

**Sharing is caring, or is it?
Home-sharing and Airbnb from the perspective of the
hotel sector in Helsinki**

Jussi Lappalainen



Author(s) Jussi Lappalainen	
Degree programme Master's of Hospitality Management in Tourism	
Report/thesis title Sharing is caring, or is it? Home-sharing and Airbnb from the perspective of the hotel sector in Helsinki	Number of pages and appendix pages 68 + 4
<p>Home-sharing as a part of the sharing economy has spread almost all over the world affecting many ways on homeowners, tourists, workers, and on businesses. On the other side are the gainers of home-sharing, like Airbnb as the biggest operator in home-sharing and home owners who are now able to earn extra incomes. On the other side are the conventional operators, like hotels, which are now confronting the totally new business environment. There are almost as many different opinions of Airbnb's impact on hotels as there are studies about it – depending of the place and time of the research. The prior researches are mainly conducted on consumers and hosts side but the perspective of the hotel sector is much less researched. The aim of this study is to understand the hotel sector's views of home-sharing and Airbnb in Helsinki, and to gain insights into Airbnb's impact on it.</p> <p>This study is conducted as a qualitative research utilizing the case study as the research strategy. Data gathering is done with the help of the semi-structured interviews. There are altogether nine interviews conducted. The thesis was written between February 2017 and February 2018.</p> <p>The key findings of this study indicate that Airbnb has not had any impacts on the hotel sector in Helsinki in 2017. From the perspective of the hotels sector domestic travellers, bigger groups and majority of business travellers are still staying in hotels in Helsinki. Travellers staying in Airbnb accommodations are mainly younger, international, leisure tourists. These travellers have price, "live like a local" –factor, trendiness of the phenomenon, desire for an adventure and fully booked hotels as the main motivators for their stay in Airbnb. The main reasons that prevent travellers to stay in Airbnb in Helsinki are in turn safety and privacy concerns, fears and doubts of Airbnb, lack of services and the fact that the accommodation is someone's home. The hotel sector presents that Airbnb does not need currently any restrictions in Helsinki. The sector is also confident that Airbnb is not going to have any impact on its operations either in the near future.</p> <p>The findings of this study indicate that the hotel sector in Helsinki is in generally relating to Airbnb in positive way. The sharing economy's blurring roles of the individuals exists also in Helsinki's hotel sector. Your work in hotel business does not exclude your participation in home-sharing. Airbnb has many positive impacts on tourism in Helsinki. It creates more unique accommodation alternatives for travellers and eases up the pressure to find accommodation during high seasons. It also makes hotels in Helsinki to shape up their operations and presence. According to the findings of this study Airbnb in Helsinki could benefit from centralized reception and maintenance services, whereas the hotels could study more about the strengths of Airbnb in Helsinki, like locality and more unique accommodations.</p>	
Keywords Sharing economy, home-sharing, Airbnb, hotel sector, Helsinki, accommodation, tourism	

Table of contents

1	Introduction	1
2	The sharing economy as a phenomenon	3
2.1	Definition and the sharing economic system	4
2.2	Categorizing the sharing economy	5
2.3	Drivers of the sharing economy	8
2.4	The sharing economy - majority activity or niche one?	11
2.5	Growth of the sharing economy in Europe and in Finland	12
2.6	Who are the workers in the sharing economy and users of it?	14
2.7	The potentials and obstacles of the sharing economy in the EU	15
3	Home-sharing and Airbnb	16
3.1	Overview over Airbnb	17
3.2	Airbnb's growth	18
3.3	Motivations for booking and not booking on Airbnb	19
3.4	Airbnb hosting	20
3.5	Airbnb's impact on traditional accommodation sector	21
3.6	Criticism over Airbnb and varying regulations	23
4	Helsinki as a tourism destination	26
4.1	Overview of tourism	27
4.2	Airbnb versus hotel sector	28
5	Execution of the research	29
5.1	Research methodology	29
5.2	Research process	30
5.3	Analysis	34
5.4	Transparency	35
5.5	Validity and reliability	35
5.6	Limitations of the research	37
5.7	Ethical considerations	37
6	Results	38
6.1	Home-sharing as a phenomenon and interviewees' participation in it	38
6.2	Airbnb traveller's profile in Helsinki	39
6.3	Airbnb traveller versus hotel traveller in Helsinki	40
6.4	Travellers' main motivations for staying and not staying in Airbnb in Helsinki	41
6.5	Airbnb hosting in Helsinki	43
6.6	Airbnb's strengths and weaknesses in Helsinki	45
6.7	Airbnb's position on the accommodation field in Helsinki	46
6.8	Airbnb's impact on hotels in Helsinki	47
6.9	Regulation and restriction issues with Airbnb in Helsinki	49

6.10 Airbnb's development and its impact on hotels in Helsinki in near future	50
7 Discussion	53
8 Conclusion	57
References	59
Appendices	68
Appendix 1. Interview questions	68
Appendix 2. Interview questions in Finnish.....	70

1 Introduction

Last night over 200 000 guests stayed overnight in strangers' houses utilizing their spare bedrooms and wondering about local life, décor and habits. Home-sharing and the whole sharing economy have grown explosively during recent years. What used to be only yours and have some value only for you, might be currently valuable for others as well. When consumers used to buy goods and services they needed, the sharing economy has brought the new "pay only access" model into businesses. The other change the sharing economy has brought is so called peer-to-peer dimension. Conventionally companies sold their products and services to consumers, but since the rise of the sharing economy consumers are selling or renting their own assets and services to other consumers leaving companies mainly the role of providing only the online platforms.

The growth of the sharing economy has not been only a smooth one. There are many questions rising with it, like regulation and law issues, safety concerns, and tax obligations. Many cities and countries all over the world are only about to wonder, if the sharing economy should be encouraged or somehow regulated, limited, or even totally prohibited. The home-sharing platforms, like Airbnb, on the other hand bring new kind of tourism and revenues to cities. And it is not only the hosts who have the financial benefits, but also local restaurants, cafes and shops and this way the whole society. But on the other side are the conventional accommodation operators which need to operate today in totally new competition environment. There are opinions on home-sharing presenting that it is only like a supplementing pie in accommodation. The opposing opinions claim that travellers substitute hotels for Airbnb apartments. In the European Union, the regulations on home-sharing vary a lot depending of the member state. During 2017, the EU is having conversations about sharing in accommodation. Since nobody currently really knows how home-sharing is impacting on the hotel sector in Finland, it is important to conduct this research. The aim of this study is to find out how the hotel sector in Helsinki perceives home-sharing and Airbnb and if Airbnb has had any impacts on their operations. I chose this perspective for my study since there are already researches done on hosts and guests side but the hotel side has been much less researched.

There are two primary research questions in this study. The first one is, how does the hotel sector perceive home-sharing and Airbnb's operation in Helsinki? The second one is, how is the impact of Airbnb on hotels in Helsinki from the perspective of the hotel sector?

My thesis starts with the literature review of the phenomenon called sharing economy. I discuss about the definition and categorizing of the sharing economy as well as the drivers behind the phenomenon. I also present some views of the sharing economy markets currently and information about its users and workers. Since most of the researches into the sharing economy is conducted in the US, I decided to enclose the European views of the potentials and obstacles for the sharing economy. The growth of the sharing economy is the last part of the chapter 2. In the chapter 3, I continue with the concept of home-sharing and Airbnb. I present the overview of Airbnb and motivations behind it. Since Airbnb's development has been an explosive one, I decided to enclose information about its growth as well. Airbnb hosting, its impact on traditional accommodation sector, and the criticism and regulation issues are covered before "Helsinki as a tourism destination" chapter. The execution of this research is presented in the chapter 5. I decided to conduct my research as a case study using semi-structured interviews in data gathering. The results of my research are presented in the chapter 6 and the final part of the study has the discussion.

My own first experiences of sharing have happened early in my childhood in Finnish countryside. In that time neighbours and relatives used to bring fish and other groceries, like fruits when visiting us and in turn we used to share products and foods from countryside with relatives living in cities. Even though at that time it was just a normal way to pay attention to your friends and relatives, it was also a way of sharing. When the online platforms were established, I got interested in the sharing economy again. I have utilized home-sharing on my vacations which has enabled me to see interesting homes and to hear exciting stories of lives. In addition to home-sharing I have also used carpooling. On my trip to Spain in summer 2016, I had problems to find suitable transportation between Valencia and Sitges. There just were not any good direct connections between these towns. So, it was time for me to get familiar with the carpooling. The ride was offered by a French man with two kids, and during that three and half hours ride I had heard again new fabulous stories about life and ways to live. Even though the sharing economy has given me so much I do also realize the problems it might have in a larger scale in a society. That is also part of the reason why I chose this perspective to this research. In the beginning of this study, I made a deliberate decision that I did not want to have any commissioner for my research. I wanted to keep this research without any influence or interests of the commissioner. As an inspirational philosophy for this decision and for this whole study process, I had the sentences of Mr Chesky, who is one of the founders of Airbnb, in my mind:

"Design your world right! If you don't, it will be designed for you, and you might not like what you end up with." (Sundararajan 2016, 8 – 9.)

2 The sharing economy as a phenomenon

When in the conventional business model companies offer products and services to consumers, in the new sharing economy model consumers are offering accesses to assets to other consumers. Companies have mainly only the role of facilitating these accesses anymore. (Dervojeda et al 2013, 3.) Participating in the sharing economy is currently very convenient via online marketplace platforms and that is also one of the reasons why it has been growing so rapidly over the past few years. Consumers can already share homes, cars, clothes and even their food. (Brendan 2016, 239.) Besides of the above-mentioned the sharing economy enables renting out even extra space on driveway for parking, rooms for pets, or baby car seats (Geron 2013a, 1). Individuals who have not been even thinking about renting their rooms or ridesharing their cars earlier are now interested in such sharing models (Cohen & Kietzmann 2014, 279).

In this new era of sharing consumers do not have any more only the passive role, instead they are “prosumers” meaning that they can have both the roles of consumer and producer (Stephany 2015, 43). The sharing economy enables consumers to start their own micro-entrepreneurships and to capitalise on their assets and talents (Dervojeda et al 2013, 3). Sharing can be also good for companies if those are enough innovative and future-orientated (Belk 2013, 19). The sharing economy is a diverse phenomenon in industries, services, and business models, which gives it also a great future potential (Sundararajan 2016, 44). But the sharing economy is not any new idea. As a matter of fact, it is the opposite, like Pulitzer Prize winner Tina Rosenberg writes in the New York Times. According to her, the sharing economy was almost the only model of the economy that existed before the World War II. (Rosenberg 2013.) In the urban environment people are still sharing without thinking about it so much. Residents in cities share public parks, transportation, and common spaces in apartment blocks. (Sundararajan 2016, 66.) With the help of new digital technologies humankind is returning to era of sharing, self-employment and exchanging between the members of community (Sundararajan 2016, 5). Like Rosenberg (2013) presents:

“For the young, hip and urban, collaborative consumption is a way to live light, waste less, to protect the environment, to create and associate with community of like-minded people. But it’s not just a phenomenon of the hip. For everyone, it’s a way to de-clutter and save money.

The sharing economy has made people to behave in ways, that would have been totally unheard-of only for some years ago. People are travelling in strangers’ cars, enjoying meals at their dinner tables, and staying in their spare rooms. We all are “entering a new era of Internet –enabled intimacy”. (Tanz 2014.)

2.1 Definition and the sharing economic system

Understanding of the sharing economy means understanding why sharers and users exist on this sharing economy market. Olson and Kemp (2015, 4) define sharing economy market as following:

“Users are individuals, businesses, or machines. There is excess supply of an asset or skill-set and sharing creates economic benefit for both the sharer and the user. The internet provides means for communication and coordination of the sharing”.

Cohen and Kietzmann (2014, 279) define the sharing economies in a way “where people offer and share underutilized resources in creative new ways.” This is almost the same than how Stephany (2015, 9) describes the sharing economy: “The sharing economy is the value in taking underutilized assets and making them accessible online to a community, leading to a reduced need for ownership of those assets.” Stephany (2013, 14 – 15) also claims that sharing economy is built on shared experiences, but it is still capitalism distilled. While Gobble (2015, 62) defines the sharing economy as sharing or renting assets via apps, Belk (2013, 11) excludes the free of charge sharing services, like Couchsurfing from collaborative consumption: “Collaborative consumption is people coordinating the acquisition and distribution of a resource for a fee or other compensation.”

Sundararajan (2016, 27) presents the sharing economy with a wider vision. He presents that the sharing economic system has five aspects as illustrated also in the figure 1.

1. It is a largely market-based, meaning that the sharing economic system creates markets for exchanges of assets enabling new services to arise.
2. Secondly the sharing economy utilizes assets better creating new opportunities. Sundararajan (2016, 27) calls this aspect with the term “high-impact capital”.
3. The supply of capital and labour comes from crowds instead of centralized institutions.
4. The lines between personal and professional blurs in the sharing economy, like in car-pooling when there are strangers in your car on your travel.
5. In labour markets, there is a shift away from full-time jobs to part-time jobs blurring also the lines between leisure and work.

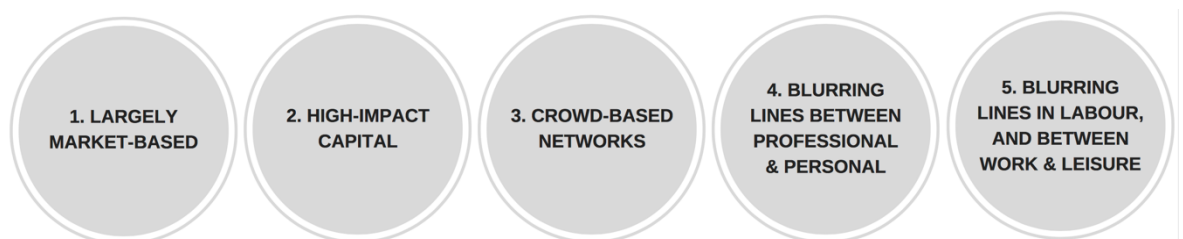


Figure 1. The five aspects of the sharing economic system (Sundararajan 2016, 27)

As presented earlier, and according to also Stephany (2013, 13) the definition of the sharing economy is a loose one. There are also numerous other interchangeable terms, like collaborative economy, peer economy, or peer-to-peer economy. The sharing economy term is currently still the most popular one. (Stephany 2013, 15.) Sundararajan (2016, 35) explains the popularity of the term “sharing” as following:

“It hints at the shift away from faceless, impersonal 20th-century capitalism and toward exchange that is somehow more connected, more embedded in community, more reflective of a shared purpose.”

2.2 Categorizing the sharing economy

Codagnone & Martens (2016, 11 – 12) categorizes sharing firstly according to for-profit and not-for-profit dimension (horizontal line in the figure 2.). In the “true sharing” box in the figure 2, there are the original sharing actions with no intention for profit. The “P2P (peer-to-peer) sharing” box includes the sharing economy activities where the service producers are individuals and they have the intension for profit making. However, the platforms here are often owned and operated by companies. The vertical dimension in the figure 2 is peer-to-peer activities (P2P) versus business-to-consumer (B2C) activities. (Codagnone & Martens 2016, 12.) These P2P and B2C models are explained a bit later in this study. The “B2C” box connects the conventional online businesses with the sharing economy. Even though many of these are no different from conventional online businesses, some like Zipcar are still considered to be part of the sharing economy. In the “empty set” box there are businesses, which “are by definition for-profit” but they “may have some social activities”. (Codagnone & Martens 2016, 12.)

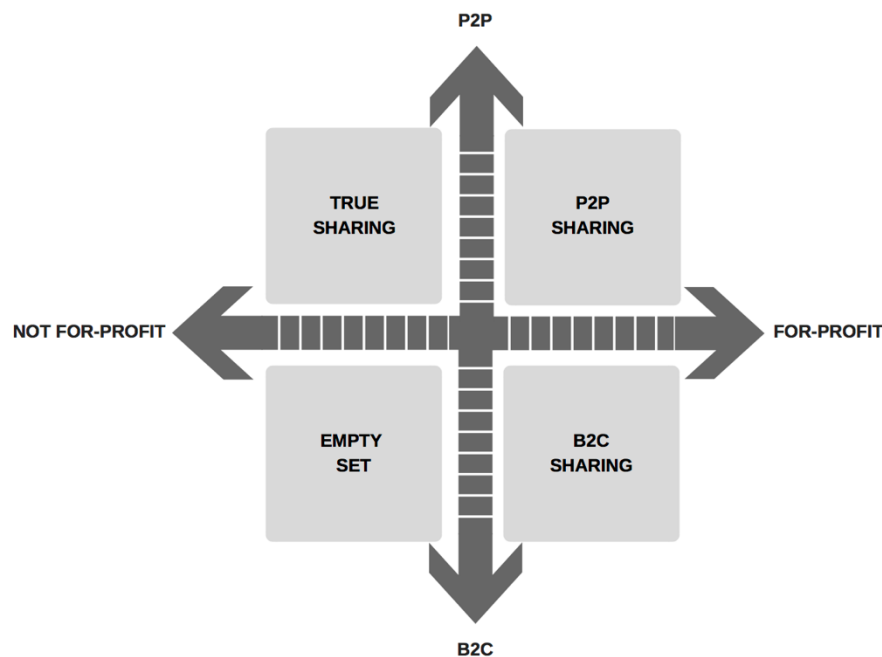


Figure 2. Categorizing the sharing economy (Codagnone & Martens 2016, 12)

Botsman (2013) categorizes collaborative economy in four different activities: collaborative production, collaborative consumption, collaborative finance, and collaborative education. In collaborative production, there is e.g. an online community innovating new ideas, products, and design. To get these new innovations to markets, there are companies in charge of manufacturing and delivering these new products. Collaborative consumption utilizes the use of excess assets, like rooms and cars. Decentralized financing, where people lend money to each other, is called collaborative finance. The last category is collaborative education including educations with open accesses and person-to-person studying. (Botsman 2013.)

Stephany (2013, 12 – 13) divides sharing economy businesses in two categories. The other one is the model, where company offers sharing economy goods or services to consumer. This is called business-to-consumer (B2C) model. The car renting company, which owns, maintains and rents its cars to consumers is a typical B2C company. The other model of the sharing economy is so called peer-to-peer (P2P) model, where individuals are offering and buying goods and services from each other. As an idea again, in car renting P2P markets, individuals are renting own cars to others. (Stephany 2013, 12 – 13.) In addition to B2C and P2P models, Botsman (2013) adds also a third model, business-to-business (B2B) model. In B2B model businesses or enterprises utilize underused assets offering them to other businesses. In the figure 3 Stephany’s and Botsman’s sharing economy models are combined into same figure.

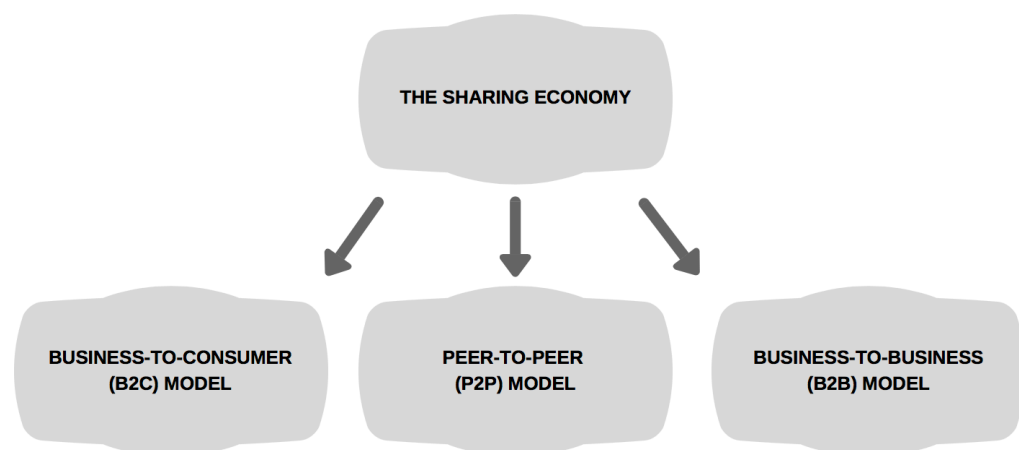


Figure 3. Division of the sharing models (Botsman 2013 & Stephany 2013, 12 - 13)

According to Sundararajan (2016, 44) the sharing economy includes various industries, business models, and variations between the gift and market economies. It has the exceptional nature to locate itself between capitalism and socialism and still to connect people even from those both very ends of that spectrum. (Sundararajan 2016, 44.) Owyang (2016a) classifies the sharing economy industries with the help of honeycomb as seen in

the figure 4. He presents that in 2016 new industries in the sharing economy are “reputation and data”, “mobility services”, “the beauty sector”, and “worker support”. The honeycomb also reveals, that even though many times the sharing economy is thought to include only micro-enterprises, many larger companies are also embracing it. (Sundararajan 2016, 84.)

