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**EMERGENCE OF AIRBNB IN THE MALAYSIA'S MARKET AFFECT  
THE CURRENT TOURISM ASPECTS**

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## **Abstract**

Airbnb have recently become popular platform for people to be a host or guest of this lodging concept. It distinguishes itself as 'sharing economy' or 'peer-to-peer' network that connects the relationship between hosts and guests. Technically, Airbnb is a company whose website permits ordinary people to rent out their residences as tourist accommodation. Despite Airbnb increasing growth, many questions the safety or the legitimacy of this business. In this paper explores the presence of safety, insecurities, and trustworthiness in order to create mutual agreements between both parties (host and guest). Furthermore, accessing Airbnb's distinct features on modern Internet technologies and an online business, which the paper further discusses the relations of cost-savings, household amenities, and the potential for local experiences and reviews in the overviews of Airbnb. Additional discussion on Airbnb's potential disrupt the traditional accommodation sector (hotels), and the positive and negative impacts Airbnb may have on destinations underlying the trends which Airbnb considers itself as the disruptive innovators.

## **Introduction**

Safety is the main objective for people when they make choices, especially tourist, they need to equip safety when issuing booking transactions, staying in the accommodation and leaving a review of their experiences. For instance, Airbnb equipped safety aspect by introducing identity verification system. The system includes trustable photo verification mechanisms as well as linking user's profile with well-known social media platform (i.e. Facebook) (Airbnb, 2017b). On the other hand, responsibilities are some serious issues to comply for host, as they are the owner of the 'house'. It is the host responsibility to provide a safe haven for guest as they would search for comfort and privacy during their stay. It is a reasonable approach for Airbnb to create a convenient way for tourist for finding the place to accommodate, hence, a good opportunity to start-up business for individuals who are interested in becoming an online entrepreneur.

It is a simple fundamental we need to understand about Airbnb: the hosts rent their own place (whether it is their private or commercial property) to the guests (Airbnb, 2017). Thus, Airbnb opens up a chance for the host to earn source of income by renting out their residence whereas the guests can book selected homes or rooms at cheaper price (Fang et al., 2017) than conventional accommodation like Hilton. As a result of growing tourism hospitality lies an emergence of sharing economy or known as peer-to-peer (P2P) economy (Tussyadiah, 2016).

The platform utilizes production of resources, values shared creation and impact on current technologies (Tussyadiah, 2016; Laurell & Sandstrom, 2017). Moreover, Airbnb, HouseTrip, FlipKey (branch company of TripAdvisor) and HomeAway also be few examples to sharing economy (Guttentag, 2013). This economy best related to collaborative consumption which consumer have access-based consumption that can put less value on transferring ownership but held significance in joint market transaction (Tussyadiah & Pesonen, 2015). It may create social connections and offer good trust among traders, however could lead to 'disruptive innovation' (Guttentag, 2015).

Within the context before, it's also adds few steps for guests to acquire the rented lot. These steps function as system of transacting the place and the guests might be questioning: "What if there is a risk of scam or stolen information happens when I book online?", "Is it safe for me to stay at this place?" "Does it equip with all necessary home protection?". The fact that online marketplace involves in monetary risks as well as other additional risks (crime thief, hacking, unwarranted spying) will discourage trust among traders (Ert et al.,2016). This motions the individual's insecurities and psychologically disturbed by an unknown force which they would wonder if they make the right choice or not (Tun, 2015; Ert et al., 2016).

Services like online accommodation booking are intangible (Ert et al.,2016), which individual unable to experience it on hand until you can successfully book the place and went to stay temporary. Although in the current times, it is normal to do transactions online as some websites guarantees protection by abiding regulation and law, however, it does not decrease the chance of being exposed to risks. It is critical in facilitating community trusts in dealing online businesses (Fagerstrom et al., 2017). For instance, a news reported July in Spain, a young man, Jacob Lopez, being held captive and sexually assaulted by his Airbnb host. However, his host denies it and Airbnb refused to give cooperation to his mother (Hobica, 2015).

Calling out to modern technology will be a balance of good or bad, which these trendy gadgets could ensure the safety of its owner or be it a gadget use to spy on unnoticed guests. Checking every corner of the room will make you more paranoid of the surrounding so how do you obtain that peace of mind? Airbnb (2017) stated the organization committed in protecting a safe environment for guests and hosts alike. The rental accommodation incorporates with Airbnb Host Guarantees, which it provides protection around \$1,000,000 are subjected to treating damages globally (Airbnb, 2017). Safe to say, their performance attributes

to distinctively finding a new socioeconomic system (Tussyadiah & Pesonen, 2015) and granted new ways of requesting permission to book peer-to-peer (P2P) accommodation (Karlsson et al., 2017). Moreover, the company also ensures that every community is safe by creating standards to more secure platform. It will subsequently boost community to travel and host confidently and comforts (Airbnb, 2017).

On other hands, Airbnb caters their guests with online services as well as safety measures provided will lead to the customers satisfaction and trusts will be developed even further. However, the online platform such as Airbnb also increase concerns for governments (Tun, 2015; Varma et al., 2016). According to Tun (2015) states the local government enacted laws which include tourism tax and regulation prescribe for hosts to double check their legality for renting their properties. She further adds different cities or countries may be lenient or strict by their laws, thus to justify this, the hosts and also communities should aware of the consequences if they go against the law. The government imposing the effect of sharing economy to society, deemed it may taking advantage on the tourist influx but have yet complete overall information on making the base of policy decisions (Horn & Merante, 2017; Pang, 2017).

The paper starts with a brief overview of Airbnb that concerns their initial definition of online business and how it correlates with ‘sharing economy’, ‘peer-to-peer economy’ and ‘collaborative consumption’ as well introducing the new term which is called ‘disruptive innovations’. All the concepts mentioned will be described further of how it will be captured Airbnb’s customers into buying the rental bookings online. In addition, this study presents in-depth topic of discussion about safety for guests and responsibilities for hosts in driving the current relationship of trustworthiness. Subsequently, exploring the several ambiguities of the country’s official taxation and regulation. Lastly, I state the concluding remarks with direction for future researches.

This study gains its facts and information from various authors whom dedicated and contributes their researches into finding the answers. The study also utilizes the approaches and theories and will be written in the context.