

# Tourism Potential and Future Implications of Airbnb in Lake District National Park, UK

Blerton Hyseni

Blerton.hyseni@sunderland.ac.uk

University of Sunderland,UK

Mansoor Abid

Mansoorabid70@gmail.com

Dr Vipin Nadda

Vipin.nadda@sunderland.ac.uk

University of Sunderland,UK

## ABSTRACT

*Airbnb is regarded as a disruptive innovation company and concept whose success is inevitably acclaimed. This sharing economy accommodation provider depends upon the rentals offered by people of their extra spaces in order to supply the accommodation services to its customers thus working as a bridge between the guest and the host through an effective online platform. While the impacts of Airbnb could be regarded as a highly discussed topic, it is evident that most of the research is done in metropolitan areas as these areas attract and host a large population. Airbnb has been a major contributor in insufficient housing and safety problems; however no significant studies address the issues, trends and possible outcomes of Airbnb in rural areas and national parks specifically. Therefore, this paper aims to analyse the scope and the potential of Airbnb and its market share, segments and implications they might face while operating in rural area such as Lake District National Park in the UK. This being primarily a rural area differs from the metropolitan settlements in terms of economic structures, environmental factors, tourism offerings and population sizes thus calling for a need to be studied independently. The research ends by establishing a thorough understanding of the possible impacts of Airbnb on national park, its tourism industry, economy and people. Estimations were made based on current statistics available in contrast with the data obtained from this research.*

**Keywords:** *Airbnb, Accommodation, Safety, Demand, Tourism potential*

## INTRODUCTION

Though the concept of industrialisation and commercial perspectives of the term were non-prevalent in ancient era, hospitality had already started to spread and become a part of people's lives. Aiello (2008) states that the word hospitality comes from the word hospice referring to the practice of providing shelter to travelers in different circumstances. This specific kind of hospitality which merely relied on the cultural significance and high spirit of the hosts originated in Middle East where places called caravanserais offered shelter to the tired and exhausted travelers. However, the service consisted of only shelter while food, drinks and bedding were provided by the traveler himself (Chon and Maier, 2009).

The origins of travelling date to the simple acts and basic instinct of survival. People travelled to find better conditions and search for new resources for themselves and their animals to survive. These minute advances of moving and nomadic behaviour led to the need of developing better transportation to travel more easily when needed and also to support wheel travel. This however According to Andrews (2011), didn't stop there. Another type of travelling became usual in eleventh-century Rome in the form of religious pilgrimages. Pilgrims were at first welcomed into homes which then transformed into inns and church-supported lodgings catering to travelers. That era also saw the proliferation of taverns which provided the food and drinking facilities to the travelers (Lashley and Morrison, 2000). Andrews (2011) agrees saying that the lodging services eventually expanded and thus could be regarded as the first hotel chain of the world.

## LITERATURE REVIEW

### **The Up-Rise of Hospitality Industry, UK Perspective**

Hospitality industry has continued to play an important role in the countries' economies by enabling the actors to benefit from the investments and the incentives that the sector brings to them. UK's modern hospitality industry can trace back its origins to the introduction of railways in the country. Hotels started to build up at different points near the railway to accommodate visitors; by 1902 there were 70 comfortable hotels available in the country (Jones, 2002). This gave a push to the emergence of quality food successively offered by restaurants and tea rooms after which the idea of haute cuisine in terms of mainly French food was brought to the table.

While the food industry was moving forward, the ups and downs in the industry throughout the First and Second World War confronted it with many changes in terms of nutrition consciousness, industrial catering and several licensing acts. However, after wars the industry started to pick up and the idea of eating out became more common. UK also saw international influence in its hospitality industry with Indian and Chinese restaurants opening in Soho. By 1981 3.13 billion meals were consumed away from home. Moving to the hotel sector it also saw growth and the sales numbers jumped from £6,406 in 1991 to 9,400 million in 1998 (Jones, 2002). The hospitality sector further went through a process of gradation where the more well-to-do class of the society would showcase their wealth through staying at expensive hotels; an example could be the Ritz in London (Info Britain, 2017). This shows that the industry had already started to modify and adjust itself to their customer's needs and wants which enabled it to evolve into the industry we know today. According to 2011 statistics UK has around 45,000 hotels with an annual turnover of £40bn (Magazine, 2011). In 2014 employment in the UK hospitality industry stood at 2.9 million jobs, representing 8.8 per cent of total UK employment According to BHA (2015) whereas in 2015 the hospitality industry has experienced significant growth, with employment rising by more than 331,000 since 2010. The hospitality industry accounted for 17 per cent of total UK net employment growth between 2010 and 2014 according to BHA (2015) report which translated into real meaning, hospitality made a substantial contribution to the UK's private sector jobs recovery which in retrospect the industry is the UK's fourth biggest industry in employment terms. Business services is the largest and wholesale and retail and healthcare are the second and third.

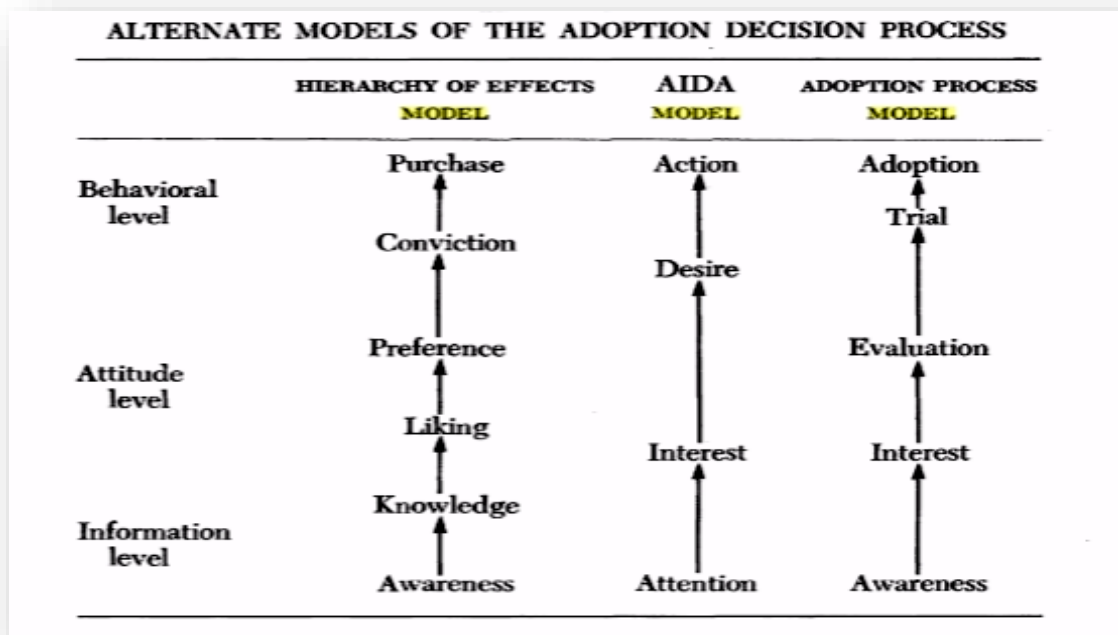
### **Introducing the Sharing Economy and Airbnb**

While businesses compete to acquire their share in the markets, the process of environmental scanning and identifying customers' needs and wants also provides the opportunity to spot a gap in the market and develop and introduce a new product accordingly. While existing businesses can use this method to extend their target segments, it can also enable the entrepreneurs to enter the market with a desired product. As discussed above hotels can be found throughout the world and thus face a great competition with each other. This phenomenon of sharing accommodation has led to a new type of supply which in recent years has been introduced in hospitality industry and is called Airbnb. This sharing economy which extends in several sectors from travelling to accommodation services lets people share their resources such as holiday homes, spare rooms or apartments to others in exchange for money (The Economist, 2013). Founded in 2008 in California USA, Airbnb defines itself an online platform to offer and rent extra space in exchange for financial gain (Airbnb.co.uk, 2017). Not only can people choose to live in other people's houses but also offer their underutilized assets in exchange for extra income. In conjunction to the concepts discussed

above, it could be assumed that Airbnb covers the market gap by offering unique experiences based on the type of accommodation which can range from a castle to an apartment, an opportunity to get close and connect with other people and a huge variation of prices (Airbnb, 2017). While the discussion shows that Airbnb taps a potential market and defines its target segments, there is still a need for further differentiation as there might be other competitors doing the same. Wearne and Morrison (1996) agree with Morritt (2007) and further mention that to stand out, a business must position itself in customers' minds and make them think about the business in a certain way, thus making a unique identity and brand. Thus, in order for Airbnb to differentiate itself from the traditional lodging industry it came up with a new brand image of "belong anywhere" which endorses the idea of a true home away from home.

### **"Belong Anywhere" and Consumer Buying Behaviour**

Marketing takes the idea of selling a product to a different level; it is about conveying the message in a way which ensures an unforgettable brand identity and desire of purchase. In order to survive, businesses have to keep a close eye on the customers, their demands and behaviors to not only provide the best service and product but also anticipate any changes or possible future demands and segmentations (Kotler, 2000). Carrying on with the idea of customer as the central point of the whole business strategy, identifying customers' buying behaviors help the organisation to pinpoint the needs and wants more efficiently while also anticipate and provide the right product at the right time to reap maximum benefits and satisfaction. An overview of the buying behaviour and process of the consumer from the initial awareness of the product to the actual purchase can be seen in Fig.1.



**Figure 1: Alternative Models of the Adoption Decision Process** (Source: Sheth, 2011)

Sheth (2011) combines and compares different buying models to provide a picture of the whole journey of a product purchase. From creating awareness, to building interest while targeting specific needs and wants of the customers, companies try to build the customer base and achieve the sales target they aim for. According to Reid and Bojanic, (2009) the awareness stage is far more complex and actually incorporates the process of realizing a problem or a need for a specific product.

When analysing the decision-making process, it is essential that the marketing team analysis the factors which can affect the buying behaviors of the customers which can both be external or internal (Reid and Bojanic, 2009).

From external factors like economic conditions and social influences to internal factors like values and perceptions, different factors work together to shape a prospective consumer's buying decision making process (Kotler,2000).

Whether developing a new product or finding a new market, an organisation needs to take the factors influencing the customer buying behaviour into account, and marketers need to tap the relevant forces which trigger interest towards their product. This starts with finding a suitable match of the customer's needs with the product and then further involves actions like advertising and other sales strategies. These behaviours are also subject to change over time and so are consumers' demands e.g. advancements in connected sectors or the general perceptions about travelling can affect the buying behaviour of the consumers. Hotelnewsnow (2017) validates the argument and argues that what have been in demand yesterday might not sell today. Analysing the consumer needs and wants again in this phase is important as it is the main factor influencing the buying behaviour in the case of Airbnb. In terms of travelling, tourists now tend to socialise more, want to stay in other people's homes for a different and more authentic experience according to The Economist (2013). Furthermore, Crouch (2004) agrees and points out that many behaviours result from the human need to experience emotions and feelings and the desire to do something out of the norm and this is common in recent trends.