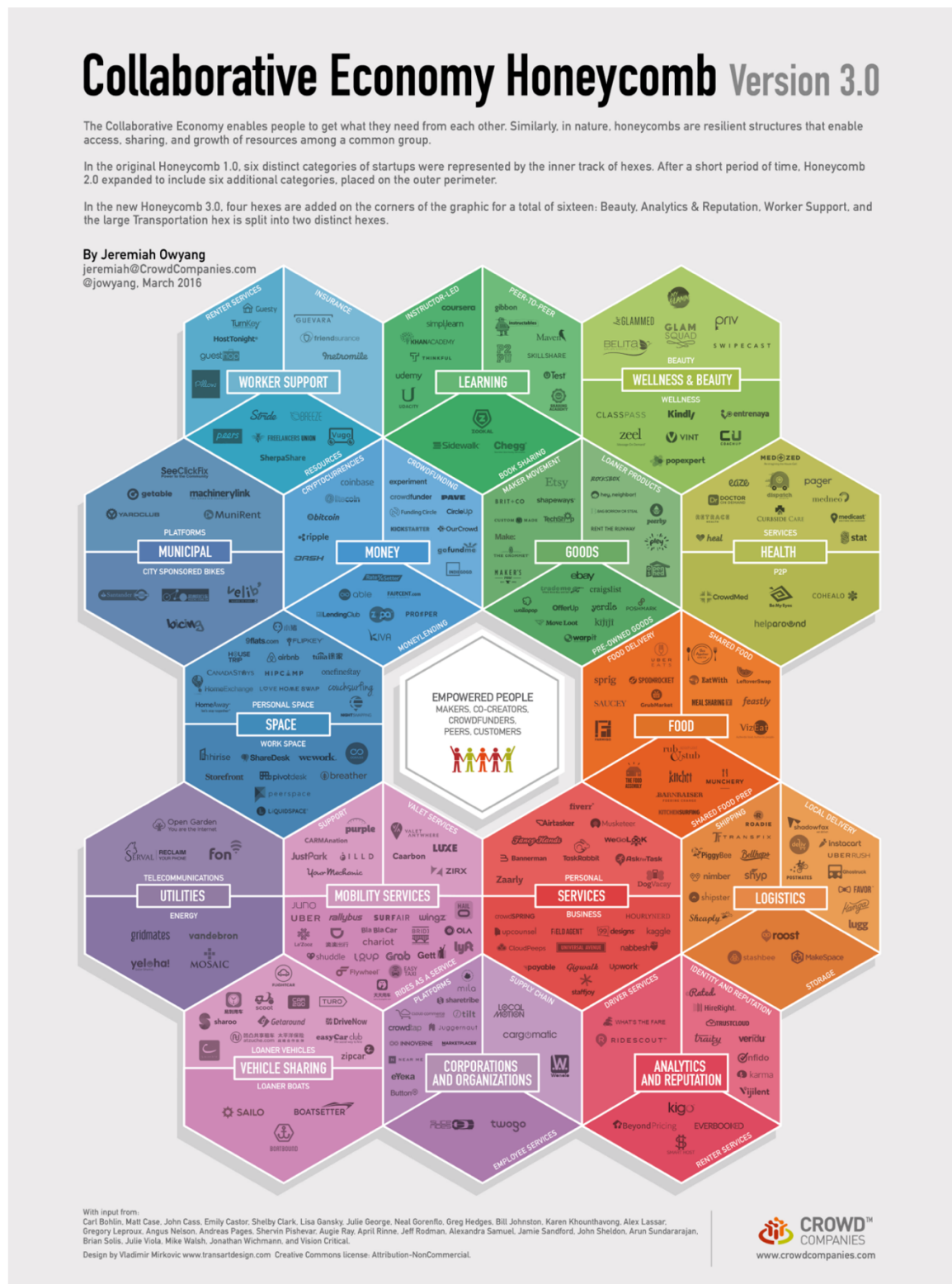


Figure 4. Industry-sector based classification of the sharing economy activities in 2016. Owyang’s so called Honeycomb 3.0 (Owyang 2016a)

2.3 Drivers of the sharing economy

As already mentioned earlier, the sharing economy is not any new philosophy. But why has it been flourishing again over the past few years? The main drivers behind the boom of the sharing economy are socioeconomic, environmental and technological drivers.

Socioeconomic drivers like urbanization and increased population density has created raised supply and demand for shared goods and services (Gansky 2010, 81; Owyang 2013, 5; Stephany 2015, 31). United Nations estimated, that in 2014, already over 50 per cent of the world’s population lived in urban areas. In North America where the urbanization is higher, the percentage is already over 80, as also illustrated in the figure 5. The sharing economy has had a fertile soil especially in the megacities, which population is over 10 million, like New York and Los Angeles. (Sundararajan 2016b, 65 – 66.) Higher population density enables the reputation of sharing services go by word-of-mouth, which is often behind the growth of sharing services (Owyang 2013, 5; Stephany 2015, 31). Like also said by Mark Hatch, the chief executive of TechShop offering open-access workshops, “People don’t e-mail these kind of experiences, but they do put them on Twitter” (Rosenberg 2013). Botsman and Rogers (2011, 75 – 77) present in this context the sociological term “critical mass”, meaning that there need to be enough goods or services offered so that everyone can find something they like and this way the system (here the shared economy) becomes self-sustaining. The critical mass is different depending of the field of business, but the principle is always still the same: users need to be satisfied with the selection and convenience or otherwise the system will not be successful. (Botsman & Rogers 2011, 80 – 81.)

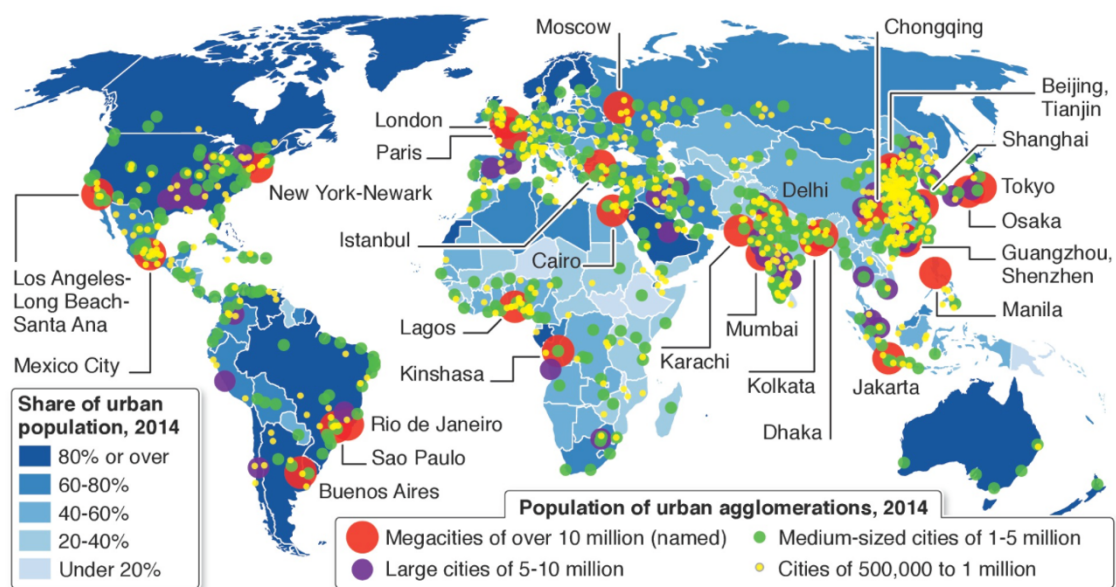


Figure 5. World urbanization in 2014 (UN in Engineering & Technology magazine 2014)

In addition to increased population density the socioeconomic drivers include also other factors. The rise of the social trends like connecting with other people and certain overall “need to help”- or “pay it forward”-trend has also been a part of this development according to Owyang (2013, 5). In this context, Stephany (2015, 29) presents “the human brand advantage”. According to a survey made in 2010 majority of the consumers in the US and Europe felt that the credit crunch made them to trust less on big businesses. People wanted to rely on people instead of only companies or big brands. (Gansky 2010, 64 - 67; Owyang 2013, 5; Stephany 2015, 30.) Olson and Kemp (2015, 10) contend also that consumers became eager to familiarize with other cultures and societies with the help of “homemade” and “local” experiences, like Airbnb. Stephany (2013, 25) in turn presents that online shared economy communities have helped people to fulfil their social needs in individualized world bringing along the sense of belonging and enriching their social life. About the “need to help” or “pay it forward” issues Botsman and Rogers (2011, 133) mention online communities, where you can donate something for free knowing that someday someone else will do the same for you.

The economic situation after the global recession in 2008 made millions of consumers to realize that they had many unneeded items in their lives. Financial pressure created by recession made consumers to try new shared economy platforms, which were often more cost efficient than the traditional ones. Selling excess assets became the way to finance one’s cost of living for many in this new economic situation. (Stephany 2013, 27 – 28.) To understand the amount of these excess assets Botsman and Rogers (2011, 83) present that in the UK and US 80 per cent of items owned by people are not used even once a month. When economy went down the number of major sharing economy start-ups founded exploded. Additionally, there were also layoffs among workforce and the amount of part-time work grew fast. These changes in working life further encouraged workers to adopt new ways to work and earn within the sharing economy. (Olson & Kemp 2015, 8 – 9.) The recession made people also to re-evaluate their lives, like their unsatisfying jobs, things they owned and how much they needed to work for it all. Assets that they earlier so much liked about seemed to lose value. (Gansky 2010, 68.) On the other hand, sharing also enabled many new assets to consumers regardless their rate of salary. The sharing economy created the access to assets and services and there was no need to own them anymore. (Owyang 2013, 6.) Stephany (2015, 27) even claims that younger generation is sensitive for owning assets and see it somehow tedious. This is the case particularly in owning the car, which used to be sign of freedom but now it is often seen as a burden (Stephany 2015, 27). Besides of the changes in consumer behaviour and trends there has been also a great ongoing funding from investors for the sharing economy start-ups (Owyang 2013, 6).

The second driver, as also presented in the figure 6, is the growing environmental awareness. This environmental driver has made individuals to wonder about their consumption habits. Co-owning, loaning, and renting maximizes the usage of underused assets. (Gansky 2010, 28; Owyang 2013, 5.) There are researches made in Europe which suggest that for example car sharing could cut up 50 per cents of CO2 emissions by a user (Botsman & Rogers 2011, 114). Renting assets instead of buying them decreases the ecological damages affected by manufacturing of new products and reduces the need of landfills. This is an attractive feature for many who is utilizing the sharing economy. (Sundararajan 2016b, 66.) But there are also other kind of opinions about this matter. Stephany (2015, 32) presents a survey, which found out that making or saving money was five times more important to people than the environmental aspects when using shared services. Botsman and Rogers (2011, 74) argue that the sustainability is something which is more like an unintended outcome of the sharing economy than driving motivation behind it.



Figure 6. Drivers of the sharing economy

In the past commodities could be sold in marketplaces and sellers and buyers came often far away to reach these markets. Since the Internet and online platforms everything has changed. The technological drivers enabled sellers to reach unlimited number of consumers without physically moving anywhere. The online marketplaces have also cut transaction costs enormously. Sellers can list items for free with several photos and descriptions just in few moments without need to pay advertisements in newspapers or so. (Botsman & Rogers 2011, 84; Stephany 2013, 20.) This social networking enables to compare peer-to-peer transactions in a way that was not earlier possible (Owyang 2013, 6). And it is not only the product descriptions, which give more information and this way also trust in online. Many online platforms encourage users to log in with their social media profiles and even add more information about themselves to their profiles. Information about favourite movies, enthusiasms, ratings and reviews help to create trust and this way these online individuals do not feel so much strangers anymore. (Botsman & Rogers 2011, 91 – 92; Olson & Kemp 2015, 11; Owyang 2013, 6; Stephany 2013, 24.)

A decade after the launch of first iPhone's smartphone, these pocket size computers with high-speed internet connections are practically everywhere. Customers may offer products and services, accept and confirm bookings via smartphone applications anytime and anywhere. (Olson & Kemp 2015, 12; Owyang 2013, 6; Stephany 2013, 22 – 23.) For the younger generation, the Internet is as "mobile first" (Stephany 2013, 23). According to Olson and Kemp (2015, 12) travellers are also leaving home their laptops and utilizing their mobiles when looking for services. Smartphones have also high-quality cameras, which enable users conveniently and quickly to add goods and services with photos to online marketplaces. (Stephany 2013, 23.) The development of payment systems in online is one more technological driver behind the boom of collaborative economy (Owyang 2013, 6). Payment platforms, like PayPal, have made consumers comfortable with online payments (Olson & Kemp 2015, 11).

2.4 The sharing economy - majority activity or niche one?

Even though Uber and Airbnb might be the first ones on mind, when talking about the sharing economy, the market still varies widely as also presented earlier in this study. North-American research company Pew Research Center has found out that there are huge differences between usage of the sharing economy in the various industries in the US. When every other American researched in 2016 replied, that they have purchased second hand goods online utilizing platforms like Ebay, only 15 % said they have used ridesharing. The number of respondents, who had never heard about the ridesharing apps before was more than double as high as the number of users. When 11 % of the respondents said that they had used home-sharing, almost half of the Americans said that have never even heard about it. The clothes renting and task hiring were the most less utilized sharing economy services, only few per cents of the respondents saying they had used those ones. (Smith 2016, 1, 2 & 6.) In the European Union the European Commission requested a survey in 2016 about the awareness and use of sharing economy platforms in Europe. In 28 European countries researched more than half (52 %) of the respondents had heard about the sharing economy platforms and almost every fifth (17%) had used them. In Finland about every third is aware of the sharing economy platforms and about 8 % has used them at least once. The share of the ones who had used the sharing economy platforms in researched European countries was lower than in Finland only in Czech Republic, Malta, and in Republic of Cyprus. (European Commission, 2016, 5 – 6 & 24.)

Even though there are consumers who are totally unaware about the sharing economy, according to Olson and Kemp (2015, 7) the sharing economy is still something what is here to stay. They claim that consumers like to identify with the sharing economy rather

than corporation's and this way form the strong brand for it. The sharing economy is also quicker in reacting to changing situations in demand and it often offers something very exclusive with lower prices than the commercial providers. (Olson & Kemp 2015, 7.) North-American based research company eMarketer has estimated, that during the year 2016 in the US there were 27 million adults using the sharing economy forming almost 11 % share of the total adult population. In 2020, the numbers are estimated to be 40 million and over 15 %. (eMarketer 2016.) Olson & Kemp (2015, 15) estimate that by 2025 peer-to-peer markets could have 10 % of total accommodation bookings and 27 % growth between the years 2014 and 2025. They (Olson & Kemp 2015, 6) further expect peer-to-peer prices get lower in the future when more suppliers enter the markets. According to Belk (2013, 18) environmental issues, rising material and fuel prices with upcoming trends feed future sharing and collaborative opportunities. If the environmentalism is not a strong enough driver for consumers in the future, desire for convenience is. Consumers are seeking the convenience not to own, store and maintain goods. They want only to have access for them directly from their smartphones. (Stephany 2013, 185.) There are also analysts, who are confident that sharing economy will continue to grow and others that even say that collaborative economy might be the whole new phase of the economic development (Stephany 2013, 190). Botsman and Rogers (2011, 216) also discuss that when consumers try some part of sharing they become much readier to try other ones too and over the time their whole mind-set changes and they start to see the sharing economy as a way for their whole consumption.

2.5 Growth of the sharing economy in Europe and in Finland

The consulting company PricewaterhouseCoopers UK (PwC) has estimated that when the economy in whole in Europe is expected to grow about 3 % annually, the sharing economy is about to grow 35 % per year. The total value of transactions is expected to grow from 28 billion euros in 2015 to 570 billion euros in 2025. The largest sharing economy sector in Europe in 2025 is expected to be peer-to-peer transportation. The second largest is estimated to be on-demand household services and the peer-to-peer accommodation sector would be the third largest one. PwC estimates, that UK and France are the "hubs for innovation and growth in the sharing economy" in Europe spreading the growth also to other European countries. (PwC 2016.)

According to a study, requested by the European Commission, the sharing economy created revenues of almost €4 billion and promoted transactions of €28 billion in the EU in 2015. The highest sector in 2015 with the total transaction revenues was peer-to-peer accommodation forming over half of all the sharing revenues in the EU. The on-demand

household and professional services both had almost 20 % share of these revenues. The growth of the sharing economy in the EU has been fast during last years accelerating in 2015, when large sharing operators invested strongly into Europe. When the value of sharing economy transactions in the EU in 2014 was 56 % higher than in 2013, the growth per cent between years 2015 and 2014 was already 77 %. (Daverio & Vaughan 2016, 6 - 7.)

The Finnish Ministry of Economic Affairs and Employment had a research done estimating that the sharing economy is going to tenfold in Finland before the year 2020. Even though the start of the sharing economy has been more sluggish in Finland than in many other European countries, it is still expected that during the following years the value of sharing markets is going to even double yearly until reaching the average European growth level of 35 % per year (see the figure 7). As also presented in the figure 7, the value of the sharing economy transactions in Finland is estimated to be 0,1 billion in 2016 and in 2020 almost 1,4 billion euros. The crowdfunding is staying as the largest sector in the sharing economy also in 2020. In 2016 home-sharing was the second biggest sector, which value of transactions is estimated to over tenfold before the year 2020 and reach 15 % market share of total accommodations in Finland. The biggest growth is expected to happen in ridesharing. (Työ- ja elinkeinoministeriö 2016a, 18 – 25.)

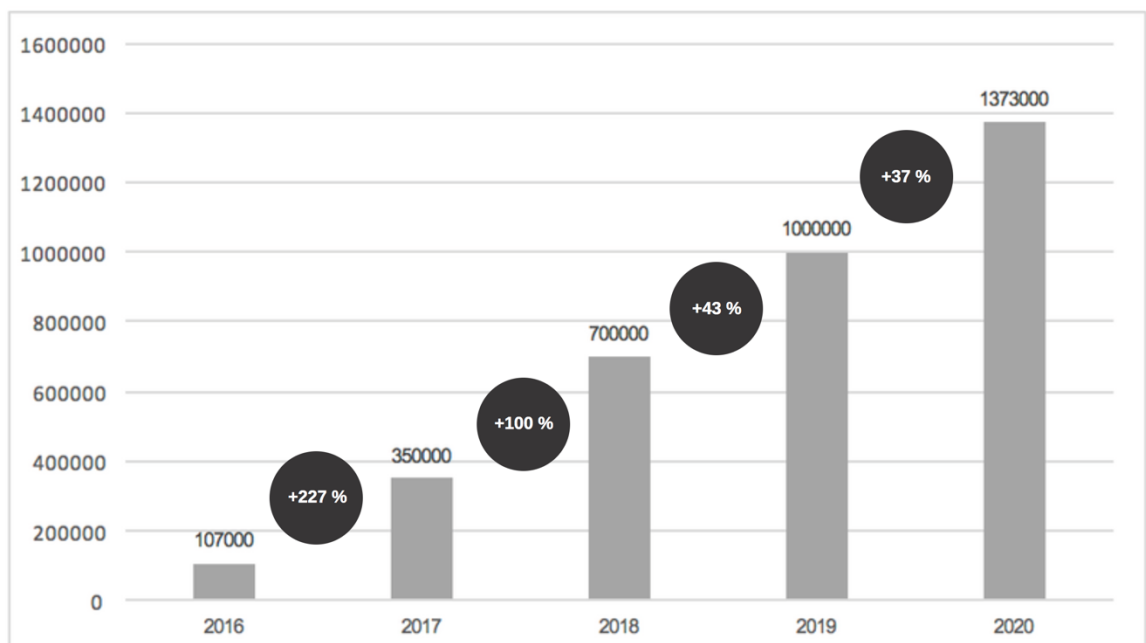


Figure 7. Estimated value of the sharing economy transactions in Finland (thousand €) with annual growth % (Työ- ja elinkeinoministeriö 2016a)

2.6 Who are the workers in the sharing economy and users of it?

Pew Research Center has found out that each of the sharing economy platform has its own user base in the US. In overall both genders are equally using the sharing economy platforms. Ridesharing appeals strongly to younger adults, the median age of its users is 33 years in the US. The 18- to 29-year-old Americans are seven times more likely to use the apps, like Uber or Lyft, than over 64 years old ones. The urban residents with relatively high income and education are the ones which are mainly using these shared transportation services. (Smith 2016, 1 & 4.) On the other side of the Uber transportation there are more women, and more educated workers than among regular taxi drivers. The study about Uber drivers in the US made in 2015 found out also, that even though Uber drivers are in all age groups, the number of younger drivers (under 30 years) is still much higher among Uber. Over 60 % of the Uber drivers had either another full-time job or part-time job. The biggest motivations for driving Uber were to earn more incomes, freedom to set own schedules, and to have more flexibility with work and family time. (Hall & Krueger 2015, 7 – 11.)

The home-sharing, like Airbnb and HomeAway, seems to appeal to much wider segment of users than ridesharing. The median age of users in the US is 42 years. 35- to 44-year-old Americans have been almost twice as eager to use home-sharing than 18 – 24-year-old ones. The college graduated and the ones with higher annual incomes are much more likely to use the home-sharing than the ungraduated and the ones with lower annual incomes. (Smith 2016, 1 & 4.) The abovementioned characteristics of Uber drivers reflects also wider the workers of the sharing economy. Almost 70 % of the workers in the sharing economy in the US are between 18 to 34 years old and probably partly because of this even 40 % of these workers have college graduation. Nearly 40 % of the sharing economy workers responded that the earnings from the sharing economy made less than a quarter of their total household incomes. (Leins 2015.)

As in the US also in the EU the younger and more educated urban citizens are much more aware of the sharing economy platforms and using them more than average citizens. When in the US both genders were using equally sharing economy platforms, in the EU men are more likely to use these services than women. (European Commission 2016, 5 – 6 & 24.) The main reasons for European consumers to participate in the sharing economy in 2015 were saving and earning money, and environmental and social reasons (ING 2015).

2.7 The potentials and obstacles of the sharing economy in the EU

The European Parliament requested the study about “Economic, Social and Legal challenges and Opportunities” of the sharing economy in 2015. In this study Goudin (2016, 19 - 21) found out some key potentials of the sharing economy in the European Union. Firstly, the sharing economy is likely to grow and to extend to new markets (e.g. education and health). Goudin (2016, 21) also estimates that when the share of peer-to-peer markets (P2P) reaches 25 % of the whole markets, it starts declining and eventually business-to-consumer (B2C) rentals starts dominating the markets. New business models are also likely to arise. Consumers are expected to benefit from increased varieties and qualities of services, and from lower prices. Lower prices are due to lower costs, and increased supply and demand. Quality should improve e.g. due to increased competition and more transparent public ratings whereas new platforms enable wider varieties in supply. The sharing economy may bring higher earnings and new economic opportunities to providers but on the other hand it also may reduce traditional benefits, like pensions, sick leaves, maternity & paternity leaves. When assets are used more effectively in the sharing economy, manufacturers might need to adapt new ways of producing higher quality products and services. (Goudin 2016, 19 – 21.) Goudin (2016, 20) also estimates that the sharing economy would reduce inequality, since the sharing economy benefits those with limited access to valuable assets. The electronic payment platforms are expected to further develop, and this way also improve tax compliance. One of the last potentials Goudin (2016, 19 – 21) mentions is the expected increase in competition in service markets. The theoretical maximum potential of all the underutilized assets and resources in the EU is estimated to be €572 billion (Goudin 2016, 21).

