



# Airbnb: what do we share and what do we lose? What is true in the so-called “collaborative model”

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**ABSTRACT** - The study of territories with widespread urbanization is now intertwined with a new research trajectory: the Airbnb universe and its socio-spatial echoes in cities. Ten years after its appearance in the hospitality industry scenario, Airbnb is recognized as one of the most significant players within the so-called platform economy. There are researches on its business model and disruptive effects, user behaviour (host and guest side), legal issues, law enforcement and taxation, impact on cities. This contribution will give a general description of the platform and its functioning and, subsequently, will return the problematic profile of the phenomenon according to a territorialist perspective able to highlight its impression on cities, urban functions, vulnerabilities and the nascent transformations of the places connected to it. Starting from the critical externalities that have emerged in the cities where Airbnb has had its greatest development, we will try to identify alternative practices in which forms of life in common are realised, and where new actions of urban regeneration are created in them. We will refer to the example of FairBnB which is still being settled by a community of activists, programmers, researchers and designers who aim to face this challenge by bringing back the “share” in the economy of sharing. The case of FairBnB will be recalled as an example of local action which, while inviting collective reflection on the development of platform economies and the transformation of cities, in the absence of a political, legal and social framework adequate for its development, risks remaining very marginal and therefore very limited.

## KEYWORDS

City,  
Local-Action,  
Sharing,  
Platform,  
Gentrification

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# Airbnb: what do we share and what do we lose? What is true in the so-called “collaborative model”<sup>1</sup>

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## 1. Introduction

The observation of the dynamics of platform capitalism allows us to understand how the major global economic players function. It also offers new interpretative tools to read specific socio-economic transformations, together with changes in the territories. Finally, studying economic models based on data, it grants the recognition of the logic of value creation in this new area of colonization by capital.

The lenses of sociology of the territory and sociology of economic processes finally make it possible to identify certain transformations in urban landscapes, due essentially to the role of platforms in people’s lives. In this sense, an emerging research trajectory looks at the universe of changes attributable to the advent of Airbnb.

Ten years after its appearance Airbnb is a major actor in the on-demand economy, the scale of its rapid growth and evolution has attracted an increasing number of studies, responding to different research questions depending on the areas of academic interest in which they are located. There are studies on its business model and disruptive effects, user behaviour (host and guest side), tourism, legal issues, law enforcement and taxation, impact on cities.

This contribution aims to demonstrate the semantic mystification underlying the rhetoric used by the communication and marketing of the platform, which presents and qualifies itself as a tool at the service of community sharing. In this framework, it will be demonstrated how it in fact exercises a business model based on a capitalist economic valorisation process of exploitation. On the whole, two emerging risks can be stressed: (i) the impact and negative effects of digital platform monopolies on competition in digital and non-digital data-related markets; (ii) the risks regarding citizens’ data protection, privacy and data sovereignty.

Finally, although briefly, we would like to conclude with a short presentation of an example of what could be defined as a *platform cooperativism experience* (Scholz, 2016), which presents itself as a case for possible further investigation to open up new research questions on possible alternatives that preserve citizens’ digital sovereignty, where data is a common good owned by citizens and the wealth created by data-driven platforms is fairly distributed. We will refer to the example of FairBnB which is still being settled by a community of activists, programmers, researchers and designers who aim to face this challenge by bringing back the “share” in the economy of sharing. They want to offer a community-centred alternative that privileges people and facilitates authentic, sustainable and intimate travel experiences.

Reference will be made on a review of the literature on the subject, together with the results of some research activities – with mixed methodological approaches – contained in the DECODE project<sup>3</sup>, funded by the European Union under the Horizon 2020 program<sup>4</sup>.

## 2. General Description

Airbnb is an online marketplace about hospitality service. The company does not own rental solutions, it takes a percentage from both Hosts and Guests on each booking. The platform works on line, it also works by mobile system, account creation and use of the website are free. In addition to lease or rent lodging, Hosts can also offer “experiences”, namely excursions or other activities designed and led and made available for various skill levels and interests – on which Airbnb also takes a percentage as a commission.