### **Airbnb and Consumer Buying Behaviour**

Tussyadiah's (2017) research on the buying behaviours, intentions and attitudes of the sharing economy and thus Airbnb consumers in USA gives a picture of the main factors which influence a customer's decision to choose a shared asset. Sharing economy provides the people a chance to socialise and be a part of the community which then subsequently makes their experience more authentic and enjoyable. The researcher mentions that previous studies and assumptions relate the shift towards the sharing economy as an aftereffect of the need for more social, communal, cost effective and sustainable practices. While Tussyadiah's (2017) research validates the arguments of cost effectiveness and enjoyment overall, when it comes to socialization, the motivations vary.

Unlike hotels, a platform like Airbnb can provide an opportunity to socialise with the locals but that can only be said when the consumer stays in a cohabited space, if the entire establishment is rented the argument of socialising becomes invalid and undesired. In case of sustainable practice, the research counters the idea of environmental consciousness as a major factor in buying behaviour indicating that guests may not actually value that. In fact, the author further mentions that environmental benefits of a place usually result in low satisfaction of the guest. Hamari, Sjöklint and Ukkonen (2015) agree with Tussyadiah's (2017) and say that while the environmental aspects of the sharing economy can contribute towards a positive attitude but when it comes to the most significant reason behind actual participation, economic benefits are the key drivers

for consumers. Another recent study supports the argument and a pie chart representation of the factors influencing sharing economy consumer buying decisions can be seen in Fig.2

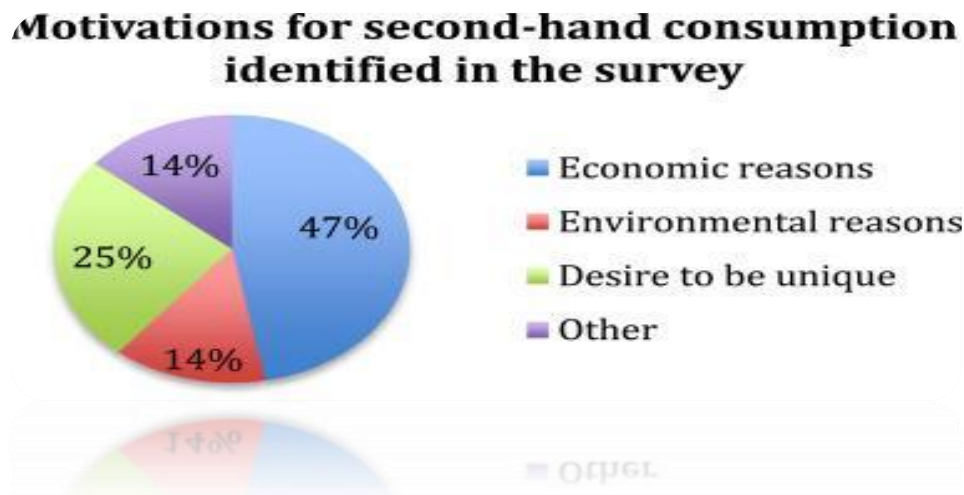


Fig.2 (Gullstrand Edbring, Lehner and Mont, 2017)

Thus, it could be concluded that in terms of Airbnb consumers, the external economic factors play a huge role in the consumer's buying decision along with a significant influence from the internal factor of gaining unique experiences.

### **Market Growth and Share For Airbnb and Its Limitations**

With the constant growth of Airbnb and the changing trends in consumer demands in its favor, it poses certain implications on the hotel industry. As PwC (2015) says that the threat is too big to ignore. It further explains the point by mentioning that Airbnb averages about 425,000 guests per night which is 22% more than Hilton worldwide. However, a different set of opinions is forged by Mayock (2013) saying that peer to peer platforms like Airbnb target only a small niche market, run parallel to the traditional accommodation sector and pose no significant threat. Euromonitor's International Tourism analyst Grant (2013) also have same predictions saying that Airbnb appeals only to a specific leisure traveler while business travelers will always prefer a standardised hotel service.



Another factor could be the origin of the guest as Neesar (2015) in his research of Airbnb's presence in the Nordic countries of Sweden, Finland and Norway concluded that 80% of the hotel guests were from the same country. The trend remains the same even if the guest's origin radius is increased to the three Nordic countries as the main selling point of Airbnb i.e. to live like a local eventually becomes invalid and unattractive for the national visitors. The analysis by Mayock (2013) and Grant (2013) predict that there will always be travelers who will prefer hotels over other options though research shows a different perspective. Byers, Proserpio and Zervas (2013) do not agree with the statement completely and prove through a Texas-based research that while business and luxury travelers are less likely to be deviated, moving down the cost ladder the midscale, economy and budget hotels are getting affected by the market entry of Airbnb.

People prefer Airbnb as it provides more or less the same level of amenities but at a lower cost. Guttentag (2013) explains the threat further and says that while there is some element of validity in the no threat argument, the author calls Airbnb a disruptive innovation and says that it is one of those market entries which is first ignored by the leaders but however proves to take over a fair share until it's too late to take a counter action. In summer 2015 alone 17 million travelers stayed with Airbnb, an increase from 47,000 people in 2010 which means that the numbers rose 353 times over in just five years (Airbnb, 2017). While it can be concluded that Airbnb does pose a threat to the traditional lodging industry in terms of luring more guests, the internal build up and working structures of the two suppliers also differentiate both contenders on a very large scale and contribute towards the overall threat. Ismail et al (2014) discusses the costs for both the industrial sectors and says that in terms of Airbnb, the abundance of supply enables this lodging sharing economy to reach zero marginal costs for a new room in comparison to certainly not zero costs for a hotel company. With so many people willing to host guests in their extra spaces, the probability of finding new rooms increases highly. In fact, Ross (2017) during a research based on Berlin's Airbnb hosts found out that for 48% of the hosts the earning from Airbnb contributes directly to the basic living expenditures like rent. The opportunity provided by Airbnb to convert extra space into spare or basic income has led to the abundance of supply for the company.

Explaining the point further, Ismail et al (2014) taking an example of Hyatt hotels say that while the hotel chain owns 549 properties worldwide with around 45,000 employees in total. Airbnb on the other hand does not own but has access to 500,000 properties worldwide with only 1,324 employees in a single location. The authors compare the growth and success rate of both the companies and conclude that while Hyatt's graph looks flat, the already \$10 billion worth Airbnb is expected to grow further. The fact that Airbnb can generate business without actually owning any property raises the bar higher for any other type



of traditional accommodation provider to compete. Besides the idea of living like a local and a better and more authentic cultural experience, Early (2014) also declares that a widely acclaimed shift from owning to just having access is evident now. People prefer sharing and having access to the commodities than rather owning them. Ticking all the boxes, Airbnb also holds the factor of environmental sustainability as sharing means less manufacturing, less waste and thus less use of energy and more conservation of natural resources. Hobson and Lynch (2017) validate the point by quoting the statements from Airbnb and say that the organisation calls itself a major driver in reducing greenhouse emissions. It boasts that by 2030 EU would have emitted 20.9 million tons of less greenhouse gas emissions because of Airbnb.

With the costs, experiences, uniqueness of the product, environmental upper hand and rising positive public opinions for the rival Airbnb, the traditional hotel industry certainly faces an array of challenges that need to be faced directly and urgently. The 2008 born sector of sharing economy has posed implications for a worldwide established industry while differentiating itself to a level that in most cases is very less likely inimitable. While Airbnb sees a successful future, specialists also present counter arguments that might cause hindrance for Airbnb and thus advantages for the hotels. Providing a different perspective, Hobson and Lynch (2017) counter the Airbnb's statements and say that while it might be a big contributor in environmental health, it also increases the general tourist based consumption. In addition to that as mentioned earlier Airbnb stands a lot less attractive to the national or regional visitors because it loses the local experience element. Other than that consistency, expertise, safety and reliability are a few attributes that the hotel industry has honed over time and which make hotels the first contender when it comes to a fast, standardised, trusted and up to the expectation service (Montevago, 2017).

Furthermore, Airbnb's negative impacts on communities and economies cannot be ignored as well. Airbnb has caused less housing and long-term accommodation problems in big cities like San Francisco and New York. People would rather use the houses to generate income through Airbnb than lending them for long term rentals ultimately leading to the increase in prices for local residents (Pickel, 2017). The rise of a disruptive innovation in the lodging industry like Airbnb has certainly taken the traditional hospitality industry by storm with its unprecedented growth and undeniably likable and desired elements. With its product uniqueness and working that highly differentiates itself from traditional accommodation industry, Airbnb in most cases can be considered inimitable by its main rivals. This sets the two industry sub sectors on a bed space war where each one has its advantages and disadvantages to make the most out of the visiting tourists. While Airbnb is highly expected to continue growing, hotel industry still stands a firm ground with its quality and over the time- tested products and services. However, the hotel industry still needs to answer the threats and impacts that come with it

## **METHODOLOGY**

The process of research itself could be described as “the art of scientific investigation” (Kothari, 2004 p.1). The author further elaborates and says that research is a term which encompasses the process of gaining knowledge which further involves defining a problem, collecting and evaluating data, a conclusion and recommendations at the end. The term methodology or methods, often used interchangeably, on the other hand constitute the analysis of the approaches made towards a problem, the questions asked and the instruments designed to answer them (Kirsch and Sullivan, 1992). The research methodology used for this research comprises of quantitative and documentary analysis methods which will be discussed further later in the chapter. The techniques incorporated to achieve the desired data were based on quantitative methodology and documentary analysis methods. Quantitative methods are employed in a research when the sought data requires a large sample size along with the purpose of generating statistical results (Dawson, 2009). The data was collected through the tools such as questionnaire using closed ended questions to generate the required statistics in conjunction with Airbnb and Lake District’s official websites and publications as the major documentation sources.

The respondents in this type of research method are provided a set of close ended questions to be left with them and collected after completion. The primary research employed this method to analyse the key trends in consumer behaviour, possible inclination towards Airbnb’s products and the company’s overall scope in Lake District. The instrument consisted of 18 questions which answered the objectives and main aims of research accordingly. The instrument included questions about tourist’s length of stay and accommodation choice as well as respondent’s likelihood to choose Airbnb accommodation, trends and underlying attitudes towards what company has to offer.

Some of the questions provided the respondents with scenarios and statements that depicted the main aspects of different accommodation sectors in order to get a response free from the respondent’s current knowledge about the industry. A similar strategy was adopted to determine any possible effects of consumers on the local businesses and community of the destination. The last section of the questionnaire addressed socio-demographic information which would help in defining the key market segmentations for future research and planning purposes.

While the author highly emphasizes on the importance of nature if the research in order to choose the methodology, he also notes that factors like time scale and budget also need to be considered. In this research, the first objective asks for the scope of Airbnb users in Lake District which could be achieved using a large sample size and a simplified procedure for the respondents to answer a yes or no question.

The objective thus indicates a need for quantitative approach as no personal experiences are sought, a statistical answer is pursued and the task could be done through a close ended question.

Although, the second objective includes factors like buying behaviour which does relate to the personal experiences of the research subjects and their attitudes, the statement's main focus is on the trends. A more suitable approach would be a qualitative one exploring the insights of consumer behaviour; however, the main focus of the research is to explore these behaviours in conjunction to the numbers of visitors carrying these traits. In order to execute a qualitative methodology to achieve this aim, the research would have involved interviews with a much larger sample size requiring a lot more time, help and budget making the research itself unfeasible for this study level. Hence, in order to achieve the required information, specifically designed close ended questions were designed portraying certain conditions which would reveal the respondent's preferences. Besides, quantitative methods allow the researchers to establish relationships between variables (Creswell, 2013), which is a necessary requirement between objectives one and two of this research. These relations would also be used further in third objective where Airbnb's impacts would be estimated by evaluating the certain behaviours and trends depicted by certain percentages of people.

