A Qualitative Research Approach for Developing a Trust Model of P2P Accommodations for Chinese Travelers

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Abstract

In sharing economy, lodging business with peer-to-peer business model (P2P accommodation) springs up recently. The rapid increase and widespread influence has let this new model of accommodation become a competitor with traditional hotel.

Intermediary (app system) trust, personal trust and accommodation trust aspects were established separately for P2P accommodations, which based on the interview results from the samples from international apps (Airbnb) and Chinese local apps (Tujia). A measurement scale is developed for customer experience through extant literature review, in-depth interviews, and panel reviews.

Based on the study result, both theoretical and practical implications are provided.

Keywords: P2P accommodations; Sharing economy; Trust model; Chinese users

Introduction

Peer-to-peer (P2P) commerce, also known as the sharing economy, has recently emerged as alternative suppliers of goods and services to traditional lodging industries [1-4]. With the rapid growth and influence of the sharing economy, P2P accommodations have become significant competitors to traditional lodging providers. This new source of competition may result in new tourism experiences and special values for travelers.

Researchers posit that the success of marketing largely relies on trust. Trust is the evaluation of products and services offered by providers and is a significant factor in the consumer decision-making process. In the field of consumer behavior, several trust models have been established for online shopping and e-commerce services. However, due to the nascent concept of P2P accommodations, little research has been done in the development of trust models for P2P accommodations. Consequently, this emerging lodging commerce faces many challenges in customer experience and relationship management.

In the first six months of 2016, over 2.2 billion Chinese citizens travelled domestically, while another 59 million traveled internationally, leading to expectations for similar, or greater numbers in the future [5]. Airbnb, a form of P2P accommodation first introduced in 2009 was launched as an alternative supplier of short term lodging services for travelers. It has since become a prevalent P2P accommodations platform in the global market – including China. In addition, several companies in China have developed similar platforms for domestic Chinese travelers. Among those, Tujia is one of the leaders in this marketplace.

This qualitative research study explores the factors of trust perceived by Chinese travelers in P2P accommodation market. Based on semi-structured interviews with 61 Airbnb and Tujia clients in China, this study identifies the multi-dimensional trust model. This study applies consumer behavior principles and methodologies to develop a trust model for P2P accommodation providers, filling the void associated with the new and evolving sharing economy. Furthermore, practical implications for the lodging industry are discussed.

Literature Review

The sharing economy is based on ‘access to’ rather than ‘ownership of physical and human assets like time, space and skills [6]. The sharing economy is defined as “the P2P based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services” in business practice [7]. The advent of P2P commerce allows people to share resources in creative, new ways [8]. P2P commerce utilizes communication networks which enable direct sharing and interaction between buyers and sellers. Due to the growth of, and differences from traditional commerce, P2P commerce has recently attracted wide attention among academia.

Airbnb and Tujia as P2P accommodations in China

With the recent growth of consumerism in China, many P2P business have recognized the huge marketplace China offers. Airbnb.com and Tujia.com are the most famous P2P accommodation companies participating in the Chinese marketplace. In the last five years, Airbnb travel business has grown 353 times over [9]. Airbnb revenue growth is 113% higher than publicly traded hotel companies [10,11]. In 2015, Airbnb established a Chinese branch office to manage business for this huge market. According to Airbnb [12], more than 60 million people joined this website which has resulted in unique travel experiences in more than 34,000 cities and 190 countries.

Established in December 2011 as a Chinese P2P accommodation company, Tujia.com is designed to accommodate Chinese travelers and unique tourism cultural characteristics. In 2015, Tujia has facilitated over 130,000 international short-term housing rental accommodations.

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through cooperation with Roomorama to expand international short-term housing rental accommodations [14]. In 2016, Tujia realized more than a six-fold increase by signing more than 800,000 accommodations [15].

**Trust model of P2P accommodations**

Since Giffin’s [16] initial research of the concept of trust, it is now widely accepted that a lack of trust is a significant barrier to business success [17]. Trust is an important factor in the decision-making process when interacting with other people [17-19]. Trust is also important in a business context, as an organization must be trusted by consumers [17,20,21]. Trust has been studied based on various fields, just like normal commerce, online shopping and the P2P commerce. Although trust has been widely studied in conventional business environments, the trust model of P2P commerce has only received limited attention, and even then, the attention has focused on individual P2P transactions, not in an actual business model or crowd behavior context. Given the importance of trust, it is undoubted that trust is critical in the development of both the buyer and the seller in the P2P marketplace as well.

**Methodology**

With the advantage of enabling the interviewer to address topics of interest by following the conversational guide (also known as the interview guide), semi-structured interviewing is a very flexible technique for small-scale research. It is a method of research often employed in social science mini-studies and case studies where small samples are prevalent [22-24].