The company was founded in 2007, in conjunction with a major *Conference on Design* taking place in San Francisco, when roommates Brian Chesky and Joe Gebbia started AirBed & Breakfast on the living room’s floor of their apartment with tree air mattresses and homemade breakfast offered to guests who were unable to find alternative and low-cost accommodation elsewhere in the city. Sniffing out a good opportunity of business Chesky and Gebbia involved Nathan Blecharczyk to create a bigger site to include more people to open the supply of sharing spaces, previously in coincidence with big events in the city. They were creating a new low cost instrument for travellers of the world and by 2009 *Airbnb.com* was officially launched on the web, including the supply of entire flats. During the following years the platform brought to a significant transformation for the global tourism sector, it had extraordinarily expanded and provided millions of accommodations around the world.

The Airbnb platform – born from an idea in 2007, registered in 2008 and launched on the web in 2009 – has its registered office in San Francisco, California. In 2011, the company started its overseas expansion, opening its first inter-

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<sup>3</sup> The Decode project, involving 14 partners in six different EU countries, is set out to give data sovereignty back to users, responding to a growing preoccupation of people with the loss of control over their personal information online. One of the objectives of the research was to study and demonstrate the functioning of data valorisation processes practised among the major players in digital capitalism. Here we report the results obtained on the business model used by the Airbnb platform. <https://www.decodeproject.eu/>.

<sup>4</sup> Consider that the project ended before the COVID-19 emergency and therefore does not take into account the impact of the pandemic on the economy of the studied platform.

national office in Hamburg, Germany. It is defined: «a trusted community marketplace for people to list, discover, and book unique accommodations around the world — online or from a mobile phone or tablet.»<sup>5</sup>. The accommodations that make up the Airbnb's universe are extremely heterogeneous, according to the New York Times – by J. Wortham<sup>6</sup> – it's possible to share a sofa in a living room or book an entire island; however, the most common use involves private rooms or entire apartments. The platform allows, in addition to *Bed & breakfast* owners, property owners/renters who can make available their own sharing space – or in their absence – for short and long periods. The website has a constantly changing graphic style, it follows trends and social media fashion, changing its appeal as required. On the Guest side, the main function “homes” – meaning accommodation reservations – is complemented by two new offers: “experiences” and “restaurants”. This is a list of activities offered to the guest to choose from during the stay in the destination city. There are many different examples, ranging from gastronomic offers to theatre performances, secret concerts etc.

The trend observed in these twelve years of activity suggests the actual growth of the platform: presently it has more than seven million placements, in more than 100k cities in the world, 800M+ Airbnb guest arrivals all-time, 4M+ hosts on Airbnb, \$110+ billion earned by hosts, all-time, and \$7,900 average annual earnings per host<sup>7</sup>. Between July 2011 and April 2020, the company had carried out a large amount of investments in venture funding from different companies bringing their total funding amount to date to more than US \$ 6,4 billion<sup>8</sup>. To get a look at the numbers, statistics show the company value going from \$10 billion in 2014 to \$38 billion in 2019.

In academic literature there is growing interest in studies of the emergent phenomenon of the so-called sharing economy and collaborative economy as well, in various disciplinary areas – for example in the perspective of management and business models (Schor, 2016) or in the specificities related to platform dynamics (Petropoulos, 2017).

As mentioned above, Airbnb as a case study is opening an increasing number of new questions of research: its business model and disruptive effects, consumer behaviour and trust, legal issues, laws enforcement and taxation, impact of city destinations.

Legal issues are the most surveyed, an example is the work of Quattrone et al (2016) focused on the regulations of Airbnb. Starting from London's case study, they suggest possible innovative policies based on an analysis of spatial and economic patterns of accommodation supply and demand. From a legal and statistical study, Dayne Lee (2016) explores how short-letting influences the supply of housing rentals of Los Angeles and, at the same time, what municipalities can do to regulate the issue. As will be seen better, Daniel Guttentag (2013) through the disruptive innovation theory observes the current tax flow and possible solutions. Brittany McNamara (2015) analyses the marketplace and the perception of Airbnb by a community to concentrate her attention on regulatory aspects and advances some suggestions to regulate the platform.

Edelman et al. (2014) propose a different perspective of analysis, dealing with the topic of racial discrimination among Hosts. They demonstrated a form of racial discrimination in online marketplaces by a survey on New York city's Hosts with the corresponding prices and user feedback.

