

THE DARK SIDE OF THE BUSINESS TO CUSTOMER RELATIONSHIP

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ABSTRACT

The platform/ digital accommodation sector has initiated immense organisational disjuncture worldwide, and one of its drivers in the tourism industry, short-term rental, in relation to Airbnb appears to promote organisational and legislative discord. Accordingly, we utilize text and content analysis to build a corresponding argument that uses empirical data drawn from Twitter between 2017 and 2020. Our findings demonstrate that legislation for micro-entrepreneurs is incongruent. Further, price hikes and non-availability of longer-stay accommodation, unruly behaviour of guests, noise pollution, higher emission of carbon and tax evasion, constitute the dark side of Airbnb's. The impact of Airbnb is shown to be contextual (location-based), where Airbnb laws should reflect this diversification. We suggest that guests require more extensive choices for platform accommodation in terms of cost, quality, comfort and health checks; thus, we propose a smart regulatory framework for the governance of the sector.

Keywords: Airbnb, Dark side, Digital Economy, Disruptive Innovation, Regulation.

INTRODUCTION

Tourism is one of many industries where business-to-customer (B2C) relationships have generated significant concerns (Guttentag, 2015), mainly occurring in relation to platform accommodation, such as Airbnb. Airbnb has become a major global player amongst platform accommodation providers, where its growth has been exponential (Figure 1), fueled by increases in technological adoption and usage. Data on age distribution demonstrates that younger people between 20 and 50 utilize this service the most (Figure 2).

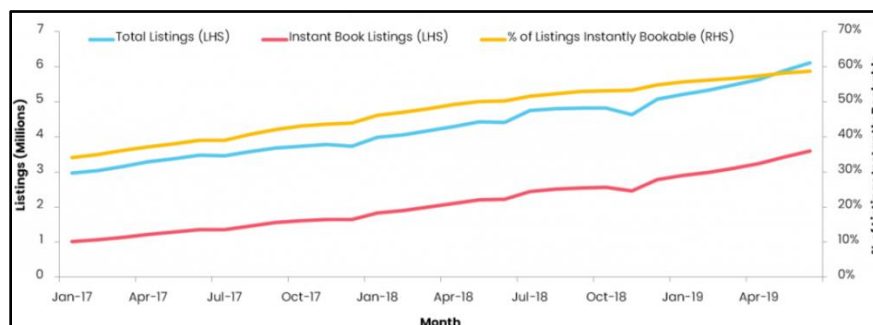


FIGURE 1
AIRBNB: GLOBAL LISTING COUNT

Source: AllTheRooms (2020)

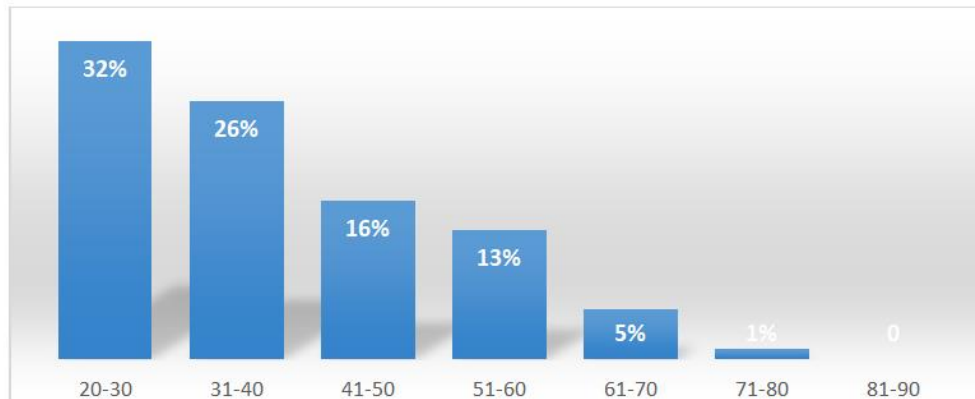


FIGURE 2
AIRBNB AGE DISTRIBUTION OF GUESTS

Source: AllTheRooms (2020).

Airbnb is a disruptive innovation brand (Cortez, 2014) that emerged in 2008 (Dolnicar & Zare, 2020). The platform has transformed business-to-customer relationships in the tourist accommodation sector with far-reaching consequences impacting the real estate sector and the housing market (MadeComfy, 2020; Reuters, 2018).

There is limited literature on the complexity of regulating the platform accommodation sector, with particular emphasis on how to regulate Airbnb “*dark side*”. To date, the operation of Airbnb requires more clarification, confusion as to Airbnb role in the platform accommodation has resulted in several litigations (Carville et al., 2020).

For instance, some of the main manifestations of litigation in America and some parts of Europe relates to Airbnb's provision of a register its hosts, issues of irresponsible guests and poor hosting, noise pollution, inflation and a rise in real estate for longer-stay accommodation, the difficulty in renting longer-stay accommodation, especially in a popular tourist destination and claims of culpability for illegal listings (AFP, 2018).

