

The Impact of Airbnb Brand on Consumer Involvement

Subjects: Behavioral Sciences

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Airbnb is one of the leading businesses in the hospitality industry, and is one of the fastest growing corporations in sharing economy services. The brand operates on a marketplace platform, and connects travelers with hosts all over the world. Trust is essential for purchase intentions, particularly online, and the degree of involvement determines whether or not the brand is committed to its promises. In the context of Airbnb, users pay for their services online, and are allowed to present reviews for future travelers. Unlike other business models, Airbnb has to preserve its image by providing innovative and quality services for travelers, especially in the hospitality industry, where the product attributes only differ slightly. With Airbnb's rapid growth, the aspects of brand personality become critical when establishing a positive brand image and positioning the company as a platform that provides unique experiences to its users and possesses a distinct identity.

Keywords: Airbnb ; brand personality ; consumer involvement ; institutional trust ; brand trust

1. Airbnb Corporate Model and Business Strategy

Airbnb is one of the growing companies in the hospitality industry that relies on sharing economy to conduct business, and to connect hosts to travelers ^[1]. As one of the leading companies in this industry, Airbnb operates on an innovative marketplace platform as an intermediary to serve the needs of travelers. A previous study on Airbnb stated that the brand “describes itself as a trusted community marketplace for travelers to list, discover, and book distinctive accommodations all over the globe” ^[2].

Prior research has been conducted to understand how travelers perceive Airbnb, and to describe the impact of involvement in regard to brand personality. The research revealed that “Airbnb brand personality is perceived differently depending on travelers' accommodation involvement” ^[2]. Additionally, the research also indicated that the level of involvement affects consumers' perception and purchasing behaviors ^{[3][4]}, which are the main factors that contribute to the success of the Airbnb business strategy.

As the brand mainly communicates with its users virtually, trust might greatly influence customers and affect profitability ^[1]. An article about Airbnb indicated that trust has direct and indirect effects on customer satisfaction and repurchase intention ^{[5][6]}. Progressively, many other studies have explored the mediating effect of brand trust on consumers—it was proved to be crucial particularly for a business that operates on a marketplace platform. Some recent research has sought to assess the phenomenon of co-creation and business models in the shared economy (based on the open innovation model), particularly in the tourism sector, as is the case with Airbnb ^{[7][8][9]}, in which the strength of the brand depends on the creation of trust between people who do not know each other ^{[10][11]}, being a social and innovative process based on the social co-creation process, the result of lived experience, and sharing on online platforms and social networks ^{[7][12][13]}. The results of other research have shown that “institutional trust has a positive influence on product trust and interpersonal trust, and that product trust has a positive influence on interpersonal trust as well” ^[14]. The model of trust introduced in the same research was built accordingly to the principles of sharing economy, which explains the degree of importance of trust in this particular industry.

2. Brand Personality

Brand personality refers to the set of human characteristics that consumers ascribe to a certain brand ^[15]. Managing brand personality is considered to be of great importance to marketers, since it affects consumer responses ^{[2][10][11]}. Consumers tend to view brands as public figures who possess humanlike personality traits; thus, brand personality is derived in a similar way to how human personality is derived ^[2]. By ascribing human characteristics to brands, consumers can build strong, lasting relationships with them ^[16]. A study by Lee et al. (2009) ^[17] showed that brand personality influences consumers' emotions, and has an effect on consumers' consumption behavior. Furthermore, similar studies indicated several other possible effects of brand personality relevant to marketers: consistency between consumer

personality and brand personality, for instance, is linked to an increase in brand attachment ^[18]; in addition to that, research by Ghantous (2016) ^[19] showed that brand personality has an impact on the quality of consumer–brand relationships.

In relation to Airbnb, good management of brand personality can have a meaningful impact on the brand. As pointed out by Lee and Kim (2017) ^[2], due to minimal product differences in the hospitality industry, brand personality is essential for Airbnb to differentiate from other brands. Symbolic and emotional values are more difficult to copy than product features, and are, therefore, useful to differentiate service brands ^[19]. Ghantous (2016) ^[19] also pointed out that brand personality is very important to service brands, such as Airbnb, because it offers the opportunity to position the brands' services as an emotional experience, and thus cater to consumers' emotional needs. Furthermore, service brands such as Airbnb could use their brand personality to go beyond the value-for-money logic and instead focus on ethical, social, and environmental values ^[19]. By doing so, Airbnb can elevate their brand and distinguish it from other brands in the hospitality industry. The present research utilizes the brand personality scale, developed by Aaker (1997) ^[15]. The scale distinguishes between five dimensions of brand personality: sincerity, excitement, competence, sophistication, and ruggedness. These dimensions all consist of several underlying personality traits that can be assigned to brands. All these dimensions carry different associations and, therefore, yield different managerial implications ^[20].

Aaker's scale is probably the most widely used brand personality scale. However, some scholars have criticized the scale (e.g., Ahmad and Thyagaraj, 2017) ^[21]: the biggest criticism is that the scale is less suitable for research in a non-United-States-based demographic, since personality dimensions tend to differ across cultures. Some other brand personality scales have been developed for use in specific cultures instead. Nevertheless, the research at hand still uses Aaker's scale due to several reasons. Firstly, the other brand personality scales are also geared toward specific cultures, so since the target demographic in this research is quite international, there is no reason to assume that other scales would be better suited. Secondly, compared to some other existing scales, Aaker's scale is concise and thus practical to use. Thirdly, due to the widespread use of Aaker's scale, using this scale makes the results of this research more readily comparable to similar studies on brand personality. Even though the limitations to Aaker's scale have to be acknowledged, it can be concluded that this scale is best suited for the research.