In the context of tourist futures Zervas *et al.* (2014) explore the renting between properties listed on Airbnb with Hotels listed on *Tripadvisor*. Another study on Hospitality is mated from Ikkala et al. (2015), the authors found out that Hosts are motivated to monetize hospitality both for economic and social interaction advantages. They design a critical reflection on the evolution of the sharing economy, its shift from the mutual benefits to commercial intention. In the same way the paper by Oskam and Boswijk (2016) – as will be seen better – demonstrates how network platforms such as Airbnb are often classified under the sharing economy label, but in fact the evolution of the networked hospitality business turned the concept into a for-profit model.

The work of Yannopoulos *et al.* (2013) notices brand identity construction of user-generated brands through a visual analysis. The authors underlined the peculiarities of identity contractions and visual representation into the universe of Airbnb and *Couchsurfing*. In this frame it's possible to collocate the study of Celata *et al.* (2017), which offers a comparative analysis of the main sharing platform in the field of accommodation, focused on the relationship between trust, reciprocity and belonging.

Finally, Airbnb is attracting the interest of urban planning and geographical studies, Gurran and Phibbs (2017) examined the effects of Airbnb and the implication for the local housing markets in Australian cities. Picascia, Romano and Teobaldi (2017), recently introduced into the debate the term of *Airification* of cities – as will be shown below. According with their study on Italian historic urban centres, the authors demonstrate how Airbnb contributes to transform the historic centres into *cathedrals of consumption*.

### 3. Airbnb's business model

In the scenario of the sharing economy, Airbnb is known in literature as a networked *hospitality business* (Oskam, Boswijk, *op.cit.*), a new phenomenon with a very rapid growth during the last ten years. In fact, this experience is outperforming the major hotel chains in order of space offered and market valuation. This kind of business model was declared – initially by Guttentag (2016) and in other successive studies – as *disruptive innovation*<sup>9</sup> in terms of its consequent effects of transformation of market and consumer behaviours.

5 <https://www.airbnb.it/about/about-us> (Oct. 2020).

6 Room to rent, via the web. The New York Times (2011, July 25). <http://www.nytimes.com/2011/07/25/technology/matching-travelers-with-rooms-via-the-web.html> (Oct. 2020).

7 <https://news.airbnb.com/about-us/> (Oct. 2020)

8 <https://www.crunchbase.com/organization/airbnb> (Oct. 2020)

9 Disruptive innovation theory, which was proposed and popularised by Clayton Christensen in several seminal works (Bower, Christensen, 1995); (Christensen, 1997); (Christensen, Raynor, 2003).

In order to understand how the lens of *disruptive innovation* theory is helpful to drop the line about Airbnb's potentially negative impact on traditional accommodation sector, it's useful to introduce a definition by Daniel Guttentag:

«This theory outlines a process through which a disruptive product transforms a market, sometimes to the point of upending previously dominant companies. A disruptive product will generally underperform with regards to the prevailing products' key performance attribute(s), but will offer a distinct set of benefits, typically focused around being cheaper, more convenient, or simpler. Consequently, the disruptive product appeals to the low-end of the market or creates a completely new market. This initial market is limited in size and profit margins, so it is unappealing to leading companies that are content to focus on their more profitable markets and continue marginally improving their products through 'sustaining innovations'. Nonetheless, over time the disruptive product improves, thereby making it appealing to greater numbers of customers and attracting increasing levels of the mainstream market. This shift may eventually attract attention from the leading companies, but by then the disruptive product may be so entrenched that the previously leading companies struggle to compete. In other words, disruptive innovation theory describes how companies may falter not by falling behind the pace of advancement or ignoring their core consumers, but rather by disregarding the upward encroachment of a disruptive product that lacks in traditionally favoured attributes but offers alternative benefits.» (Guttentag, 2013, p:1194)

What's new in Airbnb's universe? It created a new marketplace in a peer-to-peer sphere. The framework of Airbnb is the collaborative economy that involves individuals renting access to their underused assets but, unlike traditional B&B, it incorporated new web 2.0 technologies «which allow users to generate the content published on websites (e.g. Facebook users creating their own dynamic pages)» (Guttentag, *ibidem*, p:1195). Hosts can promote their accommodation to potential guests posting descriptions and photographs, communicating by platform, taking reservations and payments. Moreover, another milestone of Airbnb is the *reputation mechanism* (Lauterbach et al, 2009), that is its instrument of review feature, where guests and *hosts* post public reviews about one another. This mechanism is also used in the traditional system that has been available on the Internet – for example booking.com – but, in the case of Airbnb, reviews are linked with the profiles of users (host and guest) and creating an incentive for both parties to behave in an acceptable manner.

