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# Upward Trajectory of the Accommodation Sharing Economy & Distributional Values\*

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## Abstract

**Purpose:** The purpose of this study is to address policy preparation and amendments on regulations in accommodation sharing for resource distribution by fostering better adjustment in a society, since previous studies are rarely investigated in those issues. After conduct exploratory research about laws and regulations of accommodation sharing, this study investigates how effective policy instruments improve trust in accommodation sharing and potential growth by investigating the perceptions of individuals and by applying policymaking procedures. **Research design, data and methodology:** The data is collected via online survey. Structural equation modeling with confirmatory factor analysis and non-recursive model with multiple regression analysis were applied. **Results:** The results of this study found that among proposed policy instruments, individuals perceive local ordinances, government publicizing and campaign, trust marks, taxation, penalties, and government controls are effective to build trust in accommodation sharing. Policies geared toward the majority of the public are more effective, while governments should establish a strategic approach as to which policies are introduced in public and which role the government plays in the departments. **Conclusions:** The results provide policy and managerial implications how to enhance distributional values of accommodation sharing economy with proper preparations and amendments of laws and regulations.

**Keywords :** Accommodation sharing, Distributional Values, Policy Reactions, Promotion, Regulation

**JEL Classification Code:** D30, L88, M38

## 1. Introduction<sup>a</sup>

The fourth industrial revolution has changed all aspects of human behavior in the global environment. People today live in material prosperity and convenience provided by the first and second industrial revolution. People in the fourth industrial revolution are connected via enhanced intelligent (Floridi, 2016) and distributional value system. Technology-driven connectivity would increase the distributional value of user-generated content because individuals consume and at the same time produce things utilized by transactions that

offer more business opportunities (van Dijck, 2009). The connectivity via distribution of technology-enabled platforms allows the market to match demand and supply efficiently and provides services beyond the e-commerce transactions by dealing with a social license to access products and service for the sharing economy based on distributional fairness (Baumber, Scerri, & Schweinsberg, 2019). Connectivity in the sharing economy is a combination of online and offline transactions between individuals as well as small business entities to deal with

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customized services (Richardson, 2015) and valuable distribution resources.

The traditional meaning of sharing has been a part of our lives to use goods and services with other people, give parts of things, and share a feeling or experience. Technological advancement provides business opportunities to individuals (Sundararajan, 2016) at low searching and operation costs (Henten & Windekilde, 2016). The sharing economy via distributional platform has induced dramatic changes in traditional industries, covering sectors far beyond imagination. The rapid growth of the sharing economy has expanded to various fields including accommodation, transportation, knowledge, finance, labor, and many other tangible and intangible resources via distribution system. In the case of accommodation sharing such as Airbnb, Guttentag (2015) explained how traditional brick-and-mortar tourism industries might falter because of introducing disruptive products and services into the market. The sharing economy have extended service by combining one business with another field, such as tourism with experience and knowledge of local residents through connected distribution system. Transportation sharing business, extends its service from transportation sharing to delivery, health, and travel services. The sharing economy encourages the connection and participation of individuals in the peer-to-peer economy and business convergence and integration across fields. The sharing economy has paid widespread academic attention and attempts to recognize the positive and negative impacts from social, individual, and business perspectives.

Previous studies of accommodation sharing focus on the perspectives of economics, urban planning, and business, while policy-related studies on accommodation sharing often apply exploratory research rather than quantitative research. Therefore, there is a lack of research on accommodation sharing that fosters policy preparation and establishment particularly by applying quantitative research for necessary key variables. This study fills the gap by addressing how citizens perceive policy reactions on accommodation sharing and by applying policy preparation and establishment and by addressing aspects of distributional value system. This study aims to provide important information to policymakers by discovering the asymmetry between the current usages and distributions of accommodation sharing and regulations that apply to accommodation sharing, and to propose an integrated policymaking process with citizens' perceptions of positive and negative aspects that are crucial to the P2P sharing economy. This study first conducts reviews of laws and regulations of accommodation sharing in various countries, including legislation, taxes, penalties, and other regulatory issues. Further, this study investigates the perceptions of individuals of accommodation sharing by applying the

concepts of proposed policymaking procedures. This study also investigates how effective policy instruments improve trust in accommodation sharing and potential growth.

## **2. Exploratory Research on Policy Issues**

Policy issues on accommodation sharing have been generated based on local government rather than central government due to different local conditions in each city. Governments attempt to build the proper culture of sharing economy and to attract people to participate in sharing activities. Some local governments in Korea take initiatives in delivering G2C sharing service such as bikes, office spaces and others. In 2012, the Seoul Metropolitan Government declared 'Sharing City Seoul' and provided administrative supports based on the local ordinance on sharing economy. By improving efficiency, government utilizes local distributional resources, motivates active participation among citizens, contributes local economy, and builds community culture. The ordinance defines that sharing economy boosts the social, economic, and environmental values. Among 226 municipalities in Korea, Seoul and other 63 local governments establish ordinances to promote sharing activities.

However, better reaction is required by governments to regulate adverse side effects of accommodation sharing against existing industries. By mediating the massive scale from local residents to travelers, accommodation sharing provides the benefits to societies such as additional incomes to hosts and low-priced accommodations to guests, while the large number of short-term accommodation sharing tends to increase the price of real estates and rental fees in the communities (Lee, 2016). Popular cities such as New York, Paris, Amsterdam, and Barcelona have experienced gentrification due to the hyper-tourism (Nieuwland & van Melik, 2020; Wachsmuth & Weisler, 2018). Therefore, governments are concerned with protecting long-term rental housing and residential environments by preparing laws and regulations. Governments have dual roles to promote the benefits to the legalized sharing economy and minimize the adverse effects of sharing by proper regulation by considering local conditions.