### **Documentation Analysis**

Using more than one research method is highly common and desirable in some projects (McNabb, 2010). Secondary data collection in the form of documentation analysis is practiced where the data provided by the official organisations and entities holding interest in the same area can prove useful and supplement the shortcomings of the primary data. It is a process of reconstructing underlying inferred knowledge and giving it a meaningful orientation (Bohnsack, Pfaff and Weller, 2010).

In this case the documentary analysis was used in the form of a thorough examination of the company and destination's official websites, their publications and provided statistics to supplement the shortcomings of the questionnaire and actual field work. Accommodation availability was checked for one adult, a couple and a family comprising of 2 adults and 2 children through Airbnb's website. With the questionnaire data indicating the percentage of 'more than 2 nights' stay far higher than 1 or 2 nights stay, a measure point of 3 nights stay was used in the online booking system to collect data. The booking system was used to show

availability in the same week of data collection and that of after 4 weeks in order to indicate the occupancy rate of the service. Other than that filter options were used to check the level of amenities available to the tourists by Airbnb hosts and finally concentration was given to the reviews and satisfactory rate of the service users.

Objective 3 can be achieved after a thorough analysis of the results from objectives 1 and 2. However, looking at the possible weaknesses of the research like relatively small sample size, the research was backed up by a documentary analysis employing the company's website as the main asset. The website proved to be a valuable asset in backing up the scope statistics, occupancy levels, amenities available to consumers and customer feedback. It is evident from previous Airbnb studies (Ert, Fleischer and Magen, 2017; Fang, Ye and Law, 2017; Martin, 2017) focusing on different market issues that the website has played a vital role as a source of information when conducting the research. While another research by Byers, Proserpio and Zervas (2013) where statistical data regarding tourist numbers and activities obtained from places like airports and hotel databases were used in conjunction with Airbnb website to achieve the required results. It could be seen that documentary analysis can be used to supplement the data and prove to be highly useful when the sources used are credible and relevant. Other than that data collected from Lake District's website provided information regarding annual visitor numbers, their age segmentations and origins. It also provided valuable statistics in terms of community employment and housing while also national park's regulations regarding environment and policies to tackle current issues.

The sampling process was straight forward where the research was conducted in the town of Bowness-on-Windermere, also referred as just Windermere. Well connected by both public and private transport options, the place is located around Windermere, the largest lake in Lake District. Taking into account that the town is one of the few major settlements in the national park, the questionnaires were distributed in the town to tourists. The interest was in the tourists visiting the national park in the busy month of August, narrowed down to the major settlements like Windermere to gather the data which clearly brought the community factor in perspective as well. In short, the sampling frame used for this study was a major town in Lake District with a substantial settlement of local population involving the general tourist behaviours and activities. This would further prove to be most suitable in order to generalise the study to the whole national park. Thus, to gather the most suitable data, the probability sampling technique was used.

In probability sampling techniques the units of a sample are selected randomly, which then gives the advantage to the researcher to make generalisation or statistical inferences later to a wider population

segment (Reis and Judd, 2000). The techniques fitted in perfectly with the motives of this research as the main aim of the study was to establish a general idea of the effects of Airbnb on Lake District. Hence, a sample size of 96 questionnaires was collected randomly from people in the town of Windermere who were assumed to be tourists. In case of documentation analysis as discussed before the pieces of data used consisted of the Airbnb's official website, Lake District's website and their publications which proved useful in supporting and further strengthening the results of the research.

### **Field Work and Research Limitations**

A total of 96 questionnaires were collected from tourists in Windermere and the task was carried out by the researcher in a total of 6 days. Questionnaires were handed out to the people mostly when seen relaxing or sitting down in a place in order to ensure maximum response and a brief description of the study's purpose was given. The questionnaires were distributed in two different areas mainly during the lunch and post lunch hours when the chances of finding people settled down or relaxing were high. Though the data collection went smoothly, there were some issues which not only reduced the sample size but also put some constraints on the generalisability aspects of the sample when it comes to international visitors.

International visitors were found to be far less cooperative in comparison to the local or UK based visitors. While it was noted that UK visitors held a high majority in the visitor numbers of the towns, a significant sample could not be gathered which could represent the international visitors. The major causes found to be responsible were language barriers and a general non-receptiveness to the request. Other than that, the other challenges faced were of weather on the second and third day of the research when the lack of sunshine and occasional showers limited the number of prospective respondents in the open areas. As well as the limitations, Ethical considerations were considered while conducting research and collecting data. Coles, Duval and Shaw, (2013) point out that it is important to consider every possible ethical issue that might arise during research process in order to ensure the welfare and safety of the participants and any organisations involved. Ethical considerations were employed in this research whereby the questions about the participant's name and address were not asked and no recording instruments like video or audio taping were used thus ensuring complete anonymity. Also, the access to the questionnaires and data was only available to the researcher and the physical copies of the questionnaires were destroyed after data processing. No questions were asked which might have proved offensive to participants. Once the data was collected, the next phase of the research was to analyse the data.

The data was analysed using the SPSS, a data analysis software developed and distributed by IBM. The questionnaires were numbered and coded in a specific order and the data was entered into the software manually. The responses were recorded effectively in the software. The computer based tool allowed the user to run descriptive analysis separately on variables and obtain valuable results. The tool also enabled the conduction of cross tabulations in order to develop relationships between different variables. This then revealed information necessary to evaluate the respective impacts and effects of Airbnb users, their contributions while at the same time classifying them into different segments in order to simplify and further ease the process of data processing. Other than that, the inbuilt features of charts and tables were used to develop visual representations of the findings. These then helped the findings to be interpreted in a more appealing, simple and digestible way.

### **Findings and Discussions**

The unprecedented growth rate of Airbnb has brought forward the idea of staying in other people's houses more than ever. Not only does it offer price competitiveness but also the chance of experiencing true cultural atmosphere by staying in the local people's residences and extra spaces. The ease of doing business, huge favorable market response and the willingness of the people to let their spaces for renting has enabled the company to gain immense popularity. While as discussed above Airbnb is a fully functioning entity and widely practiced activity in urban areas with its own set of benefits, complications and impacts. The purpose of this research was to generate an idea of the presence, scope and relevant effects of the company in Lake District while taking the town of Windermere as the research field. In order to find out the current scope of Airbnb in (Lake District), the responses obtained from the questionnaire were analysed while research was conducted on Airbnb's website to find out the offerings of Airbnb and its relevant occupancy levels.

#### **Airbnb's Scope and Potential in Lake District (Market Size)**

The first step in determining the scope of Airbnb in the town of Windermere was to determine the current market share of Airbnb in comparison to the traditional accommodation providers. A straightforward question was used to establish an overview which asked the respondents where were they currently staying or would prefer to stay in Windermere. The results obtained can be seen in the chart below

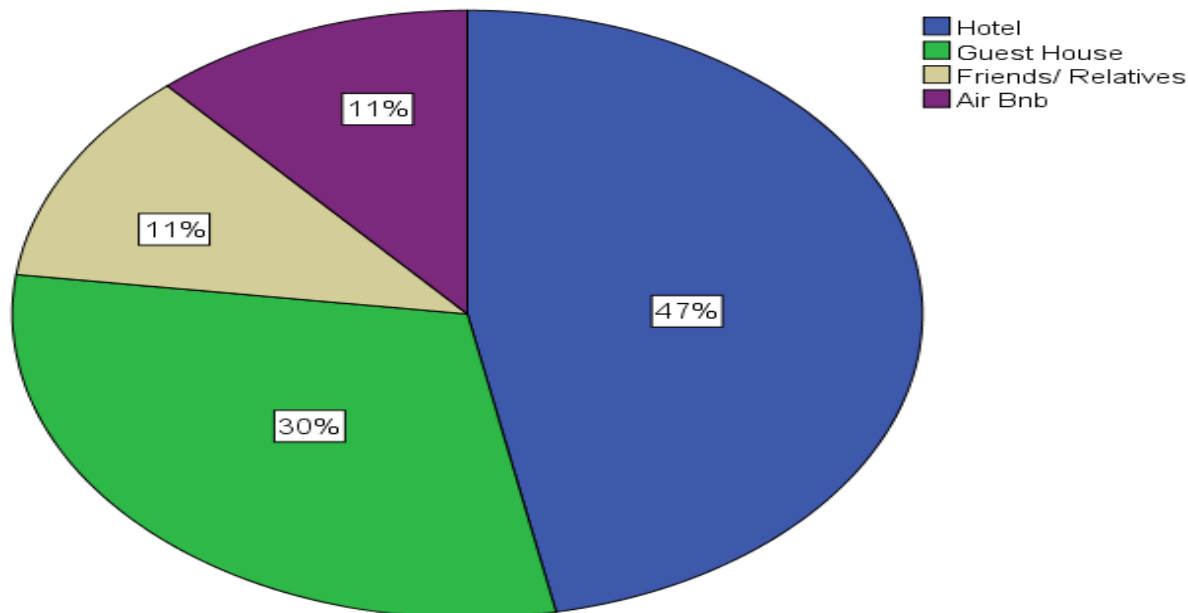


Chart 1

The chart 1 shows that Airbnb in current circumstances holds a significantly smaller share in comparison to the Hotels and guest houses i.e. only 11%. Majority of the visitors are going or would like to go for a standardised hotel or guest house service in the rural town. Therefore, according to current trends, it could be assumed that the hotels along with other traditional accommodation providers like guest houses own the most of the market share. However, taking into account the fact that Airbnb is a relatively a very new born company, the aim was to know its awareness among the visitors. Responses to the questions where people were asked if they have ever stayed with Airbnb before or at least heard of it showed that 47% were aware of Airbnb while only 18% had used the service before. As discussed earlier that in terms of room occupancy throughout the world, Airbnb could be credited as the world's largest hotelier. However, the company being an urban born idea and mainly concentrated in metropolitan areas may not have gained a significant market share in rural areas, and more specifically Lake District yet. While the sample size for this research is small, the difference in variation could still lead to a safe assumption that Airbnb might not be that successful in Lake District but is not completely absent either.

### Market Segmentation

In order to further understand the reasons behind the conclusions made above, the research proceeded with breaking down the market share of both accommodation types by dividing respondents mainly by age (Chart 2) . Age was chosen as the primary tool for market segmentation because a visitor analysis by Lake District



(2013) showed that 70% of the visitors were above 45, 12% under 35 while only 3% under 25. Due to such high variation in age demographics of the visitors, it was important to quantify the contribution of these segments in accommodation sectors. Besides that, Lake District (2013) further noted that every year the percentage of visitors above 60 keeps increasing while the national park struggles to attract younger visitors. The necessity was thus identified to develop an idea of respective accommodation choice of different age groups.