Airbnb structured its appeal to tourists starting from: the use of web technologies, lower cost of accommodation, the benefits from a residential ambient – home's comfort, amenities such as a full kitchen, washing machine, bigger fridge, etc.– the possibility to get the chance to have a more *home-grown* experience by living like a local interacting with the host and neighbours. A summary of these features brings us back to a disruptive product that largely underperforms the prevailing products' key attributes, but disruptive products are also often cheaper and offer new benefits (Guttentag, 2013).

In this frame, Airbnb's experience has been growing over the past few years; numbers, as mentioned previously, are enormous and the growth of the rental market is linearly expanding. Developing analysis to the transformation of the phenomenon, it's clear that today Hosts are no longer only owners of single homes (or rooms), but rather the market attracted investors that have become *multi-listing hosts* in the Airbnb scenario. From three air mattresses on the floor to Manhattan lofts for 1000 \$ a night, or luxury flats in Paris and stilts on the sea in Thailand, the company crossed the line and it has become among the largest competitors – and also disruptors – of the traditional hospitality industry. As the economy dematerializes, the process of fast digitalization is disrupting previous market models and is opening new business perspectives towards knowledge platforms and value networks.

The *Networked hospitality business* has its specific operating principles because of the different types. Oskam and Boswijk (2016) postulated a scheme about different forms of digitized value platforms divided into two dimensions and four different derived types<sup>10</sup> of value networks: the first is the commons vs private/commercial; the second one is open system vs controlled and closed system. They identify Airbnb as a capitalists' network based on *hyperconnected* and distributed platforms with a commercial goal.

At this point the authors present an interesting clarification about the "sharing" concept: they emphasize the semantic shift that is going on to define a marketplace that connects supply and demand between companies and customers on a digital platform, very far from what is traditionally called "sharing" – that does not involve the exchange of money by definition. On the other hand, they observe how companies stand for a digitally enabled expansion of the market economy to grab new space of valorisation, and Airbnb is a paradigmatic case.

With reference to the above, it's possible to confirm that networked hospitality business was emerging such as driven by economic benefits; disruptive innovations have triggered the offer of tourist accommodation and experiences. This innovation will be implemented by a network platform where users share underutilized goods but, at the same time, they do it for economic transactions. As will be seen in the next paragraph, Airbnb could be defined as an example of a for-profit peer-to-peer network platform.

## 4. Value creation model: a simplified framework

The rationale and main lines of Airbnb's users (Hosts and Guests) are based on financial motivations: on one side Hosts, compared to traditional hotels, offer competitive rates because they rent out private homes with housekeeping already covered and because of minimal labour costs – Airbnb's activities usually are an additional income– finally, because stays are ordinarily not taxed; on the other side, for Guests Airbnb is principally a low cost option.

Airbnb's business model could be defined as a two-side market:

«P2P accommodation can therefore be seen as a two-sided market in which the platform facilitates transactions