### **2.1. Legal Perspectives on Accommodation Sharing**

Local governments implement policies on regulation of accommodation sharing in the areas with high population density and overheated tourism, while local governments implement policies on the promotion of accommodation sharing to accelerate the local economy with the tourism business. Governments in various cities prepare new laws on the short-term rental or revise existing laws on housing

or tourism in the city or country level to deal with the existing number of P2P accommodation sharing. For example, the San Francisco city government introduces the Administrative Code Chapter 41A in 2015, so-called 'Short-Term Rental Ordinance.' New York City regulates accommodation sharing under several local regulations such as New York Administrative Code for business licensing, the Multiple Dwelling Law for incidental and occasional occupancy, and New York City Zoning Resolution for transient rental building location (Stabrowski, 2017). Some countries consider accommodation sharing highly related to travel industries, so regulations of accommodation sharing belong to a part of the tourism acts such as laws in Barcelona, Rome, and Vienna. In the case of Paris, Amsterdam, and Denmark, both laws on tourism and housing regulate accommodation sharing. A platform such as Airbnb provides approximate local guidelines for accommodation sharing. Many of city governments specify the local regulations for accommodations such as vacation house and accommodation sharing on their website.

Various terminologies describe accommodation sharing such as short-term rental, furnished tourist property rental, short and holiday-let accommodation, private holiday rental, local lodging, tourist accommodation, or private lodging. For example, the San Francisco Short-Term Rental Ordinance defines that a short-term residential rental is a rental of all or a portion of a home for periods of less than 30 nights. Accommodation sharing is often specified by three conditions: i) an actual residential property; ii) the entire property or a portion of the house such as private rooms; and iii) the number of days of rentals. The legal definitions differentiate accommodation sharing from long-term residential rentals or accommodation businesses such as hotels and hostels. Most of the definitions restricts consecutive days of renting accommodation sharing to prevent the market.

## 2.2. Regulation on Accommodation Sharing

Policy issue has been generated based on regulating maximum operating days for accommodation sharing. The maximum operating days are defined based on mainly two factors: i) the status of a primary or secondary residence and ii) an entire property or a proportion of sharing space. In the case of Paris, a primary residence can permit in letting up to 120 days a year, while a secondary residence can be short-term rented with no limit (Heo, Blal, & Choi, 2019). Accommodation sharing policies are also prepared based the existence of host, as entire house sharing without host has more strictly regulated than private room sharing. In London, hosts can provide entire properties for a maximum of 90 days in a year, while a portion of the properties such as room sharing for unlimited days (Boon, Spruit, & Frenken, 2019).

In Sydney, a host may use his/her residence for short-term holiday allowing the entire year with presence of a host, while s/he provides short-term allowing up to 180 days without presence of a host (Ritchie & Grigg, 2020). However, entire house sharing can be completely banned in some cities such as the City of New York. Accommodation sharing in New York is legally permitted only if hosts must present during the stays of guests (von Briel & Dolnicar, 2021). In Japan, hosts can provide the services only 180 days with registration regardless of the portion of sharing properties (Marukawa, 2017).

The tax authority imposes a tax on reported revenue, including income tax on hosts, corporate tax on platforms, and tourist tax on guests. Accommodation sharing impose tax by applying a flat or progressive tax rate, based on the number of operating days or the total amount of revenues from registered accommodation sharing. In San Francisco, the city government applies the flat tax rate of 14% of the Transient Occupancy Tax (TOT) to the hosts' earnings (Shimizu, 2005). In Italy, hosts can choose to pay tax with a flat rate of 21% without any expense deduction or traditional progressive tax rate from 23% to 43% based on the total individual taxable income depending on income brackets (Belotti, 2019). Hosts in Turkey must have business licenses to operate commercial rental with own private houses and require to pay business taxes (GÖKTAŞ & Polat, 2019).

Governments are also prepared policies related to fines and penalties to prevent illegal aspects of accommodation sharing. For example, inappropriate advertisement in New York can be charged fines from 1,000 dollars to 7,500 dollars (Chow, 2019). If any host fails to comply with regulations such as exceeding maximum days, the French government imposes fines individual hosts from 5,000 euros to 10,000 euros and the platforms from 12,500 euros to 50,000 euros (Heo, Blal, & Choi, 2019). However, without a proper legal basis, the municipal authority has no power to issue fines. Therefore, fines and penalties based on laws related to accommodation sharing can be a strict policy instrument to regulate the illegal aspects of accommodation sharing.

## 3. Policy Reaction based on Policy Process

This study investigates effects of positive and negative factors on the overall attitudes of individuals and how attitudes affect policy reactions. Attitudes can be driven by self-related concerns, while self-views may cause changes in their attitudes to align or deviate from positive and negative groups (Wood, 2000). This study explores the individuals' perception of policy necessity by applying the policy process. Various scholars study the process of policymaking. Lasswell (1971) formulates and includes

knowledge in the process. Anderson (2003) suggests the conceptual framework for each stage of the policy process from identifying problems and government agenda, preparing alternatives to solve the problem, adapting and implanting a policy, and evaluate the effects of the policies. Jones (1984) proposes eleven steps of the policymaking process and assumes that the changes of participants in the policy may need to start from the new policy. There are models for policymaking that attempt to generalize the policymaking process, while the policy making process is required to be modified to utilize in this study of accommodation sharing. This study applies the policy making procedure because accommodation sharing business is rapidly expanded and policies are required to secure hosts and guests, while some current laws have conflicts against accommodation sharing. By addressing policy making procedure, this study attempts to investigate how individuals perceive the necessity of policies and regulations in order to improve fair (Dyal-Chand, 2016) distributional values of sharing.