Over the years, particularly in America, the Airbnb platform has fought to recuse itself from claiming culpability in San Francisco, Los Angeles, Berlin, Barcelona and New York City (AFP, 2018; Carville et al., 2020). Airbnb contends that it merely provides a platform for communication between guests and the homeowners, and cannot be held culpable for any wrongdoing of either hosts or guests. Lawson et al (2016), argue that the novelty of Airbnb and other platform providers is that their business models lack both ownership and co-creation structures.

Issues of co-creation and ownership have remained problematic in the discourse of Airbnb operation (Espinosa, 2016; Ramaswamy & Ozcan, 2014); (Ramaswamy, 2018). The objective of this study is threefold:

1. To explore the regulatory complexities of the platform accommodation sector,
2. To assess the dark side of Airbnb, and
3. To proffer a policy alternative for regulating the platform accommodation sector.

The paper contributes to a dearth of literature on the darkside of Airbnb and advances the use of tweets and hashtags to demonstrate why Airbnb may flounder. Globally, scholars and practitioners have used varying terms to describe Airbnb including those of sharing economy (Belk, 2007, 2014; Schor, 2016), collaborative consumption (Botsman & Rogers, 2010), and disruptive innovation (Cortez, 2014; Guttentag, 2015). In this study, we delve into the literature relating to both terms of the digital economy and disruptive innovation, exploring the darkside of Airbnb and its trickle-down effect. The analysis of the paper was presented concerning hashtags from twitter. Following this, the paper proposes a policy alternative in place of the limitation and prohibition clauses. Before detailing the specifications for the proposed smart regulatory perspective, we must begin by outlining a deeper reflection of the digital economy and disruptive innovation.

LITERATURE REVIEW

Regulating platform providers in the digital economy is a global challenge, primarily due to the multidimensional nature of the problem. Although this sector and its ways of conducting business have many advantages, which explain its increasing popularity, it also presents many challenges.

Digital Economy and Disruptive Innovation

The digital economy has arguably shifted the attention and orientation of business practices around the globe. The focus of digital economy in economic perspective relates to the use and allocation of scarce and valuable resources while expanding economic wealth and increasing the well-being of innovators. Disruptive innovations can use machine learning, artificial intelligence or robotics to amplify its outcomes. For instance, Airbnb, as a disruptive innovation, uses artificial intelligence (AI) to develop adequate capacity in the provision of accommodation services. Without artificial intelligence, Airbnb would not be able to function. Artificial intelligence encompasses all smart technologies, where it learns from its digital environment (Siebecker, 2019). Smart technologies may include virtual imaging, smartphones, iPads, computers and other digital gadgets, Google and Apple Maps, and the Internet. Without artificial intelligence, most businesses would be limited to the local domains, where expanses in destination area would have to occur through referral, re visitation or recommendation.

The discourse of disruptive innovation is broad; Christensen (1997) proposes three hypotheses for disruptive innovation.

1. The first deals with “*a disruptive innovation reach the point where it can satisfy the least demanding customers; least demanding customers drop the established, higher-performing option based on other factors (cost, convenience, etc.) (Christensen, 1997).*”
2. The second “*established (that) product exceeds the needs of the most demanding customers; sustaining innovations now fuel performance oversupply.*”
3. The third argues that “*disruptive innovation meets the level of performance required by the most demanding customers; those customers drop the established option based on other factors¹ (Jester, 2006)ⁿ.*”

According to Christensen (2015), there is a relationship between technology adoption and an increase in productivity. Nonetheless, King and Baatartogtokh (2015) have empirically contested these assertions proposed by Christensen (1997).

They pointed out that disruptive firms would continually grow as long as it remains continually disruptive (King & Baatartogtokh, 2015).

Although Christensen (1997) was essentially credited for the proposition on disruptive and sustaining innovation, which has influenced management and business research, it is also important to note that several scholars have contributed to the philosophy from a multidimensional angle. For instance, Dogru et al (2019) quantify Airbnb performance compared to hotels in 10 states in the USA. One finding of this study directly demonstrates how Airbnb a disruptive innovation firm has adversely impacted hotel industries in 49 states of the United States of America. Some studies also show how finances generated by Airbnb are also reinjected into the local community in which they operate. Similarly, Guttentag (2015) has demonstrated how issues of legality have continually threatened the growth of Airbnb, despite results showing that Airbnb does not have an impact on Hotels. The confusion whether Airbnb impacts on Hotels Average Daily Rate, Seasonality, Occupancy and Revenue in all cases requires further investigation, thus, legislations appear to lag in the new economy.

