



Walliser Tourismus
Observatorium



The importance of the Sharing Economy in the Swiss accommodation sector: the case of Airbnb

confronTi-turismo, 14 June 2016
Auditorium BancaStato, Bellinzona

Roland Schegg
Walliser Tourismus Observatorium (www.tourobs.ch)
Sierre, June 14, 2016



Sharing economy part of the new digital economy



Sharing Economy / On-Demand Economy: Digitalisation hyperscale

April 2016

Company	Value / Market Cap (Mia \$)	Number of employees	Value (in \$) / employee
Siemens	92	340'000	270'000
AT&T	210	243'620	862'000
Mariott	21	127'500	164'705
Uber	55	6'700	8'208'955
Google/ Alphabet	520	61'814	8'400'000
Airbnb	25.5	2'368	10'770'000
Facebook	315	12'691	24'800'000
WhatsApp	19	55	345'500'000

* 10
to
*1000



Sharing economy: Definitions

- „The sharing economy is the value in taking **underutilized assets** and **making them accessible online** to a **community**, leading to a reduced need for ownership of those assets“ (Alex Stephany 2015)
- „ ... a glob-ally emerging new economy, in which **private people** are enabled to **share anything** they own **through technology**, let it be **products, knowledge** or **services**, with other people around them“ (Sharecon, online).
- „an **economic system** based on **sharing underused assets** or **services**, for **free** or for a fee, **directly from individuals**“ (Rachel Botsman, 2015, online).



Sharing economy: Peer-to-Peer



Data source: ['Competition in the sharing economy'](#), 2014, p. 5.