This study investigates individual perception and policy reactions by applying the concept of the policy making process because the sharing economy highlights the peer participation and individuals who should perceive the necessity of laws and regulations. This study demonstrates the proposed policy procedure (Figure 1) by asking perceptions of citizens on positive or negative factors, attitudes, perceived policy requirements, and expected effectiveness of policy instruments on accommodation sharing. The procedure of policymaking is required to investigate individual perceptions of policy reactions. The proposed model of this study starts by defining accommodation sharing as new distributional system. Individuals in this distributional system, recognize transactions of accommodation sharing with expected benefits and concerns. The perceived positive and negative attributes change the overall attitudes toward accommodation sharing. Based on the needs of policy, the government prepares various policy instruments such as direct government control, social and economic regulation, contracting, grant, insurance, tax, and others (Salamon, 2011). This study divides the instruments into two aspects, promoting and regulating policies.

### 3.1. Hypotheses Development

The design of this study is followed by the procedures of policymaking with two phases. Phase 1 focuses on identifying issues and policy reactions and examines how the proposed positive and negative aspects of accommodation sharing influence overall attitudes of individuals and how their attitudes influence the necessity of policy reaction (Figure 2). Phase 2 discusses established

policies and expected impacts and measures how the perceived effectiveness of policy instruments affects the trust-building. Phase 2 also examines the impact of trusts on willingness to use, the impact of willingness to use on potential growth and the impact on existing industries (Figure 3).

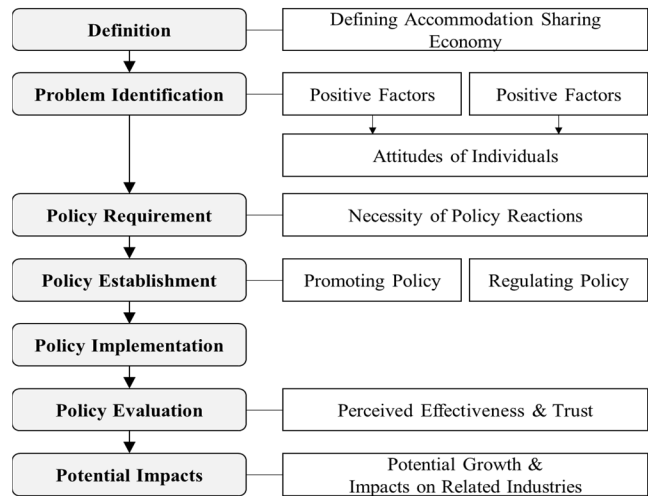


Figure 1: Proposed Policy Procedure for Accommodation Sharing (Modified from Anderson, 2003; Jones, 1984; Lasswell, 1971)

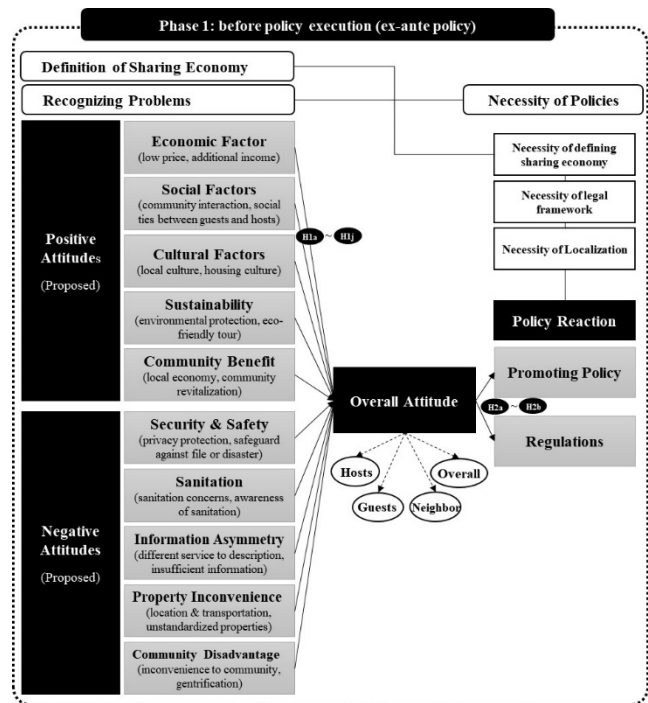


Figure 2: Framework for Relationship of Positive & Negative Factors, Attitudes, and Policies of Accommodation Sharing (OWN)

### 3.1.1. Phase 1: Perceptions before Policy Execution

Various studies attempt to measure how individuals have feelings or attitudes toward the sharing economy. Camilleri and Neuhofer (2017) stated that positive elements lead to value co-creation, but negative elements can cause co-destruction. This study includes both expected positive and negative factors to investigate overall attitudes of individuals toward accommodation sharing.

After reviewing previous studies, this study posits positive factors to affect the overall attitudes toward accommodation sharing following: (a) economic factors such as lower costs to hosts (Guttentag, Smith, Potwarka, & Havitz, 2018); (b) social factors for travelers to interact with local people and to tie socially among guests and hosts during their stays in online communities (Guttentag, Smith, Potwarka, & Havitz, 2018; Heinrichs, 2013; Coca-Stefaniak, Powell, Morrison, & Paulauskaite, 2019; Schor & Attwood-Charles, 2017); (c) cultural factors to provide unique experiences and enjoy housing culture in the local community (O'Regan & Choe, 2017; Tussyadiah & Pesonen, 2016); (d) sustainable factors to facilitate idle asset and strong perception of sustainability of sharing economy such as environmental protection and eco-friendly tours (Tussyadiah, 2016); (e) Community benefit to foster local economy and revitalize business in the communities (Birinci, Berezina, & Cobanoglu, 2018).

**H1a~e:** the proposed positive factors (economic, social, cultural, sustainable factors and community benefits) affect overall attitudes toward accommodation sharing.

This study also includes negative factors to affect the attitudes following: (f) security and safety such as privacy invasion, risks of violence, fire or disaster (Birinci, Berezina, & Cobanoglu, 2018; Schor, 2016); (g) sanitation related to the service quality of hospitality how guests concern hygiene and cleanliness (Bridges & Vásquez, 2018; Zemke, Neal, Shoemaker, & Kirsch, 2015); (h) information asymmetry due to lack of information or a discrepancy between the online explanation and actual service in terms of location, transportation, and other services (Ert, Fleischer, & Magen, 2015); (i) inconvenience of property attributes such as location, transportation and unstandardized hospitality to cause a discrepancy between product performance and the level of expectation (Birinci, Berezina, & Cobanoglu, 2018; Ki & Lee, 2019); (j) community disadvantage such as noise and traffic congestion and tourism led-gentrification due to rising rental fees in the community (Martín, Martínez, & Fernández, 2018; Wachsmuth & Weisler, 2018).

