

What drives the price of Airbnb properties in city destinations?

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(Short) Abstract

For the first time, the effect of the full set of 56 property features on the base price of properties offered on peer-to-peer accommodation networks is studied. Results from an analysis of 3977 real properties in Vienna (Austria) indicate that location is one of the most important factors and that the availability of a range of amenities is associated with higher price. Host trustworthiness – derived from the information about superhost status and the length of membership of the host on the network – emerges as a new key price driver. Results have immediate practical implications: (1) hotels, motels, B&Bs etc. may wish to modify their online profile to also make visible the full set of features in an attempt to remain competitive; (2) peer-to-peer accommodation network hosts can use the information about price drivers to improve their property specifically in those areas for which guests are willing to pay more.

Key words: Airbnb, price, peer-to-peer network, sharing economy, collaborative consumption

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