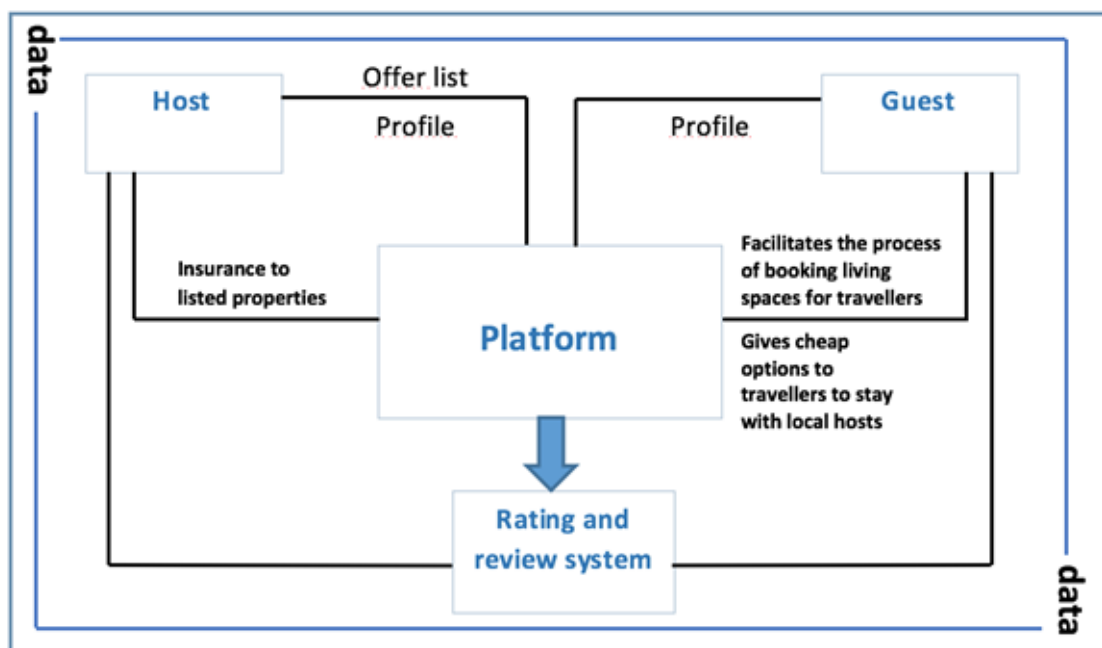
<sup>10</sup> Adapted from: Kostakis, V. and Bauwens, M. (2014).

and adds value to both sides by bringing both buyers and sellers “on board” (Rochet and Tirole, 2004). The price composition favours or “subsidizes” the host side in the case of Airbnb, as part of the company’s growth strategy: sellers are incentivized to join the network, thus maximizing its attractiveness to accommodation seekers. Unlike in more traditional business models, in the case of two-sided platforms growth leads to increasing returns to scale, as users will pay more for access to a bigger network (Eisenmann et al., 2006). It is therefore not surprising that the platform, as it keeps adding listings to its offer.» (Oskam, Boswijk, 2016, op. cit., p.27)

*Trust is what makes it work* shows on the top of Airbnb’s website. The company created the conditions to guarantee a virtual safe ambient that produces trust and security, for Hosts and Guests alike. Paradoxically Airbnb did it by eliminating the possibility of direct relationship – by an algorithm that blocked every attempt to share telephone numbers, e-mail addresses and alternative methods of payment from the platform instrument. Trust becomes a central factor of the business model, each Host and Guest owns a specific *reputation capital*.

To better understand Airbnb’s mechanism of value creation model, observing the scheme below (fig. 1) we can state that:

Figure 1: Value Creation Model of Airbnb.



Source: Author’s own elaboration

Value creation model is based on commissions paid by Guest and Hosts as follows:

Hosts are the people who own property, or events, and want to make money by renting out their available space/ experience. They can generate a listing for their property on Airbnb, add property features and set their own fees. Hosts can accept or reject a booking after reading the reviews of the guests or after going through their social profiles.

Airbnb has two types of hosts: Rental hosts offer houses, units/condos, rooms, and more exotic stays, such as castles, igloos and more; Event hosts offer to guide through local experiences, food, art, fashion, nightlife. Hosts create listings on Airbnb with a description of the space, how many guests it can accommodate, and add photos and details<sup>11</sup>. Airbnb’s pricing tool can recommend competitive rates, but the final price is decided by the host. Through the platform Host can know Guests before arrival by messaging them. Finally, Airbnb’s secure payment system means Hosts never have to deal with money directly. Guests are charged before arrival, and the Host is paid automatically after check-in, minus a 3% service fee. Hosts can be paid via PayPal, direct deposit, or international money wire, among other ways. In the event of accidental damage, the property of every Airbnb Host is covered up to a million dollars. It’s peace of mind at no extra charge; at the same time if guests get hurt or cause property damage, Host Protection Insurance protects them from liability claims up to a million dollars, included free for every Airbnb host. All Airbnb travellers must submit a profile photo and verify their phone & email. Hosts can also require a government ID. Guests and hosts each publish reviews after check-out keeping everyone accountable and respectful. The host service fee is generally 3% calculated from the booking subtotal.