**H1f~j:** the proposed negative factors (security & safety, sanitation, information asymmetry, inconvenience of property, community disadvantages) affect overall attitudes toward accommodation sharing.

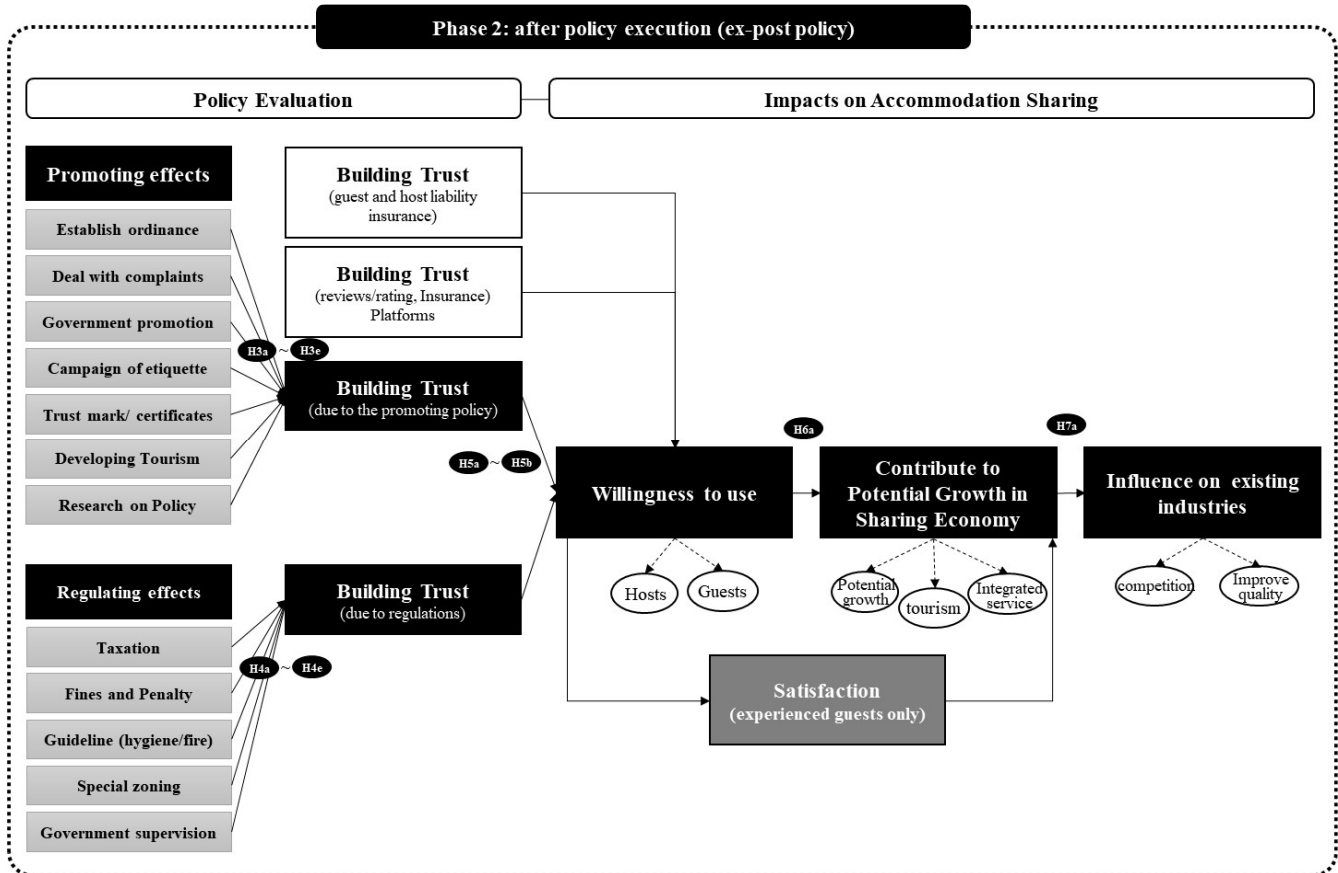
This study develops a hypothesis that attitudes toward accommodation sharing influence the perception of the necessity of policy reaction and the institution framework by controlling the risk factors and contribute to generate social benefit (Kim, 2017; Martín, Martínez, & Fernández, 2018). The public opinions based on individuals' perceptions motivate policy implementation to maximize the benefits of accommodation sharing and minimize harms to society.

**H2:** The attitudes affect the perceived necessity of policy reactions of accommodation sharing.

### 3.1.2. Phase 2: Expected Effects after Policy Execution

Phase 2 proposes how the effectiveness improves trust-building by the policy instruments. According to the classification of policy instruments, this study applies two categories including promotion and regulation. Phase 2 focuses on how policies might contribute to trust-building as trusts are the core of the key essence of sharing economy. Therefore, this study investigates which policy instruments are more effective to improve trust in accommodation sharing and how trusts improve the willingness to use. Further, this study continues to investigate the influence of accommodation sharing on the sharing economy and other existing industries (Figure 3).

The promoting policies include the following: (a) enacting a local ordinance to ensure the legal certainty and to provide guideline for promoting sharing economy and building confidence in participating in various types of sharing economy (Kim, 2017; Katz, 2015); (b) a dedicated team to deal with inquiries or reported public complaints and to decrease the risks of illegal transactions; (c) public relations to enhance better distributional value and benefits of accommodation sharing; (d) government campaign for hosts and guests' etiquettes to foster the manners of sharing and to decrease damages or conflicts; (e) trust marks or certificates by governments or accredited institutes to access reliable sharing services; (f) local government initiatives to improve reliability and accessibility for local tourism in both popular and unpopular areas; (g) implementing government policies based on data-driven research to improve performance evaluation index and support social and environmental impacts (Kim, 2017).