On the obstacle side Goudin (2016, 21 – 23) first mentions the need of certain level of digital skills and digital access needed in the sharing economy. The distribution of smart phones is expected to ease up this obstacle. Physical barriers, like low population density might prevent also the growth of the sharing economy in some areas. New business models are needed to overcome this barrier. Goudin (2016, 21 – 23) also presents, that customers are often accustomed to own assets. Overtime it is still expected that renting becomes even more practical and people want to own less and rent more. Lack of trust including safety and security issues is a big obstacle in the growth of the sharing economy. Creating insurance policies and transparent ratings could be part of the solution. The lack of e.g. technical and social skills in some areas of the EU might create social exclusion. Also, the labour market issues like wage demands might create barriers. The high taxation, policies and / or regulations could prevent the development of the sharing economy in some European Union countries. (Goudin, 2016, 21 – 23.)

3 Home-sharing and Airbnb

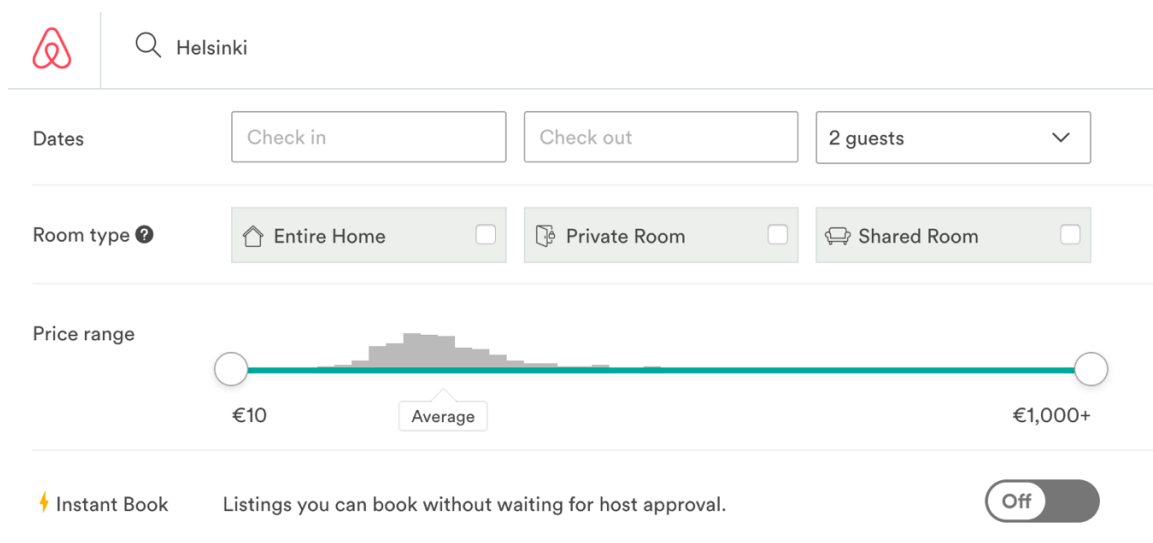
One of the pioneering industries in the sharing economy is the accommodation and travel industry. HomeAway, Wimdu, 9flats and Airbnb are some of the key players enabling home owners to gain some extra money with their underutilized assets. (Olson & Kemp 2015, 14.) The idea of house-sharing is still not anything new. Monasteries and nunneries have been offering free of charge or cheap accommodation already for centuries. The first online based forum to connect hosts and guests was in 2004 established Couchsurfing. However, it was Airbnb that altered the markets totally. (The Economist 2012.) The above-mentioned sharing economy brands can be divided in two categories depending on what they are offering. Homeaway has the same operating idea than Airbnb but is concentrating more on vacation apartments and homes unlike Airbnb, Wimdu and 9flats, which are operating in urban areas. The dividing is not always so crystal clear, since some of the apartments and homes might be listed in several peer-to-peer websites. (Guttentag 2016, 18.)

Sundararajan (2016, 38 – 39) divides the sharing economy operators in accommodation with the features of their presence in markets, using the spectrum from gift-economy to market-economy. He structures Couchsurfing, Airbnb, and newer OneFinestay as following: in the gift economy end of the spectrum is Couchsurfing, where no money is exchanged between a host and a visitor. Social aspects, like desire to connect with other people, are the main motivations for users in Couchsurfing. Unlike in Couchsurfing, money is the main motivator for hosts in Airbnb, who want to change their spare rooms for profit. Travellers on Airbnb -site are also looking for more affordable accommodation than hotels with better locations, larger rooms and so on. Still there are some features of gift economy in Airbnb too. Many hosts are giving their personal space to others to use with many personal items, like photos, souvenirs from friends on the table, and household appliances “included”. Behaviour of travellers and hosts is also different compared to traditional accommodation sector. Hosts often give their best with small gifts, services, and hints of local life as well as do the travellers via rewarding the host and this way further encouraging others to use the same accommodation. In the other market end of the spectrum, are operators like OneFineStay. (Sundararajan 2016, 38 – 39.) OneFineStay, or “new thing called unhotel”, like they call themselves, has luxury standard homes with luxury facilities and services available, like maids and chefs (Stephany 2013, 45). OneFineStay has among others Hyatt Hotels as its investors and even though the space might be supplied by crowd, all the luxury level services are provided by the platform itself. OneFineStay sees the very high-level hotels as its competitors rather than Airbnb. (Sundararajan 2016, 39 – 40.)

3.1 Overview over Airbnb

Airbnb got started when Brian Chesky with his friend Joe Gebbia decided to turn their house into bed and breakfast during the industrial designer event in San Francisco in October 2007. Mr Chesky and Mr Gebbia were in a shortage of rental money and came up with a solution to rent their three air mattresses to overnighting guests in a city where all the hotel rooms were sold out on the conference website. By this arrangement they got enough money to pay their rent and created the idea which turned out to be worth of multi-million dollars: Airbnb. (Friedman 2013; Olson & Kemp 2015, 20; Sundararajan 2016, 7 - 8.) According to Geron (2013a, 2), Mr Chesky said that they never thought about taking part in the new economy - they just needed to solve their own problem and understood only in afterwards that there were many others interested about it. Instead of building new hotels around the world with huge investments, Mr Geron and Mr Chesky found out the way to utilize the rarely used apartments and spare rooms all over the world (Sundararajan 2016, 8).

Airbnb has homes in 34,000 cities in 192 countries. In addition to “normal” rooms or apartments, these Airbnb homes include wide variety of properties from castles, caves, water towers, glass houses, igloos to treehouses ready to accommodate adventurous travellers. (Friedman 2013.) Residence owners can list their property for free. Airbnb organizes the professional photographer at their expense to shoot the photos needed. Hosts have access to their property’s online calendar and that way they can control the availability. (Stephany 2013, 47.) When you book your stay via Airbnb, you need to sign up first and then just look for a suitable accommodation via search site presented in the figure 8. After paying your accommodation by credit card you are ready for your travel.



The image shows a screenshot of the Airbnb search interface. At the top left is the Airbnb logo. To its right is a search bar containing the text "Helsinki". Below the search bar is a section for search criteria. It includes a "Dates" section with "Check in" and "Check out" input fields, and a "2 guests" dropdown menu. Below this is a "Room type" section with three options: "Entire Home" (selected), "Private Room", and "Shared Room", each with a checkbox. Below the room type section is a "Price range" section featuring a horizontal slider with a histogram overlay. The slider is set between "€10" and "€1,000+", with a label "Average" pointing to the center of the distribution. At the bottom of the search interface is an "Instant Book" toggle switch, which is currently turned "Off". The text next to it reads "Listings you can book without waiting for host approval."

Figure 8. Airbnb search site (Airbnb)

Airbnb charges 3 % of the payment from the host and 6 to 12 % from the traveller. Travelers and hosts may connect their Facebook profiles and verify e-mail addresses and phone numbers, and eventually after the travel rate each other on Airbnb site. (Friedman 2013.) Airbnb has enabled with the help of advanced Internet technology hosts fluently to write descriptions and add photos of their spaces, be in touch with customers, and accept bookings and payments. Airbnb hosts have the access free of charge to tourism accommodation sector with clients from all over the world. Anyone with the spare room can start to compete with the traditional accommodation companies. (Guttentag 2015, 1195.)

3.2 Airbnb's growth

During the first seven years after its establishment Airbnb accommodated altogether over 20 million travellers. In 2014 Airbnb became the world's biggest accommodation provider in number of beds surpassing Hilton (Stephany 2015, 136). The growth accelerated rapidly in 2015. As presented in the figure 9, in 2015 Airbnb had already 40 million travellers overnighing and the number even doubled reaching 80 million during the year 2016. Totally the number of travellers who have arrived at Airbnb listings since it has been established in 2008 reached 140 million in the end of 2016. During the year 2016 Airbnb was also able to get 1 million listings, which are available via "Instant book". "Instant book" means that those listings can be booked right away without prior host approval. Reaching the 1 million meant that Airbnb is the second largest in instantly bookable accommodations in the world when compared with the hotel-chains. (AirbnbCitizen 2017.)

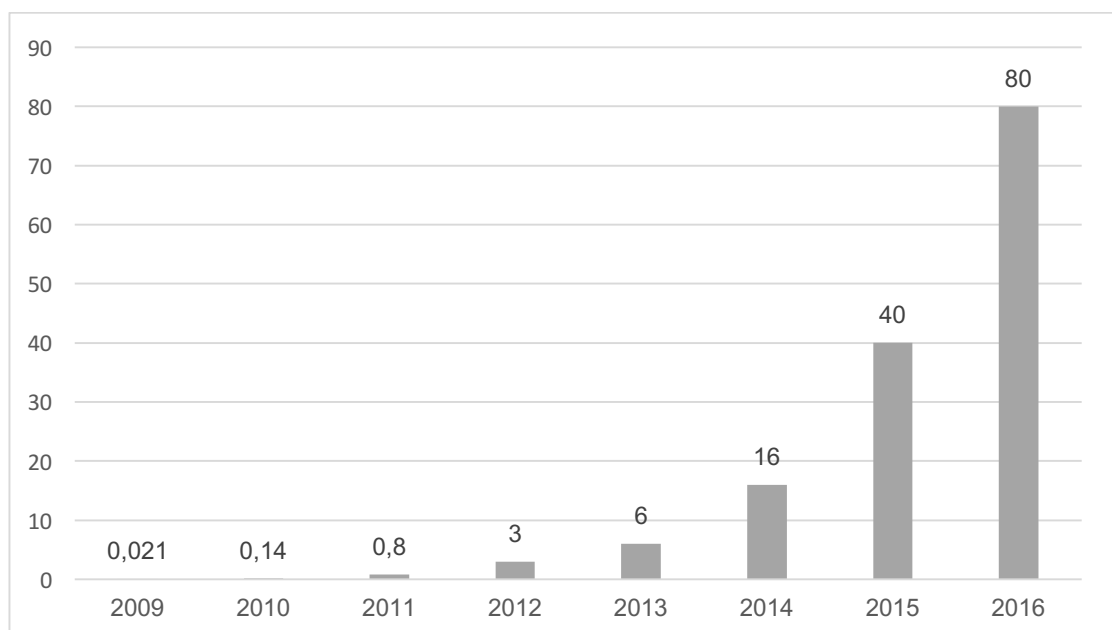


Figure 9. Growth of Airbnb (Owyang 2016b; AirbnbCitizen 2017)

3.3 Motivations for booking and not booking on Airbnb

The main travellers' motivation for using Airbnb is the desire to "live like a local" (AirbnbCitizen 2014). In addition to this Guttentag (2015, 1196) presents, that Airbnb accommodation is usually cheaper than traditional accommodation options and it has the favours of images in staying in someone's home. Staying in a residence gives benefits, like a washing machine, and a full kitchen. Local Airbnb hosts may give guests useful tips about local services. Residences are often also located in more spread out than traditional accommodation options in "non-touristic" areas. (Guttentag 2015, 1196 – 1197; Priceonomics 2013.) As an example of the above mentioned Guttentag (2015, 1197 – 1198) brings out a New York based blog writer, who decided to try Airbnb ending up to dinner and parties with the host.

Besides of the good local tips and information, saving money is one of the motivations behind booking on Airbnb as already mentioned above. The research made in the major US cities in 2013 presents that renting an entire Airbnb apartment is on average over 20 percent cheaper than staying in a hotel, and renting a private room almost 50 percent more affordable. (Priceonomics 2013.) The more recent research by Morgan Stanley research group in 2016 suggests that in Europe Airbnb is from 8 to 17 per cent cheaper than hotels and in the top 25 U.S. markets from 6 to 17 per cent cheaper. The same research also found out that the "price" (53 %) was still the main reason for using Airbnb, followed by "location" (35%), and "authentic experience" (33 %). Although the price was the main motivator, Morgan Stanley found out that over 70 per cent of the U.S. respondents using Airbnb for accommodation earned \$75 000 in a year or more, which is up 66 per cent from previous year. Reasons for not using Airbnb travellers mentioned "concerns over privacy" (30 %), and "safety" (9 %), which both concerns had grown during the year 2016. (Ting 2017.) The motivations for booking on Airbnb and concerns over it are illustrated in the figure 10. In addition to above mentioned people have also the desire to be part of the sharing economy via accommodating strangers and then publishing their sharing status. This publishing creates social reinforcing dynamic when more and more people are joining because their friends have already done it. (Botsman & Rogers 2011, 202.)



Figure 10. Main motivations for booking on Airbnb and concerns over it (Ting 2017)

3.4 Airbnb hosting

When sharing your room with a total stranger trust is the key feature to make it happen. Components of the Airbnb's Web 2.0 are one way to establish communication and create trust between hosts and guests. Both parties may write reviews of each other publicly allowing them to get familiar with one another before sealing the deal. (Guttentag 2015, 1195.) Airbnb claims that from those 550,000 homes that they are sharing all over the world 82 percent of hosts share only the home in which they live. They also claim that 76 percent of Airbnb properties are not located in the main hotel districts. Almost half of the hosts think that hosting has helped them to keep their homes. (AirbnbCitizen 2014.) The fastest growing host group demographically is "seniors" (AirbnbCitizen 2017). Besides of the stories how Airbnb has helped home-owners to keep their homes, there are also other kind of stories of the hosting and renting apartments on Airbnb. The American Hotel and Lodging Association released a study in the beginning of 2016 concentrating in hosts of Airbnb in fourteen major metropolitan areas in the US. The key findings of this research were that hosts who rent two or more units, accounted nearly 40 per cent of the revenues of Airbnb rentals in those cities studied. The number of "multi-unit operators", who rent out two units on Airbnb, also grew over 60 percent during one year. The increase in numbers of "mega-operators", who rent three or more units on Airbnb, was even faster with 66 per cents rise. The "full-time hosts", who rent 360+ days per year, recorded on average \$125 000 revenues per year. (Ahla 2016.)

The increasing regulatory problems with home-sharing has made Airbnb to create a site with legal and regulatory issues. On this site Airbnb presents, that it is important for hosts to know and understand laws concerning the accommodation. As an example, Airbnb suggests that in some cities hosts need to register, get a permit, or obtain a licence before listing a property. Penalties and fines are also mentioned. Hosts are still themselves responsible for reviewing the local laws and regulations, and by activating the listing with Airbnb they certify to follow those local rules. (Airbnb, Inc. b.) On Airbnb's website it is also mentioned, that hosts have permission to ask IDs (e.g. passport or driver's licence) from the guests. In the case, something abnormal happens or help is needed Airbnb has created "250 –person global Trust and Safety team" which is on call 24/7 to help the hosts. The "Host Protection Insurance" and a "\$1 Million host Guarantee" –programmes are safety nets for hosts and their properties. (AirbnbCitizen 2016a.) According to Airbnb, "Host Protection Insurance" –program is valid currently "in over 15 countries" and it protects hosts against property damages and bodily injuries up to \$1 million. (Airbnb, Inc. a.) About the property damages Airbnb claims that of over 40+ million guest arrivals in 2015 they had only 1010 significant property damage cases. (AirbnbCitizen 2016a.)

3.5 Airbnb's impact on traditional accommodation sector

According to Guttentag (2016, 15) many leaders and analysts in tourism accommodation segment are sceptical over Airbnb's impact on traditional accommodation sector. They feel that Airbnb is too small, serving only in categorical, mainly young budget travellers markets and being unable to serve customers in more moneymaking business travel market. Airbnb presents a report by hotel industry research group STR in their website (AirbnbCitizen 2016b), which claims that Airbnb has high demand at the same time than hotels do so in other words having same seasonal demand nature than hotels. Hotels seems to have much higher year-round occupancy rate than Airbnb. This is explained with the hotels' firm and wide group and contract travel. (Hotel News Now 2016.) The same explanation was given by Cathy Enz, a professor at Cornell's School of Hotel Administration in Slate (Griswold 2015), when interviewed about the success of both Airbnb and hotels in the U.S. in 2014 - 2015:

"So for leisure travellers, transient segments, Airbnb's probably a pretty scary threat. But there's still meetings, there's still conventions, there's still groups of people. Typically that's kind of a lower, corporate-negotiated rate, but that business clearly isn't Airbnb's."

Airbnb and hotels are seen to be serving customers in different markets. When Airbnb is more for the casual leisure traveller, hotels are more for groups, business travellers, and ones who need to be sure of the availability and the standards of accommodation. (Griswold 2015.)

Sundararajan (2016, 121) presents that via new consumption experiences and larger variety some shared economy industries create more consumption in that specific area of industry. As an example, he mentions Airbnb, which according to him has created more demand in accommodation rather than shifting the demand away from the traditional accommodation sector. The explanation for this, according to Sundararajan (2016, 121 – 122) is the larger variety of accommodation offered by Airbnb in pricing, location, and in accommodation options. Traditional accommodation sector has usually standard rooms with standard amenities, and prices. Airbnb offers wide selection of accommodation options from tents to tree houses, and from air-mattresses to apartments with all kind of prices and amenities. When the variety gets larger the consumption of those products or services tend to increase. This happens since the wider variety means that there are new consumers able to consume, and consumers who are also able to consume more often or like in accommodation, longer periods. The wider variety also means that there will be more supply which fits totally to consumers' expectations. This has an impact of rising prices on those markets. (Sundararajan 2016, 121 – 123.)

Even though there are many opinions, which do not see Airbnb as a threat to traditional accommodation sector on tourism there are still many who have advised that Airbnb impacts on it a lot. These opinions are based on the facts that Airbnb is growing fast and extending to new clienteles with new improved services. (Guttentag 2016, 16.) Owyang (2013, 14) claims that industries with low utilization rate and high cost, like travel, are the ones first impacted. In 2013 there was one of the first studies on Airbnb's impact on the hotel industry. The research was done in Texas and the results suggested that 1 % increase in Airbnb listings made almost 0,05 % drop in hotel industry's quarterly revenues. This small drop was concentrated among guesthouses and budget hotels, and not so much among listed hotel companies. (Olson & Kemp 2015, 19; Stephany 2015, 135 – 136. Byers, Proserpio & Zervas 2013.) Byers et al. (2013, 18) found out also that these most affected lodging companies responded to Airbnb's competition by actively lowering their prices.

One more fear that hoteliers have is the impact of Airbnb on so called compression nights. These nights are in periods of high demand, when traditionally hotels have been able to charge higher prices. Hoteliers have feared that Airbnb could have an impact on compression nights by reducing the number of those high-demand nights. According to Hotel News Now (2016) at least in the U.S. markets Airbnb has not significantly impacted on this over the period of recent years. But on the other hand, there are already some other researches, like Morgan Stanley Research's study in 2016 presenting that in the top 25 U.S. markets the number of compression nights would have dropped 20 per cent from 2015 to 2016. The survey proposes that alternative accommodation options, like Airbnb, could have been reason for this drop. (Ting 2017.)

Owyang (2013, 7) claims that travellers have currently access via Airbnb to more exclusive, budget friendly, and even smoother travel experiences and that way it has an impact on traditional accommodation sector. Morgan Stanley Research has done researches during the years 2014, 2015 and 2016 about consumer behaviour in lodging. These results suggest that not only the number of leisure travellers who used Airbnb has rapidly increased but also the number of business travellers utilizing Airbnb has done the same. Morgan Stanley Research's results also indicate that 49 per cent of the respondents said that they substituted Airbnb accommodation away from traditional hotels, 37 per cent from bed and breakfast, and 35 per cent from friends and family. According to this survey the biggest shift in 2016 was in replacing traditional hotel accommodation by Airbnb. (Ting 2017.)

According to Stephany (2015, 136) the worry for hotels is not where Airbnb is today but where it might be in few years' time. Morgan Stanley Research estimates, that in 2017 Airbnb decreases U.S. and European hotel's revenues per available room by 1,8 per cent and in 2018 by 2,6 per cent. The size of the threat Airbnb forms to traditional accommodation sector in next few years depends largely on its ability to get business travellers into Airbnb users, since currently 70 per cent of traditional sector's room nights in the U.S. are sold for them (Ting 2017). The consulting company Hotel Valuations and Appraisals (HVS), which specializes in providing services to the hospitality industry, has estimated that only in New York Airbnb could surpass \$ 1 billion direct revenue impact on lodging markets in 2018. The room sales would form about 80 per cent of these revenue losses and the rest is from the ancillary revenues, like lost sales in foods and beverages. HVS further estimates that Airbnb would affect directly on loss of 2800 jobs in hospitality industry in New York. (HVS, 2015.) Byers et al. (2013, 19) adds that in the longer run, Airbnb may have also an impact on lodging firms' entry, exit, and investment decisions. If the short-term renting becomes properly regulated it is expected that there is going to be even more competition with hotels, since investors are then comfortable to start their own short-term lets with apartments. (Stephany 2015, 136.)

There is one more opinion about Airbnb and traditional accommodation sector. The professor of New York University's Stern School of Business, Arun Sundararajan, says that the both sides of this spectrum are getting more similar over the time. He explains it with the facts that hotels are slowly acquiring more Airbnb –like services (e.g. Hyatt owns a share of OneFineStay) whereas Airbnb is developing more hotel-like services (e.g. business travel services). (Griswold 2015.)

