - Escola Secundária ou Equivalente
- Alguma experiência universitária, ainda por completar
- Curso Profissional
- **Bacharelato Universitário (Equivale a uma licenciatura de 3 anos)**
- Mestrado Universitário
- Doutoramento Universitário

**Property Owner/Manager #7**

**1. Where is your short-term rental property located?**

Lisbon

**2. How many short-term rental properties do you manage?**

1

**3. What was the total number of nights booked in 2019?**

320

**4. In 2019 what percentage of your overall annual profit was spent on marketing & advertising?**

4%

**5. In 2019 what were the top 3 nationalities of your customers?**

Brazil & USA

**6. What is your level of experience with digital marketing & traditional marketing? (Any courses, practical experience)?**

Masters in Marketing with professional experience in Marketing

**7. In 2019 did you advertise/promote your short-term rental property? Where?**

Airbnb, Homeaway, Booking

**8. Which P2P platforms generate the highest number of reservations for your property? What is the percentage split?**

Airbnb 95%

**9. Does anyone else assist you in the management of your properties? What role do they play?**

No. Just normal suppliers (cleaning services).

**10. Is your short-term rental property your primary source of personal income?**

In 2019 yes, not in 2020.

11. **What is the most convenient way to keep in touch with your clients? (Whatsapp, Whatsapp for Business, Facebook Messenger, E-mail etc).**  
Whatsapp
12. **Some countries intend to increase taxes on total income generated from short-term rental properties. How concerned are you? Can this impact your overall gains significantly?**  
Yes. Very concerned. I think this new tax legislation is pushing small Airbnb owners out of the market, as it won't allow you to live only from this activity anymore
13. **Prior to managing a short-term rental property did you possess any tourism hospitality experience?**  
Yes
14. **What challenges do you face in the management of short-term rental properties?**  
Dealing with the customers and making sure their expectations are met, always providing a good customer experience.
15. **What opportunities do you believe you can still explore and benefit from as a short-term rental property owner?**  
New wave of foreign people coming to live in Lisbon, so not short-term but medium-term rental.
16. **Do you feel you provide a unique accommodation experience to all your guests?**  
Yes.
17. **What is your age? (Please highlight in bold)**
- 25 - 34
  - **35 - 44**
  - 45 - 54
  - 55 – 64
  - 65 – 74
18. **I identify my gender as: (Please highlight in bold)**
- **Female**
  - Male
  - I prefer not to disclose
19. **What is your nationality?**  
Portuguese
20. **What is the highest degree or level of school you have completed? If currently enrolled, highest degree received. (Please highlight in bold)**
- Some high school, no Diploma
  - High School graduate, diploma or the equivalent
  - Some college credit, no degree
  - Trade/technical/vocational training
  - Bachelor's Degree
  - **Master's Degree**
  - Doctorate Degree

