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My bad for wanting to try something unique: sources of value co-destruction in the Airbnb context

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ABSTRACT

The present study explores the antecedents of value co-destruction – in the sharing economy context, specifically with respect to Airbnb. The study focuses on negative reviews from Airbnb customers, which were typed in English and posted online. The research employed five keywords, 'bad', 'awful', 'poor', 'terrible', and 'horrible', to capture the online narratives linked to customers' negative experiences with Airbnb. Out of the 2,733 online reviews screened, the study focused on 694 negative reviews. The data analysis followed the grounded theory approach, resulting in two distinct themes reflecting the antecedents of value co-destruction: the bad behaviour of Airbnb hosts and the company's poor customer service. These findings contrast with previously studies, which have indicated Airbnb's remarkable customer satisfaction levels as evidenced by positive user reviews. The managerial implications of the present study's results indicate that Airbnb should clearly invest additional resources to minimize the negative experiences of its customers; by clearly defining the hosts' tasks and responsibilities. In addition, when customers report their dissatisfaction, their concerns should be addressed promptly and effectively through good customer service.

Introduction

Interactive value formation (IVF) stipulates that value is co-created during the interaction between the provider and the customer (Vargo & Lusch, 2004). In addition, value is interactively co-created by operant resources (for example, knowledge and skills) acting on operand resources (for example, natural resources) or by operant resources in collaboration, and that value is conceptualized as realized in use. IVF, a neutral and integrative term, includes both positive and negative value outcomes, namely, value co-creation and co-destruction of value (Echeverri & Skålen, 2011). Many studies have contributed to the empirical literature on value co-creation, however, negative accounts remain largely unexplored (Plé, 2017). In addition, current value co-destruction literature has paid little attention to what causes or antecedents emerge (Prior & Marcos-Cuevas, 2016). On one hand, value co-creation refers to a resource integration process between the provider and the customer (Vargo & Lusch, 2008). Value co-creation implies that all the actors involved in the process act to benefit from the interaction (Grönroos, 2012). On the other hand, value co-destruction is a failed interaction process that has a negative outcome: it leads to a decline in well-being and can manifest in frustration and negative feelings or lost resources such as money for a service provider or customer (Prior & Marcos-Cuevas, 2016).

Today, a growing number of accommodation service providers have shifted their focus to experience co-creation (Chathoth, Ungson, Harrington, & Chan, 2016). This also applies Airbnb. Airbnb enables rental hosts to list their available accommodation and profit by renting it out, usually at cheaper rates than comparable hotels, leading to savings for travellers (Varma, Jukic, Pestek, Shultz, & Nestorov, 2016). Recent studies on Airbnb have mainly focused on factors that affect consumers' decisions to adopt it, for example, the unique experience offered (Mao & Lyu, 2017). However, an approach that considers the antecedents of value co-destruction in the context of Airbnb is absent (Sthapit & Jiménez-Barreto, 2018).

Given that 'value is always uniquely and phenomenologically determined by the beneficiary' (Vargo & Lusch, 2008, p. 7), the same offering may lead to a different level of value for different people, in which people are worse off (co-destruction). A value dimension is a certain feature of the service that can potentially contribute to the overall value for the actors involved (Woodruff, 1997). The present study explores specific value dimension(s) that generate a certain type of value outcome resulting from IVF: the value co-destruction experienced by Airbnb guests.

Methodology

Data collection and analysis

The data for this study comprised reviews of Airbnb customers, containing detailed information about their experiences, that were published on the TrustPilot website. The researcher collected and analysed review posts from December 2017 to June 2018. For the method of data collection, the study employed non-participant observation in the form of netnography. Netnography is broadly based on the reflexive narratives that people publish online (Kozinets (2002).

Research has identified emotions as a key customer resource in the value creation process (Rodie & Kleine, 2000). Failed service encounters often result in negative emotions (Hollebeek & Chen, 2014). Negative emotions, or the use of the words 'bad', 'awful', 'poor', 'terrible' and 'horrible', are indicative of the destructive outcomes of IVF. Thus, this research employed these five keywords to search TrustPilot forums and avoid generating overwhelming amounts of data. Each narrative consisted of one entry. Of 2,733 online posts screened in all, the analysis focused on 694 reviews based on the five keywords: bad (325), awful (106), poor (124), terrible (59), and horrible (80). The study followed the grounded theory approach to analyse the collected data. The researcher manually performed three types of coding work.