Guests are the people who book the listed available accommodations from local hosts. Guests have the option to search for a property by filtering them according to rent, amenities provided, location etc. Travellers can book a space by paying through the Airbnb portal. Guests can search for a place to stay on the platform entering their destination, travel dates, and number of guests. When guests are ready to book a place on Airbnb, they can send a request to the host to book a reservation. If they are unsure about the listing or its availability, they can send a message to the host. On the

<sup>11</sup> Airbnb has a vast network of freelance photographers in all major cities of the world who go to a location and click high-definition photographs of the property. The high quality photographs get more responses and the freelance photographers are paid by Airbnb directly.



guest side the service fee is between 5% and 15% of the reservation subtotal<sup>12</sup>.

In relation with the *claim on trust* of the community, before booking or listing a home or experience, all guests and hosts must provide a profile photo and confirm their phone number. The platform may also ask for a government ID. As explained below, this helps keep Airbnb secure, fight fraud, and more.

The host and the traveller can rate each other and can write reviews based on the experience. There are different types of reviews people can leave for selected products: Public reviews: Up to 500 words that are visible to everyone in the community; Private feedback: A message to a host or guest to show appreciation or suggest improvements; Star ratings: Ratings for hosts from 1 (worst) to 5 (best) for the overall experience and for specific categories; Group reviews: A public review that appears on the profiles of all of the guests on the reservation.

By our activities of research we have intercepted the ways Airbnb finds customers by different combinations of sources to accumulate hosts and travellers, the major include: Social Media, Word of Mouth, Digital marketing – including internet advertising, Promotional offers, Affiliate Model/ Refer and earn offers.

## 5. Risks connected to the current value creation model

Airbnb's growth is crossed by different emerging risks; in relation to the above, it can be useful to underline at least three different issues:

1. The impact and effects on the traditional tourism accommodation sector;
2. The consequential legal issues involving Airbnb;
3. The impact of peer-to-peer short term rental on urban functions and economy.

According to the Bank of America Merrill Lynch, as of 2017 oversupply will negatively affect traditional hotel business values (Huston, 2015). For a paradigmatic example, the impact of Airbnb on hotel revenues has been quantified in a study by Zervas et al. (2014) in a case study focused on Texas:

«The authors estimate a 13 per cent loss of room revenue for Austin and a 0.35 percent decrease in monthly hotel room revenue for every 10 per cent increase in Airbnb listings for Texas in general. The same authors observe that lower-end hotels and hotels without business facilities suffer most. A study on the effect of Uber on taxis in New York and Chicago shows, in a similar fashion, a reduction of complaints as the alternative offer grows, which can be interpreted as a clean-up of the system: taxis are forced to improve quality or they are driven out of business.» (Oskam, Boswijk, 2016, *op. cit.*, p. 28)

Therefore, Airbnb's numbers are already quite substantial, it could mean that on one side the phenomenon is negative for the traditional accommodation market but, on the other side, it is something good for tourism as a whole.

At the moment, estimating the general economic impact of Airbnb's presence on the market is not simple, there are no independent studies, it is possible to read the data provided by Airbnb and, at the same time, they are not completely homogenous for the different destinations. Generally, the impact is non-uniform, it could be possible to affirm that cities receive benefits by increasing the number of visitors, by spreading them over the cities and by financially empowering non-traditionally employed residents.

Therefore, if on one side Airbnb is cannibalizing guests from the traditional accommodation market, on the other side it is increasing the room supply – by P2P travel model that should foster and attract new categories of travellers – should have positive impacts on the broader tourism economy (Guttentag, 2013)<sup>13</sup>.