3.6 Criticism over Airbnb and varying regulations

When the first blows were blown to air mattresses in San Francisco in 2007 by founders of Airbnb, they probably were not so much thinking about all the regulation issues which would rise few years later. The growth of Airbnb started to accelerate in 2013 causing regulatory issues around the world. In New York the "illegal hotels" law hit to the heart of Airbnb. According to that law renting out entire apartments was illegal. The hosts of Airbnb in New York started a campaign to "save Airbnb in New York" receiving over 200 000 signatures. After some reports came out indicating that large share of the Airbnb's revenues in New York was made by hosts owning three or more apartments, Airbnb was forced to send the renting laws to its New Yorker hosts. The main idea was to tell that it was not allowed to rent out an apartment if the host or host's roommate did not live in the same apartment. There were also other kind of issues rising in New York. Some were worried

about the safety and security of their apartments, if the neighbours were having renting business with strangers in their block. Others were concerned about the renting prices and availability of rentals, if apartment owners started their own Airbnb businesses instead of renting out apartments for longer-term residents. (Sundararajan 2016b, 131 – 134.)

The unclear regulations have sometimes turned into nightmares also for hosts. The New York Times published an article of columnist Ron Lieber about a host who had rented out his apartment in New York for Airbnb guests and after coming back home found out that he had received violations for running illegal hotel with potential fines up to \$ 40 000. The host contacted the Airbnb requiring that Airbnb should inform the regulations more clearly, so that the hosts could know it better which are the laws and regulations concerning the rentals. (Lieber 2012.) The host got \$2 400 fines, which were then overturned when Airbnb won the appeal because the roommate was at the apartment at the time of rental making it then legal to rent the room (Geron 2013b). In autumn 2016 New York city got new regulations against the advertisement of the “illegal” Airbnb listings. The purpose of the law, according to the city authorities, is to cut off the rentals of entire apartments for less than 30 days. The hosts may rent only rooms or parts of their apartments – not the entire apartments. The hosts could now have fines up to \$7 500 if regulations of the city are not followed. (McHugh 2016.) Besides of New York, other cities in the US are also setting own rules and regulations concerning home-sharing. San Francisco, the hometown of Airbnb, set the rules in summer 2016, requiring all the hosts to register with submitting the required documents in person with the \$50 registration fee. Rental companies could get up to \$1 000 fine for any illegal listing. In Chicago since summer 2016 hosts need to register their units and pay 4 % surcharge on their short-time rentals. Some neighbourhoods have also the right to request a ban to unwanted listings. Some other cities in the US, like Seattle, are still wondering about the legislative actions they will have with home-sharing, including issues like surcharges and safety regulations. (Kelly 2016.)

In Europe during the spring 2016, the law banning the entire apartment rentals for tourists with the help of large fines (up to € 100 000) came effective in Berlin. Residents are only allowed to rent rooms or parts of homes but not the entire houses or apartments. With this banning the city is trying to keep rents as low as possible and ensure the property supply. City authorities rationalized their decision with the information, that after the success of some online rental platforms the number of long-term rentals had fallen significantly. After this law came effective, the Airbnb listings dropped 40 % in a month in Berlin. (Payton 2016.) A bit south from Berlin, Spain’s major cities and tourist destinations have protested about the short-term-rental sites like Airbnb saying that those “are encouraging the black

economy as well as creating problems in residential areas.” During the summer 2016 Barcelona city started actions to crack down hosts who are letting their apartments without the required licence. The residents and guests are encouraged to inform city authorities about the possible unlicensed rentals. In Spain there is not yet any national legislation concerning home-sharing, meaning that the regulations are very inconsistent in different parts of the country. (Figuls 2016.) Barcelona, had 40 % increase in numbers of Airbnb visitors in a year during 2016, and Madrid even 70 % increase (eMarketer 2017). In Barcelona, authorities are battling with issues of economic benefits of tourism and residents’ quality of life. The residents of Barcelona have expressed that they are suffering from the tourist boom partly created by the online home-sharing platforms, as noisy tourists disturb their lives, and create pressures on housing prices and public services. (Tadeo 2017.) In November 2016 Barcelona city authorities announced that they will fine Airbnb and HomeAway €600 000 each for offering unlicensed rentals in the city (Badcock 2016). The tax authorities in Spain are also currently increasingly after unreported incomes earned in peer-to-peer accommodation (Figuls 2016). In London and Amsterdam Airbnb hosts have currently limitations for numbers of nights they can host (Tadeo 2017).

Besides of the regulation issues, problems have occurred also with Airbnb’s hosts and guests. There is even a website called “airbnbhell” (www.airbnbhell.com), where hosts and guests can share their bad experiences. These guest experiences include issues like misleading photos, safety problems, traumatized neighbours, badly behaving hosts, etc. The host side have also had problems with Airbnb with issues like drugs, destroyed apartments, unpaid payments and so on. (AirbnbHELL 2017.) In addition to web-sites, the press is also filled with incidents that has happened with Airbnb. One of them is the warning made by Swedish police in 2016 that Airbnb rentals in Stockholm had been increasingly turned into brothels (Svenska Dagbladet 2016). Guardian (Quinn 2016) in turn published an article about a host in London, whose apartment was destroyed by Airbnb guests causing altogether damages worth of £12 000. (Quinn 2016.) One even more serious accident happened in Taiwanese Airbnb home in 2013 when Canadian woman died because of the leaking carbon monoxide from water heater (Hoong 2016).

One more criticism over Airbnb is taxation. Some feel that renters should pay income and other governmental taxes, just like hotels do. In some cities, like in Amsterdam hosts of Airbnb need to pay income and tourist taxes already. (Hoong 2016.) In Finland, the incomes from home-sharing are so called unearned income with 30 % taxation if the total sum is under €30 000 per year. Value-added taxes should also be paid. The obligatory passenger cards are not needed if the accommodation operations are occasional. (Työ- ja elinkeinoministeriö 2016b, 3 & 5.)

4 Helsinki as a tourism destination

Helsinki, the capital of Finland, was founded in 1550 by King Gustav Vasa of Sweden. Currently the town has population of almost 630 000. The town has total area of 716 m², 123 km coastline and 315 islands. Over ten per cent of the population speak some other language than Finnish or Swedish as a native language. (Helsingin kaupunki 2017). City of Helsinki is presented in the image 1.



Image 1. City of Helsinki (Nordic visitor Finland)

Helsinki is situated on the Baltic sea and can be reach by plane from almost all corners of the world (see image 2). Helsinki airport is around 30 minutes distance from the city centre by train and it serves almost two hundred international flights per day. In addition to plane city can be reach by train from all major towns in Finland as well from Russia. The daily ferry services to Helsinki are from Sweden and Estonia. There are ferry lines to Helsinki also from Russia, Poland and Germany. (Visit Helsinki 2017.)



Image 2. Air connections to Helsinki from some major cities (Visit Helsinki 2017)

4.1 Overview of tourism

Helsinki as a destination is famous for its location between the East and West and is also culturally influenced by both of those. City is known about its architecture, design, and events. Some of the main attractions are Helsinki cathedral, the Europe's largest Russian Orthodox church Uspenski Cathedral, Temppeliaukio church, the Sibelius Monument, and Suomenlinna sea fortress (see image 3). Skywheel and Allas Helsinki pool are some of the new additions on towns attractions. Helsinki has also a vivid sauna culture with 20 public saunas. (Helsinki Marketing Ltd 2015.). One of the latest Helsinki tourism marketing slogans was published in November 2016 during the event Slush. According to Mr Morris, who works as reporter for the Telegraph, it could be one of the greatest tourism slogans ever made:

“Nobody in their right mind would come to Helsinki in November. Expect you, you badass. Welcome.” (Morris 2016.)



Image 3. Some of Helsinki's main attractions (My Helsinki 2017)

Tourism in Helsinki has been again growing after some negative development years in 2012 and 2013 (Jaakola & Viikama 2017). In 2016, the number of registered overnights in Helsinki was almost 3,6 million, of which over half were made by foreign tourists. The total registered overnights in Helsinki were up to 3 % from previous year. The increase in overnights was especially due to business travellers. Business travellers account almost half of all the registered overnights and grew 7 % in 2016. The amount of taxable accommodation sales grew 6 % in 2016 when comparing to previous year. (Visit Helsinki 2016.) The number of Russian tourists has reduced to half but the number of Chinese and Japanese visitors has almost doubled during the past few years. Even though the number of visitors in Helsinki is again rising, Helsinki is still considered to be a bit behind of its competitors Stockholm and Copenhagen in tourism. (Jaakola & Viikama 2017.) When the registered overnights in 2016 in Helsinki were up to 3 % from previous year, the numbers were in Stockholm + 6 %, in Oslo + 6 %, and in Copenhagen + 7 % (Visit Helsinki 2016).

4.2 Airbnb versus hotel sector

During the year 2015 Airbnb listings in Helsinki grew 71 per cents ending up to total number of over 2 100. The number of hotel rooms in Helsinki in 2015 was a bit less than 8 700 according to the Finnish hospitality association Marary. The Airbnb listings formed then almost a quarter compared to the capacity of traditional accommodation sector. Compared to Couchsurfing, Airbnb had seven times more listings in 2015 in Helsinki. (Koivisto 2016.) According to the Airdna in the end of the year 2017 there are almost 2400 active Airbnb rentals in Helsinki, with 81 % of them entire homes. Most of the rentals are studios or with one bedroom. A bit over half of the listings are available only 1 – 3 months per year whereas 10 % of the listings are available 10 – 12 months per year. Hosts who have only one apartment listed form 90 % of all the hosts. During the autumn months 2017 in Helsinki the average Airbnb daily rate was 76 € and the occupancy rate 66 %. Average revenues the host earned with the cleaning fee was 900 € / month. Airdna presents that in 2016 there were 4745 rentals in Helsinki. (Airdna 2017.) The CEO of the Finnish hospitality association, Mr Timo Lappi estimates that if the growth of Airbnb listings in Helsinki stays as rapid as during the year 2015 it impacts on hotel sector “significantly”. The CEO of tourism marketing organisation Visit Helsinki, Tuulikki Becker, has another kind of view about Airbnb in Helsinki. She presents, that the home-sharing is more like supplementing the accommodation field and spices up the whole tourism. (Koivisto 2016.)

The hotel sector’s capacity continued to grow in Helsinki during the autumn 2016 when the new 16 floor high congress hotel opened its doors for customers. (Koivisto 2016.) The hotel capacity in Helsinki climbed altogether to 55 establishments and 8840 hotel rooms, as also illustrated in the figure 11 (Tilastokeskus 2016). Still, during the international event Slush in the end of November 2016, all the hotel capacity in Helsinki was sold out and the CEO of Slush, Marianne Vikkula, hoped that Airbnb could solve these accommodation problems during the event (Karila 2016). The utilization rate of hotel rooms in Helsinki in 2016 was almost 72 per cent.

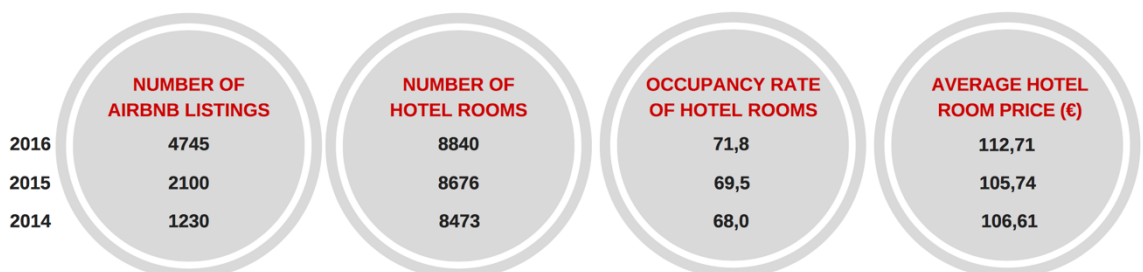


Figure 11. The development of Airbnb and hotel sector in Helsinki (Koivisto 2016, Tilastokeskus 2016 & Airdna 2017)

5 Execution of the research

In this chapter I discuss about the research methodology and research process of this study. I first rationalize my choice of the research methodology and then describe the actual research process. After this I discuss about the data analysis, transparency, validity and reliability, and limitations of this study. The final part of this chapter includes study's ethical considerations.

The aim of this study is to understand the home-sharing phenomenon and Airbnb from the perspective of the hotel sector in Helsinki and to gain insights into Airbnb's impacts on this sector. I chose Airbnb in this research since it is the largest home-sharing operator in Helsinki (Koivisto 2016). The chosen research topic is currently particularly important since the regulation issues and responding to Airbnb and home-sharing are in discussion also in the European Union level. The European Commission is monitoring the development of the sharing economy in accommodation and organising workshops about it during the spring 2017 (European Commission 2017). There are also only little prior researches about this topic done in Helsinki. I made a deliberate decision that I did not want to have any commissioner for this sensitive research topic. I wanted to keep this research without any influence or bias of any third part.

There are two primary research questions in this study. The first one is, how does the hotel sector perceive home-sharing and Airbnb's operation in Helsinki? The second one is, how is the impact of Airbnb on hotels in Helsinki from the perspective of the hotel sector?

5.1 Research methodology

The leisure and tourism researches can be divided into quantitative and qualitative ones. While quantitative researches involve the collection and analysis of numerical information, qualitative approaches are more about information in forms of words, images, and sounds. (Veal 2011, 34.) For this thesis, I decided to choose qualitative research methods. As Tuomi and Sarajärvi present (2013, 85) qualitative research methods are used when researcher tries to understand or describe some phenomenon or happening. Veal (2011, 35) also presents, that qualitative research enable gathering information about individuals, organisations or places. Even though the qualitative research methods enable to collect wide amount of information, the collection and analysis processes usually limit the numbers of subjects included. The qualitative approach obtains to get information e.g. attitudes or opinions of few individuals. (Veal 2011, 35.)

5.2 Research process

I started the research process with literature review on the sharing economy and Airbnb. The sharing economy in accommodation has gotten a growing interest on it all over the world so there is literature about it already moderately available. After the literature review I planned the data gathering. As a research strategy, I chose the case study. The case study is suitable especially for the “how” and “why” questions in the research (Yin 2009, 27). Veal (2011, 346) presents the advantages of the case study as following. Firstly, it has the capability to put organisations and happenings in their right places in historical and social context. It also enables to handle the subject of study as a whole. If resources are restricted, the case study offers controllable data collection task. It also enables to adapt research strategy during the research due to flexible data collection strategies. As the final advantage, there is no need to generalise results to any wider. (Veal 2011, 346.)

The aim of the case study is to try to understand real-life phenomenon by studying some examples (Hirsjärvi, Remes and Sajavaara 2010, 134; Veal 2011, 342 & 344; Yin 2009, 4 & 18). But what can be a case? Hirsjärvi et al. (2010, 134) and Veal (2011, 342 & 344) present that case can consist individuals, organisations, projects, or even whole countries. Eriksson and Koistinen (2005, 5) view the issue of case with the wider perspective. They present that depending on the researcher the issue of case is viewed differently. So, according to them the case can be in addition abovementioned also something less concrete, like quality, success, phenomenon or process. They view that “It is essential to remember that the researcher him-/herself determines what is the case of his/her study”. (Eriksson & Koistinen 2005, 5.) Laine, Bamberg and Jokinen (2008, 11) present that depending of the case’s nature it can be interpret as process, manifest of something, or from different perspectives. For this thesis, I chose home-sharing and Airbnb in Helsinki as the case of this study. The study is done from the perspective of the hotel sector in Helsinki.

The methods used in the qualitative research to collect information are observations, informal and semi-structured interviews, and text analyses (Veal 2011, 34 – 35). These methods can be used alternatively or utilizing some or all those methods (Tuomi & Sarajärvi 2013, 71). For data gathering I chose semi-structured interviews with standardized approach. The semi-structured interviews can be used for example in cases the subjects of the research are relatively few in numbers, the information obtained is likely to vary, or the topic explored is a part of planning a larger study (Veal 2011, 240 – 241.) Hirsjärvi et al. (2010, 205) also add that interviews are good way to gather information when there is only a little or none prior researches conducted about the research topic. Tuomi and Sarajärvi (2013, 74) present that interviews enable to research different sorts of phenomena.

According to Veal (2011, 239 – 240) the nature of semi-structured interview is characterised by its length, depth, and structure. Semi-structured interview usually last at least half an hour. Since it seeks a deeper understanding the supplementary questions are in use and the respondents are encouraged to talk and explain their answers. (Veal 2011, 240.) The interviews in overall are an essential source of information in case studies and they can provide important insights into topic researched. (Yin 2009, 108.) Tuomi and Sarajärvi (2013, 73 - 74) present that interviews have also advantages like flexibility, option to observe the respondent, and the option to select the respondents. According to Tuomi and Sarajärvi (2013, 73) the flexibility in this context means that during the interview researcher can repeat or clarify the questions and clear up the misunderstandings. The questions can also be presented in different order if needed. The option to observe the interviewee enables interviewer to write down not only what was said but also how it was said. The selection of respondents enables to choose the ones who have experience about the topic researched. The disadvantages of the interviews are that those are expensive to conduct and time consuming. (Tuomi & Sarajärvi 2013, 73 – 74.)

In semi-structured interviews the most important themes and the questions based on those themes are decided in forehand before the actual interviews. The questions in semi-structured interviews are usually based on the theoretical framework. (Tuomi & Sarajärvi 2013, 75; Veal 2011, 241.) The standardised approach in interviews defines that the interaction with researcher and interviewee should be as much same as possible with all the interviewees. This means that there should be prescribed questions in use, even though improvising is allowed during the interview. Leading or influencing with researcher's own opinions should be avoided, so agreeing or disagreeing with the interviewee is not allowed during the interview. There could be more focusable open questions in use, like "Why is that?", and then afterwards questions based on interest of the study may be presented, like "How about the cost issues?". (Veal 2011, 243.) The creation and selection of interview questions was a long process during this study. I started to write down the questions already when I was doing the literature review. After finishing the theory part of this study, I selected the most suitable questions and further modified them. I included also some totally new questions, which I thought could be good to add. The interview questions can be seen in appendix 1. The interview themes and questions are based on the theoretical framework of this study. Before the actual interviews, I conducted two test interviews. These test interviews revealed that there were two questions, which needed to be remodified and simplified. Since the approach to interviews in this study is standardized one, I wrote all the questions to be used down in forehand. In purpose to gain deeper understanding of the phenomenon I also included more focusable questions into this study.

According to Tuomi and Sarajärvi (2009, 85) one of the most often presented questions when gathering data is the sufficient size of the sampling. Eskola and Suoranta (1996, in Tuomi & Sarajärvi 2009, 87) present that one way of solving this issue is to use saturation. Saturation means that the findings start to replicate so that new findings do not bring anything new and relevant anymore. This way the certain amount of the findings is enough for bringing out the theoretical structure of the issue. The amount of the findings needed for the saturation depends of the study and research topic. (Tuomi & Sarajärvi 2009, 87–88.)

As also mentioned earlier in qualitative researches researcher tries to understand or gain information from e.g. some phenomenon or happening. This makes it important that the persons from whom the data is gathered are professionals on their field. This means that the sampling cannot be done randomly. Researcher needs to tell in his research how the sampling was done and what was the criteria for it. Researcher is the one who decides the criteria and the ones included in the research. (Tuomi & Sarajärvi 2009, 85 – 86.) The sampling of this study was done in few stages. First, all the hotels in Helsinki were sorted out. There were altogether 55 hotels on the time this study was conducted. Since I wanted to interview only hotel professionals, who have the knowledge of home-sharing and of its possible impact on hotels in Helsinki, I decided to concentrate on persons who are working in sales or managerial level (see figure 13). The closer look of the hotel industry in Helsinki revealed that industry has some chaining inside it and some hotels have common sales departments and / or management. The abovementioned facts scaled down already the number of possible participants in Helsinki. I made also a considered decision that I wanted to include only one participant from every hotel chain or hotel group, so that I could ensure that none of these groups could have too heavy influence on this study. As also mentioned above, the findings of the study should replicate so that those could be considered as robust ones. Together with my thesis instructor we decided to start with 7 – 10 interviews and view then if there was already saturation in the findings or if more interviews were needed. If you want to have ten interviews it means that the number of people you need to contact is much larger. As probably in every research, also in this one there were some who did not reply anything or disappeared during the process. After conducting the nine interviews and analysing them I realized that the main findings already replicated, so I did not include any more participants in this study.

When conducting interviews, it is important for interviewer to remember that sometimes interviewees need time to think about the questions. So, silence is something which should be tolerated. If the question is somehow unclear for the interviewee he should be left the chance to ask more details about it. The interviewer should listen and encourage

the interviewee to reply and talk. (Veal 2011, 243.) When conducting an interview, interviewer may present the questions in different ways and orders, but he still need to ensure that all the topics are covered. The qualitative research allows topics to evolve and even new ones to emerge during the research. (Veal 2011, 241.) Sound or video recording, or writing notes during or after interviews are commonly used in semi-structured interviews (Veal 2011, 245). After the test interviews, it was time to look for the real interviewees from the hotel sector in Helsinki. It would be of course much easier to find the participants for your research if you had some sort of connections to that field you are researching. Since that was not the case at all in here, there was only one way to do it. Contact the hotels and look for the interviewees. After strict consideration, I decided to contact hotels via Facebook. I thought that the ones working in sales department or in the management level might be busy with their daily tasks, so I decided not to bother them with phone call in this point. Facebook message is still more personal than just an e-mail, since the receiver may check your profile and that way get familiar with you. Approaching via Facebook worked well and I managed to set timetables for the first interviews just in few days. I also found out that talking about the subject in different occasions is helpful and I managed to get some precious links and contacts when just sipping wine with my friends. In the beginning of the candidate search process, I was wondering if I could manage to get enough candidates for my research. Luckily this fear did not come true and in just three weeks I managed to settle interviews with ten hotel professionals who worked for the main hotel chains and hotels in Helsinki. Even though I managed to get the interviewees in relatively short time, it still felt sometimes too long. Negotiations about the timetables and reminder messaging took even weeks before the actual time was settled. There was also one candidate who agreed to be part of this study but then just totally disappeared. The presentation of the interviewees of this study is illustrated in the figure 13.