Disruptive business initiatives appear to outpace relevant legislation, a generalization of the law in a community or region appears to be complicated. A finding from Magno et al (2018) demonstrates a relationship between price, host experiences and market demand and supply. Paap & Katz (2016); Radjou et al., (2012) have applied disruptive innovation in an organizational context to demonstrate the dual hyper-competitiveness and paradoxical conundrum associated with effective functioning for both today and tomorrow.

The nuances of Airbnb may limit the inability of a disruptive firm such as Airbnb to grow. The dark side of Airbnb leads to adverse perceptions that tourists and governments may have about the platform provider. From a policy perspective, it is crucial to understand how different policies affect both the performance of Airbnb and the complex nature of regulating Airbnb.

There are three previously mentioned ways of regulating Airbnb namely: prohibition, laissez-faire and limitation (Guttentag, 2015; Jefferson-Jones, 2014; Nieuwland & Van Melik, 2020), all of which possess different impacts. The prohibition has an adverse economic implication or can stop the introduction of new entrants to the sector. In comparison, limitation policy does not permit the platform accommodation sector to reach equilibrium. However, not regulating the sector, as implied in the laissez-faire approach, is not a viable, option when considering impending challenges of homelessness, over tourism, overcrowding and social distancing (Williams, 2020).

Research into Airbnb has identified specific darkside effects based on the platform's complexity as traditional law enforcement practices are unable to keep up with disruptive innovative practices and the digital economy. Monitoring, enforcement and regulation of the brand from an environment or sustainability (Gurran & Phibbs, 2017), social and trustworthiness (Ert et al., 2016), technical (Crommelin et al., 2018; Volgger, et al. 2018), political and economic viewpoint (Guttentag et al., 2017) appears to be too complicated for traditional models of law enforcement or evades conventional regulatory processes (Lieber, 2012; Richards, et al. 2019).

Other problems such as credit card fraud, noise pollution, insecurity, littering and disruptive tourist behavior towards locals and their culture are elements that require Airbnb regulation (Bivens, 2019; Henriques-Gomes, 2018; Kaplan & Nadler, 2015). Further, many hosts appear to have been blindsided by the COVID-19 disease pandemic, where the provider began cancelling guest stays without the knowledge of hosts and retained booking fees. It was not until

March 13 that the firm provided a 25% refund of booking fees for March 13 to 31, 2020 (SBS News, 2020).

The Multifaceted Implication of the Dark side of Airbnb

We outline and discuss some of the dark sides of platform accommodation providers, using a study of Airbnb to problematize three viewpoints related to business sustainability namely, the economic and technological side of the exchange, and regulatory arrangements.

From a sustainable tourism perspective, the foundation of innovative design is to articulate means through which services can be reusable and recycled (Witell et al., 2017). The service of platform providers becomes part of a sharing economy, which allows for more efficient use of resources. Belk (2007, 2014) and Schor (2016) argue that Airbnb is instrumental for stimulating recycling and reuse of vacant housing space by renting rooms which would have otherwise been dormant for economic activity. Studies also identify how Airbnb increases the opportunities in regional areas for wealth redistribution (Sans & Quaglieri, 2016), increases the financial situation of homeowners (O'Regan & Choe, 2017), in addition to promoting sustainable consumption (Bachnik, 2016). Further, research (Richards et al., 2019) suggests that a rise in the number of stays on Airbnb increases tourist influx, which may lead to unfavorable tourism balance and over tourism.

From an economic and technical perspective, Airbnb has grown far beyond its early economic projections (figure 1) (O'Rourke, 2019), where its expansion and accessibility in advancing digital platforms have been massive (Jamasi & Hennessy, 2016), it is usually attributed to the usage and penetration of the Internet (Chaffey, 2019). Other technological advances, such as mobile phones and social media, have also shown to contribute to the upside of digital accommodation platforms. According to Internet World Stats (2019) between 2016 and 2018, users of the Internet increased by 7%, social media users increased by 13%, and mobile phone users increased by 4% globally (Internet World Stats, 2019), thereby creating opportunities for Short-Stay Accommodation (SSA) such as Airbnb to flourish (Chaffey, 2019). Accordingly, increased accessibility to social media and mobile phones may induce purchases in the sharing economy in general and lead to longer-stays on Airbnb Listings in particular. Lamberton & Rose (2012) have argued that growth in the sharing economy is a consequence of emerging use of social media (Galbreth et al., 2012), which may have an adverse effect from a technological perspective. For instance, system failure or phone blackout constitutes a potential threat to a guest who has booked a stay on Airbnb. Additionally, issues surrounding Apple and Google Map malfunctions may create difficulty for tourists/ guests to locate their destination address (Cohan, 2012) and could also be linked to internet fraud (Lampinen & Cheshire, 2016).