**Property Owner/Manager #7**

1. **Where is your short-term rental property located?**  
Algarve and Fátima

2. **How many short-term rental properties do you manage?**  
60
3. **What was the total number of nights booked in 2019?**  
n/a
4. **In 2019 what percentage of your overall annual profit was spent on marketing & advertising?**  
5%. Spent a total of €550 in advertising between the 21<sup>st</sup> of August and 8 of September 2019 and obtained an additional €11,000 in revenue.
5. **In 2019 what were the top 3 nationalities of your customers?**  
UK, Portugal, Spain
6. **What is your level of experience with digital marketing & traditional marketing? (Any courses, practical experience)?**  
Extensive experience within professional sector.
7. **In 2019 did you advertise/promote your short-term rental property? Where?**  
Mainly booking, but also available on other P2P platforms.
8. **Which P2P platforms generate the highest number of reservations for your property? What is the percentage split?**  
Booking (90%)
9. **Does anyone else assist you in the management of your properties? What role do they play?**  
Yes. Cleaning Services and On-Location Managers.
10. **Is your short-term rental property your primary source of personal income?**  
No.
11. **What is the most convenient way to keep in touch with your clients? (Whatsapp, Whatsapp for Business, Facebook Messenger, E-mail etc).**  
E-mail / Mobile Messages
12. **Some countries intend to increase taxes on total income generated from short-term rental properties. How concerned are you? Can this impact your overall gains significantly?**  
Somewhat concerned, although new regulations will likely be applied to new entrants in the market.
13. **Prior to managing a short-term rental property did you possess any tourism hospitality experience?**  
Yes
14. **What challenges do you face in the management of short-term rental properties?**  
Last minute requests, personalizing accommodation to individual needs when requested on the spot.
15. **What opportunities do you believe you can still explore and benefit from as a short-term rental property owner?**  
More varied online platforms and improve marketing content and strategy as well as online presence. Keep up to date with prices being set by direct and indirect competition.
16. **Do you feel you provide a unique accommodation experience to all your guests?**  
Yes our accommodations are newly refurbished, in prime resort locations which offers the safety that is typically associated with hotels and not so much associated with STRs.

17. What is your age? (Please highlight in bold)

- **25 - 34**
- 35 - 44
- 45 - 54
- 55 – 64
- 65 – 74

18. I identify my gender as: (Please highlight in bold)

- **Female**
- Male
- I prefer not to disclose

19. What is your nationality?

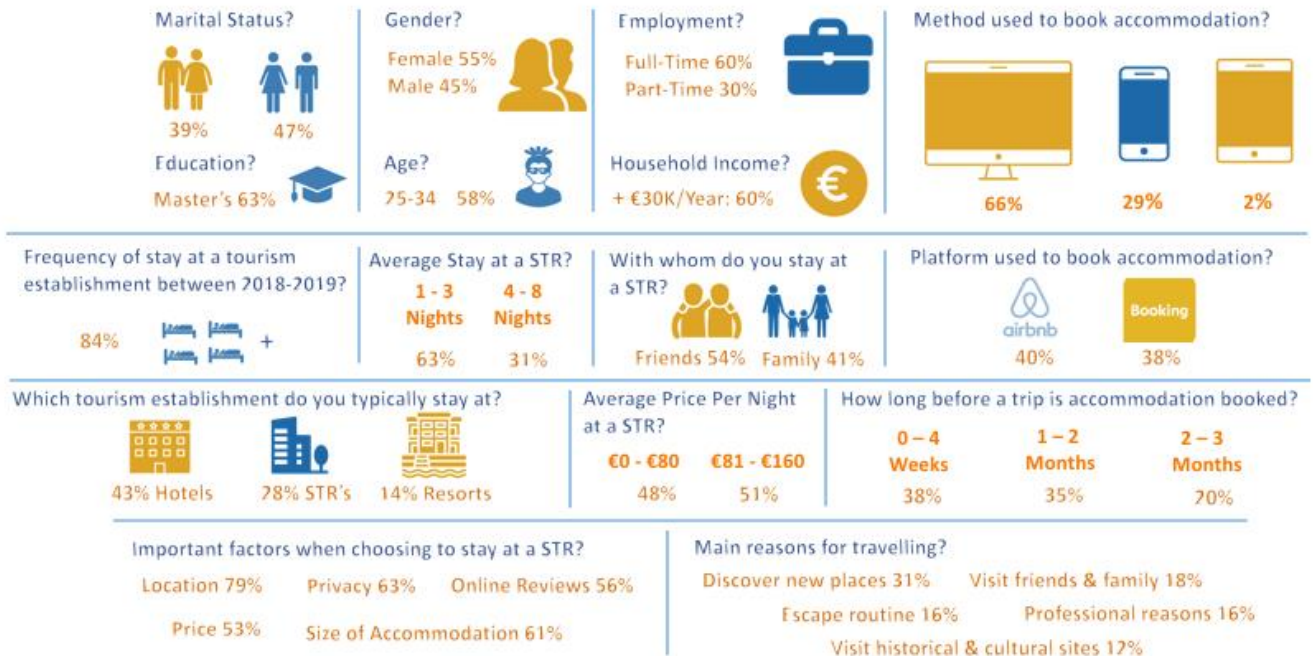
Portuguese

20. What is the highest degree or level of school you have completed? If currently enrolled, highest degree received. (Please highlight in bold)