**Figure 3:** Framework for Relationship of Policies, Trust-Building and Impact of Accommodation Sharing (OWN)

**H3a~g:** The perceived effectiveness of promoting policies (ordinance, dedicated government team to control, publicizing, campaigns, trust marks, local tourism, research-based policy implementation) affects the trust-building of accommodation sharing.

The regulatory policies include the following: (a) tax policy with proper rate (Miller, 2015) for fair transactions; (b) fines and penalties to restrict illegal transaction of accommodation sharing such as unregistered accommodation sharing and excessive service operations beyond permitted day limits (Wachsmuth & Weisler, 2018; Williams & Horodnic, 2017); (c) complying safety guidelines to secure the consumer protection regarding health, safety and financial concerns and to guarantee a certain level of quality (Katz, 2015; Cohen & Sundararajan, 2015); (d) regulating areas that disrupt local residence; (e) government control for adequate safeguard (Katz, 2015).

**H4a~e:** The perceived effectiveness of regulatory policies (tax, fines & penalties, safety guidelines, regulating areas, and government controls) affects the trust-building of accommodation sharing.

Phase 2 also focuses on how policies might contribute to trust-building because trusts are the core of the key essence of sharing economy (Hawlitschek, Teubner, & Weinhardt, 2016). Trust is considered as the one of significant factors to foster better distributional value of the accommodation sharing. This study hypothesizes how the trust-building by government' promoting and regulating policies affects individuals' willingness to use accommodation sharing.

**H5a~b:** The trust-building by promoting/regulating policies affects the willingness to use accommodation sharing.

The sharing economy shows rapid growth and expects potential growth. Smith (2016) shows that 72% of Americans are willing to become potential consumers of sharing economy near the future. By considering the rapid growth, this study hypothesizes how the willingness to use accommodation sharing affects the expected market growth.

**H6:** The willingness to use affects the potential growth in accommodation sharing.



The sharing economy becomes competitive threats for existing industries by utilizing idle capacity and lowering transaction costs via online platforms (Henten & Windekilde, 2016; Kathan, Matzler, & Veider, 2016). Zervas, Proserpio, and Byers (2017) estimate that a 1% increase in Airbnb listings causes a 0.05% decrease in quarterly hostel revenues. This study hypothesizes the effects of growth of accommodation sharing on traditional hotel industries.

**H7:** The potential growth in accommodation sharing affects related existing industries.

### 3.2. Methodology

#### 3.2.1. Data Collection

This study collects the data via online survey in Korea in 2019. In Korea, the policies have not been established yet, therefore, the survey include questions on the perceived effectiveness of each policy instrument and the improvement of trusts. The types of questions are designed with five-point Likert scales from 1 (strongly disagree) to 5 (strongly agree). The survey questionnaire has been pre-tested twice with twenty individuals for each pre-test and wording, the scale of response, number of questions, and proper instruction were modified. The modified version of the survey has been randomly distributed online with the assistance of a well-known research company, Gallup, in Korea. The total number of observations is 415 responses. Table 1 summarizes demographic characteristics of respondents.

#### 3.2.2. Analytical Method

The study defines latent variables via confirmatory factor analysis of measurement models and examines causal relations with path analysis of the structural models. This study applies the structural equational modeling (SEM) including the conceptualization, path diagram, model specification, model estimation, evaluation of model fit, and model modification to interpretation (Bae, 2008; Hoyle, 1995). This study also applies a non-recursive model with multiple regression (Kline, 1998; McDonald & Ho, 2002). This study applies the multiple indicators of multiple cause models (MIMIC model, Lee, Cadogan, & Chamberlain, 2013) because the study requires to include both latent and observed variables in the path model. MIMIC model enables that multiple indicators reflect the underlying latent variables and factors.

**Table 1:** Demographic Characteristics of Respondents

	Characteristics	Number	%
<b>Gender</b>	Male	207	49.88
	Female	208	50.12
<b>Marriage</b>	Married	185	44.58
	Not married	230	55.42
<b>Age</b>	21~24 years old	32	7.71
	25~29 years old	59	14.22
	30~34 years old	44	10.6
	35~39 years old	56	13.49
	40~44 years old	47	11.33
	45~49 years old	56	13.49
	50~54 years old	51	12.29
	55~59 years old	45	10.84
<b>Education</b>	60~63 years old	25	6.02
	Middle school graduate or below	0	0
	High school graduate	68	16.39
	2-yr associated or enrolled	40	9.64
	Bachelor's degree or enrolled	259	62.41
	Master's degree or enrolled	39	9.4
<b>Income</b>	Ph.D. or enrolled	9	2.17
	Below KRW 10,000,000	24	5.78
	KRW 10 million ~ 20 million	24	5.78
	KRW 20 million ~ 30 million	44	10.6
	KRW 30 million ~ 40 million	65	15.66
	KRW 40 million ~ 50 million	60	14.46
	KRW 50 million ~ 60 million	61	14.7
	KRW 60 million ~ 70 million	47	11.33
<b>Occupation</b>	More or equal to KRW 70 million	90	21.69
	Agriculture, fishing, forestry	2	0.48
	Self-employed	31	7.47
	Sales/ service staff	25	6.02
	Skilled worker	10	2.41
	General work positions	9	2.17
	Office/ technical job	176	42.41
	Management	18	4.34
	Professional	30	7.23
	Housewife	49	11.81
	Student	32	7.71
	Unemployment	30	7.23
	Retire	1	0.24
Other	2	0.48	
<b>Total</b>		<b>415</b>	<b>100</b>