From a regulatory perspective, this study examines three main approaches to platform providers and accommodation use— laissez-faire, limitation and prohibition (Guttentag, 2015; Jefferson-Jones, 2014; Nieuwland & Van Melik, 2020). The laissez-faire approach to regulation of accommodation allows for a free market to determine the factors of usage of the platform and accommodation, where there is little regulation apart from conventional planning laws and local government regulations for noise and safety. The limitation approach provides restraints to the utilization of accommodation on the platform. The issue is that this aspect may inhibit the ability of accommodation providers in the platform market from the full commercial use of their property. For instance, in New South Wales, Australia, digital accommodation platforms are not allowed to rent their accommodation in Greater Sydney for more than 180 nights in a year, while outside the Greater Sydney area, there are no limitations on the number of nights. This approach

in Sydney demonstrates a mixture of laissez-faire and limitation approaches that are dependent on demand for accommodation and targeting of less popular tourist regions for economic development (NSW Government, 2018). Prohibition involves a complete restriction of operations on an accommodation platform. However, these regulations have produced litigation in different countries (Del Valle, 2019). Airbnb has become the most litigious platform accommodation provider, as the company seeks to protect millions of its listings while awaiting clarity of legal status as a platform for accommodation services in the tourism sector.

In Victoria, Australia, there are several litigations regarding subletting of apartments, as shown in the case of *Swan v Uecker*. The cases *Dobrohotoff v Bennic* ('Dobrohotoff')² and *Genco v Salter* ('Genco')³ refer to land-use planning legislation and the improper distinction between formal and informal tourism accommodation sectors (Zale, 2016). Further, the *Owners Corporation PS 501391P v Balcombe* about the same Dockland apartment as in the case of *Genco* (Ritchie & Grigg, 2019), involved an attempt by the Owner Corporation to prevent a respondent from engaging in short-term rental based on strata corporation legislation. In the United States of America, there has been much more litigation to prohibit platform providers from offering accommodation (Figures 3 and Figure 4). These figures demonstrate that whilst most of Airbnb's closed cases were in 2018, most of its open cases took effect in 2017.

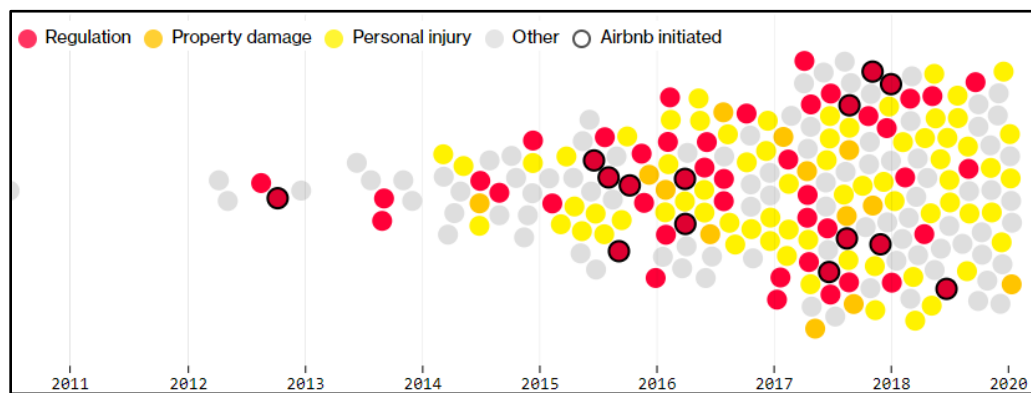


FIGURE 3
AIRBNB LEGAL CHALLENGES RAMP UP IN AMERICA

Source: Carville et al. (2020)

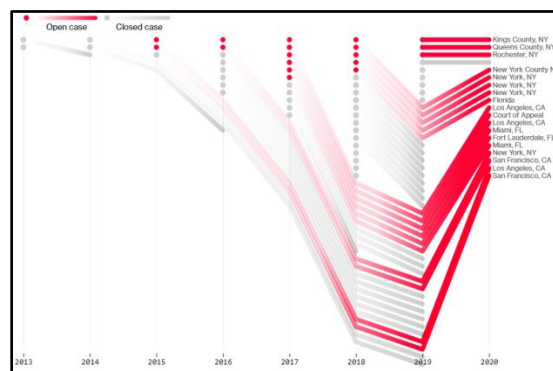


FIGURE 4
REGULATORY DISPUTES AIRBNB IN THE USA

Source: Carville et al. (2020)

Based on the complex and multifaceted challenges in addressing the dark side of business to customer relationships, a regulatory perspective in analyzing Airbnb is irrefutable.

METHODOLOGY

In this paper we adopt a qualitative paradigm to explore a unique perspective of the factors involved in regulating Airbnb and assessing the dark side of Airbnb operations, where we proffer a new way forward. The research design is exploratory as much is unknown about the dark side of B2C relationship within Airbnb.