Chart 2

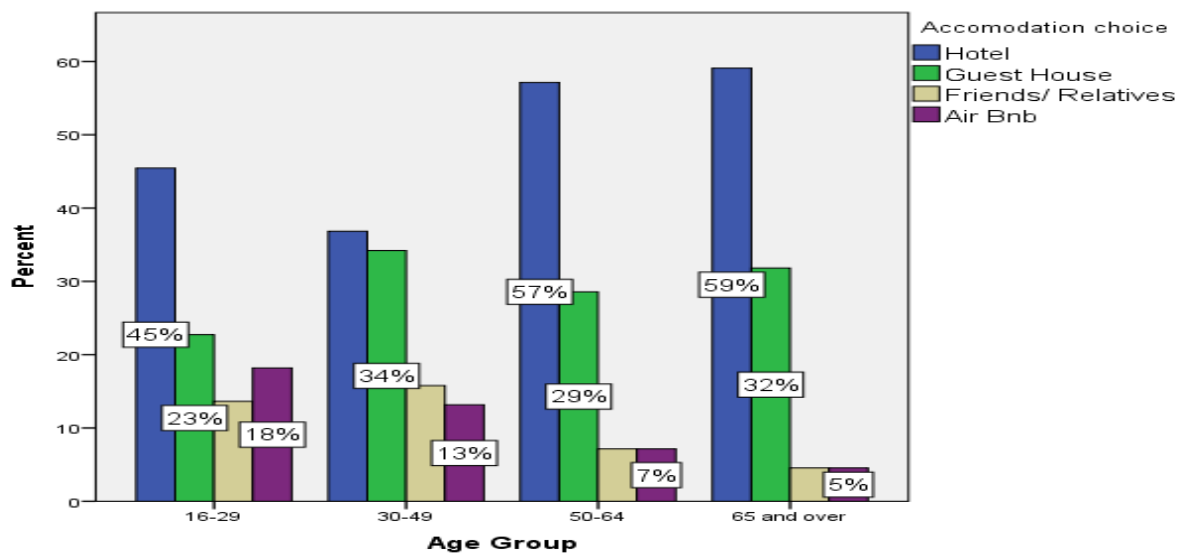
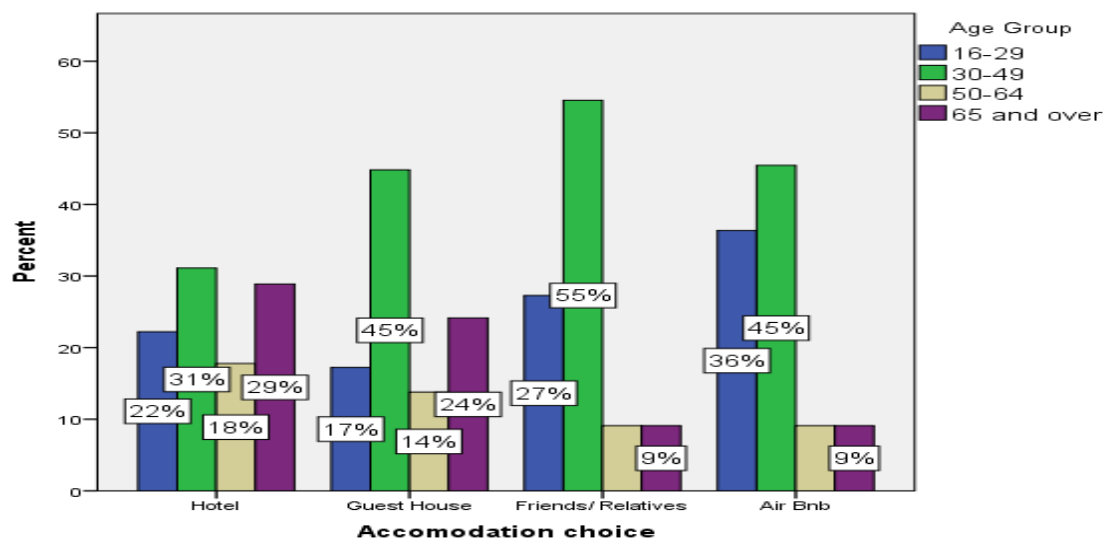


Chart 3



### Key Players in Age Segments

It can be seen from the analysis shown above that hotels and guest houses are the major choices for all the age segments thus showing that currently these accommodation sectors attract people from all age segments (fig 5). However, if we take a look from Airbnb's perspective, out of all its users 45% belong to age group of 30-49 while 36% to 18-29.

This shows that Airbnb's prospective clients belong to a more younger generation. Considering hotels and guest houses, they also do well in these groups as a total of 53% of their guests belong to younger generation. However traditional accommodation on the other hand is a clear winner in older age visitors. If only 65+ and 50-64 age groups are considered, a highly differentiated preference trend is noted as 91% of the former age group and 86% of the latter age groups chose hotels and guest houses as their accommodation choice. Hence a conclusion could be drawn from this that while Airbnb is only popular among a more younger generation in Windermere, the traditional accommodation providers on the other side hold an upper hand in every age group while also being fairly dominant in older age groups.

### Online Search for Accommodation

The next step of this research was to further confirm the results through an online search for accommodation in Windermere. The reason for this approach was to also determine the range of options available for a customer and the type of offerings available. Online research was selected based on the fact that 76% of

the respondents said they booked accommodation online. Besides that, when the respondents were asked about their ideal accommodation, a much varied 47% said that they would like to rent a self-catered whole house while a 3% preferred a shared stay with a local in their house, both of which fell outside the circles of traditional accommodation providers. These responses triggered a need for a thorough research from the perspective of a customer looking for an accommodation in Windermere and what kind options does he/she get.

This approach would thus further help the researcher to analyse any potential trends that might perceive in the future. Other than that, after analysing the occupancy rates of each accommodation provider, the researcher wanted to compare how customers have perceived and responded to both services by going through the reviews. Also from a prospective customer's point of view the researcher wanted to compare the advantages and disadvantages of the options available which might affect their decision. In order to do the research however some assumptions needed to be made and parameters needed to be set to measure and analyse the available options as otherwise the probability of the research categories would far exceed the scope of this research.

For options provided by Airbnb, the company's official website was used. In case of traditional accommodation options, the worldwide online rating website Tripadvisor was used. Besides the rating of the business, Tripadvisor uniquely classifies the accommodation options into hotels, B&Bs and specialty lodging (hostels) segments which are often ignored in other booking sites (Tripadvisor, 2017). Besides that, in terms of availability, Tripadvisor shows booking options compiled from all major booking websites. The accommodation was searched for 2 adults on both Tripadvisor and Airbnb, as the former website uses this measure as a default in its accommodation search which cannot be modified in search engine.

The stay length was chosen as 4 nights based on a press release by Airbnb UK (2017) claiming that their average user stays up to 4.6 nights. The results of this research also pointed out that among the respondents staying overnight (unbiased in regard to accommodation choice), 78% were staying more than 2 nights while also according to Lake District (2013) the average stay for overnight visitors in the national park was found to be 7 nights. Options were checked for next day booking and after 4 weeks booking. The reason was to develop an overview of occupancy levels while also find out the best options that would be available to a tourist in both situations

Table 1

**Table 1 Booking and Occupancy Levels**

The total number of hotels in Windermere was found to be 20, while guest houses and hostels/specialty lodgings were 111 and 11 respectively. It can be seen from the table that hotels even with relatively high prices had the highest bookings; in fact, no room was available through any major booking website for the next day, while only 11 out of 20 had rooms available after 4 weeks. In case of guest houses and hostels, mostly did not have the option to book online rather the businesses required to book rooms by calling or

2 Adults	Hotels	Guest House/	Specialty	Airbnb
				<b>1 Room</b>
Options for Next day				
<b>Total</b>	20	111	11	Unknown
<b>Available</b>	01	4 (with online	None (All	95
<b>Average Price</b>	£207	£168	None shown	£61
<b>Average Rating</b>	4.5	4.5	4	4.5
Options After 4 weeks				
<b>Total</b>	20	111	11	Unknown
<b>Available</b>	11	49	2(with online	252
<b>Average Price</b>	£174	£127	£34	£62
<b>Average Rating</b>	4.5	4.5	4	4.5

emailing them personally through the contact information available on their websites. Looking at the

number of people using online platforms to book accommodation, this already puts these accommodations in a disadvantage and might require them to adapt to the online booking systems in the future. The table shows interesting results in terms of the amount of options available and the price ranges. While the total number of Airbnb accommodations could not be found out as the website shows the number of total options available based on only the ones with vacancies for the given dates. However even counting the ones with the vacancies, the number far exceeds the hotels and guest houses in terms of supply if the 4-week advance booking options are considered.

### **Airbnb and Budget Accommodation Providers**

While the hotels seem to be enjoying high booking rates, when it comes to guest houses and hostels the price range and offerings in comparison do not vary significantly. A single person looking for a room to book for next day can go for a guest house with £168 per night or with Airbnb for £61 per night. The figures indicate a 175% decrease in the price which is substantial considering the fact that both accommodation providers have an average rating of 4.5 stars. Airbnb host receive an overall rating based on 6 sub ratings which are accuracy, cleanliness, communication, location, value and check in. Inserting the search criteria in Airbnb search engine, the property with the most reviews i.e. 19 was compared with the best option available in guest houses. While going through the reviews where the traits like service, cleanliness etc were equally mentioned and appreciated, some factors seemed to give an upper hand to Airbnb. The reviewers mentioned the helpfulness, friendliness and hospitality of the host to the personal level. It was also noted on several occasions that the hosts were happy to chat with the guests when suitable and kept checking on them during their stay. Other than that in case of 4 people where the whole house was booked the guest families even pointed out that they found the fridge stocked with food items, coffee, DVD's for children and basic things like hair dryer which showed the attentiveness of the host. Other major appreciated factors for Airbnb were the spaciousness, and the cozy warm homely feeling.

### **Interpretation and Discussion of Data**

On average it could be seen that in peak season a customer would have been able to book a whole apartment in almost the same price as a room in the guest houses with a good service and more or less same amenities. While the upper market hotel guests seem to be consistent with their choice, the arguments made in literature review by Byers, Proserpio and Zervas (2013), seem to fall in line with the results obtained from this research that the lower end of the accommodation providers like guest house are most likely to be affected by Airbnb. Not only do Airbnb customers have a highly competitive offer in terms of the price but also an advantage of uniqueness, booking convenience, personal attention, social contact, homely feeling and a much wider range of options to select from.

The results of the online accommodation search showed that hotels consistently enjoy high levels of booking rates. Guest houses also hold the same position, however due to a higher demand Airbnb is supplementing the bed spaces by providing the service which if not holding much competition to the luxury end providers i.e. hotels does challenge the budget ones which are guest houses and hostels. It can be concluded that a prospective customer aware of the different options and services available including

Airbnb, would be confronted with a compelling choice in budget accommodation where Airbnb holds an upper hand in terms of costs, social elements and an easy online booking interface.

Besides that, the high number of hosts ready to provide accommodation, Airbnb holds a constant and ample supply to meet the demands of the visitors. Traditional accommodation providers may not be able compete in terms of supply due to construction or seasonal tourism limitations as stated earlier by Ismail et al (2014) and Ross (2017). While an idea could be established of the current scope of Airbnb in Windermere, it is certainly not necessary that the conditions remain the same in the future. One of the aims of this research is to predict any future trends that might work in favor or against of Airbnb. In order to do that the researcher tried to analyse customer's buying behaviour and identify any underlying desires and needs which might incline them towards Airbnb in the future. A thorough discussion on the tourist behaviours and preferences is conducted in the next section, after which a combined summary of the scope of Airbnb and tourist behaviour would indicate the future potential of the company in Windermere.