- Some high school, no Diploma
- High School graduate, diploma or the equivalent
- Some college credit, no degree
- Trade/technical/vocational training
- Bachelor's Degree
- **Master's Degree**
- Doctorate Degree

## Appendix 3: STR Customer Profile Example

### CUSTOMER PROFILING INFOGRAPHICS



## Appendix 4: Marketing Action Plan (Example): MA TRAVEL LTD 2020-2021

MARKETING ACTION PLAN			
4 Weeks	4 Weeks	4 Weeks	On-Going
<b>Outcome Goal:</b>			
Outcome Goal: Generate €400,000 in revenue in 2021			
Outcome Goal: Generate 3 Partnerships with Medium-Term Rentals for off-season rentals			
<b>Marketing Goals:</b>			
<ul style="list-style-type: none"> <li>• Increase the number of qualified inbound opportunities by setting up basic CRM system</li> <li>• Set up advertising tactics to attract target market</li> <li>• Trial new booking channels</li> <li>• Develop online and offline content marketing materials.</li> </ul>			
<b>Performance Based Project 1: CRM Data Base</b>	<b>Performance Based Project 2: Search Engine Marketing</b>	<b>Performance Based Project 3: Booking Channel Trial</b>	<b>Performance Based Project 4: Content Marketing</b>
Create a customisable spreadsheet that aggregates all customer data, sales data and marketing data.	Develop a well optimized website that reflects my brand and attracts my ideal target audience.	Maximise revenue and occupancy-rate by trialling new reservation channels. Discover new audiences.	Develop and publish search-engine friendly, quality content on a monthly basis to help consistently grow email listing.
<b>Process Tasks:</b>	<b>Process Tasks:</b>	<b>Process Tasks:</b>	<b>Process Tasks:</b>
Enter Guests Generic and Personal Data, Details About Guest Stay, Source of the Lead, Type of Priority Client. The point of the CRM database is to track contact data and customer lifecycle changes in a format that can be accessed at any time. Google Sheets is a fairly easy tool to start-off without incurring any costs.	Set up relevant keyword list for use in SEO best practices, social media and online marketing material Incorporate SEO best practices into website to increase online visibility Incorporate Google Analytics to gather data and monitor and measure success	Set up new booking channels such as Airbnb, Expedia, Booking. Establish an API connection and sync your new listing with your existing channel manager.	Develop a video series for posting on the website, social media and other online channels. Create a newsletter to send to CRM database. Create a consist branded profile on Google My Business, Facebook and other relevant channels – share content to target audiences.



Appendix 5: Thematic Analysis based on E-mail Survey Interviews

Table 1: Theme 1 - Environmental Uncertainty

Discussion	Example Codes	Preliminary Themes	Overarching Theme
New government policies: <i>“Would have a significant negative impact on Profit margins and question short term vs long term rental options”</i>	<ul style="list-style-type: none"> <li>Profit Margins</li> <li>Rental strategy</li> </ul>	Tax Increases impact on profit margins and questioning of rental strategy	<b>Environmental Uncertainty</b>
New government policies: <i>“Will impact my annual return”</i>	<ul style="list-style-type: none"> <li>Annual Returns</li> </ul>	Tax Increases impact on profit margins	
New government policies: <i>“new legislation is pushing small STR owners out of the market, as it won’t allow you to live only from this activity”</i>	<ul style="list-style-type: none"> <li>Derailing STR property owners</li> </ul>	Tax Increases impact on profit margins and compromising STR property owners existing businesses	
New government policies: <i>“with higher taxes we will have to abandon this form of business, especially since in 2019 it was hardly worth it with all the expenses were added...”</i>	<ul style="list-style-type: none"> <li>Derailing STR property owners</li> <li>Government Interventions</li> </ul>	Tax Increases impact on profit margins and compromising STR property owners existing businesses	
Challenges: <i>“Relationship with the government and constant changes to laws and fiscal policies”</i>	<ul style="list-style-type: none"> <li>Government Relationship</li> <li>Fiscal Policies</li> <li>Government Interventions</li> </ul>	Antagonistic relationship with unpredictable government interventions	