Several methods for understanding the governance of business regulations exist. However, we have deployed a specific narrow-intelligence to help understand users concerns regarding the platform and their impact on the community, the host and the guest. This study uses text analysis from Twitter hashtags, such as #NoAirbnb, #AirbnbSucks, #AirbnbHell and #AirBnBHelp between 2017 and 2020 to gather data. Twitter serves as a convenient vehicle for gathering data, one that provides ease of gathering opinions and sentiments. Hashtags are symbols '#' that appear before content and can be used for tracing a particular subject. Hashtags are used as an integral part for developing content on a subject matter on Twitter and other social media services by compiling discussions into themes based on the nature of comments. Twitter is helpful for conceptual clarification, information disbursement and political polls because this instrument is well established, particularly in developed countries with higher penetration rates and technological access. The platform uses microblogs to permit users to post 240 characters as 'Tweets'.

The choice of these hashtags: #NoAirbnb, #AirbnbSucks, #AirbnbHell and #AirBnBHelp is based on the proposition that they assist in generating information about the dark side of Airbnb around the world, thus incorporating respondents from different cultural backgrounds. The respondents in this study comprised of hosts, guests, Airbnb and neighbors. The tweets from these hashtags usually come from people who have had experiences with Airbnb. The hashtags provided evidence of the dark side of Airbnb all over the world. Therefore, the data presented in this paper is global, and all tweets from the four hashtags were collected except those that were not in the English language (Table 1).

Variables	#NoAirbnb	#AirbnbSucks	#AirbnbHell	#AirBnBHelp
Finance/ Market	@redrumlisa When your 'holiday/experience' means you are responsible for homelessness. F*** stop it. #noairbnb Barcelona Airbnb host 'manages rentals worth £33,000 a day.' @Antonijan #SFVote Yes on F #NoAirbnb + SoFi: The Financial Benefits of Hosting	@PreserveOville #Miami is shuttering commercial lodging - hotels, motels, short-term rentals like @Airbnb in light of #coronavirus. p.s. raise your hand if you have confidence that #Airbnb hosts use medical-grade disinfectants. #CapeCod	@davidgoliath 88 Replying to @AirbnbHostClass @Airbnb and @bchesky Today I'm up to \$17,400 worth of fully refunded cancellations, unapproved by me and imposed illegally by Airbnb. My partner is one of Australia's top Barristers, and we'd like to be part of this class action, so please let me know how we can proceed. #airbnbhell	@bb_lemons @ShieldVoC and @AirbnbHelp Thanks, that was good to hear. However, I started sweet and sympathetic, and it did no good. #airbnb still has all of my money. #airbnbhelp @jillianyuen Hey @Airbnb

			<p>@LillyStacadow My next book. Title: How to lose all of your savings in Paris without leaving your apartment Subtitle: A firsthand account of #airnbhell</p>	<p>@AirbnbHelp My friends and I are looking to get a full refund for an upcoming booking in Vancouver that we made earlier, because of the #coronavirus pandemic, and the host is not helpful. What can you do to help us sort this out? #Covid-19 #airnbhelp</p> <p>@ManaReuters #airnbhelp You reached out to scores of tweets around March 15 telling guests with refund questions that you will DM them but can you please, one week later, now post a public status update about refunds for people who cancelled just before the revised refund policy? #Airbnb</p> <p>@AirbnbHelp #airnbhelp I DID cancel my travel for within those dates because I had bronchitis and I am a good patient by self-isolating on doctor's orders, but you STILL didn't issue my full refund and despite my sharing my Dr's notes with you. Are you incentivizing travel while sick?</p> <p>@LaurenBaileyD @Airbnb @AirbnbHelp PLEASE give me a FULL refund for my honeymoon that will</p>
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				<p>never happen. I saved so long and hard for this. My host is choosing to ignore my refund request. #airbnb #COVID—19 #airnbhelp</p> <p>@Soozieqk @Airbnb @AirbnbHelp #airnbhelp #airnbshame so this is a screenshot of me repeatedly asking for a refund #COVID-19US #StayAtHome</p>
<p>Service & Government</p>	<p>@KNFLosAngeles Airbnb exacerbates income inequality, benefits white hosts who own homes in predominantly black and Hispanic.</p>	<p>@newfielife Replying to @abigailontour and @AnnastaciaMP Yeah everyone around me has house parties, and there are 15 plus people. Bookings for large holiday houses are eight plus people start this weekend, how is that a shutdown? All holiday houses and Airbnb's need to be shut down in SEQ!!!! #Coronavind-19 #COVIDIOTS</p> <p>@VeniceOverheard No!! A company which destroys neighbourhoods and has helped many people lose homes should not get a single dime. #SuckItUp #AirBnbSucks</p> <p>@fromstacia Let them tank. #airnbsucks #homesnohotels #neighborsnotstangers They've hurt more than just neighbourhoods. □@bchesky□ Let Karma do her work-</p>	<p>@Scobesfoto Ahhh Friday. Welcome to your holiday village, lovely trolley-case visitors. Looking forward to your noisy discussions about the key safe location and late-night knocks at the door when you can't find your keys, loud phone chatter & smoking outside my bedroom window, etc. #airnbhell</p> <p>@AirbnbHell This is one of the best #AirbnbHell stories of #airbnb negligence we've ever seen!</p> <p>@3918_8th_Street more irresponsible behaviour.</p>	<p>@ManaReuters Airbnb refused to issue a full refund for my stay in Berlin from March 16-April 12 despite its revised refund policy covering precisely those dates because I cancelled a couple of days BEFORE it went into effect #Airbnb #airnbhelp #Airbnbrefund #coronavirus #COVID-19</p> <p>@ketch 832 Thank you to #airnbhelp for applying penalties for cancelling reservation because of #COVID—19, this is how you support your host?</p>