### **Tourist Behaviours and Preferences**

The second objective of this research was to find out the current trends in the buying behaviour of the tourists visiting Lake District in relation to Airbnb and its future prospects in national park. The responses to a straightforward question about accommodation choice led to the results showing that Airbnb held a far smaller market share in Windermere than hotels and guest houses. Furthermore, the results from the online research also complied with initial findings as the occupancy levels of tradition accommodation providers were far higher than Airbnb. However, as it was discussed in literature review that the character of hospitality and tourism industries makes them liable to changes and new trends always keep emerging, the researcher took a more in-depth approach towards the buying behaviours and desires of customers. The motive was to establish an idea of how these behaviours might affect tourist purchase decisions in the future.

One of the questions in the questionnaire asked the tourists about the traits that they looked for the most in accommodation; the answers significantly deviated from the figures obtained through accommodation choice question. The options provided portrayed factors from traditional accommodation like hotels and self-catered or shared stay like Airbnb, a combined 50% of the respondents said they would prefer to rent a self-catered house or share the house with a local. Furthermore, the researcher was interested in finding out how likely would the respondents consider the idea of sharing a local's house with them. This question would allow the researcher to dig deeper and further explore any tendencies towards Airbnb which might take form of actual purchasing decision in the future. The results showed a combined 58% of 'yes' response ranging from 'less likely', 'more likely' to 'yes I would'(Chart5)..

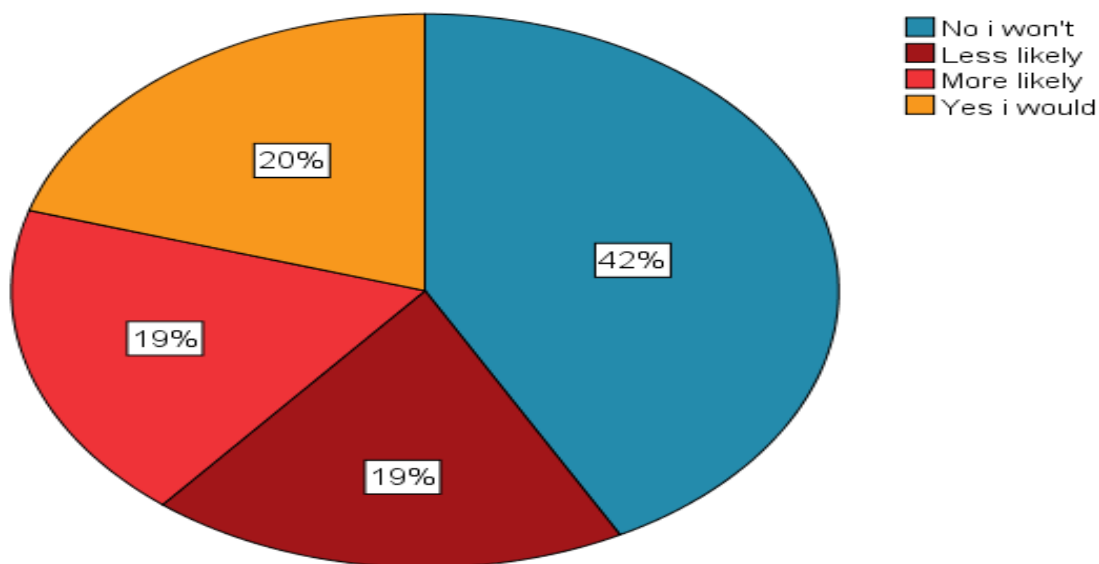


Chart5

Not only people preferred to rent a self-catered house but also they would consider the option to share a house with the locals. A quick conclusion can be drawn from this that the visitors might have not been completely familiar with the idea of Airbnb and what it offers as the respondents were more likely to consider the actual service offered in comparison to when only the name was mentioned.



The results from the above discussion show that a significant number of people now are likely to go for a self-catered stay. Also, the fact that a lot of people would at least consider the idea of sharing a local's house with them shows that people certainly seek a more culturally deep experience. Even though the majority of the visitors chose hotel as their accommodation, these underlying factors show that they seek something different and might go for a non-service whole rented house or a shared stay with a local in the future. However as discussed earlier age plays an important role in the decision making, these factors were again analysed across age groups. The data revealed interesting results showing that the age groups with the highest percentages in self-catered house option were 50-64 and 30-49. Around 64% of 50-64 and 58% of 30-49 age group visitors preferred a whole self-catered house instead of traditional accommodation services, Fig 9. However, hotels held an upper hand in both 18-29 and 65+ groups with percentage of 64% in each. In terms of the likelihood of sharing a local's house on the other hand, as previously mentioned 58% of the respondents were found interested. Furthermore all age groups from 18 to 64 showed a significant interest in the idea with an average percentage of around 62% considering to use the service form 'less likely' to 'yes I would'.

## Airbnb guests and sustainability

In short, it can be concluded that the respondents in this research were found to be inclined towards the idea of a self-catered house and a shared stay with a local in their house. The degree of its acceptance varies along

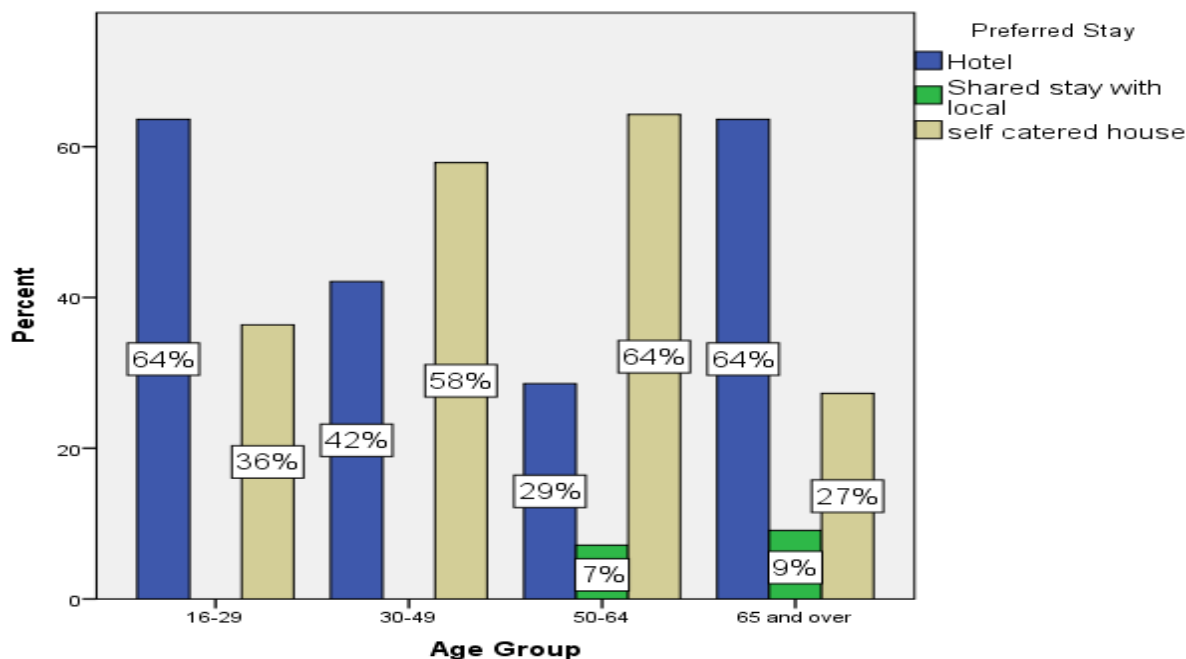


Chart 6.

different age groups however the desire is there and if cultivated can prove to be a significant factor in the future purchasing trends of consumers. This thus shows a shift from a traditional serviced accommodation to a more independent, different and socially engaging one in customer buying behaviour. It can be seen in all age groups that while the majority of the current purchase is a hotel and guest house accommodation, there are some underlying needs that show deviation from a standardised fully serviced accommodation.

The social aspects of the results further intrigued the researcher to find out the tourist's buying behaviour in relation to local community and synthesize any significant relationship of these behaviours to Airbnb. Airbnb claims that it benefits the local businesses and economies as 42% of its user's spending remain in the respective neighborhoods while 74% of its host properties are established outside the usual hotel districts (Airbnb, 2017; Airbnb1, 2017, Chart 6 ). The data provided by Airbnb raised the question if Airbnb users had specifically a sense of supporting local businesses in mind or the benefits were being gained due to locational constraints. The researcher was interested in finding out if the new breed of Airbnb guest shared any kind of behaviour which specifically works in the benefit of local businesses and communities by taking food as a focal point.

A normal descriptive analysis of the questions which focused on where people usually look for to eat, their perceptions of local produce and supporting local businesses revealed the following results.