### 3.3. Data Analysis

#### 3.3.1. Analysis of Factors on Attitude and Policy (Phase 1)

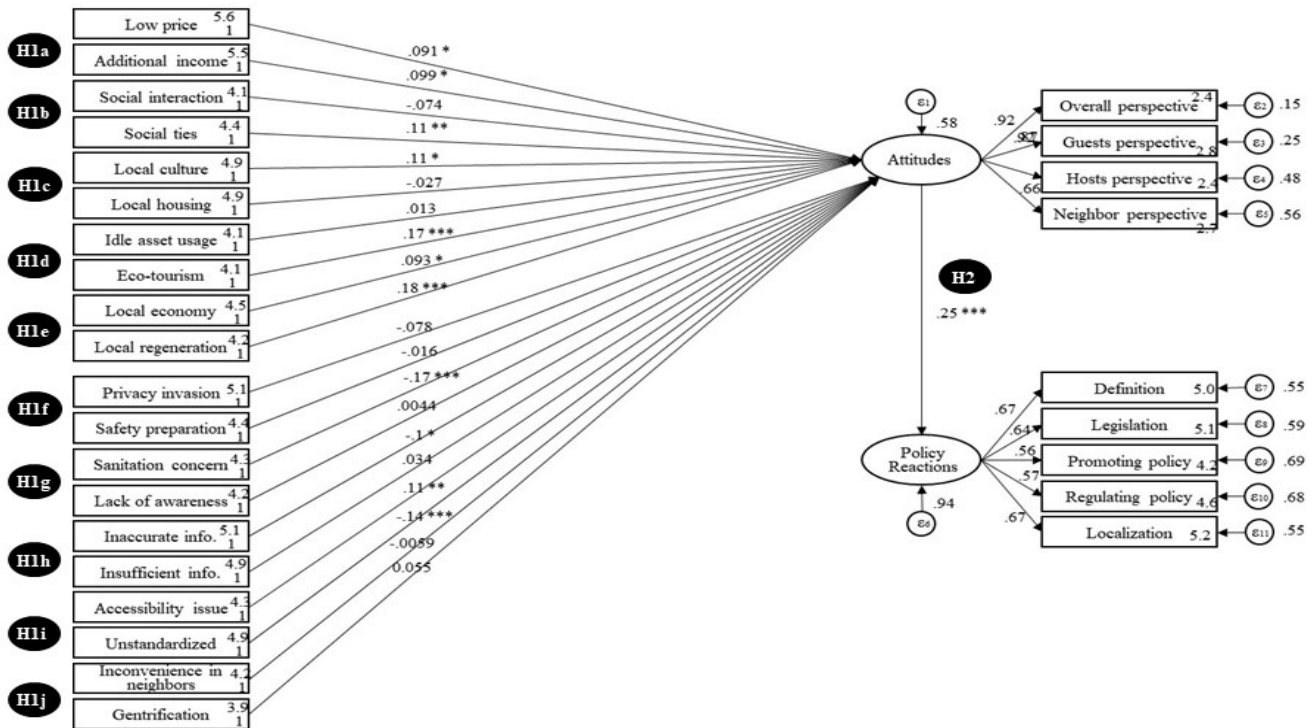


Figure 4: The Structural Equation Model and Estimates of Phase 1 (OWN)

Phase 1 includes five positive factors including economic, social, cultural, sustainable factors and community benefits, and another five negative factors including security and safety, sanitation, information asymmetry, inconvenience related to property, and community disadvantage. Each factor is measured by two variables. The model in Figure 4 provides a good model fit with RMSEA smaller than 0.08 ( $\chi^2(186)=565.464, P<0.01; RMSEA=0.070; CFI=0.800; TLI=0.767$ ).

As shown in Table 2, for economic factors (H1a), both perceived lower price and additional income significantly affect attitudes at  $\alpha=0.1$ . For social factors (H1b), the effect of social interaction with locals does not show significant, while the effect of social ties among guests and hosts shows positively significant at  $\alpha=0.05$ . For the cultural factor (H1c), local culture significantly affects attitudes at  $\alpha=0.1$ , while the effect of local housing culture on attitudes does not show significant. According to the sustainable factor (H1d), available eco-tourism significantly affects attitudes at  $\alpha=0.01$ , while the environmental protection due to the usage of idle assets does not significantly affect attitudes. The results show that community benefits in terms of the local economy (H1e) significantly affect attitudes at  $\alpha=0.1$ , and in terms of the community regeneration at  $\alpha=0.01$ , due to the increasing

number of floating populations by accommodation sharing in the residential areas. Among negative factors, safety and security factors (H1f) including effects of privacy invasion and lack of preparation for guests facing unexpected situations on attitudes do not show significantly. For sanitation (H1g), the concerns about sanitation affect attitudes at  $\alpha=0.01$ , while the effect of a different level of awareness of hygiene on attitudes is not significant. According to information asymmetry (H1h), the discrepancy of information affects attitude and is negatively significant at  $\alpha=0.1$ , while the amount of information provided to guests does not significantly affect. According to property factor (H1i), the perceived inconvenience of unstandardized properties to compare accommodation sharing with other accommodations significantly affect attitudes at  $\alpha=0.01$ , and the perceived inconvenience of accessibility to accommodations in residential areas positively affect the attitudes at  $\alpha=0.05$ . This study finds that the perceived community disadvantages (H1j) do not affect attitudes. This study also finds that the perceived attitudes toward accommodation sharing (H2) affect the perceived necessity of policy reactions at  $\alpha=0.01$ , after estimating the influence of positive and negative factors on attitudes toward accommodation sharing.