<p>Airbnb and Host</p>	<p>@prokchorp on Saturday mornings, the 7th ward is full of wads of young white tourists who are visibly uncomfortable that their Airbnb is located in a Black neighbourhood</p> <p>Using Dub bottle for a photo prop. #noairbnb</p> <p>@logemann</p> <p>#airbnb is an unethical business when it will scale big time. Destroys living space in big cities and circumvent tax income. #noairbnb</p>	<p>@portoledo Replying to @Airbnb When @Airbnb fought local governments to legalize their business model, they paraded hosts as "<i>little guys</i>" for whom short-term rental was a lifeline. Now when its IPO is on the line, Airbnb throws "<i>the little guys</i>" under the bus.</p> <p>@VeniceOverheard No!! A company which destroys neighbourhoods and has helped many people lose homes should not get a single dime. #SuckItUp #AirBnbSucks</p>	<p>@AirbnbHell This is one of the best #AirbnbHell stories of #airbnb negligence we've ever seen!</p> <p>@AirbnbHell Bad Airbnb Service for Family in Slovenia</p> <p>Bad Airbnb Service for Family in Slovenia - Airbnb Hell Probably the first Airbnb Hell submission we've had from Slovenia, but why should the location make a difference in the lack of service? airbnbhell.com</p> <p>@AirbnbHell Stood up out in Arctic Sweden by Airbnb Host</p>	<p>@ketch 832 Thank you to #airbnbhelp for applying penalties for cancelling reservation because of #COVID—19, this is how you support your host?</p> <p>@ManaReuters #airbnbhelp You reached out to scores of tweets around March 15 telling guests with refund questions that you will DM them but can you please, one week later, now post a public status update about refunds for people who cancelled just before the revised refund policy? #Airbnb</p>
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Source: Twitter (2020)

DISCUSSION

Unruly guest behaviors, high emission of carbon, tax evasion, price hikes in real estate and issues related to price affordability have all been shown in the data in regard to popular destination areas. Further, the non-availability of longer-stay accommodation has led to the implementation of prohibition or/and limitation clauses on Airbnb properties (Reuters, 2018). Similarly, @VeniceOverheard in SuckItUp, #AirBnbSucks, @AirbnbHell, #airbnbhell #customersuccess, #customerservice and #epicfail demonstrate the adverse effects of Airbnb, with @redrumlisa identifying a link between Airbnb listings and homelessness. These tweets reinforced the relationship between a higher demand for Airbnb stays and increased costs of longer-stay rentals (Bleby, 2018; Reuters, 2018). In emphasizing this resolve, @VeniceOverheard and @KNFLosAngeles have argued that Airbnb operations destroy local neighbourhoods, threatens real estate and causes temporary or permanent homelessness for those that are in distressed need for longer-stay accommodation.

Further complicated issues are the Airbnb feedback loop, which makes it difficult for consumers to report dissatisfaction to the firm. As @logemann in #airbnb suggests, the unethical business practices of the firm make it impossible to report a host or guest. This has resulted in local market saturation (@logemann), poorly behaved hosts and guests, and a call for a reorganization of Airbnb's strategic framework (@3918_8th_Street). In congruence to (@3918_8th_Street), a submission on #noairbnb stipulated that Airbnb has an adverse impact on urban housing markets and destroys living spaces in big cities while simultaneously avoiding tax (@KNFLosAngeles). Both urban market disruption and gentrification in rural areas for tourism

have appeared to cause property prices and values to spike, making housing affordability difficult. Accordingly, @logemann has argued that Airbnb may have heightened inequality gaps and poverty rates, particularly in popular destination areas

Following @3918_8th_Street who documents irresponsible guest behaviours and a poor leadership team at @Airbnb, @KNFLosAngeles affirms that the company exacerbates income inequality and appears to benefit investors who are mainly Caucasian, in predominantly Black and Hispanic localities in the United States of America. A tweet by @newfielife, replying to @abigailontour and @AnnastaciaMP, argues that Airbnb hosts house parties that consistently cause noise pollution and overcrowding even during a pandemic period, advocating for a shutdown of all Airbnb listings during COVID-19.