The reaction to the growth of Airbnb and its impact on the economy field by authorities and the marketing response is influenced by the regulation debate. The regulation is being approached from three different angles:

«Its most visible manifestation affects the authorities themselves: this is about if and how tourist and other taxes should be imposed on Airbnb (Maxfield, 2015; Kaplan and Nadler, 2015; Vincent, 2015; Posthumus, 2015). Directly related to this subject is the protest against unfair competition on behalf of the industry (EY España, 2015; Kagermeier et al., 2015). To protect residents, housing regulations limiting rental days apply in cities as New York and Amsterdam (Coldwell, 2014; Dickey, 2014; Tienkamp, 2015; Vekshin, 2015), or prohibiting unregistered accommodation altogether in Barcelona (Cogolludo, 2015; Soriano, 2015). Housing stock and rental fees are the focus of the German debate around Zweckentfremdung or "usage alienation", although several studies relativize the actual vs the perceived effects of holiday rentals (Ziegert, 2013; Füller and Michel, 2014; Blickhan et al., 2014; Kagermeier et al., 2015). The protection of the hosts' interests and liabilities vis-à-vis Airbnb has been analysed by McNamara (2015). Finally, there are consumer protection issues (Nicholls, 2015). It remains to be seen, however, whether new laws and regulations can be effectively enforced: in San Francisco, out of 5,000 Airbnb hosts only 455 registered with the city's Planning Department (Marzorati, 2015).» (Oskam, Boswijk, 2016, *op. cit.*, p. 30).

Airbnb is responding to these claims, it's addressing specific policies to their Hosts, it's starting with an active marketing and lobbying policy to underline the advantage of the platform in the field of economic impact, the spreading tourism to peripheral areas and generating additional income for non-traditionally employed residents<sup>14</sup>.

Finally and briefly, it is useful to highlight how it emerges that the big question of gentrification is linked to the Airbnb issue. As has been said before, in the academic field, but not only, there is a vast debate on the impact of peer-to-peer short term rental on urban functions and economy. According to a paradigmatic Italian example developed in the work of Picascia, Romano and Teobaldi (2017), the supply of Airbnb accommodation is concentrated around historic centres:

<sup>12</sup> According to the terms of Airbnb platform <https://www.airbnb.com/terms> (Oct. 2020)

<sup>13</sup> For example, because it attracts people to neighbourhoods that do not receive much tourist expenditure.

<sup>14</sup> To better understand the details of the company's reaction, read Oskam, Boswijk, 2016, *op. cit.*

- This trend seems to be reinforcing over the years, as more entire properties have been listed in 2016 than 2015: the proportion of entire homes over the total number of listings increases in all cities.
- Within historic centres the trend is even more pronounced: the proportion of entire homes over the total number of listings is higher in the centres than elsewhere in all the cities considered. This proportion increased further between 2015 and 2016.

- The proportion of entire places listed in historical centers vs. the total number of entire places is decreasing in many cities. This signals that Airbnb's pattern is spreading to areas of towns and cities other than historic centres.

- The proportion of the housing stock devoted to short term rentals in historic centres is increasing and, in some places, it has reached levels unseen in the world: 18% in Florence, 25% in Matera, 8% in the vast historic centre of Rome.

The survey suggests, first of all, that Airbnb is affecting prices of both rents and purchases, mainly in the centre of large cities where tourists visit – especially where prices are too high for ordinary people to afford, Airbnb can be a gentrification tool. They used maps developed from *InsideAirbnb*<sup>15</sup>, a site that publishes data about the home rental app, and shows how Airbnb affects the cities' neighbourhoods; it represents the private room homes available on Airbnb today, the entire homes and the shared rooms. Maps show a perspective of strong impact, in most representations of tourist destination cities, it consists almost entirely of Airbnb rentals. However, looking at the distribution of short-term rental into neighbourhoods, in the centre Airbnb's density is concentrated, but further out – where most people live – Airbnb density is low.

For example, according to *InsideAirbnb*, looking at London's Airbnb listings 41% belong to hosts who are listing more than one rental; through data it's possible to hypothesize that those properties are being rented commercially on Airbnb, not by hosts who make an extra income. Obviously and at the same time, those commercial listings remove rental units from the market that might otherwise be let to full-time residents of London. This circuit increased the process of gentrification of the cities.

It is not yet possible to affirm that Airbnb puts up the price of rents and properties, but at the current state of art data suggest Airbnb does significantly affect the vacancy rate and marginally affects prices in the most popular cities; nonetheless, it cannot be affirmed that Airbnb is the principal cause of gentrification.