3. Consumer Involvement

Consumer involvement has long been the subject of research to predict attitudes and behaviors of a certain group of people toward a particular product or service. Zaichowsky describes involvement as “a person's perceived relevance of the object based on inherent needs, values, and interests” ^[22]. Although the role of consumer involvement differs from one research field to another, high and low involvement represent the personal relevance dedicated to a brand through experience or other attributes. For this reason, the stated definition combines cognitive and affective involvement. The initial scale constructed by Zaichowsky included twenty items that were later reduced to ten descriptive elements combining affective and cognitive subscales ^[22].

In a previous study intended to determine travelers' perceptions about Airbnb, involvement was measured through a four-item scale by Mittal. The proposed measurement scale of purchase involvement includes the degree of caring, the brand differences, significance of the selected brand, and the outcome ^[23]. The results revealed that there is an effect of involvement on brand personality: users with a high involvement rate claimed the three first dimensions of personality to be important ^[2].

Other research has compared the consumer involvement scales of Zaichowsky and Mittal by identifying the internal reliability of the scales using means of Cronbach's α scores and correlations. The sample included participants who had already purchased financial services, and were familiar with the industry. The results confirmed that “the internal reliability of both tests reaches high levels, and the RPII achieves Cronbach's α scores of between 0.85 for buyers of mortgages, and 0.95 non-buyers of pensions” ^[24]. Thus, both of the scales were validated and proved to have significance. However, after evaluating both of the scales, it was decided to utilize Zaichowsky's involvement scale, since it is believed to be more suitable for understanding the importance of trust for Airbnb, and underlying users' perceptions on Airbnb brand personality traits. Therefore, it was concluded that the latter scale serves the aim and objectives of the research better.

4. Institutional Trust

In the context of relationship marketing, trust has been conceptualized as an important factor of success ^[25]. Since brand personality is maintained in the minds of consumers as a reflection of the perception of the brand, it has been previously reported to have a meaningful and significant impact on brand trust ^[26]. Trust is reported to be extremely important in

socially distant relationships (in digital environments), especially when those relationships involve online payments, company reliability, and privacy policies ^[14]. Thus, in order to facilitate online interactions, the need for consumers to trust the brand increases. In the context of Airbnb, such interactions are more complex, since they involve sharing a private property for a limited amount of time, and involve multiple parties (the brand, the host, and the guest). The fact that the premise of the platform was designed around trust (trust in the platform itself, hosts trusting guests, and guests trusting hosts) is critical when trying to understand the behavioral patterns of Airbnb consumers ^[6]. An important element of building and enhancing trust between hosts and guests often concerns collecting online reviews and rating scores ^[27]. However, since the platform acts as a mediator between hosts and guests, trust in the institution has a significant value, especially when it comes to privacy concerns, payment security, or the overall quality of the website ^{[14][28]}.

Building trustworthy relationships between hosts and guests involves more interpersonal communication, and depends on separate encounters (since every host and guest experience is unique and sometimes does not involve or concern the trustworthiness of the brand), thus the focus in this research will be directed toward trust with the brand itself, or the so-called "institutional trust". According to Wu and Shen, institutional trust "could drive adoption of more social and economic sustainable practices because platform operators seek a favorable organizational reputation" ^[28]. Thus, in the case of Airbnb, institutional trust is important when trying to enhance and maintain the company's reputation, loyalty, and position in the market.

In recent years, issues of trust and loyalty have gained the attention of many academics and professionals in the business world ^[29]. In fact, this interest is related to the progressive need to reduce costs and return on investment, in order to achieve business competitiveness through the creation and increase of the intangible capital of brands ^{[29][30]}. This development is only achieved by the correct management of levels of trust, reputation, and loyalty ^[31] in the sense of stimulating personal, group, or collective involvement. Several studies highlight the importance of concepts such as trust and loyalty for the continuity of the long-term relationship between the customer and the company ^[32]. Relationship success leads to loyalty based on trust and commitment ^[25]. Thus, customer retention depends on the company's ability to fulfill its promises (a factor related to trust), which arises from the moment both parties share mutual trust ^[33].

A central theme for the development of strong brands is innovation ^[34], with various benefits of the product, namely, improving product quality, building the brand image, and increasing product loyalty ^{[35][36]}. Currently, both innovation and open innovation are critical assets for organizational development and success. Hinz and Spann (2008) ^[37] even argue that global brand innovation leads customers to develop more powerful motives for consumption, and drive purchase attitudes and behaviors. In the case of Airbnb, innovation around the brand is essential because it enhances its identity and brand personality ^[38], as it is increasingly prevalent and resident in the consumer's mind.

The identity characteristics of the brand stored in the consumer's memory are molded into attitudes that can be converted into pre-dispositions that guide purchase behavior. The Airbnb business project as a tool, platform, and relational context is living proof that user action creates or destroys value in the offer, although the platform is relatively immune to brand devaluations due to a series of prerequisites and requirements for operators to be part of the platform. On the other hand, the project itself is permanently involved in constant innovation processes, based on the needs of users, or on the detection of new opportunities to promote the offer. The identity and personality of the Airbnb brand has been an exercise in constant co-creation between supply, demand, and the company, resulting in the competitive development of the brand. The participation of the different stakeholders is essential for the establishment of new concepts, and for values to be inserted in the brand, which are added by continuity or association with the mental spectrum present and suggested by the brand. The researchers believe that broad and cooperative development from the consumer's point of view makes it possible to rationalize the perception of brand value and increase satisfaction, trust, and loyalty with the brand.

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