INTERVIEWEE	TITLE	DATE	TIME	DURATION	CAREER *
R1	General manager	08.05.2017	10:00	1 h 01 min	10 years
R2	Key account manager	09.05.2017	09:00	48 min	2 years
R3	Commercial director	15.05.2017	11:00	1 h	1,5 years
R4	Sales manager	17.05.2017	14:30	56 min	14 years
R5	General manager	18.05.2017	09:00	1 h 06 min	14 years
R6	Hotel manager	22.05.2017	13:00	1 h 19 min	24 years
R7	Vice president of sales	26.05.2017	12:00	41 min	18 years
R8	Hotel manager	12.06.2017	14:00	39 min	5 years
R9	Hotel manager	19.06.2017	12:00	40 min	7 years

* The career includes the current job and the past career in similar positions inside the industry.

Figure 13. The presentation of the interviewees of this study

All the interviews of this study were conducted face-to-face in the workplaces of the participants. I started interviews always with the short presentation about my research and explained what was about to happen. Then I asked if the interviewee allowed me to record the interview. Luckily everyone agreed with it. I recorded all the interviews with my iPhone and its "Sanelin" application, which was very easy to use and had high quality recordings. Even though I made notes during every interview, the recording was still a must in this research. It would have been simply impossible to write all the comments down fast enough. I found the flexibility of the semi-structured interviews as a huge benefit. Sometimes interviewees talked about some non-relevant issues during the interview. Due to nature of face-to-face interviews it was very convenient to clarify the questions and this way prevent the misunderstandings and get the answers to those questions which were on agenda. Even though these Finnish interviewees were not lively in gestures or in tones of the voice, I still managed to get something out also via observing the interviewees. After the first interviewee commented that he had used Airbnb during his travels, I decided to include this factor in this research. Even though the first interview was a bit exciting experience for me, it still went well and the recording was also very successful. After listening the recording I noticed that I needed to be even more tranquil and even quieter during following interviews. The interviewees do really need time sometimes for their replies. The fact that all the interviewees of this research were hotel professionals with lot of experience made it easy to conduct the interviews since they all were familiar with the themes of this study. In overall the data gathering of this study went very fluently.

5.3 Analysis

For analysing the data, I chose content analysis. Content analysis is the analysing method, which can be used in all qualitative researches (Tuomi & Sarajärvi 2013, 91). The goal of the content analysis is to create verbal and clear description of the phenomenon. Content analysis aims to summarize the data without still losing any important information. (Tuomi & Sarajärvi 2013, 108.) Traditionally the qualitative data has been always analysed manually (Veal 2011, 392). When the analysis is done manually, the material should be first sorted through and evaluated in relation to concepts of framework. The basic activities in qualitative analysis are reading of notes and listening of audio and video materials. During reading and listening researcher should keep the original research questions in his mind. The typical way of analysing the qualitative material is to find out the emergent themes. These themes could be written down and the views how those themes were expressed could be marked with minus or plus signs. The initial steps in qualitative analysis is to classify and organise the collected material. Colouring codes and "post-it" notes can be used to help marking the categorizing. (Veal 2011, 392 & 396 – 398.)

I started the analyses process with reading the notes and listening the recordings of my interviews. The next stage was to write down all the interviews in Finnish. At this point I did not yet eliminate anything but I wrote it all down. People who are working in tourism are often quite talkative and that was also the case here with some of the interviewees. So, next I read the interviews again and marked already the issues which were not relevant to this study. After this I translated the interviews and wrote down the first findings. This was a bit more difficult task than I had expected. It took hours to repeatedly edit the translations and to eliminate the topics not relevant to this study. To be able to form the results the material needed to be classified and organized. For this I created templates, in which every question had a separate template. I copied all the cases' findings under that template. After this it was much easier to classify the material and form the findings. I classified the material with the help of colours and different text styles. During the analyse, I kept the theory of this study and the research questions all the time in my mind.

5.4 Transparency

According to Yin (2011, 19), one of the first ways to gain credibility and trustworthiness to qualitative research is its transparency. This means that the research procedures should be transparent (Yin 2011, 19). In this study, the research methods and procedures are described and documented in a way Yin (2011, 19) also presents should be done: as clearly as possible to maintain transparency for others to review and understand them. This documentation enables others to re-conduct this research if wanted. All the data has been saved and is also available for the inspection if needed. The idea of transparency is that the information gained from data gathering as well as the formed findings and conclusions based on that information, need to be in a form that others can easily examine those (Yin 2011, 19). I have done my best in presenting the findings and conclusions in ways how those are based on information gathered with adequate transparency.

5.5 Validity and reliability

The quality and credibility of the research depends on the methods used and the care they have been implemented. There are two different dimensions, which need to be acknowledged in this context. The first one is the reliability of the research, which estimates if the results are repeatable, not arbitrary ones. If the research results have reliability, the results would be same ones if the research was repeated. However, in social sciences including leisure and tourism researches, any research findings relate only to subjects included, at the time and place the research was done. (Veal 2011, 46 – 47.) In case

study researches, the precise copy of the research is impossible to implement. However, the results from other case study researches may build a consensus around the findings of the study. Since the case study as a method is studying one or few cases, the method does not try to produce results, which are universally representative. The relationship between the world and the results can be settled with the theory. (Veal 2011, 344 – 345.) The validity of the research estimates if the chosen research methods have been measuring really those factors, that those were supposed to. For example, the questions of the interview could be understood in many ways and there might come a situation where the interviewee has understood the questions in other way than interviewer meant. If this would happen, the results would not be valid ones. (Hirsjärvi et al. 2010, 231 – 232.) Even though, the validity and the reliability are often linked to quantitative research, those should be still somehow estimated in all researches (Hirsjärvi et al. 2010, 232 – 233).

In this study, the research methods and process have been presented as clearly as possible due to help to increase the reliability of this study. This is also presented by Hirsjärvi et al. (2010, 232 – 233) in the context of increasing the reliability. This research and it's results are totally repeatable. I have conducted this research in a way, like Yin (2009, 45) also presents should be done when maintaining the good reliability: like somebody would have been always looking over my shoulder. I also presented earlier in analysis chapter an example of categorizing the findings, which should be also done according to Hirsjärvi et al. (2010, 232 – 233) in the context of reliability. To further increase the reliability of this study, and to help reader to understand the results, the findings are presented with direct quotations as also recommended by Hirsjärvi et al. (2010, 232 – 233.) in this context.

In this study, the chosen semi-structured interview method enabled carefully to monitor that the interviewees understood the questions in a way it was meant. All the interviews were conducted face-to-face which enabled even better monitoring. Of course, as Hirsjärvi et al. (2010, 206.) present it is always possible that the interviewees could reply differently during the interviews than in some other situation. The interviewee might want to reply in a "socially acceptable way" and appear as a citizen with high morality and intellectuality. The interviewee might also feel that interviews are somehow frightening or threatening. (Hirsjärvi et al 2010, 206.) To prevent the idea of frightening interviews, I always sent pre-information about the topic to interviewees. I enclosed the information telling that all the research material is handled with 100 % trust and that the results are presented in a way where it is impossible to find out the identity of the interviewees. With this information, I managed to create open and relaxed atmospheres for the interviews which made the interviewees to reply openly. With the abovementioned tactics, I ensured that the results of this study are valid ones.

5.6 Limitations of the research

There are some limitations concerning this study. Hirsjärvi et al. (2010, 206) present, that information gained from interviews is always connected to the situation and context of the interview and that way the results should not be too widely generalized. Veal (2011, 46 – 47) in turn presents that in tourism researches the research findings relate only to that research subject and time when it was conducted. So, all the findings and results of this study relate to the views of the hotel sector in Helsinki in 2017. These results should not be directly generalized to any other town or to any other time frame. However, as also Veal (2011, 46 – 47) presents in this context, the relationship with the world and the results of this study is settled with the help of the theory.

5.7 Ethical considerations

There are many ethical considerations, that researcher need to keep in mind when conducting the research. Hirsjärvi et al. (2010, 24) present that the spirit of a good scientific practice expects that the research has been implemented and presented in honest, careful, and accurate way. This research has been conducted with those principals. The human dignity has been respected in a way that Hirsjärvi et al. (2010, 25) mention it should be done. All the respondents have been involved in this research in voluntary base and no one was harmed during it. In the beginning of the interviews I also explained the main points of my study and what was about to happen. I always asked as well if the interviewee had understood everything and if he / she had any questions. As Hirsjärvi et al. (2011, 25) mention the interviewees should be able to do rational thinking, so I included only adults who are professionals in their field in this research. Veal (2011, 103) adds also that research should be “beneficial to society” and the researcher should be “suitably qualified and supervised”. This research is, as mentioned earlier, very topical and on my opinion also beneficial to society. Researcher’s Master level education enabled the suitable qualification for this research, which was supervised by thesis supervisor.

Since there is not any commissioner in this research, there are not any issues to be considered if commissioners opinions would have affected or caused any bias on this study. As Yin (2009, 73) presents the study need be done with special care and sensitivity, protecting those who have participated in study. All research material in this study has been treated confidentially and anonymously. To guarantee the anonymity of the respondents, they have been referred in this research only with interviewee numbers, like R1 means interviewee 1 and so on. So, names are only known to researcher of this study but not recorded in any way as also Veal (2011, 104) presents should be done in this matter.

6 Results

In this chapter are the results of this study presented.

6.1 Home-sharing as a phenomenon and interviewees' participation in it

Almost 90 % of the interviewees described the home-sharing phenomenon somehow as following: "in home-sharing individuals are offering their own private spaces for accommodation". Some interviewees further present that it is part of the new world, and it is done in the purpose of earnings. The main drivers behind home-sharing are the technological development, and the travellers changed desires and needs as also illustrated in the figure 23. About the travellers' changed desires and needs R2 comments, that "hotels did not satisfy anymore travellers new desires in more homelike accommodations and better privacy". R1 presents that "today travellers are looking for local and unique experiences". R3 in turn mentions the progress in payments methods and social media as a technological development in this matter. The earlier usage of sharing economy, environmental, social and economic aspects were all mentioned once as drivers here as well. As an operator in home-sharing all mentioned Airbnb. One third of the interviewees remembered only that one. The other operators mentioned are Homeaway, Forenom, Couchsurfing, Holiday Villas, and Interhome.

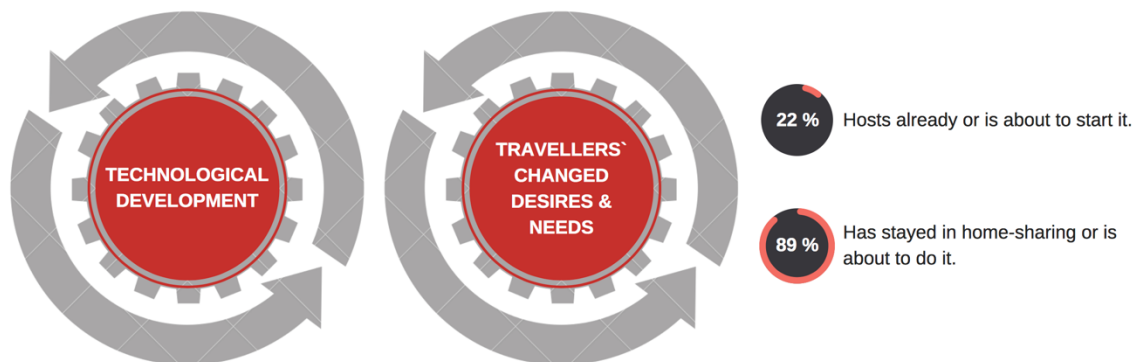


Figure 23. Main drivers behind home-sharing and interviewees participation in it

The hotel professionals of this study in Helsinki have almost all participated in home-sharing. Six of the total nine interviewees have stayed in home-sharing during his / her own travels. In addition to this there are two contesters who are interested into use it in the future. One interviewee has also an own Airbnb listing in Helsinki and another one is planning to start hosting as well. There is only one interviewee who has not used or even planned to use home-sharing. Over half of the interviewees could not estimate the amount of Airbnb listings and hotel rooms in Helsinki or made it in very different scale with the reality.

6.2 Airbnb traveller's profile in Helsinki

According to all the interviewees of this study Airbnb traveller in Helsinki is a young, international, leisure traveller, who is around 30 years old, as also illustrated in the figure 24. Some interviewees, like R4, view that there are also some over 50 years old travellers using Airbnb in Helsinki. R5 mentions that the older ones (50+) are not utilizing Airbnb in Helsinki so much since the way of booking is unfamiliar for them. All the interviewees of this study have a common opinion that business travellers in Helsinki are utilizing Airbnb as well but in smaller scale. Some cases even mention the problems business travellers might have in using Airbnb. Company might not allow employees to stay in any other accommodations than in hotels they have contracts with. Another factor mentioned here is that the employer might not accept the receipts from home-sharing.



Figure 24. Airbnb traveller's profile in Helsinki

Almost 90 % of the contesters describe Airbnb's customers in Helsinki with positive expressions, like adventurous, open-minded, and brave. Vanguard, social, price-conscious, and very independent are all mentioned here as well. Almost half of the respondents also highlight that these travellers have already travelled and experienced a lot. One third of the contesters present that these travellers have even "experienced the hotel phobia", meaning that they want to have something else than hotels. Over half of the interviewees view that Airbnb travellers in Helsinki have higher incomes and educational level than average citizens. R3 rationalizes incomes issue so that these travellers travel a lot and they need to have higher incomes for that. R5 presents that even though budget travellers are using Airbnb in Helsinki there are also travellers from the other end of the spectrum: "The luxury travellers, who want to have 200 m² apartment with quality interior for their special day." Even though all interviewees view that Airbnb traveller is not a member of travel groups in Helsinki, there are two respondents who have a more detailed opinion about this. They present that Airbnb in Helsinki is convenient accommodation for small groups, e.g. in cases of birthday parties. Like R3 comments, "For small group it is nice that you can accommodate all in one place". Almost half of the respondents present that if traveller is staying longer he / she might easily then choose to stay in Airbnb in Helsinki.

6.3 Airbnb traveller versus hotel traveller in Helsinki

The findings about the differences between hotel and Airbnb customers in Helsinki are illustrated in the figure 25. Airbnb travellers in Helsinki are younger than the ones in hotels. Majority of the interviewees present also that the domestic travellers are staying mainly in hotels and Airbnb travellers are mainly international. So, age and travellers point of origin are the main factors which tell the difference between travellers in Airbnb and hotels in Helsinki. About the point of origin R7 comments that “Finnish travellers are still staying mainly in hotels, but international tourists are also staying in Airbnb in Helsinki”. All the interviewees of this study have also common opinion about groups and business travellers. Majority of the business travellers and all the travel groups (except some of the earlier mentioned smaller groups) in Helsinki are staying in hotels. R3 presents that “staying in hotel is always an easier option for the group leader”. Some respondents view that Airbnb listings in Helsinki are not suitable for groups.

Majority of the interviewees does not see any other common features that separate Airbnb and hotel travellers than those mentioned above. R1 comments, that “in overall there are no such differences, that you could say based on person’s appearance where he / she is staying”. R5 in turn comments that “there are not any huge differences anymore”. R3 have a bit different point of view here. She presents that there are still some differences, like “hotels have more traditional, domestic customers, who have the bonus cards et cetera, whereas Airbnb travellers are more curious about new experiences and have the knowledge of the new technology.” The other descriptions that are presented here are that travellers of Airbnb in Helsinki are on average more relaxed, more curious, more open-minded, more adventurous, and braver than the customers in hotels. About hotel customers it is in addition mentioned that they want to have an easy accommodation with all the services. Over twothird of the interviewees present that there are travellers, who would not arrive in Helsinki without Airbnb as an accommodation option. Most of the respondents yet present that the number of those travellers is currently still low.

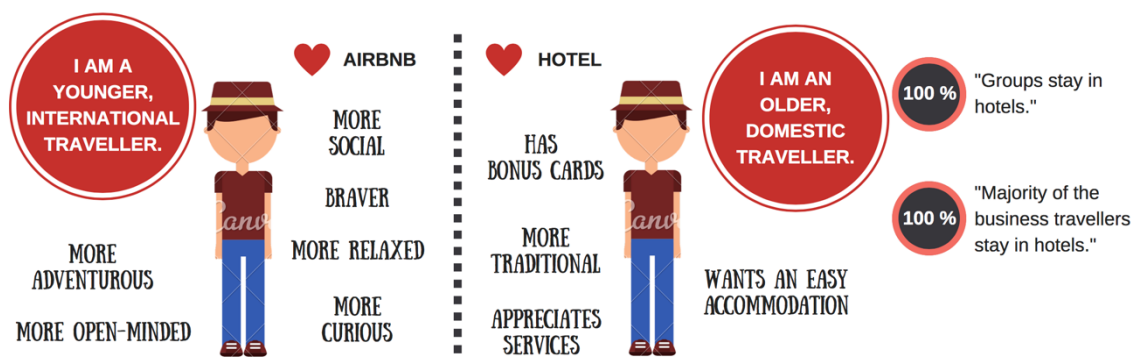


Figure 25. Features of hotel and Airbnb travellers in Helsinki

6.4 Travellers' main motivations for staying and not staying in Airbnb in Helsinki

Travellers main motivations for staying in Airbnb in Helsinki are price, “live like a local” – factor, trendiness of the phenomenon, desire for an adventure and fully booked hotels, as also illustrated in the figure 26. About price many respondents define that the actual price differences between hotels and Airbnb in Helsinki are not very large. R4 presents that “the price issue has still made the travellers to check the home-sharing option in the first place and that is why it is a motivator here”. R4 also brings up that “if traveller stays longer then the price is more important but if he / she is only booking for a weekend or so, it is not that significant anymore”. R6 presents that Airbnb has a more affordable image and that is why the price is a motivator here.” About the price it is also presented that if you stay in Airbnb in Helsinki instead of hotels you get better value for your money. This is rationalized with factors like more spacious Airbnb apartments compared to hotel rooms and Airbnb's household appliances, like fridge and washing machine, which enable travellers to save money. Altogether almost 80 % present that price is the main travellers' motivation for staying in Airbnb in Helsinki.

The trendiness of the home-sharing phenomenon is mentioned by seven of the total nine respondents as a motivator here. Yet most of the interviewees present that it is a smaller motivator than the price but is still having influence on this matter. “Live like a local” -factor is also presented by almost every interviewee. R3 comments that “people in overall like to have a peek in others lives”. About the availability four respondents have a common opinion that quite often hotels in Helsinki are totally fully booked and this “forces” travellers to use Airbnb. R2 presents that

“for example during popular events hotels in Helsinki are totally fully booked. If there are any hotel rooms available, the price might then be too high. These factors force travellers to look for alternative accommodation options.”

About the travellers desire for an adventure or for something new R1 comments that, “the hotel industry is largely chained and the hotel accommodations are frankly speaking a bit boring in Helsinki - the rooms of chain hotels do not create any wow –reactions.”



Figure 26. Travellers' main motivations for staying in Airbnb in Helsinki

Other findings in this context are the desire to support individuals instead of faceless hotels, better privacy in Airbnb than in hotels, reviews of other travellers, and Airbnb's good locations in Helsinki. About Airbnb's reviews, R3 presents that "the reviews of others mean currently much more to travellers than the hotel ratings with stars". R4 mentions that "others' reviews make Airbnb more reliable than hotels in the eyes of travellers". R1 presents in addition that the combinations of business and leisure travels are getting more popular and this is when travellers might easily choose Airbnb over hotels.

If the abovementioned are the travellers' main motivations for staying in Airbnb in Helsinki, what are the reasons that prevent travellers to do that? 100 % of the respondents mention the safety and / or privacy concerns as one of the main reasons why travellers do not want to stay in Airbnb in Helsinki. Other main reasons here are fears and doubts over Airbnb, Airbnb's lack of services, and the fact that Airbnb apartments are someone's home, as also illustrated in the figure 27.



Figure 27. Main reasons that prevent travellers to stay in Airbnb in Helsinki

About the safety and privacy concerns –factor R5 presents, that "there is always a bigger risk to stay in Airbnb than in hotels". R4 rationalizes in turn the safety and privacy issues as following:

"Even though there are many aspects of safety considered already in Airbnb, like every apartment needs to have a fire alarm, the safety issues with Airbnb stays still strongly in the minds of travellers. People also often think about Couchsurfing, when talking about home-sharing. And this idea of staying in someone's couch in their living room is preventing them to stay in Airbnb. So this way privacy issues are the reason here"

The fears and doubts over Airbnb is brought up by eight of the total nine interviewees as another main factor here. These fears and doubts include issues like doubts about getting the keys and fears if somebody uninvited came to apartment during the stay. R2 views that "there are lot of rumours about Airbnb, and those make some travellers suspicious about it". Over 50 % present that the lack of services in Airbnb is also crucial for many travellers and that is why they turn down that option in Helsinki. Especially the reception is

the service these interviewees say travellers value a lot. Receptionists do not only make the check-ins easy but they also help if needed and create the feeling of safety. About this Airbnb’s lack of reception R4 says that “this is getting better on Airbnb’s side, since they are launching the “business classification” for apartments, which have 24/7 arrangements with the keys”. Other services mentioned in this context are breakfast and maintenance.

One of the main ideas of the home-sharing is also presented as a factor that is preventing travellers to stay in Airbnb in Helsinki. One third of the interviewees present that the idea of staying in someone’s home is a factor in this context. R4 comments that “if you book a weekend brake for yourself you desire some luxury and staying in someone’s home is not that for many”. R2 presents that “some do not like the idea of staying in someone’s home with owners’ private stuff like towels and beds”. The small price difference between hotels and Airbnb in Helsinki and the lack of suitable Airbnb listings are both mentioned by two respondents in this context as well.

6.5 Airbnb hosting in Helsinki

The results about Airbnb hosts in Helsinki are following. He / she is on average from 30 to 40 years old and belong to middle class or have higher income levels. About the age of these hosts the scale varied a bit between the contesters. Some comment that there are also students hosting and that is why there are some 20 years old hosts. Others mention that there are also some older hosts who are over 40 years old. About the age of these hosts in Helsinki R1 presents, that “over 50 years old are a bit more uncertain about home-sharing and if they have apartments to let they probably let those for longer-time tenants”. Commonly all the interviewees have the age scale 30 – 40 mentioned as the age of Airbnb hosts in Helsinki, as also presented in the figure 28.