## 6. The example of Fairbnb, a growing community

The research, which focused on the process of exploitation of the business model of the platform, and proves how the sharing rhetoric de facto conceals a mere subsumption mechanism, leaves an open question: what alternatives are possible for building a citizen-owned digital economy? We will not be able to go into this research question in depth here, which will certainly open up new trajectories of investigation, but we can by now give an example that seems to go in this direction, at least as an alternative to the Airbnb model<sup>16</sup>.

Trebor Scholz introduced the term *platform cooperativism* (2014, 2016) to refer to cooperatives based on open technologies that respect ethical working conditions and redistribute the value they create to users. There are not many examples of cooperative platforms yet, but a project that promises to be very interesting is being launched and tested, such as Fairbnb, a cooperative platform for short tourist rentals that aims to mitigate the negative effects of the impact of tourism on local communities, protect housing and combat gentrification.

Fairbnb is an Italian cooperative and is listed in the register of innovative start-ups since 2018, existed as a project since 2016, called "Fairbnb.coop" and presented itself as a movement with the aim of creating a fairer alternative to existing home sharing platforms, in the city of Bologna.

Through the Decode project, we have tracked down a community in the making, in its first activities in the city of Amsterdam. It is still under development by a community of activists, coders, researchers and designers who aim to address this challenge by putting the "share" back into the sharing economy. They want to offer a community-centred alternative that prioritizes people over profit and facilitates authentic, sustainable and intimate travel experiences<sup>17</sup>.

The project has the objective to avoid the social and economic impact of AirBnB, parallel to the increase of real estate prices of flats or houses, the fragmentation of local communities and the closing of local businesses in the areas where it usually operates.

The basic principle of FairBnB is to promote collective platform ownership, where the platform is owned not by faceless investors but by those who use it and are impacted by its use: hosts, guests, local business owners, neighbours. Creating a democratic governance, based on collaboration and consensus among community members to collectively decide how the platform will be run in their neighbourhood. Furthermore, the project plans to reinvest the benefits to the community, with the objective to generate social sustainability. Thus, locals will vote to support those projects they want to see in their neighbourhoods: food coops, playgrounds, green projects, community cafes.

Finally, FairBnB, as their manifesto describes<sup>18</sup>, is committed to open data and compliance with local and regional legislation, which will be balanced with the privacy and security needs of platform members.

<sup>15</sup> Inside Airbnb is an independent, non-commercial set of tools and data that allows you to explore how Airbnb is really being used in cities around the world <http://insideairbnb.com/> (oct.2020)

<sup>16</sup> DECODE set out to explore and implement new technologies that would give people more control over how they store, manage and use the personal data they generate online. In this sense, it questioned the process of exploiting the data linked to Airbnb's platform and then what alternatives the community could build. The group took an interest in the case of Fairbnb – at that time still in as a start-up project that would be interesting to explore at a more mature stage.

<sup>17</sup> <https://fairbnb.coop> (Oct. 2020)

<sup>18</sup> [https://fairbnb.coop/wp-content/uploads/2017/04/FairbnbManifesto\\_Take2\\_4.4.16.pdf](https://fairbnb.coop/wp-content/uploads/2017/04/FairbnbManifesto_Take2_4.4.16.pdf)

## Conclusion

Our analysis has led us to highlight the dynamics of the process of valorisation of the platform in question, which, by appropriating the language of solidarity and sharing, shows a real paradigm shift: from the rhetoric of sharing, it has affirmed a model based on classic market dynamics – where supply and demand can be linked between companies and clients, but on a digital platform.

We are far removed from the community emphasis – at the heart of the marketing campaigns applied by the platform – which does not involve the exchange of money.

Companies like Airbnb increase their profits by exploiting a solidarity-driven narrative in support of a digitally enabled market economy expansion to colonise new spaces for valorisation.

And the consequences are terribly damaging, in many areas of the interest of the commons.

Nevertheless, a new frontier seems to be opening up on the issue of platform cooperativism that opens up new questions and new avenues of research. It is necessary to deepen and broaden the horizon of knowledge on realities that can withstand the challenges posed by the forces of digital capitalism.

The cases will be studied as an example of local action which, while inviting collective reflection on the development of platform economies and the transformation of cities, in the absence of a political, legal and social framework adequate for its development, risk remaining very marginal; therefore to pose themselves as simple exodus exercises whose real potential for change in society, outside narrow circles, is destined to remain very limited.

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