**Chart 7**

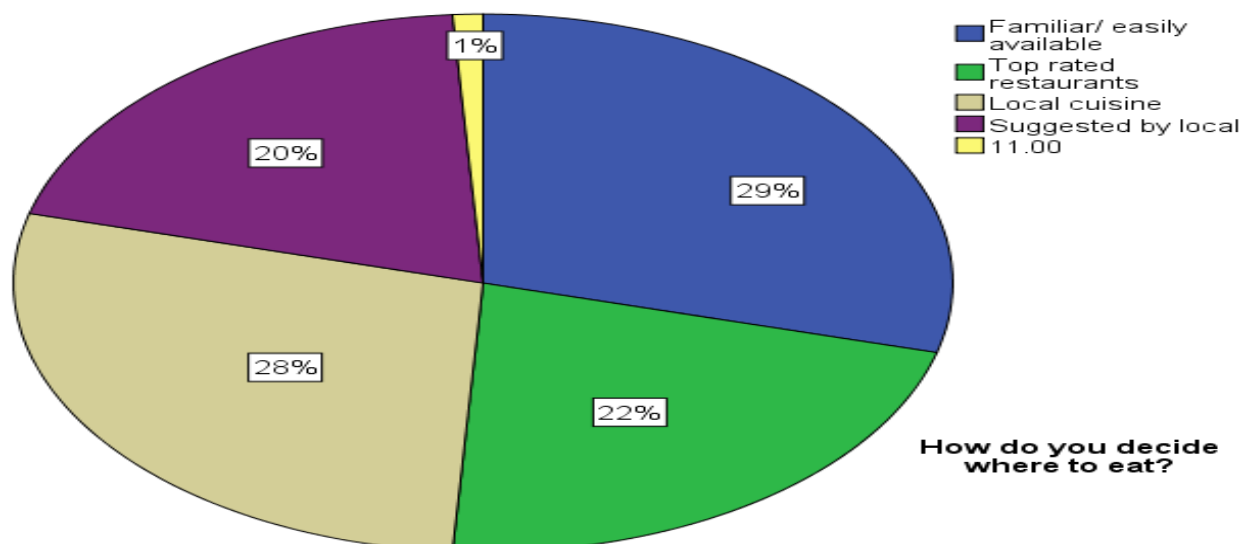


Chart 8

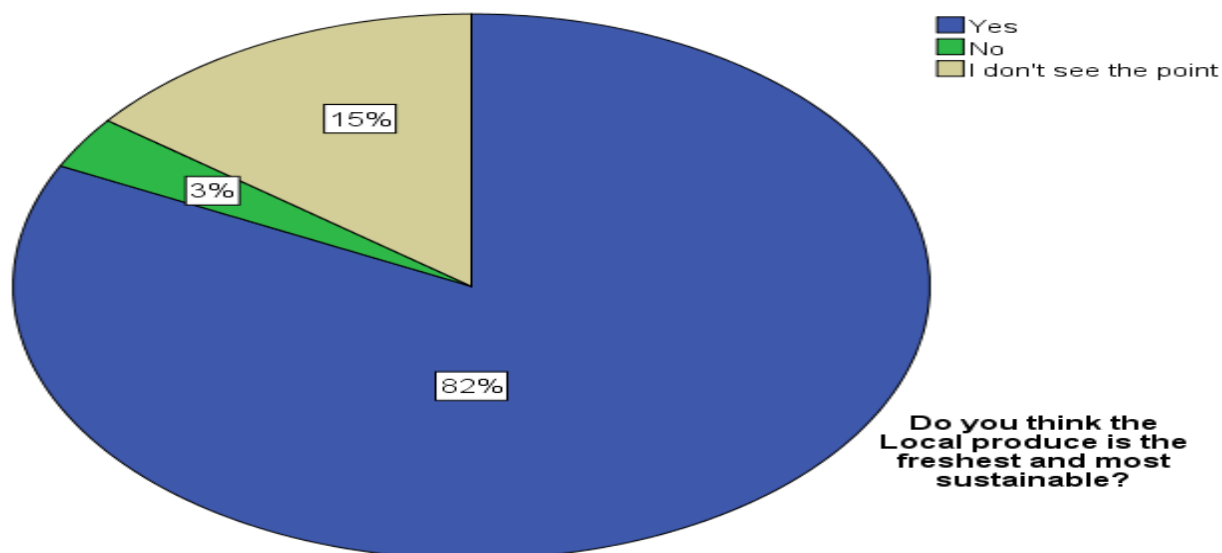
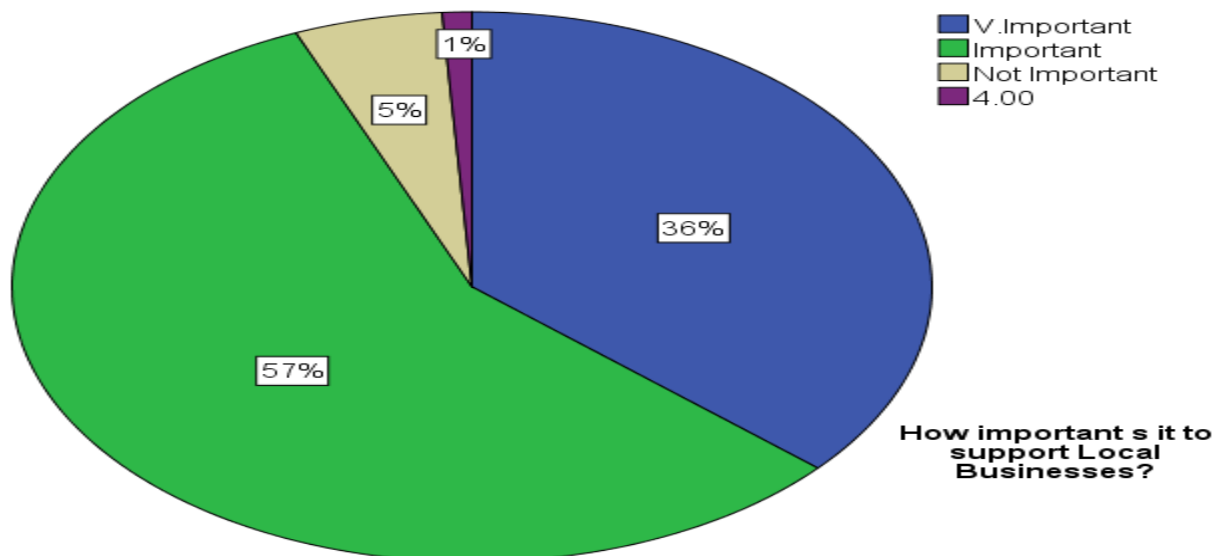


Chart 8



The results show that while the majority of the respondents do share the vision of supporting local businesses and do think that local produce is the most sustainable, when it comes to choosing where to eat they mostly go for something familiar and easily available. However, it should be noted that percentage difference between different responses including local cuisine and something suggested by a local is not very significant taking the small sample size into account. Thus, it can be seen that while people are diverse about their meal options, majority of them are aware of the causes and share the vision of supporting local communities. The researcher's next step was to find out if there was any relationship between Airbnb users and this vision. The above discussed views were found more or less coherent in all respondents irrespective to their accommodation choice. The general behaviour of sustainability exists among all respondent categories however due to geographical expanse of Airbnb locations and mainly its economic competitiveness, the influx of money is expanded regionally. This benefits the neighborhoods far from the main central districts due to the tourists staying in them.

Looking at the earlier findings where it was noted that the younger and more educated population go online and look for different options available before selecting any, it could be assumed that with time Airbnb can take over a significant share in the lower end of the market. Hotel guests who seek luxury and a standardised hotel service might not be persuaded by what Airbnb has to offer however budget travelers who have been choosing guest houses if stumble upon Airbnb could be safely assumed to consider the service. Thus, in terms of scope and potential of Airbnb, it can be seen that the company has already spread its roots with a high number of households becoming hosts in Windermere, Lake District while also is highly likely to affect the budget accommodation market of the area.

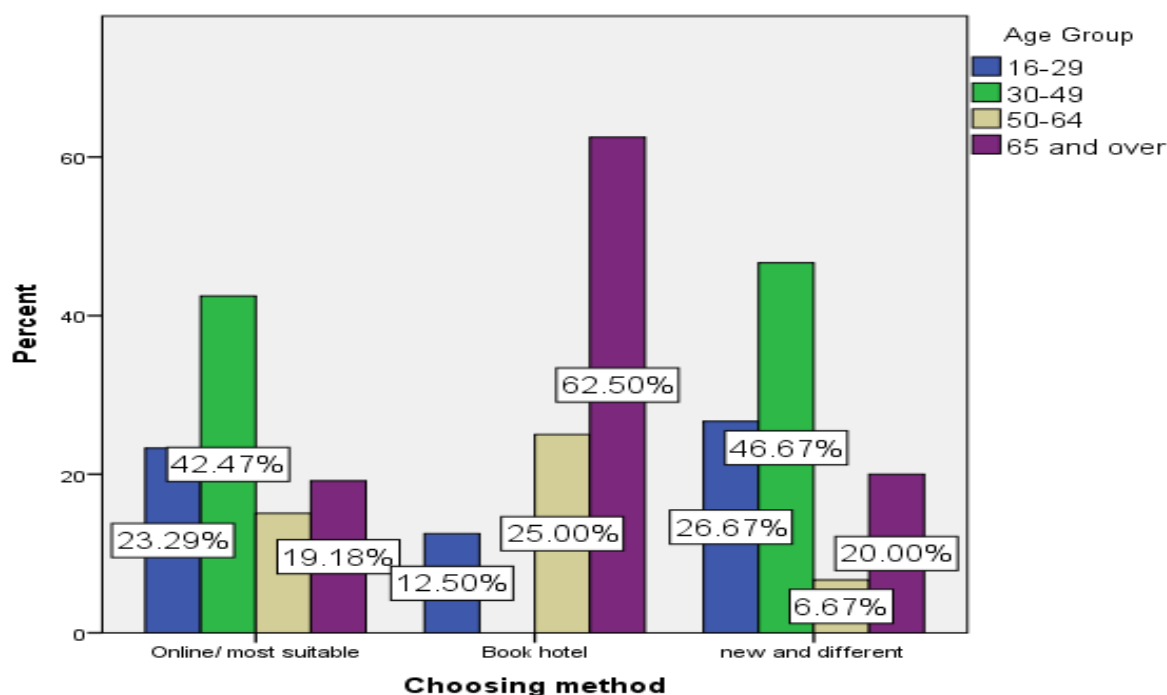
### **The Potential for Future Budget Accommodation Sector**

It can be seen that the full awareness of Airbnb or what the company has to offer is certainly limited to some point among the respondents as the willingness to buy the actual product is different than just mentioning the company's name. The research shows that despite the low profile of Airbnb as a company in Lake District, the idea of renting a self-catered house or sharing the house with a local is already there and is in demand. While it could be assumed that given the option and awareness the possibility of Airbnb's growth may rise, however the research also revealed possible effects of Airbnb's other core selling points on visitor's accommodation choice decisions which might further testify the arguments. Referencing the research by Gullstrand Edbring, Lehner and Mont (2017) again, it was seen that the major driving factor for Airbnb customers is the economic competency of the service in comparison to the traditional accommodation industry.

The second most influential factor is the uniqueness of the products and experiences offered which is also reflected in the main marketing campaigns of Airbnb. When it came to expenditure, 91% of Airbnb visitors said that their accommodation was affordable against 73% in hotels and 93% in guest Houses. The differences are small however Airbnb's customer response does relate to the lower end of the lodging industry i.e. guest houses. It was argued by Byers, Proserpio and Zervas (2013) that the effects of Airbnb on the lodging industry increases as we move down the cost ladder in accommodation sector which is evident in this case as well.

Other than that, while hotels and guest houses seem to be popular and having a strong customer base in all age groups, Airbnb or the idea of it appeals mainly to a more younger population. Also considering the fact that Airbnb was originated in 2008 and works only through the online platform, the effects of these factors were tried to find out in combination to the age groups and education levels of the respondents. These factors would impact the overall Airbnb sales as it could be assumed that the more internet savvy and educated customer would be aware and likely to buy the service. The fact that the greatest proportion of internet users in the world belong to the age groups of 15-24 and 25-34 with 26.5% and 26.7% share of the overall usage, while also that the percentage decreases while moving up the age bar ending at 12% by 55+ (Statista, 2017), the age groups are bound to make difference in the future potential estimation of Airbnb. Therefore, a cross tabulation analysis of the accommodation choosing methods and age groups were conducted which revealed the following result

Chart 8



It is evident through the results that a combined percentage of 66% of respondents who chose their accommodation online belong to the age group of 16-49

This segment of the respondents could be considered to most likely come across Airbnb in future. It can also be seen that this age segment is more likely to try different and new options in the future in comparison to 50 and over when looking at the responses to other two options. In terms of education level, the results also fall in line with the assumption showing the people with at least some kind of college degree are 91% more likely to choose accommodation online while checking different options available. However, it is noted by Lake District (2013) and as mentioned earlier that Lake District attracts older population which is also expected to keep rising in the future.