Findings

Bad behaviour of hosts

Majority of the guests emphasised the bad behaviour of the hosts as the cause of their negative Airbnb experience. This can be linked to poor communication skills at the host level as well as poor service quality. The hosts also showed a lack of empathy and responsiveness. The following three reviews describing negative experiences can be linked to the bad behaviour of Airbnb hosts:

My host cancelled my stay at 10:00 pm, at night, and my booking was for the next day, which left me in an absolute panic ... My host Lenny with her brand new 2-bedroom apartment in Ryde, Sydney, should definitely not be allowed to be a host. (Review published on 18 June 2018)

I had a very bad experience in a host's home – unclean accommodation with dust and debris in the bedroom, bathroom and common areas ... It was so bad, I had difficulty sleeping and had an allergy attack in the morning. (Review published on 3 April 2018)

Our experience with the Airbnb host has been far from acceptable. Within two hours of our arrival, I called the host about the size of the property ... was told to move stuff onto the patio outside. We could barely fit two

suitcases ... The property was dirty. We were also charged for an additional guest. I highly recommend that people not use this host. (Review published 7 April 2016)

According to Pine and Gilmore (1998), poor service can easily lead to a negative experience; thus, offering quality service is an essential strategy for success and survival in a competitive environment (Zeithaml, Berry, & Parasuraman 1996).

Poor customer service from Airbnb

The analysis revealed another major value dimension that contributed to value co-destruction: Airbnb's poor customer service. To mitigate the stress caused by a negative Airbnb experience, many guests adopted the problem-based coping strategy of contacting Airbnb's customer service. However, they were left feeling helpless because of the inadequate response and poor quality of human interaction. This further amplified their negative Airbnb experience, and as a result, some customers mentioned that they would stop using the service. The rude behaviour of Airbnb's customer service personnel negatively influenced the customers' self-esteem, and their lack of success in obtaining the necessary information led to confusion and a perceived reduction in self-efficacy. Examples of this can be observed in the reviews of three guests:

The customer service of Airbnb is terrible. I spoke to 6 different people and still did not get my issue resolved. They tried to blame all issues on the host ... Everything makes no sense, and they need better policies. The customer service was the problem. (Review published on 29 June 2018)

We rented an apartment in Paris; there was terrible noise because the neighbors had important renovations. We complained that it was impossible to stay in a construction site, and they ignored us. The customer service people even suggested we were lying and that there was no noise. (Review published on 6 July 2014)

My host confirmed my booking request without reading that there are two travelers. She then messaged and asked me to cancel the booking since her place only allows 1 person. So I did ... Airbnb promptly charged me a \$24 service fee. I tried to call them and explain but the numbers they provided do not work. It is the worst experience trying to book a place. Airbnb charges instantly and the communication is terrible. (Reviewed 23 August 2014)

Conclusion

The study contributes to research on value co-destruction and the sharing economy by revealing that the core Airbnb notion of value co-creation through a mutual collaboration does not always hold true. One notable theoretical contribution of this study is the identification of two sources of value co-destruction: the bad behaviour of Airbnb hosts and the company's poor customer service. From the customer's point of view, Airbnb's value proposition of 'feel at home anywhere you go in the world' and 'offering a unique experience' did not hold up for many guests. These findings contrast sharply with studies indicating that Airbnb has remarkable customer satisfaction levels, as evidenced by its user reviews (Ert, Fleischer, & Magen, 2016). The Airbnb application reflects non-interactive value formation, which holds that value is produced by providers and consumed by customers. On the contrary, based on the findings, value is not embedded in the application that Airbnb Incorporated offers and which is separated from the customer. In fact, it is not the Airbnb application that is central to the guests' value formation process; rather, well-mannered hosts and prompt Airbnb customer service matter the most. Further, the operant resources (communication skills) act upon the online application to produce benefits to customers, such as the increased speed of service and greater convenience. From a managerial perspective, Airbnb should invest more in resources to minimize the negative experiences of its customers by clearly defining the hosts' tasks and responsibilities. If the hosts' tasks are unclear, then customers cannot be served in an effective manner and with consistent service quality. The focus must also be on successful recovery efforts after a service failure, which may lead to improved satisfaction.

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