Most tweets extracted from the various feeds related to refunds and health assurances during COVID-19 (@AirbnbHell and @ManaReuters). Further, the study showed that issues concerning refunds only became problematic during the Coronavirus pandemic as a direct result of lockdowns, social distancing and quarantine (Egbe & Ngobese, 2020). Whilst these measures sought to flatten the curve of the disease, and they caused severe issues related to cancellations for hundreds and thousands of Airbnb hosts.

The Way Forward

The traditional nomenclature of regulation is between the regulator (R) and the target of the regulation (T) (Abbott et al., 2017). However, with this T in digital commerce acting as a platform provider rather than a content provider, legislation governing Airbnb must cover both the platform and content provider industry. Thus, introducing other competing actors is imperative in advancing tourism development, tourism accommodation and digital platforms such as Airbnb. One of these actors is the host (H), where the environment and the community must be maintained to ensure tourists and their revisits.

This study borrows and expands upon Kourula et al (2019) framework and an argument from Abbott et al. (2017) to develop a conceptual model for Airbnb (Figure 5).

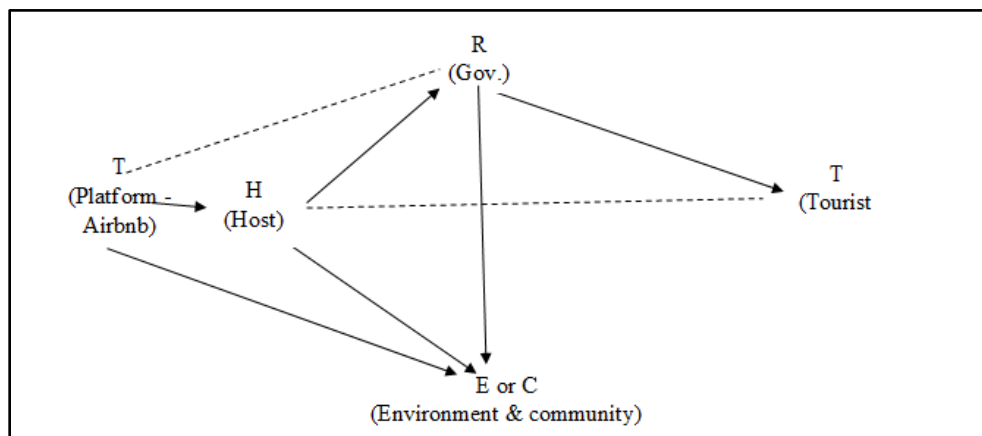


FIGURE 5
SMART CONCEPTUAL FRAMEWORK FOR AIRBNB

Source: Adapted from Kourula et al. (2019) and Abbott et al. (2017)

The main downside in regulating disruptive innovation is the invisibility of the host in the scheme of legislation. The host plays a significant role in maintaining order in the environment,

the community and in abiding with local laws. In this arrangement, the host appears to be largely relegated to the background; however, they remain the ones whom the legislations affect the most than the platform itself. Thus, legislators need to focus less on the platform itself and more on the outcome of the intended regulation. The smart conceptual framework (Figure 5) demonstrates that most hosts usually align with government regulations regarding guest-stays, where dotted lines demonstrate those illegal hosts bypass regulations.

Prohibition or Limitation? No Smart or Responsive Regulation

Smart or responsive regulation has emerged in response to rising regulatory grievances that come from outdated regulatory policies (which may include grievances from digital organizations and marketing firms such as Uber, Lyft, Facebook and Airbnb among others) (Means & Seiner, 2015). A responsive regulatory framework is essential in realigning government regulations with new or existing realities. This may significantly assist local governments in strategically utilizing Airbnb and other accommodation platforms in spatial planning and development within a tourist region. Further, it may help in harnessing optimal performance in the tourist sector in local government areas that tourists visit the least.

A quota system for issuance of license should be instituted in local government. The system should have two or more phases, for instance, notable tourist regions experiencing over tourism should constitute a phase and a destination area exhibiting under-tourism be the other. Therefore, destination areas witnessing a high prevalence of tourists should be permitted fewer licenses to the other region experiencing under-tourism. Further, issues of tourist's destination areas, which have already issued too many licenses, can substitute using the philosophy of load shedding, which state that:

1. Load shedding is when power companies reduce electricity consumption by switching off the power supply to groups of customers because the entire system is at risk. This could be because there is a shortage of electricity supply, or to prevent transmission and distribution lines from becoming overloaded.

The idea of load shedding is borrowed in this context to account for tourist regions, where there is already a high issuance of licenses in a destination area. The idea of load shedding or what we refer to as "*host shedding or Airbnb property id shedding*" is proposed as a measure to reduce the risk associated with over tourism as a result of high license issuance to a particular neighborhood. While load shedding signifies "*power cut*", host shedding or Airbnb property id shedding implies "*host or Airbnb property id cut*". The host shedding or Airbnb property id shedding is a useful technique for dealing with the first phase of the quota system (i.e., where too many licenses are already issued).