In summary, the above discussed facts it could be concluded that Airbnb holds a significant level of competition to the lower end of lodging sector in terms of cost. It tends to provide more or less same levels of amenities with a much lower cost and added uniqueness and social elements. Furthermore, due to a high level of supply and an easy online booking interface system it stands in a firm position to meet the demand in peak times better than its competitors. It could be thus predicted that the potential of Airbnb in Windermere lies in the budget accommodation segments of the market. Nevertheless, taking into consideration that the majority of its market is younger generation, Airbnb might lag in growth as much of the population visiting the national park are in their old age. Airbnb was found to be possibly confronted and considered by a younger, internet savvy population. However, it was also noted that the desire to rent a self-catered house and shared stay with a local fairly existed among all age groups, revealing the possibility that if in future Airbnb manages to reach different age groups more effectively, it can gain a much larger market share.

### **The Impact**

This section analyses the possible outcomes if Airbnb sees the growth in Windermere as it has in the major metropolitan areas. It was discussed in the literature review how rural areas differ to the metropolitan ones and have their own aspects which need to be considered. In case of Windermere, Lake District, along with its rural environment the national park status of the area also holds a significant aspect of environmental sustainability. Airbnb while being a highly successful accommodation provider throughout the globe has also been confronted with some issues spanning from economic, socio-cultural to safety areas. These issues would be discussed with relevant examples from other destinations and then put into the context of Windermere. An analytical approach would be taken to predict any future issues that the major towns of the national park might face in the future.

Airbnb has recently caused waves all around the world in major cities where the company's extensive growth and popularity has encouraged landlords to let their spaces for Airbnb hosting rather for long terms rentals. This

practice has caused a high rise in rental prices and difficulty to find accommodation in cities. In case of Vancouver, Canada, landlords have evicted their long-term renters to host for Airbnb guests leading to evictions and community displacements (TreeHugger, 2017). The practice has been regarded as a fuel for capitalism where two resourceful parties i.e. the one with the space to let for money and the one with that much money to rent the space has led the middle man out of the door which can't afford either, the source further mentions. Another example could be of San Francisco, USA where protests were held outside Airbnb's HQ to regulate laws on the company as it has destroyed communities (Booth, 2015). The factor of housing needs to be considered in the towns of Lake District, as the same problems may arise in the future. It has been observed that housing crisis occur mainly when entire apartments or houses are listed on Airbnb rather than a shared stay in the house (Said, 2014). Not only does it invalidate Airbnb's idea of connecting with the locals but also decreases the housing stock exponentially. Taking the case of San Francisco again, it was found that almost 57.6% of Airbnb listings were entire establishments (Inside Airbnb, 2017). It was further noted that some hosts had multiple listings for different properties, around 32.9% of the total listings implying that Airbnb has become a way for landlords to use their properties in the form of a hotel to gain much more profit than leasing them for long term rentals.

In case of Lake District, 67.7% of the residences are owner occupied while 32.3% are rented and 15% are holiday homes (Lake District National Park, 2011). While the researcher couldn't find any statistics specifically for Windermere, the above findings provides some estimation about the ratio of entire establishments to shared stays. It was calculated that in both cases i.e. private room and entire house for 1 adult and the same for 4 adults with booking times ranging from next day to after 4 weeks, the average percentage for entire houses was found to be around 33% in comparison to the private rooms. If it is assumed that this 33% is more or less the percentage of entire house Airbnb listings across all major settlements in Lake District, then it would be a deduction from the 32.3% of rented houses calculated in 2011 in Lake District.

Thus, the new percentage might be around 21.7% rented houses and 10.5% Airbnb listings, showing that it has already affected around one third of the housing stock. While this analysis is based on mainly assumptions and less substantial evidences, the possibility that Airbnb has affected housing stock in the National Park or might do in the future is highly probable. Lake District's communities might get disturbed in the future if Airbnb grows in the same manner as it has done in other destinations in the world. Taking into account the popularity of the national park, the number of visitors it receives along with the price competitiveness of Airbnb accommodations, it is safe to assume that the online platform may tempt the landlords in the future to let go of long term rentals. This would not only affect the communities but also the cultural and heritage aspects of the destination.



Besides that, National Parks could be credited as one of the most expensive places to live and with relatively lower wage levels as in the case of Lake District borough of Copeland the housing prices have increased 145% in last 10 years (Paliltd, 2012). Further combined with the fact that due to the area being a preserved natural environment, the building process cannot take place as usual to find the land suitable for the purposes it need to go through development planning departments and a building material check as they need suit the vulnerable environment (Lake District 1, 2017). The source further continues that with the ratio of 12.1:1 between house prices and average income and a high number of second homes, housing is one of the major issues faced by Lake District at the moment. These facts further solidify the point that the issue of Airbnb needs to be tackled early on as the rural status and agricultural economy of Lake District in addition to its preserved environment status puts it into a more critical condition than other places and metropolitan areas where the incomes are usually higher and properties are easier to build.

### **Economic: Supplementing Low Wages?**

While on one side Airbnb causes problems like housing shortage and rental price increase for the communities, it is also an employer which brings money into the neighborhoods, to the locals. As when Airbnb was met with same accusations in Berlin, the company argued that the platform also helps many citizens to pay their own rent (Payton, 2017). Further considering the fact that incomes are relatively much lower in the national park, would Airbnb provide an opportunity for the locals to earn more money? It was seen earlier that Airbnb has had no significant impact on the luxury sector of traditional accommodation industry as the booking levels for most of the establishments were good. While in case of budget accommodation it was estimated that the business may face challenges in the future. Considering the fact out of the two main industries in the National Park which are farming and Tourism, tourism provides around 85% of the jobs which then includes several other segments like eateries to amusements. Airbnb might not disturb the usual employment but may supplement it. Due to the increasing older population of the visitors who prefer a more standardised lodging, Airbnb maybe in the position to supplement the economy by providing bed spaces to separate category of the market and as argued by Mayock (2013) run parallel to majority of the tourism businesses. This would not only increase the income levels of the residents but would also allow the money to circulate more evenly throughout the area.

Other than the economic conditions and impacts that Airbnb proposes on the community of the Lake District, another factor that needs to be discussed is safety and regulation. Letting strangers in the house or sharing the house with a stranger, not only puts the safety of the host and guest into question but exceeds far more than this. Issues have been reported throughout the globe where Airbnb hosts have transformed their establishments as illegal brothels and drug consumption and exchange hubs. Furthermore, these kinds of guests also affect the resident neighbors, where their behaviour and practices do not fall in line with the culture. While these issues

need to be addressed, the researcher couldn't find any specific relation of these issues to Lake District and hence they remain global matters. Visitors can however highly affect the environment of the region with their numbers. In terms of behaviour, a sustainable tourism practice is being promoted throughout the world and so by Lake District (Lake District 2, 2017), however the overall numbers of tourists in relation to Airbnb and National Park's carrying capacity requires further discussion.

### **Environmental Sustainability and Carrying Capacity**

Airbnb, as discussed before, has continuously credited itself as an environmentally sustainable company which promotes the utilisation of existing resources rather than making new ones. The company has claimed to benefit the environment in terms of decreasing greenhouse gas emissions, water usage, waste and increasing recycling (Gumbs, Dodds and Griffin, 2017). However, the source further continues that due to lack of transparency in the research methodology of Airbnb, the provided statistics and allegations cannot be validated entirely. The process and nature of Airbnb does help in environmental sustainability; however, it also amplifies the tourism activity and thus the consumption of destination resources by providing cheap and accessible accommodation. In case of Lake District, environmental resources and their sustainability is naturally a big concern, therefore the researcher tried to establish an idea of how Airbnb's future growth might affect Lake District in future. While the exact numbers regarding the carrying capacity of the destination could not be found, the Head of policy and research at Cumbria Tourism Richard Greenwood suggested in an interview that Lake District has currently the capacity to accommodate a much larger number of tourists (Guillot, 2013). And in fact, the destination is competing with bigger cities to attract more visitors. This suggests that in terms of environmental effects, Airbnb might not be an issue for the national park rather it can help the destination increase the influx of tourists for economic benefits.

### **Conclusion and Recommendations**

The study concludes with the results that Airbnb as a company does not have a highly significant presence in Lake District at the moment. The majority of the incoming tourists still prefer to stay with traditional accommodation providers. However, it was found that there is a significant demand for what Airbnb has to offer in terms of its products and the underlying wants of the visitors show an inclination towards Airbnb accommodations. Besides this the results obtained through research also showed that Airbnb might only bring a competition to budget accommodation while run parallel to luxury sector ie hotels. In terms of the current trends in tourist buying behavior, it was evident that there was a shift from a traditional fully serviced

accommodation. And while environmental concerns play an important role in the image of the business, they still do not contribute significantly to the buying process where economic reasons stay top priority.

Some of the aspects of Airbnb worked along the nature of Lake District as destination while others didn't, however it was still concluded that the mentioned issues need to be tackled earlier on. Lake District as a popular rural destination with a high number of annual visitors and a national park status has its own requirements when it comes to dealing with Airbnb. While the research has met its objectives, it would be recommended for future research to study the relationship between Airbnb and a wider destination segment like rural areas in general in comparison to urban. While also, the researcher would recommend studying similar cases of other national parks and try to relate them with this research in order establish any similarities that might generalize the idea of effects of sharing economies on communities and settlements in typical preserved environments.

### **References and Bibliography**

Aiello, T. (2008). Top management's perceptions of service excellence and hospitality. Orlando, Fla.: University of Central Florida.

Airbnb (2017). Airbnb's positive economic impact in cities around the world. [online] Available at: <https://www.airbnb.co.uk/economic-impact> [Accessed 28 Sep. 2017].

Airbnb 1. (2017). Shared Opportunity: How Airbnb Benefits Communities. [online] Available at: [https://www.ftc.gov/system/files/documents/public\\_comments/2015/05/01740-96152.pdf](https://www.ftc.gov/system/files/documents/public_comments/2015/05/01740-96152.pdf) [Accessed 28 Sep. 2017].

Airbnb UK. (2017). New Study: Airbnb Community Generates £502 Million in Economic Activity in the UK - Airbnb. [online] Available at: <https://www.airbnb.co.uk/press/news/new-study-airbnb-community-generates-502-million-in-economic-activity-in-the-uk> [Accessed 23 Sep. 2017].

Airdna. (2017). Airdna - Airbnb Data and Analytics. [online] Available at: <https://www.airdna.co/> [Accessed 6 Sep. 2017].

Andrews, S. (2011). Introduction to tourism and hospitality industry. New Delhi: Tata McGraw-Hill.

Andrews, S. (2013). Hotel front office training manual. New Delhi: Tata McGraw-Hill Education.

BBC. (2014). BBC - GCSE Bitesize: Tourism in an MEDC: national parks. [online] Available at: [http://www.bbc.co.uk/schools/gcsebitesize/geography/rural\\_environments/managing\\_rural\\_areas\\_rev1.shtml](http://www.bbc.co.uk/schools/gcsebitesize/geography/rural_environments/managing_rural_areas_rev1.shtml) [Accessed 8 Sep. 2017].

British Hospitality Association (2015) The economic contribution of the UK hospitality industry. Oxford Economics. Available at: <http://www.bha.org.uk/wordpress/wp-content/uploads/2015/09/Economic-contribution-of-the-UK-hospitality-industry.pdf> accessed on 22/12/2017

Bohnsack, R., Pfaff, N. and Weller, W. (2010). Qualitative analysis and documentary method in international educational research. Opladen: Barbara Budrich.