**Table 2:** The Summary of Structural and Measurement Model Estimates for Phase 1

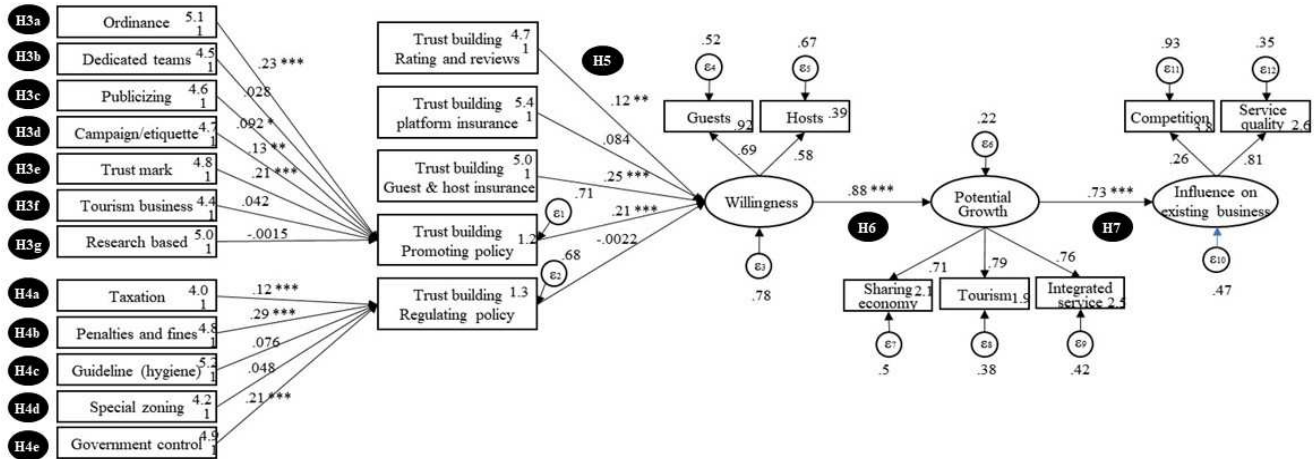
	Std.Coeff.	Std.Err	z-value	P-value	Sig.
<b>Structural Model Estimates</b>					
Lower price → Attitudes	0.091	0.054	1.69	0.090	*
Additional income → Attitudes	0.099	0.052	1.90	0.057	*
Social interact → Attitudes	-0.074	0.054	-1.37	0.170	
Social ties → Attitudes	0.114	0.055	2.08	0.038	**
Local Culture → Attitudes	0.108	0.056	1.92	0.054	*
Housing Culture → Attitudes	-0.027	0.053	-0.50	0.614	
Environmental protection → Attitudes	0.013	0.059	0.23	0.821	
Eco-friendly tourism → Attitudes	0.174	0.058	3.00	0.003	***
Local economy → Attitudes	0.093	0.053	1.74	0.081	*
Regeneration → Attitudes	0.176	0.053	3.30	0.001	***
Privacy invasion → Attitudes	-0.078	0.055	-1.43	0.152	
Lack of preparation → Attitudes	-0.016	0.050	-0.33	0.741	
Concern about hygiene → Attitudes	-0.167	0.061	-2.73	0.006	***
Insufficient awareness → Attitudes	0.004	0.058	0.08	0.940	
Different information → Attitudes	-0.103	0.059	-1.75	0.080	*
Insufficient information → Attitudes	0.034	0.059	0.59	0.558	
Accessibility → Attitudes	0.106	0.049	2.18	0.029	**
Unstandardized service → Attitudes	-0.140	0.051	-2.73	0.006	***
Inconvenience to neighborhood → Attitudes	-0.006	0.049	-0.12	0.903	
Gentrification → Attitudes	-0.055	0.047	-1.17	0.242	
Attitudes → Policy Reaction	0.253	0.057	4.43	0.000	***
<b>Measurement Model Estimates</b>					
Attitudes → Overall attitude	0.921	0.013	72.10	0.000	***
Attitudes → Guest attitude	0.867	0.015	56.13	0.000	***
Attitudes → Host attitude	0.724	0.026	28.21	0.000	***
Attitudes → Neighbor attitude	0.662	0.030	22.23	0.000	***
Policy Reactions → Necessity of definition	0.671	0.038	17.84	0.000	***
Policy Reactions → Necessity of legislation	0.644	0.039	16.70	0.000	***
Policy Reactions → Necessity of promoting policy	0.561	0.043	13.07	0.000	***
Policy Reactions → Necessity of regulating policy	0.566	0.042	13.44	0.000	***
Policy Reactions → Necessity of localized policy	0.667	0.038	17.71	0.000	***

Note:  $\chi^2(186) = 565.464, P < 0.01$ ; RMSEA = 0.070; CFI=0.800; TLI=0.767  
 \*\*\* Significant at 0.01 level      \*\* Significant at 0.05 level      \* Significant at 0.1 level

**3.3.2. Analysis of Policy Instruments on Trust-building and Business Growth (Phase 2)**

Phase 2 investigates the relationship between perceived effectiveness of policy instruments, trust-building,

willingness to use, potential growth in markets and the impact on existing business. The model in Figure 5 provides a good model fit with RMSEA smaller than 0.08 ( $\chi^2(145) = 489.543, P < 0.01$ ; RMSEA=0.076, CFI=0.775; TLI=0.734).