Table 2: Theme 2 – Understanding Customer Needs

Discussion	Example Codes	Preliminary Themes	Overarching Theme
<i>Challenges: “an unpredictable global crisis and last minute maintenance”</i>	<ul style="list-style-type: none"> <li>Unpredictable Environment</li> <li>Last minute maintenance</li> </ul>	Dealing with customer requests in short notice	<b>Understanding Customer Needs</b>
<i>Challenges: “efficient communication channel and availability to manage last minute requests”</i>	<ul style="list-style-type: none"> <li>Communication Channels</li> <li>Last minute requests</li> </ul>	Efficient communication channels and dealing with customer requests in short notice	
<i>Challenges: “customer loyalty and promotional strategies to maximise occupancy-rates with desired customer segments”</i>	<ul style="list-style-type: none"> <li>Customer loyalty</li> <li>Desired customer segments</li> </ul>	Generating Customer Loyalty and Targeting Relevant Customer Segments	
<i>Challenges: “knowing what guests expect from hosts”</i>	<ul style="list-style-type: none"> <li>Host Expectations</li> </ul>	Customer-Host Expectations and Customer Experience	
<i>Challenges: “Dealing with customers and making sure expectations are met, always providing good customer experience”</i>	<ul style="list-style-type: none"> <li>Customer Experiences</li> <li>Customer Expectations</li> </ul>	Customer-Host Expectations and Customer Experience	
<i>Challenges: “Last minute requests, personalizing accommodation to individual needs when requested on the spot”</i>	<ul style="list-style-type: none"> <li>Last minute requests</li> <li>Personalization</li> </ul>	Dealing with customer requests in short-notice and Customer Experience	
<i>Challenges: “Obtaining maximum customer classifications”</i>	<ul style="list-style-type: none"> <li>Customer Experience</li> </ul>	Customer Experience	

Table 3: Theme 3 – Marketing Strategy

Discussion	Example Codes	Preliminary Themes	Overarching Theme
<i>Opportunities: “More varied online platforms and own marketing and online presence”</i>	<ul style="list-style-type: none"> <li>Marketing Channels</li> <li>Online Presence</li> </ul>	Develop Marketing tactics and increase presence across diverse marketing channels	<b>Marketing Strategy</b>
<i>Opportunities: “Increase occupancy-rate while maintaining desired customer segments”</i>	<ul style="list-style-type: none"> <li>Occupancy Rates</li> <li>Target Key Customers</li> </ul>	Increase occupancy rates with desired customer segments	
<i>Opportunities: “Be present in additional P2P platforms”</i>	<ul style="list-style-type: none"> <li>P2P platforms</li> </ul>	Increase presence across diverse marketing channels	
<i>Opportunities: “New wave of foreign people coming to live in Lisbon, explore medium-term rentals”</i>	<ul style="list-style-type: none"> <li>Explore diverse rental opportunities</li> </ul>	Explore different customer rental needs	
<i>Opportunities: “Be present in more varied online platforms, improve marketing content and strategy as well as online presence”</i>	<ul style="list-style-type: none"> <li>Marketing Channels</li> <li>Online Presence</li> <li>Marketing Strategy</li> </ul>	Develop Marketing Strategy and increase presence across diverse marketing channels	
<i>Challenges: “efficient communication channel and availability to manage last minute requests”</i>	<ul style="list-style-type: none"> <li>Efficient Communication Channels</li> </ul>	Customer / Host Communication Channels	