For the second phase of the quota system, where there exists less migration to the location, which may be due to some circumstance that may include:

1. Low commercialization of those areas;
2. Distance from the airport;
3. Poor internet and road networks; and
4. Weak structural investment and attractive sites or under-promoted sites.

Local governments in such territories or having such circumstances may alleviate this problem by doing the following:

1. Increasing the number of permits for less-visited tourist locations or areas experiencing under-tourism in the local government,
2. Increase the investment in other section of the local government,
3. Launch a fast train from the airport to regional areas, and
4. Invest in regional areas to make them more attractive to guests.

On the one hand, this initiative may assist local governments in spatial planning and the redistribution of the commonwealth of the region. On the other hand, it will reduce the risk of over tourism, improve under-tourism regions and create a favorable balance of payment for the tourism accommodation sector in the local government. The assumption here is that tourism accommodation (Airbnb) has a positive effect on guest stay (Industry Commission Australia, 1996).

Moreover, an enhanced understanding of regulating disruptive innovations such as Airbnb, this study uses deficiencies of both prohibition and the limitation analogy to buttress the need for a smart regulatory regime for Airbnb. According to Montin (2013), "*smart regulation is not about more or less legislation; it is about delivering results in the least burdensome way.*" Prohibition and limitation are both extremist policies that threaten the growth of Airbnb. For some centuries, sanctions, power play and persuasions have been deployed as policy instruments for ensuring compliance. As wicked problems have emerged from Internet marketing and consumption, a smarter way of providing leadership for digital governance appears to be important in the future (Lutz & Newlands, 2018). The proposed smart regulation technique takes account of the following characteristics, namely:

1. It takes account of the entire policy cycle dealing with problem identification, policy formulation, policy options, policy design, policy implementation and monitoring, and policy evaluation.
2. Shared responsibility between parties is essential.
3. Individuals, household, communities, institutions and governments that are affected by the regulation should also partake in the policy cycle (Montin, 2013)

There is a necessity for novel options for regulating Airbnb as compared to the traditional vague premises of law (prohibition and limitation). Although legislation on prohibition and limitation may apply in simple cases, they are inadequate in tackling the complex challenges that Surround Airbnb, such as:

1. Allegations that Airbnb increases chances of homelessness;
2. Assertions that Airbnb destroys neighborhoods and causes non-availability and hikes in real estate;
3. Challenges in the reporting system and the difficulties they create for real estate and individuals desperately in need of longer-stay accommodation;
4. Unethical business conduct within Airbnb that tends to undermine city planning schemes; and
5. The platform as an avenue for tax evasion.

The above complex challenges, either the probation or limitation clauses, appear equipped to handle. Thus, there is a need for objectivity in promoting or suggesting a solution for legislation on Airbnb and the entire SSA family.

CONCLUSION

The impact of the SSA sector is not uniform in cities and neighborhoods. The effect is contextual rather than universal because some neighborhoods tend to be more affected than others. Therefore, legislation governing the sector cannot be transferred or universal but contextual. Digital organizations such as Airbnb have undergone extensive restructuring as a result of lobbying from hotels and complaints from neighbors due to the disruptive behavior of guests and the community.

An insidious regulatory complexity of the platform is that Airbnb as a platform may act as a predatory agent by accruing dual benefits from a listing - 13% booking fee from guests and 3% platform fee from the host. Despite these gains, the platform has done little or nothing to improve local tourist communities. However, it prides itself as a social movement for poverty reduction and equality.

There is a need for policymakers, tourism activists, community interest groups/organizations, Airbnb hosts and local governments to come together to develop a solution that reduces the effect of Airbnb's dark side in a changing business environment. Businesses are moving away from top-down hierarchical models (e.g., hotels) with defined organizational relationships, towards vertical social enterprises built with agile models for collaboration and partnerships. Several business organizations within the tourism accommodation sector are increasing its features to accelerate turnaround time for bookings (see the Instant book feature).

A quandary in business and tourism research is the non-existence of models to regulate the business-to-customer (B2C) relationship. The B2C relationship creates micro-entrepreneurs in the SSA sector, i.e., people who rent out their idle room/s for economic gain. As a platform provider, Airbnb takes refuge within Section 230 of the Communications Decency Act of the United States of America.

In conclusion, what we are advocating here is for a flexible alternative regulatory framework that balances the shock in neighborhoods and improves guest satisfaction with Airbnb. Instead of depriving hosts of extra income, smart regulation offers society an avenue for inclusiveness and multicultural acceptability. Thus, this paper leans towards a smart approach for regulation, an approach which may guarantee optimum performance and inclusiveness.

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