In this study, variables relating to trust of P2P accommodations were divided into intermediary (app system) trust and personal (hosts) trust [25-30]. Categories for “accommodations availability” [31], “payment security” [32], “consumer evaluation”, “personal photo of hosts” [33] and “laws” [34] were identified [35-37]. The category divisions were then grouped into influencing factors of trust as shown in Table 1:

**Research design**

A qualitative approach was used in this study. Data were collected through semi-structured interviews (N = 61), with data collection and analysis guidance obtained from existing topic (trust) research. Sixty-One P2P accommodation users who purchased a product or service using Airbnb or Tujia within three months were invited to participate in interviews. The interviews explored influence factors that affected their trust decision when deciding to purchase short-term rental housing accommodations from Airbnb or Tujia.

Semi-structured interviews were used to collect data from Tujia (N =31) and Airbnb (N =30). The interviews were conducted between November 29th and December 12th, 2016. Interviews lasted at least 30 minutes and were conducted either face-to-face or by telephone. Each participant received $2-$5 as compensation for their time. In order to get accurate assessments of the perceived risk associated with using P2P accommodations, interview questions were asked in different ways.

In addition to Pareto chart analysis, post interview review and recoding revealed several new attributes resulting from this research activity.

**Interview sample description**

Sixty-one subjects from various locations throughout China participated in semi-structured interviews. The average age of interviewees (Sample1 and Sample2) was 27.51, with low, medium or high income. Compared with younger travelers, older travelers preferred vacation package tours which provided convenient travel arrangements and secure accommodations. Each participant used either Airbnb or Tujia to make their P2P travel accommodations (Table 2).

**Findings**

**Trust influencing factors in Airbnb**

Overall, interviewees felt Airbnb and host landlords were trustworthy, expressed full confidence in the payment service (Alipay) utilized, Airbnb brand, online evaluations, and direct communication experiences. Most interviewees (29 of 31) also trusted Airbnb’s service system, online descriptions (22 of 31), accommodation pictures (20 of 31) and overall Airbnb experience (20 of 31). Many interviewees thought including the personal photos of Airbnb hosts improved trust (19 of 31) with the prospective landlords, rooms provided by Airbnb could be trusted (18 of 31), and accommodations were as advertised

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**Survey Items**

**Factors of Intermediary (app system) Trust**

- **Trust the app system between the various social systems relations**
  - ST1. Consumers have confidence in the quality of accommodations provided by Airbnb/Tujia;
  - ST2. Consumers have confidence in the accommodation services provided by Airbnb/Tujia;
  - ST3. Consumers have confidence that actual accommodations will be as advertised by Airbnb/Tujia;
  - ST4. Consumers have confidence in the accommodation payment system provided by Airbnb/Tujia;
  - ST5. Consumer have confidence in good and efficient experience during living in (Airbnb/Tujia) P2P accommodation;
  - ST6. Consumers have confidence in the accommodation brands provided by Airbnb/Tujia;
  - ST7. Consumers have confidence in the ability of Airbnb/Tujia to deal with emergency situations;
  - ST8. Consumers have confidence in Tujia (only) house managers;

**Factors of Personal (hosts) Trust**

- **Trust relationships between people through exchanges and interactions.**
  - PT1. Consumers have confidence in the pictures used to advertise the accommodations;
  - PT2. Consumers have confidence that personal photos of the landlords are accurate;
  - PT3. Consumers have confidence that room/accommodation descriptions are accurate;
  - PT4. Consumers have confidence that accommodation online evaluations are accurate;
  - PT5. Consumers have confidence that services requested through communication with landlords will be provided

**Source:** Luhmann, N. (1979) and other literature.

| Table 1: Trust Variable Definitions used in the Interviews. |
(16 of 31). However, regarding handling of emergency situations, few (3 of the 31) thought Airbnb has the ability to properly deal with emergencies.

Two new attributes were raised in the interviews of the intermediary (app system) trust. Firstly, Airbnb interviewees said accommodation structure should be considered as this was a factor affecting comfort; followed by the Tujia interviewees thought the accommodation security matters.

The third new attribute suggested by interviewees was additional landlord information in the personal (hosts) trust. Many felt communication with the landlording was an important part of the decision-making process necessary before deciding to rent the accommodation. Most interviewees also thought Airbnb should improve landlord transparency by including occupation (implies social status), listing the landlord’s social media accounts, performing background checks, and even requiring some sort of guarantor for landlords. Landlords who fail to meet minimum standards would not be allowed to post their accommodations. These additional steps were viewed as ways to improve trust between prospective landlords and users.

A Plato graph illustrating Airbnb trust attributes is provided below Figure 1.