Booth, K. (2015). Protesters occupy Airbnb HQ ahead of housing affordability vote. [online] the Guardian. Available at: <https://www.theguardian.com/us-news/2015/nov/02/airbnb-san-francisco-headquarters-occupied-housing-protesters> [Accessed 28 Sep. 2017].

Bowie, D. and Buttle, F. (2004). Hospitality marketing. Amsterdam: Elsevier Butterworth-Heinemann.

Brace, I. (2008). Questionnaire design. London: Kogan Page.

Byers, J., Proserpio, D. and Zervas, G. (2013). The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry. SSRN Electronic Journal.

Chon, K. and Maier, T. (2009). Welcome to hospitality-- an introduction. 3rd ed. Albany, NY: Delmar.

Coles, T., Duval, D. and Shaw, G. (2013). Student's guide to writing dissertations and theses in tourism studies and related disciplines. New York: Routledge.

Crouch, G. (2004). Consumer psychology of tourism, hospitality, and leisure. Wallingford, Oxon, UK: CABI Pub.

Dawson, C. (2009). Introduction to research methods. Oxford: How To Contents.

Early, K. (2014). Access over ownership is the future of consumption. [online] the Guardian. Available at: <https://www.theguardian.com/sustainable-business/access-over-ownership-future-consumption> [Accessed 27 Jul. 2017].

Ert, E., Fleischer, A. and Magen, N. (2017). Trust and reputation in the sharing economy: The role of personal photos in Airbnb. *Tourism Management*, 55, pp.62-73.

Fang, B., Ye, Q. and Law, R. (2017). Effect of sharing economy on tourism industry employment. *Annals of Tourism Research*, 57, pp.264-267.

Grant, M. (2013). Airbnb.com Poses Only a Small Threat to Hotel Industry - Euromonitor International Blog. [online] Euromonitor International Blog. Available at:  
<http://blog.euromonitor.com/2013/03/airbnbcom-poses-only-a-small-threat-to-hotel-industry.html>  
[Accessed 20 Jul. 2017].

Guillot, T. (2013). Can the Lake District cope with more tourists?. [online] The Westmorland Gazette. Available at:  
[http://www.thewestmorlandgazette.co.uk/news/10838293.Can\\_the\\_Lake\\_District\\_cope\\_with\\_more\\_tourists\\_/?ref=rss](http://www.thewestmorlandgazette.co.uk/news/10838293.Can_the_Lake_District_cope_with_more_tourists_/?ref=rss) [Accessed 29 Sep. 2017].

Gullstrand Edbring, E., Lehner, M. and Mont, O. (2017). Exploring consumer attitudes to alternative models of consumption: motivations and barriers. *Journal of Cleaner Production*, 123, pp.5-15.

Gumbs, Q., Dodds, R. and Griffin, T. (2017). The secret under the sheets The truth behind your next booking with Airbnb. [online] Ryerson. Available at:  
<http://www.ryerson.ca/content/dam/tedrogersschool/htm/documents/ResearchInstitute/Airbnb%20Report.pdf> [Accessed 29 Sep. 2017].

Guttentag, D. (2013). Airbnb: disruptive innovation and the rise of an informal tourism accommodation sector. *Current Issues in Tourism*, 18(12), pp.1192-1217.

Hamari, J., Sjöklint, M. and Ukkonen, A. (2015). The sharing economy: Why people participate in collaborative consumption. *Journal of the Association for Information Science and Technology*, p.n/a-n/a.

Hobson, K. and Lynch, N. (2017). Diversifying and de-growing the circular economy: Radical social transformation in a resource-scarce world. *Futures*, 82, pp.15-25.

Hotelnewsnow.com. (2017). HNN. [online] Available at:  
<http://www.hotelnewsnow.com/Articles/14467/The-discerning-consumer> [Accessed 15 Jul. 2017].

Info Britain (2017). History of UK Hotels. [online] Available at:  
[http://www.infobritain.co.uk/UK\\_Hotels.htm](http://www.infobritain.co.uk/UK_Hotels.htm) [Accessed 7 Jul. 2017].

Inside Airbnb. (2017). Inside Airbnb: San Francisco. Adding data to the debate.. [online] Available at:  
<http://insideairbnb.com/san-francisco/> [Accessed 29 Sep. 2017].

Ismail, S., Malone, M., Geest, Y. and Diamandis, P. (2014). Exponential organisations. New York: Diversion Publishing Corp.

Jones, P. (2002). Introduction to hospitality operations. 2nd ed. London: Cassell.

Kirsch, G. and Sullivan, P. (1992). Methods and methodology in composition research. Carbondale, Ill.: Southern Illinois University Press.

Kothari, C. (2004). Research methodology. New Delhi: New Age International (P) Ltd.

Kotler, P. (2000). Marketing management. Upper Saddle River, N.J.: Prentice Hall.

Lake District 1. (2017). Second homes. [online] Available at:  
<http://www.lakedistrict.gov.uk/caringfor/policies/secondhomes-2> [Accessed 29 Sep. 2017].

Lake District 2. (2017). Sustainable tourism initiatives. [online] Available at:  
<http://www.lakedistrict.gov.uk/learning/factstourism/sustainable-tourism/sustainable-tourism-initatives>  
[Accessed 29 Sep. 2017].

Lake District National Park. (2011). Facts and figures. [online] Available at:  
<http://www.lakedistrict.gov.uk/learning/factsandfigures> [Accessed 29 Sep. 2017].

Lake District. (2013). State of the Lake District National Park Report. [online] Available at:  
[http://www.lakedistrict.gov.uk/\\_\\_data/assets/pdf\\_file/0009/359235/SOP-13-for-web.pdf](http://www.lakedistrict.gov.uk/__data/assets/pdf_file/0009/359235/SOP-13-for-web.pdf) [Accessed 27 Sep. 2017].

Lashley, C. and Morrison, A. (2000). In search of hospitality. Oxford: Butterworth-Heinemann.

Lawrence, M. (2012). Consumer behaviour external factors. [online] Slideshare.net. Available at:  
<http://www.slideshare.net/MathewLawrence/consumer-behaviour-external-factors> [Accessed 15 Sep. 2017].

Magazine, H. (2011). Hotel Data: Industry Size. [online] Hotel Industry Magazine. Available at:  
<http://www.hotel-industry.co.uk/data/hotel-data-industry-size/> [Accessed 7 Jul. 2017].

Martin, C. (2017). The sharing economy: A pathway to sustainability or a nightmarish form of neoliberal capitalism?. Ecological Economics, 121, pp.149-159.

- Mayock, P. (2013). HNN. [online] Hotelnewsnow.com. Available at:  
<http://www.hotelnewsnow.com/Articles/19205/Peer-to-peer-booking-sites-no-threat-to-demand>  
[Accessed 20 Jul. 2017].
- McNabb, D. (2010). Research methods for political science. Armonk, N.Y.: M.E. Sharpe.
- Montevago, J. (2017). 10 Reasons Why a Hotel Is Better Than Airbnb. [online] Travelmarketreport.com. Available at: <http://www.travelmarketreport.com/articles/10-Reasons-Why-a-Hotel-Is-Better-Than-Airbnb> [Accessed 27 Jul. 2017].
- Morritt, R. (2007). Segmentation strategies for hospitality managers. New York: Haworth Press.
- Neesar, D. (2015). Does Airbnb Hurt Hotel Business: Evidence from the Nordic Countries. [online] Available at:  
[https://www.researchgate.net/profile/David\\_Neesser/publication/282151529\\_Does\\_Airbnb\\_Hurt\\_Hotel\\_Business\\_Evidence\\_from\\_the\\_Nordic\\_Countries/links/5605310e08aea25fce322679.pdf](https://www.researchgate.net/profile/David_Neesser/publication/282151529_Does_Airbnb_Hurt_Hotel_Business_Evidence_from_the_Nordic_Countries/links/5605310e08aea25fce322679.pdf) [Accessed 27 Jul. 2017].
- Paliltd. (2012). Property prices rise 3x faster than wages & National Park house prices soar. [online] Available at: <https://www.paliltd.com/blog/property-prices-rise-3x-faster-than-wages-national-park-house-prices-soar> [Accessed 29 Sep. 2017].
- Payton, M. (2017). You won't be able to rent an Airbnb apartment in Berlin for much longer. [online] The Independent. Available at: <http://www.independent.co.uk/news/world/europe/airbnb-rentals-berlin-germany-tourist-ban-fines-restricting-to-protect-affordable-housing-a7008891.html> [Accessed 29 Sep. 2017].
- Pickel, J. (2017). Airbnb: The Good, the Bad and the Ugly. [online] The Huffington Post. Available at: [http://www.huffingtonpost.com/jim-pickell/airbnb-the-good-the-bad-t\\_b\\_9052176.html](http://www.huffingtonpost.com/jim-pickell/airbnb-the-good-the-bad-t_b_9052176.html) [Accessed 27 Jul. 2017].
- Reid, R. and Bojanic, D. (2009). Hospitality marketing management.
- Reis, H. and Judd, C. (2000). Handbook of research methods in social and personality psychology. New York: Cambridge University Press.
- Ross, A. (2017). The industries of the future. New York: Simon and Schuster.



Said, C. (2014). Window into Airbnb's hidden impact on S.F. - San Francisco Chronicle. [online] Sfchronicle.com. Available at: <http://www.sfchronicle.com/business/item/Window-into-Airbnb-s-hidden-impact-on-S-F-30110.php> [Accessed 29 Sep. 2017].

Sandovel-Strausz, A. (2007). Hotel: An American History. New York: Yale University Press.

Statista. (2017). Internet users by age worldwide | Statistic. [online] Available at: <https://www.statista.com/statistics/272365/age-distribution-of-internet-users-worldwide/> [Accessed 23 Sep. 2017].

The Economist. (2013). The rise of the sharing economy. [online] Available at: <http://www.economist.com/news/leaders/21573104-internet-everything-hire-rise-sharing-economy> [Accessed 15 Jul. 2017].

TreeHugger. (2017). Is Airbnb worsening the housing crisis in major cities around the world?. [online] Available at: <http://www.treehugger.com/corporate-responsibility/airbnb-worsening-housing-crisis-major-cities-around-world.html> [Accessed 28 Sep. 2017].

Tripadvisor. (2017). The 10 Best Windermere Hotels - TripAdvisor. [online] Available at: [https://www.tripadvisor.co.uk/Hotels-g186330-Windermere\\_Lake\\_District\\_Cumbria\\_England-Hotels.html](https://www.tripadvisor.co.uk/Hotels-g186330-Windermere_Lake_District_Cumbria_England-Hotels.html) [Accessed 28 Sep. 2017].

Tripadvisor.co.uk. (2017). Fact Sheet - TripAdvisor. [online] Available at: [https://www.tripadvisor.co.uk/PressCenter-c4-Fact\\_Sheet.html](https://www.tripadvisor.co.uk/PressCenter-c4-Fact_Sheet.html) [Accessed 14 Jul. 2017].

Tussyadiah, I. (2017). Factors of satisfaction and intention to use peer-to-peer accommodation. *International Journal of Hospitality Management*, 55, pp.70-80.

Wearne, N. and Morrison, A. (1996). *Hospitality marketing*. Oxford: Butterworth-Heinemann.

Zuelo, E. (2015). *A history of modern tourism*. New York: Palgrave Mcmillan