**Figure 5:** Structural Equation Model and Estimates of Phase 2 (OWN)

**Table 3:** Summary of Structural and Measurement Model Estimates of Phase 2

	Std.Coef.	Std.Err	z-value	P-value	Sig.
<b>Structural Model Estimates</b>					
Ordinance → Trust by promoting policy	0.226	0.049	4.59	0.000	***
Dedicated team → Trust by promoting policy	0.028	0.051	0.53	0.593	
Publicizing → Trust by promoting policy	0.092	0.051	1.78	0.075	*
Public campaign → Trust by promoting policy	0.132	0.052	2.52	0.012	**
Trust mark → Trust by promoting policy	0.214	0.050	4.27	0.000	***
Tour business → Trust by promoting policy	0.042	0.052	0.82	0.415	
Based on research → Trust by promoting policy	-0.002	0.054	-0.03	0.977	
Taxation → Trust by regulating policy	0.122	0.046	2.64	0.008	***
Penalty → Trust by regulating policy	0.293	0.051	5.79	0.000	***
Guidelines → Trust by regulating policy	0.076	0.052	1.47	0.143	
Special zoning → Trust by regulating policy	0.048	0.045	1.07	0.286	
Government controls → Trust by regulating policy	0.209	0.050	4.17	0.000	***
Trust by promoting policy → Willingness	0.209	0.061	3.45	0.001	***
Trust by regulating policy → Willingness	-0.002	0.062	-0.04	0.972	
Trust by reviews and rating system → Willingness	0.125	0.056	2.23	0.025	**
Trust by platform insurance → Willingness	0.084	0.066	1.26	0.206	
Trust by guests & hosts' insurance → Willingness	0.252	0.064	3.93	0.000	***
Willingness → Potential Growth	0.883	0.054	16.42	0.000	***
Potential Growth → Existing business	0.729	0.095	7.66	0.000	***
<b>Measurement Model Estimates</b>					
Willingness → Willingness to be guests	0.690	0.050	13.75	0.000	***
Willingness → Willingness to be hosts	0.576	0.051	11.32	0.000	***
Potential Growth → Sharing economy	0.709	0.030	23.75	0.000	***
Potential Growth → Tourism	0.789	0.025	31.22	0.000	***
Potential Growth → Integrated service	0.763	0.027	28.52	0.000	***
Existing business → Competition	0.256	0.055	4.64	0.000	***
Existing business → Service quality	0.809	0.102	7.91	0.000	***

Note:  $\chi^2(145) = 489.543$ ,  $P < 0.01$ ; RMSEA = 0.076; CFI=0.775; TLI=0.734

\*\*\* Significant at 0.01 level

\*\* Significant at 0.05 level

\* Significant at 0.1 level

As shown in Table 3, promoting policies significantly affect trust-building with ordinance (H3a) at  $\alpha=0.01$ , publicizing (H3c) at  $\alpha=0.05$ , public campaign (H3d) at  $\alpha=0.05$  and trust mark (H3e) at  $\alpha=0.01$ . How people perceive having a dedicated team (H3b) does not significantly improve trust in accommodation sharing, while there are needs of teams that would help stabilize legal transactions and help guests use easily accommodation sharing by clarifying inquiries or compromising upon complaints from the neighbors. The government initiatives of developing tourism in unpopular areas (H3f) do not affect trust-building. The study also finds that the policies based on research (H3g) do not affect trust-building. Therefore, how people perceive the necessity of localization and the localized policies should be established by considering the local situations. Among regulating policies, taxation (H4a), penalties (H4b) and government controls (H4e) significantly affect trust in accommodation sharing at  $\alpha=0.01$ , while preparing guidelines for sanitation, firefighting, and other risks (H4c) and special zoning policies (H4d) do not affect trust-building. The study shows the trusts by promoting policies (H5a) and the trusts by guests' and hosts' insurance

significantly affect the willingness to use at  $\alpha = 0.01$ , and the trusts by reviews and rating system affect the willingness at  $\alpha=0.05$ . The trust-building from regulating policies (H5b) and insurance provided by the platform do not significantly affect the willingness. This study finds that the willingness to use accommodation sharing affects potential growth (H6) in sharing economy and tourism industries with integrated services, at  $\alpha=0.01$ . The growth also affects the existing market (H7) to cause more competition but change the service quality, at  $\alpha=0.01$ .

### 3.3.3. Conclusion

This study highlights that people tend to have positive attitudes and are willing to use at accommodation sharing to foster distributional value of platform economy. This study investigates how the positive and negative factors of accommodation sharing influence individuals' attitudes and perceived necessities of policy reactions to improve trusts and potential growth of accommodation sharing. The result implies that individuals with positive attitudes require more policy reaction to promote legal transactions and prevent illegal accommodation sharing based on local context for

better establishment of platform distribution system. This study provides implications for better understandings of individuals' needs and necessity of policy preparation of accommodation sharing how the government should prepare rules and regulations to react fast growing distributional platform economy.

This study finds that people have positive attitudes because accommodation sharing provides economic benefits for low price for guests and additional incomes for hosts, social ties between hosts and guests, the experience of local culture, available eco-friendly tourism, and community benefits such as fostering local economy and regenerating community. However, the factors such as satiation concerns, inaccurate information and unstandardized properties and services negatively affect attitudes toward accommodation sharing. The attitudes significantly affect the individuals' perceived necessity of policy reactions to improve trusts including both promoting policies such as publicizing, campaigns, and trust mark; and regulations such as government controls, taxation, penalties, and fines. However, people perceive that effective government regulations are necessary to improve trust in using accommodation sharing, while such regulations should be promoted to hosts, guests, and platforms with guidelines for the better established distributional platform economy in a society. This study also finds that promoting policies improve trust and increase willingness to participate in accommodation sharing, while regulating policies improve trust in accommodation sharing but no significant impact on the willingness to participate in accommodation sharing. By building trusts, people are willing to use accommodation sharing and the willingness affects the sharing economy and tourism industries with integrated distributional services in various fields.

This study provides policy implications of platform distribution system for local policies to foster the reliability to use, to prevent legal risk associated with security and safety, and reduce adverse effects in communities. The government should prepare a strategic approach with both promoting and regulating policies. In particular, accommodation sharing delivers global distributional value services between both foreign and domestic guests and local hosts to increase accessibility and distributional value of goods and services via platforms. Therefore, platforms should adopt and follow the laws and regulations in each country and community, while government should prepare a legal and administrative background by building up cooperative systems with platform providers. According to the managerial perspective, accommodation sharing contributes to sustainable tourism and local economy. Sharing economy can integrate with various sharing activities and provide convenient connectivity services with mobile devices, such as customized bundling services on

demand. The sharing economy has potential by collaborating with local small businesses and generating employment in communities. While there are potential opportunities, future study will explore the impact of COVID19 on distribution through platform, particularly on accommodation sharing.

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