Figure 28. Airbnb host’s profile in Helsinki

One third of the respondents present that Airbnb hosts in Helsinki have higher educational level than average citizens. R3 comments that “hosts in Helsinki are open-minded, well-travelled and have a higher education”. Other features mentioned here are social, well-travelled, high risk tolerance, brave and modern. 100 % of the interviewees comment that majority of the hosts in Helsinki do the hosting non-professionally on occasional bases. About this R1 comments that “most of the hosts do it on occasional bases every now and then and stay for instance at their friends place at the time of the rental”. All the interviewees present as well that these hosts have usually only one listing which is an entire apartment. About the locations of Airbnb listings in Helsinki respondents of this study have also a common opinion. Airbnb listings are spread around all over the city and there are also listings on the same areas with the hotels in Helsinki.

As the biggest motivation for hosting 100 % of the interviewees present money and extra earnings. Other main motivations for hosting in Helsinki are the trendiness of the phenomenon, desire to meet new people and cultures, starting the own micro-entrepreneurship, and the desire for some excitement and adventure, as also illustrated in the figure 29. About money and extra earnings R4 presents that

“not all hosts do it due to cover their living costs. I know for instance one family in Eira, who are sharing their apartment every now and then, even though they do not have any financial needs for that. They just want to have a bit more luxury, like weekend brakes.”

Some interviewees present that home-sharing is not that trendy anymore but then others, like R6 and R9, rationalize that without the trendiness these hosts would not probably even know about this hosting and that is why it still is a motivation here. R1 presents, that “trendiness of home-sharing motivates hosts so, that they raise social status with it”. R5 says that “hosts in Helsinki want to be adventurous, and it is kind of cool too to host international travellers”. The micro-entrepreneurship is a motivator here according to four interviewees and it is rationalized as following. “This is a very easy way to start your own micro-entrepreneurship, since nobody is controlling your operations”, like mentions R5, and “starting the hosting is starting the micro-entrepreneurship”, like R8 comments. Desire to help travellers via accommodating is also mentioned once in this context.



Figure 29. Main motivations for Airbnb hosting in Helsinki

6.6 Airbnb's strengths and weaknesses in Helsinki

About Airbnb's strengths in Helsinki locations all over the city is mentioned by six interviewees. Some respondents define that Airbnb is able to offer accommodation for travelers with different location needs. For example, large conferences are not located in the city centre and in cases like this the spread around locations are a plus. More unique alternatives, locality, price, and better privacy are the other main Airbnb's strengths in Helsinki, like also presented in the figure 30. In this context, R7 mentions, that "Airbnb is able to offer more unique accommodation experiences in Helsinki than hotels, since its apartments have often more distinctive and local furnishing". About the privacy issue R5 comments that "there are always other travellers in hotels, so if you want more privacy you probably book Airbnb accommodation in Helsinki". About the price, it is presented that in addition to a bit more affordable prices than hotels, Airbnb has also more affordable image than what hotels have and that is why it is a strength for Airbnb in Helsinki. The homelike feeling with household appliances, ideological nature, spacious accommodations, higher availability during the events, and easiness when booking are also mentioned once as factors in this context as well.

On the weaknesses side Airbnb has in Helsinki following factors according to the interviewees of this study. Negative associations are mentioned by all the respondents. This category includes factors like safety issues, rumours, horror stories, and prejudices. The other main findings are lack of services, and uncertain operation conditions. The services Airbnb lack are e.g. reception, restaurant, and maintenance. The uncertain conditions has issues like uncertainty with the keys, cancellation terms, unclear total price and the reality of the accommodation versus images on Airbnb's web-site. Airbnb's uneven quality is mentioned by two interviewees, and need of technical skills, home-like accommodations, and limited availability and selection are all mentioned once in this context. In the figure 30 are the Airbnb's main strengths and weaknesses in Helsinki presented.



Figure 30. Airbnb's strengths and weaknesses in Helsinki

6.7 Airbnb's position on the accommodation field in Helsinki

Airbnb's position in Helsinki and the issue of whether it is a competitor or not is the theme which on the first sight looks like one of the biggest divider among the interviewees of this study. In generally respondents comment Airbnb's position in Helsinki as following. R1 points out that "home-sharing is part of the development and there is no use to fight against it and no need for it either". When R2 presents that, "Airbnb's operations in Helsinki have exploded during recent years" R8 points out that "Airbnb in Helsinki is not very aggressive but is still a rising trend". R4 in turn comments that

"in overall Airbnb increases the number of travellers in destination. There is a new segment of travellers due to Airbnb, who would not arrive in Helsinki otherwise. During conferences when the demand of accommodation is much higher than the supply Airbnb offers an ease on the pressure of finding accommodation. The conference organizers do check also the number of Airbnb listings in town. So, it has a very positive impact on tourism in Helsinki."

R5 has same kind of opinion about Airbnb's position in Helsinki's accommodation markets than R4 as well:

"Each hotel competes with another, but each new hotel also improves the city and benefits us all! In a way, Airbnb is a competitor for us, but not in a traditional matter. When you create new forms of accommodation, it makes Helsinki better and here Airbnb has its own share."

Altogether four respondents view Airbnb as an additional slice on accommodation pie and not as a competitor, as also presented in the figure 31. R3 rationalizes that, "Airbnb is still so small in Helsinki that it is not currently a competitor for us". Two interviewees present that Airbnb is a competitor for them even though they both mention that Airbnb operations in Helsinki are still minor activities. R1 views that, "Airbnb is a competitor, since when someone needs an accommodation, he books it via some operator". R5 points out strongly, that "it is competitor and that should never be forgotten". As also mentioned above, one interviewee presents that Airbnb is a competitor but not in a traditional matter. Four other interviewees also view Airbnb in Helsinki as a competitor. R6 also presents in this context, that "Airbnb brings extra incomes to many other entrepreneurs in town, so it has a positive impact on entire Helsinki in that way".

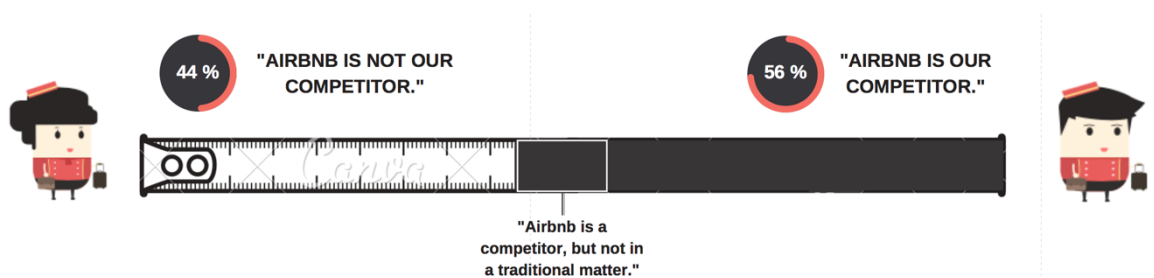


Figure 31. Airbnb's position on the accommodation field in Helsinki

6.8 Airbnb's impact on hotels in Helsinki

All the interviewees of this study have a common opinion about the Airbnb's impact on hotels interviewees work for in Helsinki. It is, like R1 says "no impact at all". Numbers of overnighting travellers, traveller segments, pricing, number of compression nights, sales of ancillary services and jobs in hotels are all factors in Helsinki which are unaffected by Airbnb according to interviewees. Some present that Airbnb operations are still in such a small scale in Helsinki that it is more like only a supplementing slice on accommodation field. Many respondents also present that in overall hotels in Helsinki have high room occupancy rates and every now and then those are even totally fully booked. According to these interviewees this good success in business also then indicate that Airbnb has not had any impact on hotels here. About the compression nights issue in Helsinki two interviewees further comment that, "Airbnb is helping the travel business in overall in Helsinki" and "Airbnb is a convenient supplement on accommodation field". About the Airbnb's impact on hotels in Helsinki, R5 comments that,

"we do not do price competition with Airbnb, since we are certain that there are other factors why travellers choose to stay in our hotels. Helsinki is today very attractive destination with many events and happening. The occupancy rates of hotel rooms are here very high. I do not believe that travellers are really that much comparing the accommodations between hotels and Airbnb in Helsinki. Sometimes all hotels in Helsinki are yet totally fully booked and then travellers need to book via Airbnb."

To get better idea of the interviewees' opinions about this matter the main comments of every respondent are presented in the figure 32.

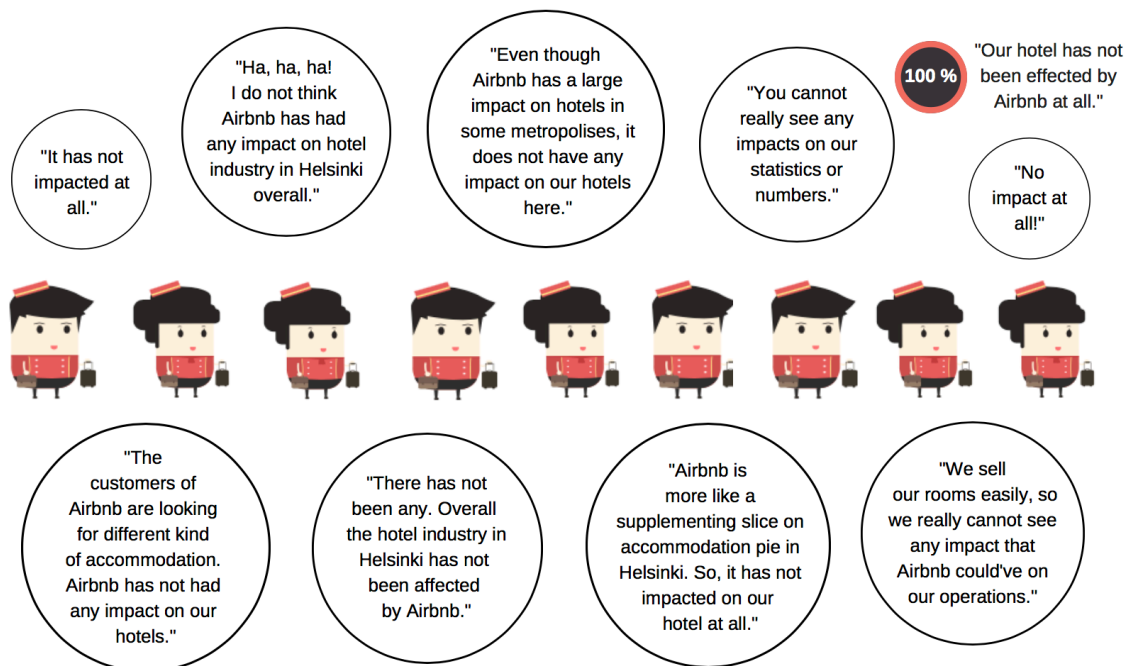


Figure 32. Airbnb's impact on hotels in Helsinki with interviewees' comments

About the possible changes in Airbnb’s impact on hotels in Helsinki during recent years all the interviewees of this study comment at first that there has not been any. After a bit deeper discussions seven of nine respondents present that they have been taking more Airbnb and home-sharing into account in their own development work. R1 comments, that due to Airbnb operations in Helsinki they are trying to respond to same trends than home-sharing e.g. locality, like also presented in the figure 33. Majority of the interviewees point out that they have had or have at the moment development projects, which aim to make hotel and rooms more home-like and / or unique ones. This way hotels try to respond better to phenomenon of home-like accommodations and locality. One interviewee also mentions that they have trained their personal to take locality better into account when communicating with customers, for instance when giving tips about restaurants or shopping. In addition to above mentioned, two interviewees comment about the publicity Airbnb has gotten inside the Finnish hotel industry. R4 points out that “there has been ado about nothing, even though some hotel managers have actively protested against the issue.” R1 presents that

“Three to five years ago there was lot of discussions about Airbnb. Especially the hotel association MaRa tried to lobby against it. Lately there has not been so much discussions about it anymore.”

In this context R9 reveals that they have followed Airbnb’s development in Helsinki and are now “considering to start marketing some of our home-like rooms via Airbnb”.

Interviewees’ main comments about this subject are presented in the figure 33.

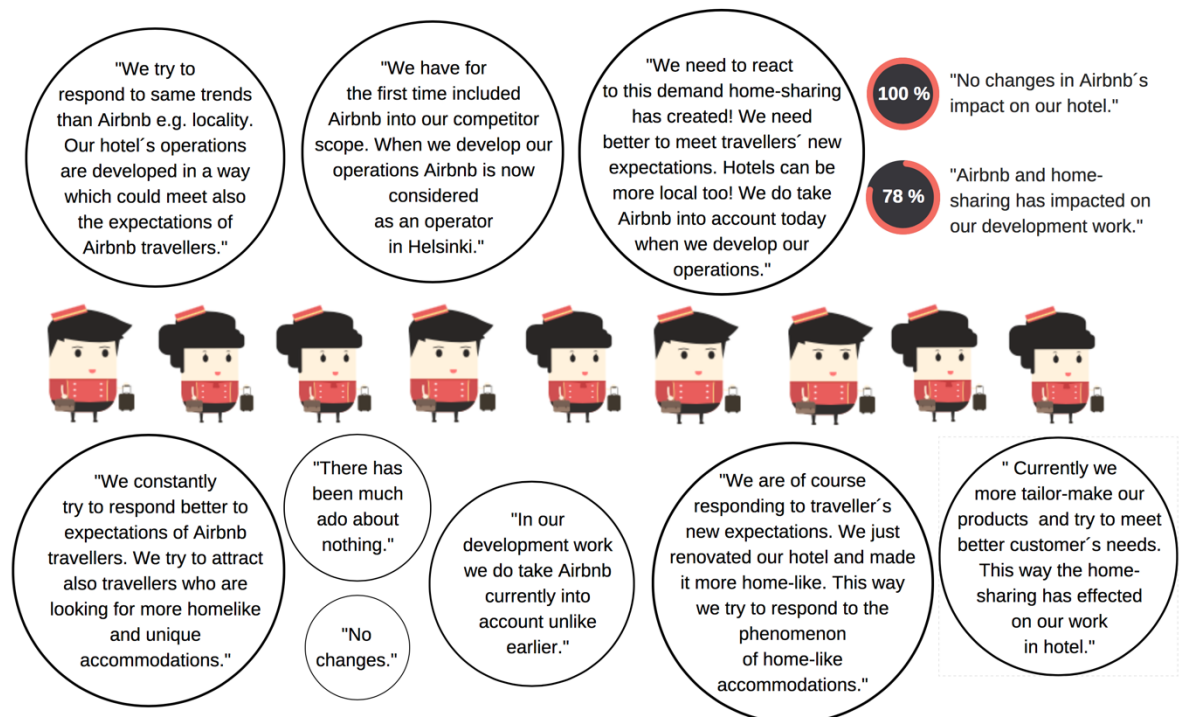


Figure 33. Changes in Airbnb’s impact on hotels with interviewees’ comments.

6.9 Regulation and restriction issues with Airbnb in Helsinki

Like R7 comments, regulations with hotels versus Airbnb in Helsinki are the ones which get the most under the skin of some interviewees. The interviewees attitudes on this matter are illustrated in the figure 34. Four interviewees comment that Airbnb operations should have same sort of regulations and rules than hotels have in Helsinki. R2 rationalizes her point of view as following:

“Hotels in Helsinki need to follow many tight regulations, like the ones concerning hygiene and fire. These create expenses! When private Airbnb hosts do not need to obey these regulations, they get unfair competition advantages. The safety issues are also something that should be re-examined by authorities. In hotels, the safety of traveller is guaranteed in many ways but this is not the case in Airbnb’s accommodations.”

R5 has same kind of opinions than R2 about the regulations and expenses, but she is also concerned about the possible crime activities, like “drug business and prostitution that could easily happen in these uncontrolled Airbnb accommodations in Helsinki!”

In the middle of this opinions’ spectrum in this matter is the R8 commenting that the professional Airbnb hosts should have same sort of safety et cetera regulations than hotels have but the occasional hosting does not need those ones. Rest of the interviewees view that Airbnb operations in Helsinki does not need or even could not have same rules and regulations with hotels. R1 presents that “If the same regulations are required from the sharing economy operators than from traditional ones this could end totally the sharing economy in Helsinki.” R4 comments on this side of the spectrum also that “if a hotel room has a tax of 9% and Airbnb operations have 28%, that’s in a way wrong”. R3 and R6 in turn say that they want to see less regulations in overall in Helsinki and that is why Airbnb does not either need more of those. Here is the R6’s comment:

“as long home-sharing in Helsinki is like today, mainly hobby bases, minor activities, it does not really matter. I would like to avoid the acts of regulative Finland! With this I mean acts made by state, which are more like preventing the sales rather than encouraging it.”



Figure 34. Interviewees’ attitudes towards regulations issue concerning Airbnb in Helsinki

Even though the questions of regulations divide the hotel sector in Helsinki, the question whether Airbnb's operations need restrictions or not in Helsinki gets much more common opinion. One interviewee presents that Airbnb operations should be restricted and eight does not see any need for it, as also illustrated in the figure 35. The interviewee, who views that Airbnb's operations in Helsinki should be restricted comments as following:

"It is not fair business that hotels need to obey many regulations and laws and Airbnb does not need to do that. Airbnb operations in Helsinki are totally Wild West! Airbnb's operations should be more controlled, restricted, and regulated in Helsinki."

On the other side of this spectrum, R2 points out that "it is the matter of housing cooperatives and travellers' to decide what they want, so I do not see that Airbnb needs any restrictions in Helsinki". R3 has also same kind of views here: "As long hosts take care of the basics, like fire alarms, I see that it is customer's choice to decide where he wants to overnight and accommodation operators' job to respond to travellers needs." R9 comments about this restriction issue in Helsinki with the wider perspective:

"But still if there were restrictions for home-sharing here, that would have negative consequences for the tourism overall in Helsinki. And that would be bad! Currently there is no need for any restrictions or limitations for home-sharing operations in Helsinki."

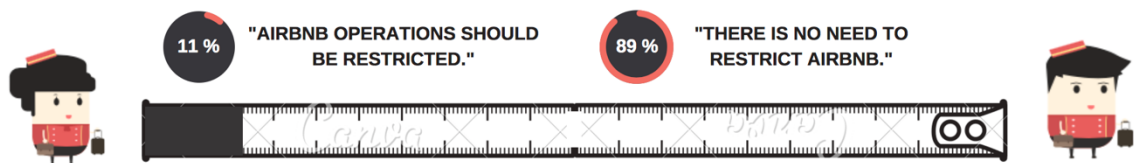


Figure 35. Interviewees' attitudes towards restrictions of Airbnb operations in Helsinki

6.10 Airbnb's development and its impact on hotels in Helsinki in near future

About Airbnb's future development in Helsinki all the interviewees present that it is going to grow. Five respondents present that Airbnb is going to grow moderately, two say strongly and two slowly. Six of the total nine interviewees present that the future of Airbnb development in Helsinki depends on conceivable, restrictive actions of the state. Almost 90 % of the interviewees present that hotel sector in Helsinki is going to grow fast in near future and that is constraining the growth of Airbnb's percentage of the total accommodations in Helsinki. R3 comments that

"competition is getting tighter for the home-sharing operators, since new boutique hotels and the hotels with all the price categories are established every year in Helsinki. There is also the possibility that the regulative Finland creates more regulations for Airbnb and that could change the situation of hosting crucially."

In addition to possible state's acts and the growth of hotel sector in Helsinki third of the respondents bring up that there are only limited number of suitable apartments available for Airbnb's purposes and that is also constraining the growth of it. About this limited number of apartments, R5 comments that, "there is same kind of shortage of apartments in Helsinki than there is in Berlin, so it is more than possible that Airbnb operations are restricted also here in the future".

The estimations of the Airbnb's percentage of the total accommodations in Helsinki 2020 varies from majority's opinion of about five percent up to under 20 per cent, as also presented in the figure 36. Third of the interviewees estimate that Airbnb could have a percentage of 15 – 20 % in Helsinki in 2020 and rest views the percentage around 10 %.

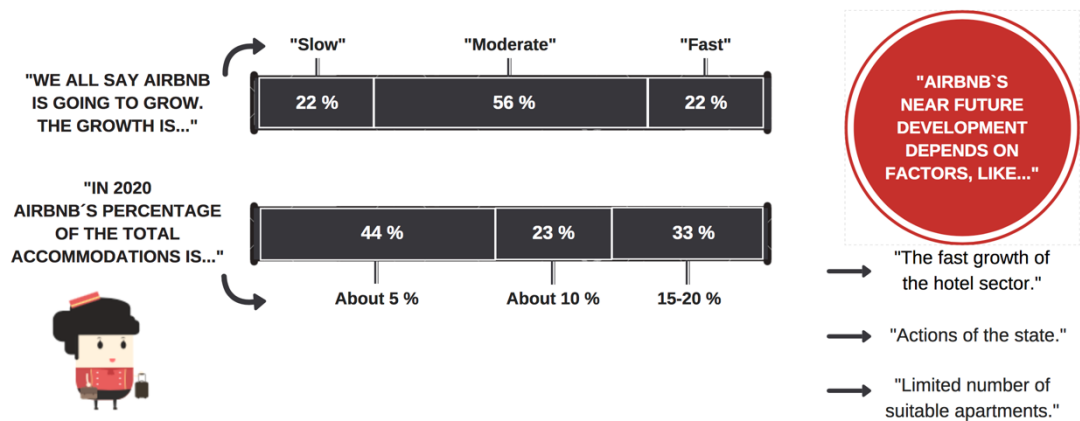


Figure 36. Airbnb's near future development in Helsinki

About the issue of whether there is going to be any changes in professional hosting in Helsinki, almost 80 % estimate that it is getting larger in near future. R2 comments that "Airbnb hosting is getting more professional in Helsinki, but I am sure that majority of it is still going to be on occasional bases". Despite of the opinions about the hosting, all interviewees of this study still present that in near future Airbnb is not going to have any impacts on their hotels as also presented in the figure 37. R8 says that "we are still going to fill our hotel with customers!" R5 in turn presents that

"of course, hotel industry needs to be awake all the time. If the double room is not anymore, what the travellers want, then we need to develop something else! Hotels need to just tell better, what the price includes. I do not believe Airbnb is going to have directly any impact on hotels in Helsinki in near future."