The graph shows that ST4, ST6, PT4, PT5, ST3, NPT1, PT3, and ST5 define 80% of the trust attributes consisting of publicity and maintenance, with the other 20% to be promoted. That means ST4, ST6, PT4, PT5, ST3, NPT1, PT3, and ST5 are these most important factors determines the establishment of the trust of P2P accommodation.

Trust in Tujia

Regarding trust for Tujia users, hosts were viewed as trustworthy because Tujia was considered to be more responsible.

The leading trust attributes noted by interviewees were the payment system, ability to handle an emergency, and overall services. These were followed by reliable room quality (29 of 30), Tujia is efficient and can meet their needs (25 of 30), communication system would allow hosts to provide the services they need (21 of 30). Twenty interviewees believed the hosts could be counted on to provide quality accommodations, 18 interviewees believed the quality of the accommodations was in line with the advertised pictures, and the Tujia brand was credible (18 of 30). Combined with 15 interviewees thought the actual living environment were not as good as advertised (15 of 30), which means about half of these interviewees thought the advertise of quality of the accommodations are trustworthy. Tujia managers (14 of 30), hosts’ personal photos (10 of 30), and accuracy of online evaluations (15 of 30). In addition, two interviewees thought accommodations security management needed improvement in the context of Tujia, which means the Tujia are more trustworthy in the security management.

A Plato graph of the trust attributes of Tujia users is shown below Figure 2.

The graph shows that ST3, ST4, ST7, ST1, ST5, PT5, PT3, and ST6 and PT1 are the most believable attributes among Tujia users, with ST2, PT4, ST8, PT2 and NST1 needing improvement.

Similarities and differences between Airbnb and Tujia in trust

After performing the trust analysis of the Airbnb and Tujia data, a coding map was generated for the two P2P accommodation service providers. System trust are more trustable than personal trust. From semi-structured interviews, it was evident that ST4 (the payment system) is highly trusted by both Airbnb and Tujia interviewees.
A comparison of the results showed that Tujia was viewed as having an advantage over Airbnb in four areas: ST1, ST3, ST5 and ST7, while Airbnb outscored Tujia in seven areas: ST2, ST6, PT1, PT2, PT3, PT4, and PT5.

These results imply that Airbnb is considered more trustworthy than Tujia. In addition, the data indicated that Airbnb users were more concerned about personal information of landlord, like characters, feature and occupation than Tujia users.

Conversely, Tujia was viewed as accepting more responsibility for travelers (i.e., willing to serve as intermediators), providing better service (i.e., accommodations are overseen by professional housekeeping managers), and providing higher compensation to accommodation hosts (i.e., since Tujia pays more than Airbnb, hosts are motivated to comply with higher service standards).

Differences between Airbnb and Tujia may be explained by the different operating methods and philosophies the P2P accommodation companies subscribe to. Airbnb was started in the United States by friends who were initially interested in just making a few extra dollars by renting out temporary accommodations in their own apartment. Due to unexpected demand, the friends quickly saw a business opportunity which has grown to become a world leader in temporary accommodations. Tujia on the other hand was created in China as a domestic rival to Airbnb. Although Tujia has cultural and language advantages, it is the lesser known brand, even in China. As a result, Tujia is still working to achieve trust. In order to gain the trust of users (guests/buyers) they may need to do more to improve their standing by standardizing accommodations and services and installing more stringent management policies.

Three main variables of trust in P2P accommodation

Interviewees confirmed several items of trust and identified three new attributes for building trust for P2P accommodations. Based on interview results, in addition to system trust (intermediary) and personal (hosts) trust factors, accommodation trust is also important to users. Accommodation trust, identified through semi-structure interviews and associated data, along with the two aspects above, are summarized below Table 3.

Accommodation trust is an important influence factor on users’ actual experiences and feelings, which are different from the traditional online shopping context. Trust for P2P accommodation could be viewed in the context of four key items: communication (quick response), information, standards, and evaluation (Figure 3).

Conclusion

Although still evolving, today Tujia is considered to be more like a budget hotel than a high-end accommodation provider. Given this context, personal trust is not as important for Chinese Tujia users. Although consumers understand price equates to accommodation services and quality (i.e., “you get what you pay for”), they expect providers to have established policies and procedures for dealing with emergencies, conflicts, and other unforeseen complications – an important factor needed to establish trust.

As applied to P2P accommodations in China, the trust model can be divided into three key items:

- Intermediary (app system) trust
- Personal (hosts) trust
- Accommodation trust

The resulting relationships consist of transactions between sellers and buyers, systems and buyers, and accommodations (service location) and buyers. Four different influencing factors of trust apply to Chinese P2P accommodation system users; specifically:

- Communication (quick response)
- Information
- Standards
- Evaluation

Further research based on Quantitative research methodologies and sampling techniques to test the Theoretical Model of Trust for P2P accommodations in China proposed in this study is recommended.
References