Figure 37. Airbnb's impact on hotels in Helsinki in near future

Almost 80 % of the interviewees present that they are starting or continuing the process of developing their hotel rooms into more unique ones, as also illustrated in the figure 38. R4 views that the issue of more unique hotel rooms is ongoing process in Helsinki today. He further presents that hotel entrepreneurs need have something else than standardized rooms if they want to survive. “The more unique rooms are for sure the future of the hotel business”, he continues. R2 in turn mentions that

“more unique rooms are built all the time in our hotels. We are trying to figure out how we could better serve also the customers of Airbnb... ..In overall hotels in Helsinki have noticed that Airbnb travellers are their own kind, and the ones staying in hotels value services and the easiness during their stay.”

There are two interviewees, who have a different opinion about the issue of unique hotel rooms in the future. One of them points out that “we have so heavily standardized rooms, that this kind of development does not look like to be ours in near future”. The other interviewee simple mentions in this context, that “I do not think so”.

For the idea of having apartments in hotel’s accommodation selection, five interviewees say “no”, three say “maybe yes, but not in near future” and one says that they already had them and do not want them back. The ones who deny this often mention that the apartments in Helsinki are too expensive for this kind of business idea. The interviewee who already have had apartments in their selection comments that “these apartments were difficult and expensive to operate and in the end the business with apartments was only peanuts, so we gave up that”. On the other side, R7 presents that “it is not our strategy yet but abroad many hotels have also apartments in their selections, so why not some day we could have those as well?” R8 views the apartment issue as following:

“It would be great to have those! We have already all the basic services here in hotel, so why not? Still, I do not see it to happen in near future.”

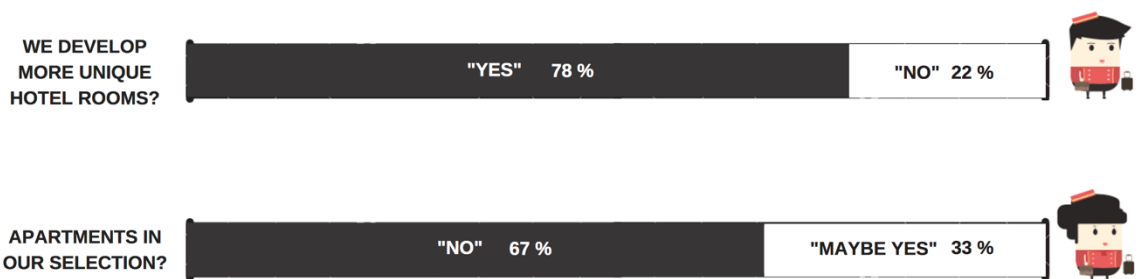


Figure 38. Hotel sector’s views about more unique hotel rooms and apartments in their selection in Helsinki

7 Discussion

Airbnb's impact on the traditional hotel sector has been an issue, which has gotten many different opinions of it. Even researches on it vary a lot. Guttentag (2016, 15) is for instance one of those who is sceptical over Airbnb's impact on hotels. He presents that Airbnb is still too small and serving only categorical, mainly budget travellers and is unable to serve customers in more moneymaking business travel markets (Guttentag 2016, 15). On the other hand, there are researches suggesting that the rise in Airbnb's accommodations is directly effecting the hotel sector (Olson & Kemp 2015, 19) or even that the traditional travel sector is one of the first ones effected by the sharing economy (Owyang 2013, 14). The findings of this study indicate that in 2017 the hotel sector in Helsinki is totally unaffected by home-sharing and Airbnb. Airbnb has not had impacts on hotels in factors like number of overnighting travellers, pricing, number of compression nights, sales of ancillary services or jobs created by hotels. It is worthy of note that even though there are researches (Ting 2017) suggesting that in top 25 U.S. markets Airbnb had large impact on hotels' number of compression nights, the hotel sector in Helsinki has not that kind of experiences at all.

The findings of this study indicate that in overall atmosphere inside the Helsinki's hotel sector is quite favourable to Airbnb. Most of the hotel professionals of this study have already used Airbnb on their own trips and some even have started the hosting. There are members inside Helsinki's hotel sector who present that Airbnb has positive impact on tourism in Helsinki overall. It helps to ease the pressure to find accommodation during high demand periods, like conferences, brings extra incomes also to other entrepreneurs in town, and it brings new traveller segments to Helsinki as well. The findings of this study are for this part identical with Sundararajan (2016, 121 – 123) who presents that Airbnb creates more demand in accommodation. Almost half of the contesters view also that it is traveller's choice to decide where he or she wants to overnight in Helsinki. The hotel professionals in Helsinki view also that hotels need to carefully analyse all the time the travel markets and respond to new trends if they want to be able to compete with new home-sharing accommodation operators.

According to the findings of this study it seems that the hotel sector in Helsinki has absorbed the new era of travel business with the home-sharing operators. Hotels are responding to travellers' new needs and expectations and to phenomenon of home-sharing in overall. Hotels and hotel rooms are developed in a way that those respond better to the trend of home-like accommodations. The findings of this study indicate that there is also a

need for these renewals inside the hotel industry in Helsinki. Some participants of this research made it very clear that the hotel sector in Helsinki had not followed the travelling trends very well and that the hotels here did not create any “wow” experiences, or that hotels even made some travellers to feel “the hotel phobia”. If the opinions of Helsinki’s hotels are like this from inside of the sector, how are all the travellers then experiencing these hotels?

Even though the regulations and rules –issue got the most critical opinions of Airbnb, the absolute majority of the interviewees still presented that there was no need for any restrictions against Airbnb’s operations in Helsinki. The findings of this issue indicate that the hotel sector in Helsinki feels that there is large amount of regulations and rules to be obeyed in this business. “The regulative Finland with its acts” is an expression many used in this context. It seems that since the hotel sector in Helsinki is a bit frustrated with all the regulations and rules made by the authorities, the sector does not want to have any other restrictions inside the accommodation field – including also the operations of Airbnb. Some of the hotel professionals in Helsinki see the resistance of home-sharing as old-fashioned way of doing the hotel business. Like one contesteer said: “Of course there are some older hotel managers who might have a different opinion. But the world changes.”

Although over half of the hotel professionals did not have the exact knowledge of the accommodation industry’s framework in Helsinki, they seemed to know well the home-sharing phenomenon and some basic drivers behind it. Airbnb’s travellers in Helsinki are from the perspective of hotel professionals adventurous, brave, young, international travellers whereas the travellers in hotels are older, more traditional, domestic tourists with bonus cards who want to have an easy holiday with all the services. It seems that these hotel professionals see the travellers on Airbnb side much more like the travellers of the future with more positive impressions attached to them than how they see the travellers of the hotel side. One more finding on this matter which is worthy of note is that the hotel sector in Helsinki sees the customers of Airbnb same way than Smith (2016, 1 & 4) does: the ones with higher incomes and education are utilizing the home-sharing more than the average citizens. When considering the abovementioned factors, it seems that hotel sector in Helsinki needs to work on following question. How to lure (back) these younger, braver travellers with higher incomes and education into their customers?

Guttentag (2016, 15) presents that the more moneymaking travel segments, like business travellers and groups are still staying mainly in hotels, and this is the case also in Helsinki according to the findings of this study. Airbnb has not been able to create suitable accommodation solutions for bigger groups in Helsinki. But the business travellers and smaller

groups have already started to find Airbnb accommodations in Helsinki. So, the Gutentag's (2016, 16) assumption that Airbnb is extending to new clienteles has already started here. From the perspective of the hotel sector, Airbnb is an attractive option for smaller groups and for the longer staying business travellers. There is also finding in this context presenting that the bleisure travels are getting more popular all the time, and this is when travellers might easily choose Airbnb over hotels in Helsinki. On the other hand, the hotel sector in Helsinki sees the hotel contracts and Airbnb's receipts as the factors which are still preventing many business travellers to choose any other accommodation options than hotels. But if there are real savings available for the companies, how long the forms of the receipts are preventing them to accept their employees to stay in the home-sharing accommodations? One more interesting finding about Airbnb travellers is their point of origin. The findings of this study indicate that hotel sector sees the customers of Airbnb in Helsinki mainly as international tourists. When considering here the results of research requested by European Commission (European Commission 2016, 5 – 6 & 24) indicating that Finnish people still utilize over half less the sharing economy than other average Europeans, there can be strong growth expected in the Finnish sharing economy markets. Even though Finland has periphery location and sometimes it takes longer until some trends and phenomena find their ways to here, people are still mainly same kind of consumers as other Europeans and behave also same way. On this basis, it could be expected that domestic travellers are going to increase also their usage of Airbnb in Helsinki. The hotel sector should not be vain and blind even though currently domestic travellers mainly still stay in hotels – things are most probably going to change on basis of above mentioned.

According to Airbnb itself (AirbnbCitizen 2014), "live like a local" –factor is the main travellers' motivation for staying in Airbnb accommodations. The hotel sector in Helsinki views price with its different dimensions as the main travellers' motivation. Airbnb's more affordable image is the background factor, which in the first place makes the traveller to check Airbnb alternatives in Helsinki. More spacious apartments and the household appliances give also extra value for Airbnb and this way its price is often seen more affordable than hotel prices. The hotel sector largely view that the actual price difference between hotels and Airbnb is slight one in Helsinki. So, the comment of one hotel professional - "hotels should be better in telling what hotel prices includes" - could be worth of thinking on hotels side. Even though Morgan and Stanley research group (Ting 2017) presents that location and authentic experiences are the other main travellers' motivations for using Airbnb, the hotel sector in Helsinki views the "live like a local" – factor and the trendiness of the phenomenon as the other main ones. Unlike the researches presented in the theory part of this study, the hotel professionals in Helsinki present that the fully booked hotels factor is

one more travellers main motivation in this context. According to some of these hotel professionals during the compression nights in Helsinki, travellers are “forced” to stay in Airbnb since all the hotels are fully booked. This is an interesting point of view from the hotel sector. It is still difficult to say if it really tells about the real hotel sector’s attitude towards Airbnb or if it is only the simple fact that hotels are so often totally fully booked in Helsinki, that the home-sharing options are the only ones available. Nevertheless, it could be still wise for this part of the hotel sector in Helsinki to check their attitudes towards Airbnb. The attitude that Airbnb in Helsinki would be somehow always as a second alternative after hotels could have dangerous consequences for the business in the longer run.

The safety and privacy concerns are the ones which are in the heads of travellers preventing them to stay in Airbnb accommodations in Helsinki according to this study. The same results are also valid in other parts of the world (Ting 2017). It seems that Airbnb needs to work a lot with this issue. Airbnb’s lack of services and surprisingly also the home-sharing’s main idea – it is someone’s home – are the other preventers here on the perspective of the hotel sector in Helsinki. Reception, breakfast and maintenance are the services Airbnb is lacking, and which are that important for travellers that they turn Airbnb option down when booking accommodation in Helsinki. Hotel receptionists are in addition to help and service also creating the feeling of safety in hotels. If the purpose of this study was to give suggestions for Airbnb, the idea of local 24/7 help centres with reception and maintenance services could be on the list. From the perspective of the hotel sector in Helsinki Airbnb has the strengths like more unique and good privacy accommodations, locality, and more affordable image. It seems that these are not only Airbnb’s strengths in here but those could be also the issues the hotel sector could be working on in the future. One more factor the hotel sector views as an Airbnb’s advantage in Helsinki is the travellers’ reviews of the accommodations. Those reviews are seen to be much more powerful and more informal than the hotel ratings with stars. This could be a good tip for a hotelier for the future.

One reason behind the non-existing impact of Airbnb on hotels in Helsinki could be the hobby-like hosting. Hosting in Helsinki is occasional, hosts having only one apartment listed. When considered the relatively young age of these hosts, 30 – 40 years, and the main motivators for hosting, money and extra incomes, it could be expected that these hosts raise their financial power during following decades and create more professional solutions in their hosting. In addition to that, these hosts are also described as risk-tolerant, open-minded and brave persons with higher education and incomes. This combination sounds like a good mixture of future entrepreneurs. But on the other hand, there does not seem to be many Ahla’s (2016) “mega-operators” or “full-time” hosts yet in Helsinki,

so probably it is at least going to take longer periods of time until there could be some serious changes on accommodation field happening here. From the perspective of the hotel sector the findings of this study indicates that Airbnb's operations are still nice activities in Helsinki.

As also mentioned earlier, there are many different kind of opinions about home-sharing and its impact on traditional hotel sector. The findings of this study indicate that also in Helsinki the hotel sector does not commonly agree at least yet how to place Airbnb on this accommodation field, and if Airbnb's operations should be more regulated or not. It seems, that the hotel sector has been more suspicious of Airbnb few years ago, but since it is currently doing well, the doubts have decreased. Of course, when industry has good years going on, it is easy to say that the other new options does not really matter, and that it is all about consumers free will where he / she wants to overnight. The findings of this study indicate that hotel business and the tourism in overall in Helsinki is growing currently fast and that there is a strong belief inside the sector for its future. From the perspective of the hotel sector Airbnb does not make any threat for it in near future either, even though they do expect the professional hosting to get bigger. The findings of this study indicate that the hotel sector in Helsinki believes that Airbnb is going to have in 2020 much under 20 % share of the total accommodations markets. Almost half of the contesters estimates it to have only the share of about 5 %. In this context, it could be wise for the hotel sector in Helsinki to remember the Olson's and Kemp's (2015, 7) opinions that the sharing economy is here to stay and the peer-to-peer accommodation markets are estimated to have the growth of 27 % between the years of 2014 and 2025. When talking about the future, nothing is as certain as uncertain. But there could be still one good suggestion to make. No matter if you are working in a hotel, or hosting in Airbnb, or doing those both. The thought of Mr Chesky, one of the founders of Airbnb, is just perfect for you:

“Design your world right! If you don't, it will be designed for you, and you might not like what you end up with.” (Sundararajan 2016, 8 – 9.)

8 Conclusion

The aim of this study has been to increase understanding of the questions how does the hotel sector perceive home-sharing and Airbnb's operations in Helsinki and how is the impact of Airbnb on hotels in Helsinki from the perspective of the hotel sector. To reach the goal of this study the theory of sharing economy, home-sharing and Airbnb was first studied by the author of this study. Then the overview of the Helsinki as a tourism destination was formed. The interviews of this study were conducted in the beginning of the summer 2017. The autumn 2017 was the time when the analysing and reporting of the results was

done. Since the interviewees of this study were professional and cooperative this research got out some good and real results out from the hotel sector. In 2017, the hotel sector in Helsinki has not been impacted on Airbnb at all. Even though there have not been any direct impacts on hotels at least yet, the hotel sector has still been awake and noticed this new operator in the accommodation field and has started to prepare to this new demand and competition. In 2017 Helsinki's hotel sector is expecting strong growth and does not consider Airbnb as any kind of threat to itself in near future either. The results of this study are very useful in today's world when many cities and countries are just about to start thinking how home-sharing and Airbnb is impacting on the traditional hotel sector. Of course, you need to keep in mind the limitations of this study and not generalize these results to any other city or to any other time than Helsinki in 2017. For the author of this study this research topic has been very interesting, which has helped to keep up the motivation and enthusiasm for this work. In overall the author of this study feels that he has reached all the goals set for this study during this thesis process. The research questions have been replied with the results of this study and all the personal learning and studying goals have been reached as well.

As suggestions for the future study could be the impacts of the changes that are currently happening in the accommodation field in Helsinki from the perspective of the hotel sector or Airbnb. There are uncommon many hotel construction projects going on and at the same time also Airbnb hosting is getting all the time more popular. Same kind of research as this one could also be conducted after few years to find out if the situation in this accommodation market has changed. As home-sharing and Airbnb is now been researched on the perspective of the hotel sector in Helsinki, it could be also interesting to research the views of travellers and Airbnb hosts about the accommodation business. Whatever topic you decide to have, I wish you the best luck and strength in your research process!

References

Ahla. From Air Mattresses to Unregulated Business: An Analysis of the Other Side of Airbnb. URL: https://www.ahla.com/sites/default/files/Airbnb_Analysis_September_2016_0.pdf. Accessed: 15 January 2017.

Airbnb. URL: https://www.airbnb.com/s/Helsinki?guests=2&adults=2&ss_id=y3fp39zs&source=bb&page=1&s_tag=1cvamunB&allow_override%5B%5D=. Accessed: 04 January 2017.

Airbnb, Inc. a. Host Protection Insurance. URL: <https://www.airbnb.com/host-protection-insurance>. Accessed: 13 November 2016.

Airbnb, Inc. b. How can we help? URL: <https://www.airbnb.com/help/article/376/what-legal-and-regulatory-issues-should-i-consider-before-hosting-on-airbnb>. Accessed: 13 March 2017.

Airbnbcitizen. 2014. Airbnb economic impact around the world. URL: <https://www.airbnbcitizen.com/airbnb-economic-impact-around-the-world/>. Accessed: 11 November 2016.

Airbnbcitizen, 2016a. How Airbnb Works. URL: <https://www.airbnbcitizen.com/how-airbnb-works/>. Accessed: 13 November 2016.

Airbnbcitizen, 2016b. New research on Airbnb and hotels. URL: <https://www.airbnbcitizen.com/new-research-on-airbnb-and-hotels/>. Accessed: 13 November 2016.

Airbnbcitizen, 2017. Airbnb's 2016 highlights and 2017 trends we're watching. URL: <https://www.airbnbcitizen.com/airbnbs-2016-highlights-and-2017-trends-were-watching/>. Accessed: 15 January 2017.

AirbnbHELL. Uncensored Airbnb Stories from Hosts & Guests. URL: <http://www.airbnhell.com/>. Accessed: 03 March 2017.

Airdna. Helsinki, Finland. Market minder. URL: <https://www.airdna.co/market-data/app/fi/default/helsinki/overview>. Accessed: 14 December 2017.

Badcock, J. 2016. Barcelona to fine Airbnb and HomeAway €600,000 each for offering “illegal” accommodation. The Telegraph. URL: <http://www.telegraph.co.uk/news/2016/11/24/barcelona-fine-airbnb-homeaway600000-offering-illegal-accommodation/>. Accessed: 03 March 2017.

Belk, R. 2013. You are what you can Access: Sharing and Collaborative Consumption Online. URL: https://www.researchgate.net/publication/262490610_You_are_what_you_can_access_Sharing_and_collaborative_consumption_online. Accessed: 14 November 2016.

Botsman, R. & Rogers, R. 2011. What’s mine is yours. How collaborative consumption is changing the way we live. Harper Collins Publishers. London, UK.

Botsman, R. 2013. The Sharing Economy Lacks A Shared Definition. Fastcoexist. URL: <https://www.fastcoexist.com/3022028/the-sharing-economy-lacks-a-shared-definition>. Accessed: 13 January 2017.

Boutin, P. 2006. Zipcar makes car sharing sexy, not sorry. Slate. URL: http://www.slate.com/articles/news_and_politics/gearbox/2006/09/key_party.html. Accessed: 10 January 2017.

Byers, J. Proserpio, D. & Zervas, G. 2013. The rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry. URL: <http://people.bu.edu/zg/publications/airbnb.pdf>. Accessed: 22 December 2016.

Brendan, R. 2016. The Future of hotel chains: Branded marketplaces driven by the sharing economy. URL: <http://ezproxy.haaga-helia.fi:2830/content/22/3/239.full.pdf+html>. Accessed: 10 November 2016.

Codagnone, C & Martens, B. 2016. Scoping the Sharing Economy: Origins, Definitions, Impact and Regulatory Issues. European Commission. URL: <https://ec.europa.eu/jrc/sites/jrcsh/files/JRC100369.pdf>. Accessed: 07 March 2017.

Cohen, B. & Kietzmann, J. 2016. Ride on! Mobility Business Models for the Sharing Economy. URL: <http://ezproxy.haaga-helia.fi:2907/content/27/3/279.full.pdf+html>. Accessed: 11 November 2016.

Daverio, R. & Vaughan, R. 2016. Assessing the size and presence of the collaborative economy in Europe. Pwc Uk. URL: <http://www.pwc.co.uk/issues/megatrends/colli-sions/sharingeconomy/future-of-the-sharing-economy-in-europe-2016.html>. Accessed: 05 March 2017.

Dervojeđa, K; Verzijl, D; Nagtegaal, F; Lengton, M; Rouwmaat, E; Monfardini, E & Frideres, L. The Sharing Economy. Accessability Based Business Models for Peer-to-Peer Markets. European Union. URL: <http://ec.europa.eu/DocsRoom/documents/13413/attachments/2/translations/en/renditions/native>. Accessed: 07 March 2017.

Engineering & Technology magazine. @UN World Urbanization Prospects report – half the world lives in urban areas – an annotated infographic. URL: <https://engtechmag.wordpress.com/2014/07/22/un-world-urbanization-prospects-report-half-the-world-lives-in-urban-areas-an-annotated-infographic/>. Accessed: 12 January 2017.

eMarketer. 2016. How Popular Is the Sharing Economy? URL: <https://www.emarketer.com/Article/How-Popular-Sharing-Economy/1014135>. Accessed: 01 March 2017.

eMarketer. 2017. Airbnb's Troubles in Spain Grow Alongside Greater Use. URL: <https://www.emarketer.com/Article/Airbnbs-Troubles-Spain-Grow-Alongside-Greater-Use/1015323>. Accessed: 03 March 2017.

Eriksson, P & Koistinen, K. 2005. Monenlainen tapaustutkimus. Kuluttajatutkimuskeskus. URL:// https://helda.helsinki.fi/bitstream/handle/10138/152279/Monenlainen_tapaustutkimus.pdf. Accessed 15 December 2017.

European Commission. 2016. The use of collaborative platforms. URL: <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/FLASH/surveyKy/2112>. Accessed: 01 March 2017.

European Commission. 2017. Opening plenary: Collaborative economy in the tourism accommodation sector. URL: http://ec.europa.eu/growth/tools-databases/news-room/cf/itemdetail.cfm?item_id=9055. Accessed: 08 March 2017.

Figuls, J. 2016. Spain's cities closing the door on Airbnb-type rental sites. El Pais. URL: http://elpais.com/elpais/2016/08/11/inenglish/1470906152_620042.html. Accessed: 03 March 2017.

Friedman, T. 2013. Welcome to the “Sharing Economy”. URL: <http://www.ny-times.com/2013/07/21/opinion/sunday/friedman-welcome-to-the-sharing-economy.html>. Accessed: 10 November 2016.

Gansky, L. 2010. The mesh. Why future of business is sharing. Penguin books ltd. London, UK.

Geron, T. 2013a. Airbnb And The Unstoppable Rise Of The Share Economy. Forbes, p. 1-3. URL: <http://www.forbes.com/sites/tomiogeron/2013/01/23/airbnb-and-the-unstoppable-rise-of-the-share-economy/#1c42395a6790>. Accessed: 14 November 2016.

Geron, T. 2013b. Airbnb wins New York City Appeal On Short-Term Rentals. Forbes. URL: <https://www.forbes.com/sites/tomiogeron/2013/09/27/airbnb-wins-new-york-city-appeal-on-short-term-rentals/#74f7c9d1fabf>. Accessed: 03 March 2017.

Gobble, M. 2015. Regulating Innovation in the New Economy. Research Technology Management, 58, 2, p. 62. URL: <http://ezproxy.haaga-helia.fi:2091/abicomplete/docview/1682661488/fulltextPDF/F74A39E6F4DF4DA8PQ/6?accountid=27436>. Accessed: 14 November 2016.

Goudin, P. The Cost of Non-Europe in the Sharing Economy. Economic, Social and Legal Challenges and Opportunities. European Parliamentary Research Service. URL: [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/558777/EPRS_STU\(2016\)558777_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/558777/EPRS_STU(2016)558777_EN.pdf). Accessed: 04 March 2017.

Google. URL: <https://www.google.fi/maps/search/helsinki+hotellit/@60.166334,24.9213812,14z>. Accessed: 04 May 2017.

Griswold, A. 2015. Airbnb is thriving. So are hotels. How is that possible? Slate. URL: http://www.slate.com/articles/business/moneybox/2015/07/airbnb_disrupting_hotels_it_hasn_t_happened_yet_and_both_are_thriving_what.html. Accessed: 13 January 2017.

Guttentag, D. 2015. Airbnb: disruptive innovation and the rise of an informal tourism accommodation sector. Current Issues in Tourism, 18, 12. P. 1194 – 1198. URL: <http://www.tandfonline.com/doi/pdf/10.1080/13683500.2013.827159>. Accessed: 11 November 2016.

Guttentag, D. 2016. Why tourists choose Airbnb: A motivation-based segmentation study underpinned by innovation concepts. A thesis presented to the University of Waterloo in fulfillment of the thesis requirement for the degree of Doctor of Philosophy in Recreation and Leisure Studies. URL: https://uwspace.uwaterloo.ca/bitstream/handle/10012/10684/Guttentag_Daniel.pdf?sequence=1. Accessed: 13 November 2016.

Hall, J. & Krueger, A. 2015. An Analysis of the Labor Market for Uber's Driver-Partners in the United States. URL: <http://dataspace.princeton.edu/jspui/bitstream/88435/dsp010z708z67d/5/587.pdf>. Accessed: 04 March 2017.

Helsingin kaupunki. 2017. Yleistieto Helsingistä. URL: <http://www.hel.fi/www/Helsinki/fi/kaupunki-ja-hallinto/tietoa-helsingista/yleistietoa-helsingista/>. Accessed: 22 March 2017.

Helsinki Marketing Ltd. 2015 Hel yeah! Helsinki – Visitors guide. Lönnberg painot Oy.

Hirsjärvi, S; Remes, P & Sajavaara, P. 2010. Tutki ja kirjoita. Kariston kirjapaino Oy. Hämeenlinna.

Hoong, C. 2016. To Airbnb or not to Airbnb...The Straits Times. URL: <http://www.straitstimes.com/opinion/st-editorial/to-airbnb-or-not-to-airbnb>. Accessed: 04 March 2017.

Hotel News Now. 2016. New Airbnb data sheds light on 13 global markets. URL: <http://hotelnewsnow.com/Articles/77191/New-Airbnb-data-sheds-light-on-13-global-markets>. Accessed: 13 November 2016.

HVS. 2015. Airbnb and Impacts on the New York City Lodging Market and Economy. URL: <http://www.hanyc.org/wp-content/uploads/2015/10/HVS-Impact-Study-FINAL-Airbnb-and-the-NYC-Lodging-Market-10-27-15-copy.pdf>. Accessed: 22 December 2016.

ING. European sharing economy to grow by a third in the next 12 months. URL: <https://www.ing.com/Newsroom/All-news/European-sharing-economy-to-grow-by-a-third-in-the-next-12-months.htm>. Accessed: 02 March 2017.

Jaakola, A. & Vilkama, K. 2017. Helsingin tila ja kehitys 2016. URL: http://www.hel.fi/hel2/tietokeskus/julkaisut/pdf/17_01_26_Helsingintilajakehitys2016.pdf. Accessed: 14 March 2017.

Karila, M. Slush on jo niin suosittu, että hotellihuoneet loppuivat Helsingistä. URL: <http://yle.fi/uutiset/3-9315041>. Accessed: 16 January 2017.

Kelly, H. 2016. Why everyone is cracking down on Airbnb. CNNtech. URL: <http://money.cnn.com/2016/06/22/technology/airbnb-regulations/>. Accessed: 03 March 2017.

Koivisto, M. 2016. Airbnb:n suosio Helsingissä rajussa kasvussa – jo neljännes kaupungin hotellikapasiteetista löytyy kotisohvilta. Yle. URL: <http://yle.fi/uutiset/3-8731613>. Accessed: 16 January 2017.

Laine, M; Bamberg, J & Jokinen, P. 2008. Tapaustutkimuksen taito. Gauderamus Helsinki University press, Helsinki, Finland.

Leins, C. 2015. Who's a Sharing Economy Worker? U.S. News. URL: <https://www.us-news.com/news/blogs/data-mine/2015/08/21/uber-airbnb-etsy-who-are-the-sharing-economy-workers>. Accessed: 06 March 2017.

Lieber, R. 2012. A Warning for Hosts of Airbnb Travelers. The New York Times. URL: <http://www.nytimes.com/2012/12/01/your-money/a-warning-for-airbnb-hosts-who-may-be-breaking-the-law.html>. Accessed: 03 March 2017.

Lieber, R. 2015. Airbnb Horror Story Points to Need for Precautions. The New York Times. URL: <https://www.nytimes.com/2015/08/15/your-money/airbnb-horror-story-points-to-need-for-precautions.html>. Accessed: 03 March 2017.

McHugh, J. 2016. Renting an Airbnb in New York City? What You Should Know About the New Law. Travel+Leisure. URL: <http://www.travelandleisure.com/travel-tips/travel-trends/new-york-airbnb-law>. Accessed: 03 March 2017.

Morri, H. 2016. Helsinki's sign for "badasses" could be the greatest tourism poster ever made. The Telegraph. URL: <http://www.telegraph.co.uk/travel/destinations/europe/finland/helsinki/articles/helsinki-welcomes-winter-visitors-with-badass-sign/>. Accessed: 25 March 2017.

My Helsinki 2017. Top 12 sights in Helsinki. URL:// <https://www.myhelsinki.fi/en/see-and-do/sights/top-12-sights-in-helsinki>. Accessed 14 December 2017.

Nordic visitor Finland. Helsinki City break. URL:// <https://finland.nordicvisitor.com/travel-deals/partially-guided-tours/helsinki-city-break/749/>. Accessed 14 December 2017.

Olson, M. & Kemp, S. 2015. Sharing economy. An In-Depth Look At Its Evolution & Trajectory Across Industries. URL: <http://collaborativeeconomy.com/wp/wp-content/uploads/2015/04/Sharing-Economy-An-In-Depth-Look-At-Its-Evolution-and-Trajectory-Across-Industries-.pdf>. Accessed: 11 November 2016.

Owyang, J. 2013. A Market Definition Report of The Collaborative Economy: Products, services, and market relationships have changed as sharing startups impact business models. To avoid disruption, companies must adopt the Collaborative Economy Value Chain. URL: <http://www.collaboriamo.org/media/2014/04/collabecon-draft16-130531132802-phpapp02-2.pdf>. Accessed: 14 November 2016.

Owyang, J. 2016a. Honeycomb 3.0: The Collaborative Economy Market Expansion. Web-Strategist. URL: <http://www.web-strategist.com/blog/2016/03/10/honeycomb-3-0-the-collaborative-economy-market-expansion-sxsw/>. Accessed: 12 January 2017.

Owyang, J. 2016b. Industry Impacts of Airbnb's Shift to Experiential Business Models. Web-Strategist. URL: <http://www.web-strategist.com/blog/>. Accessed: 17 January 2017.

Payton, M. 2016. Berlin stops Airbnb renting apartments to tourists to protect affordable housing. Independent. URL: <http://www.independent.co.uk/news/world/europe/airbnb-rentals-berlin-germany-tourist-ban-fines-restricting-to-protect-affordable-housing-a7008891.html>. Accessed: 03 March 2017.

Priceonomics. 2013. Airbnb vs Hotels: A Price Comparison. URL: <https://priceonomics.com/hotels/>. Accessed: 17 November 2016.

PwC. 2016. Shared benefits. How the sharing economy is reshaping business across Europe. URL: <http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/future-of-the-sharing-economy-in-europe-2016.html>. Accessed: 02 March 2017.

Quinn, B. Man who let out home on Airbnb for new year suffer £12,000 damage. The Guardian. URL: <https://www.theguardian.com/technology/2016/jan/09/london-man-who-rented-home-out-for-new-year-airbnb-left-with-12000-damage>. Accessed: 03 March 2017.

Rosenberg, T. 2013. It's Not Just Nice to Share, It's the Future. The New York Times. URL: http://opinionator.blogs.nytimes.com/2013/06/05/its-not-just-nice-to-share-its-the-future/?_r=0. Accessed: 15 November 2016.

Smith, A. 2016. Shared, Collaborative and On Demand: The New Digital Economy. PewResearchCenter. URL: <http://www.pewinternet.org/2016/05/19/the-new-digital-economy/>. Accessed: 01 March 2017.

Stephany, A. 2015. The Business of sharing. Making it in the New Sharing Economy. Palgrave Macmillan. Hampshire, UK.

Sundararajan, A. 2016b. The sharing economy. The end of employment and the rise of crowd-based capitalism. Toppan Best-set Premedia Limited. USA.

Svenska Dagbladet. 2016. Bordeller öppnades i Airbnb –låneheter. URL: <https://www.svd.se/airbnb-hyr-for-bordellverksamhet>. Accessed: 03 March 2017.

Tadeo, M. 2017. Airbnb Seeks Truce With Barcelona in Battle Against Overtourism. Skift. URL: <https://skift.com/2017/02/07/airbnb-seeks-truce-with-barcelona-in-battle-against-overtourism/>. Accessed: 03 March 2017.

Tanz, J. 2014. How Airbnb and Lyft finally got Americans to trust each other. Wired. URL: <https://www.wired.com/2014/04/trust-in-the-share-economy/>. Accessed: 07 March 2017.

Ting, D. 2017. Airbnb Is Becoming an Even Bigger Threat to Hotels Says a New Report. Skift. URL: <https://skift.com/2017/01/04/airbnb-is-becoming-an-even-bigger-threat-to-hotels-says-a-new-report/>. Accessed: 16 January 2017.

The Economist. 2012. Online house-sharing Mi casa, su cash. URL: <http://www.economist.com/blogs/babbage/2012/07/online-house-sharing>. Accessed: 11 November 2016.

Tilastokeskus. Hotellikapaseiteetti ja sen käyttö. URL: http://www.stat.fi/til/matk/2016/12/matk_2016_12_2017-02-16_tau_006_fi.html. Accessed: 15 March 2017.

Tuomi, J. & Sarajärvi, A. 2009. Laadullinen tutkimus ja sisällönanalyysi. Gummerus Kirjapaino Oy. Jyväskylä, Finland.

Työ- ja elinkeinoministeriö. 2016a. Jakamistalous Suomessa 2016. Nykytila ja kasvunäkymät. URL: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/79253/TEM-rap_9_2017_verkkojulkaisu.pdf?sequence=1. Accessed: 02 March 2017.

Työ- ja elinkeinoministeriö. 2016b. Opas. Ohjeita kotimajoitusta tarjoavalle. URL: https://tem.fi/documents/1410877/2735818/3_2016_ohjeita_kotimajoitusta_tarjoavalle_25042016_WEB.pdf/4e48204f-ee08-4e55-9713-1d33d5aebb0b. Accessed: 04 March 2017.

Veal, A. 2011. Research methods for leisure & tourism. Pearson Education Limited, Essex, UK.

Visit Helsinki. 2016. Helsingin matkailutilastot. URL: http://www.visithelsinki.fi/sites/default/files/legacy_files/files/Tilastot/FI/helsinki1216.pdf. Accessed: 14 March 2017.

Visit Helsinki. 2017. Arriving in Helsinki. URL: <http://www.visithelsinki.fi/en/come/welcome-to-helsinki/arriving-in-helsinki>. Accessed: 14 December 2017.

Yin, R. 2009. Case study research. Design and Methods. 4th edition. SAGE Inc. USA.

Yin, R. 2011. Qualitative research from start to finish. 5th edition. SAGE Inc. USA.

Appendices

Appendix 1. Interview questions

Phenomenon

1. Describe the home-sharing phenomenon
 - a. What are the drivers behind the phenomenon?
 - b. Could you name some home-sharing operators?
 - c. Estimate the number of hotel rooms and Airbnb listing in Helsinki
 - d. Have you used the home-sharing yourself?

Customers of Airbnb

2. How would you describe the customers of Airbnb in Helsinki?
 - a. How about issues like
 - i. age, sex, incomes, education (=demographic variables)?
 - ii. point of origin (domestic / international)?
 - iii. reasons for travelling (leisure, business, group)?
3. How do you see if there are any differences between the Airbnb and hotel customers in Helsinki?
 - i. Any differences in issues like age, sex, incomes, education?
 - ii. Any differences in point of origin (domestic / international)?
 - iii. Any differences in reasons for travelling (leisure, business, group)?

Travellers motivations for staying in Airbnb

4. Why are travellers using accommodations offered by Airbnb in Helsinki?
 - a. How about issues like
 - i. "live like a local"?
 - ii. price?
 - iii. location (of the Airbnb listings)?
 - iv. supporting micro-entrepreneurship?
 - v. trendiness of the phenomenon
5. Are there any reasons why travellers might not want to stay in Airbnb accommodations in Helsinki?
 - a. How about issues like
 - i. safety concerns?
 - ii. privacy concerns?
 - iii. arrangements when checking in and out (keys)?
 - iv. location (of Airbnb listings)?
 - v. unstandardized accommodation?

Airbnb hosts

6. How would you describe Airbnb hosts in Helsinki?
 - a. How about issues like age, sex, incomes, education?
7. How are these Airbnb hosts operating in Helsinki?
 - a. How about issues, like
 - i. doing it occasionally vs full-time?
 - ii. non-professionally vs professionally?
 - iii. only rooms from own apartment vs entire apartments?
 - iv. one listing vs multiple listings?
 - v. location of listings (same locations than hotels in the city centre or in local suburbs)?

Reasons for hosting

8. What are the motivations for Airbnb hosting in Helsinki?
 - a. How about issues like
 - i. earning money?
 - ii. getting to know new people and cultures?
 - iii. starting own micro-entrepreneurship?
 - iv. trendiness of the phenomenon?

Airbnb's impact on hotels

9. Discuss about Airbnb's impact on hotel you work for.
 - a. How about issues like
 - i. numbers of overnighting travellers
 - ii. traveller segments (e.g. leisure/business/group)?
 - iii. pricing?
 - iv. number of compression nights?
 - v. sales of ancillary services?
 - vi. jobs created by your hotel?
 - b. During recent years, has there been any changes in Airbnb's impact on the hotel you work for? If yes, what kind of?

Operation / Competition issues

10. How do you see Airbnb's operations in Helsinki in relation to the hotel sector?
 - a. How about issues like
 - i. competition?
 1. Is Airbnb a competitor for your hotel or just a supplementing slice on accommodation pie?
 - ii. regulations and laws?
 1. How do you see if Airbnb operations need more regulations or even restrictions in Helsinki?
 - iii. taxation?
 - b. How do you see if there are travellers, who would not come to Helsinki without Airbnb as an accommodation option?
11. What are the strengths and weaknesses of Airbnb in Helsinki?

Future of Airbnb

12. How do you see Airbnb's near future development in Helsinki?
 - a. How about issues like
 - i. Airbnb's percentage of the total accommodation markets in Helsinki in the year 2020?
 - ii. professional hosting?
 - iii. impact on hotel you work for?
 1. e.g. developing more individual rooms
 2. apartments from nearby into your accommodation selection?

Appendix 2. Interview questions in Finnish

Ilmiö

1. Kuvaile jakamistalouden ilmiötä kotimajoitus (=the home-sharing).
 - a. Mitkä tekijät ovat ilmiön takana?
 - b. Nimeä joitakin kotimajoitus toimijoita.
 - c. Arvioi hotellihuoneiden ja Airbnb listausten määrä Helsingissä
 - d. Oletko itse käyttänyt kotimajoitusta?

Airbnb:n asiakkaat

2. Kuinka kuvailisit Airbnb:n asiakkaita Helsingissä?
 - a. Entäs
 - i. demografisesti, esim. ikä, sukupuoli, tulotaso, koulutus?
 - ii. lähtöpaikan mukaan – kotimainen / kansainvälinen?
 - iii. matkan tarkoituksen mukaan – vapaa-ajan-, työ-, ryhmämatka?
3. Onko Airbnb´n ja hotellien asiakkaiden välillä mielestäsi jotain eroavaisuuksia?
 - a. Entäs
 - i. demografisesti - ikä, sukupuoli, tulotaso, koulutus?
 - ii. lähtöpaikan mukaan – kotimainen / kansainvälinen?
 - iii. matkan tarkoituksessa? (vapaa-ajan-, työ-, ryhmämatka)

Motivaatioita Airbnb:n käyttöön

4. Miksi matkailijat käyttävät Airbnb majoitusta Helsingissä?
 - a. Entäs aiheet, kuten
 - i. "elää kuin paikallinen" (=live like a local)
 - ii. hinta?
 - iii. Airbnb majoitusten sijainti?
 - iv. mikroyrittäjyyden tukeminen?
 - v. ilmiön trendikkyys?
5. Mitä syitä matkailijoilla voi olla käyttämättä Airbnb majoitusta Helsingissä?
 - a. Mitenkäs aiheet, kuten
 - i. turvallisuus asiat (=safety)?
 - ii. yksityisyys (=privacy)?
 - iii. järjestelyt avainten noutamisessa ja luovuttamisessa?
 - iv. Airbnb majoitusten sijainti?
 - v. ei-standardit majoitukset?

Airbnb:n majoittajat

6. Kuinka kuvailisit Airbnb´n majoittajia Helsingissä?
 - a. Kuinka kuvailisit heitä esim ikä, sukupuoli, tulotaso, koulutus -muuttujilla?
7. Kuinka kuvailisit Airbnb majoittajien kotimajoitustoimintaa Helsingissä?
 - a. Entäs aiheet, kuten
 - i. satunnaisesti / koko aikaisesti?
 - ii. harrastusmaisesti / ammattimaisesti?
 - iii. vain huoneita omasta asunnosta / kokonaisia asuntoja?
 - iv. yksi / useita kohteita?
 - v. majoituksen sijainti (samoilla alueilla kuin hotellit keskustassa vai paikallisissa lähiöissä?)

Motivaatioita Airbnb majoituksen pitämiseen

8. Mitä motivaatioita näet Airbnb majoituksen järjestäjillä toimintaansa Helsingissä?
 - a. Entäs aiheet, kuten
 - i. ansaita rahaa?
 - ii. tutustua uusiin ihmisiin ja kulttuureihin?
 - iii. aloittaa oma mikroyrittäjyystoiminta?
 - iv. ilmiön trendikkyys?

Airbnb:n vaikutus hotelleihin

9. Kerro Airbnb:n vaikutuksesta hotelliin missä työskentelet.
 - a. Entäs aiheissa, kuten

- i. yöpyvien matkailijoiden määrä?
 - ii. matkustajasegmentit (esim. vapaa-aika / business / ryhmät)?
 - iii. hinnoittelu?
 - iv. korkean kysynnän öitten määrä (=compression nights)?
 - v. lisäpalveluiden myynti?
 - vi. työpaikkojen määrä hotellissa?
- b. Onko Airbnb:n vaikutuksessa hotelliin jossa työskentelet tapahtunut muutoksia viimeisten vuosien aikana? Jos, niin millaisia?

Toiminta / Kilpailu

10. Millaisena näet Airbnb:n toiminnan Helsingissä suhteessa hotellisektoriin?

- a. Entäs,
 - i. kilpailumielessä?
 - 1. Onko Airbnb kilpailija hotellille, jolle työskentelet vai tuoko se vain lisäystä majoitustarjontaan?
 - ii. säännöt ja lait -asioissa?
 - 1. Tulisiko Airbnb majoitustoiminnalla Helsingissä olla mielestäsi enemmän sääntöjä tai jopa rajoituksia?
 - iii. verotusasioissa?
- b. Onko mielestäsi olemassa matkailijoita, jotka eivät tulisi Helsinkiin ilman Airbnb majoitusvaihtoehtoa?

11. Mitkä ovat Airbnb:n vahvuudet ja heikkoudet Helsingissä?

Airbnb:n tulevaisuus

12. Millaisena näet Airbnb:n lähitulevaisuuden kehityksen Helsingissä?

- a. Entäs aiheissa, kuten
 - i. osuus koko majoitusmarkkinoista vuonna 2020 Helsingissä?
 - ii. ammattimainen majoittamistoiminta?
 - iii. vaikutus hotelliin, jolle työskentelet?
 - 1. kehitystyössä, kuten yksilöllisemmät huoneet?
 - 2. asuntoja lähistöltä majoitusvalikoimaan?