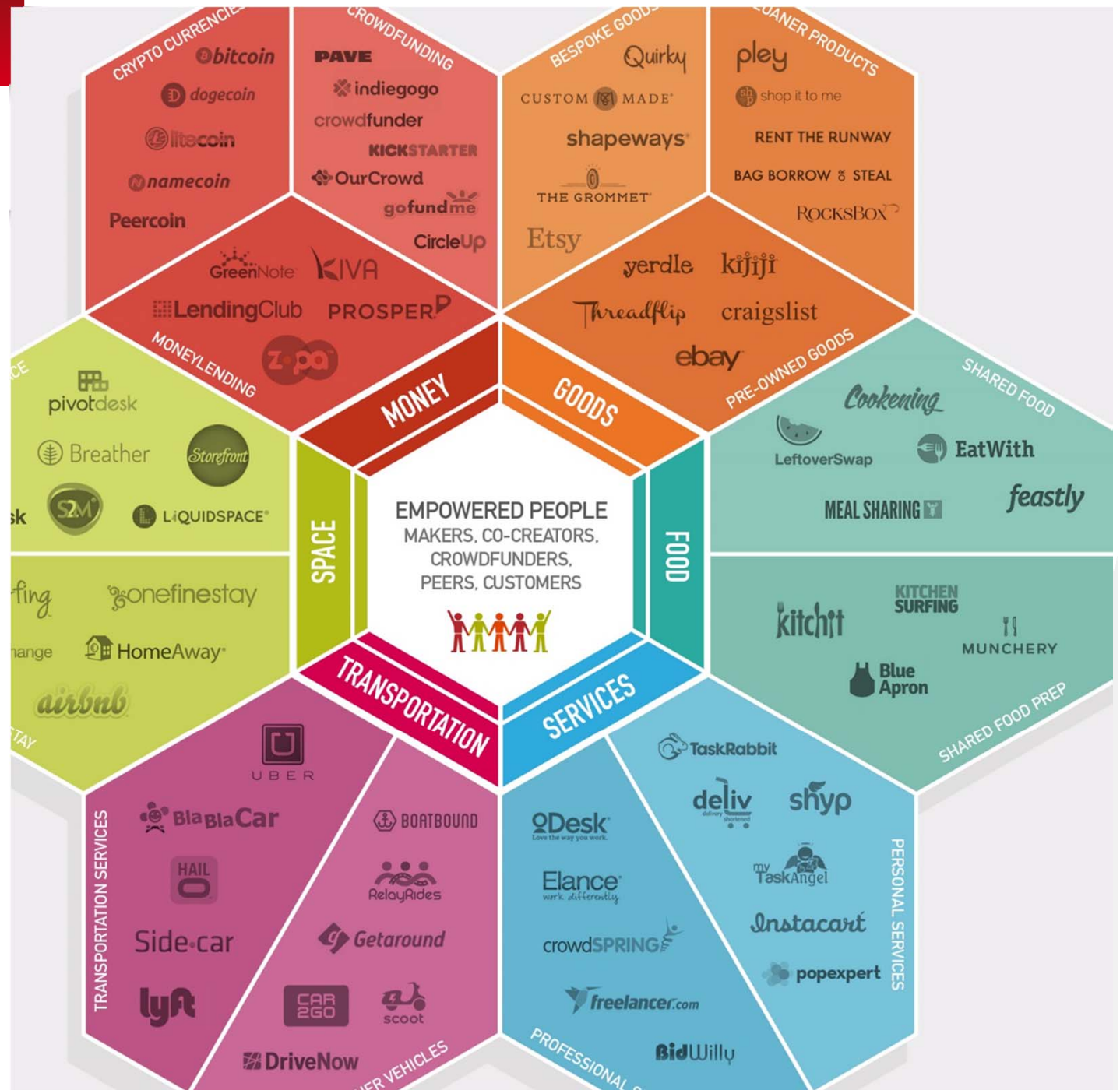
The rise of the sharing economy

- “The ‘sharing economy’ uses **digital platforms** to allow customers to **have access to, rather than ownership** of, tangible and intangible assets.
- Five key sharing sectors (P2P finance, online staffing, **P2P accommodation**, car sharing and music/video streaming) have the potential to increase global revenues from around **\$15 billion now to around \$335 billion by 2025.**”



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The honeycomb of the collaborative economy



Source: Jeremiah Owyang, <http://crowdcompanies.com/blog/>



The honeycomb of the accomodation sector



Source: Jeremiah Owyang, <http://crowdcompanies.com/blog/>

Sharing Economy in the Accommodation Sector

- Couchsurfing



Hospitality Club

- Private accommodation / Vacation rental



- Private camping (Gamping)



- Nightswapping



- HomeExchange





Market dynamics in the vacation rental market

Booking.com extends vacation rental offering with partner properties, another new battle starts



Interhome 

Jan 2013

Expedia to Buy Vacation Rental Site HomeAway for \$3.9 Billion

Move positions Expedia to compete against home-rental businesses like Airbnb



Expedia®



HomeAway®

Nov 2015

AccorHotels acquires Onefinestay for \$170 million










onfinestay

April 2016

HomeAway
>1 million listings



Vacation rental market (August 2015)

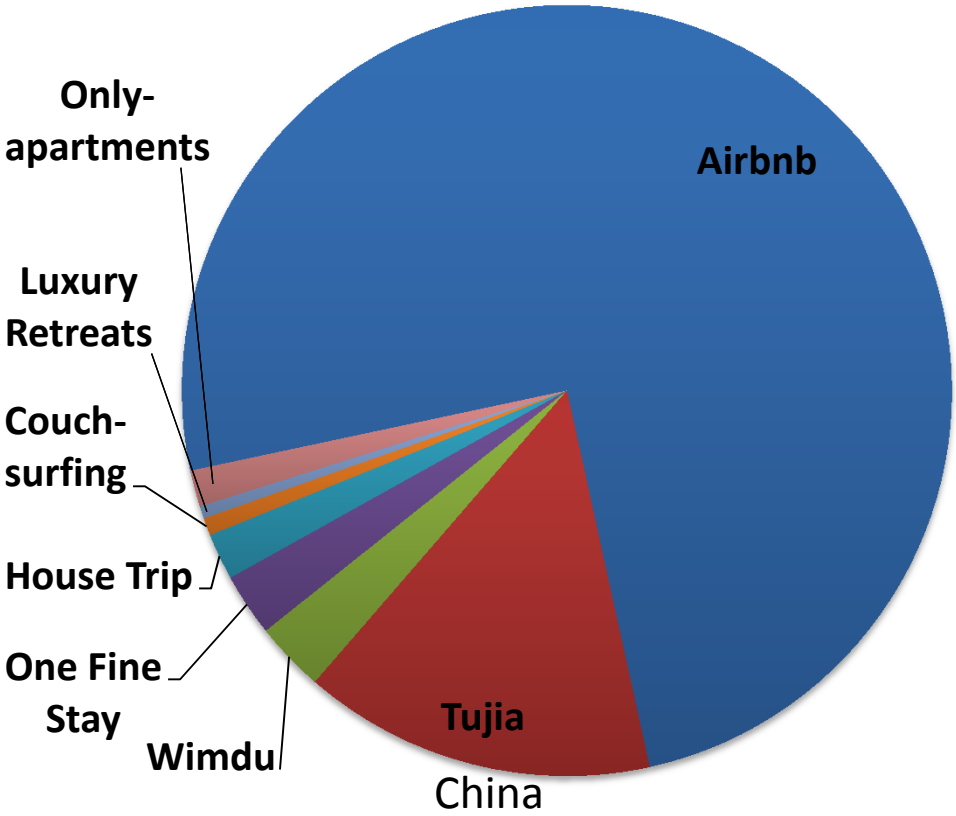
	Siège	Nb hébergements
	USA	1'600'000
	UK	300'000
	GY	300'000
	USA	300'000
	France	46'000
	France	4'600
	GY	100'466

-> Tripadvisor

-> Tripadvisor

Source: Ihmle & Morand (2015). Sharing is caring. Comment l'hôtellerie classique peut profiter de la « Share Economy ». Journée du marketing hôtelier Genève.

Airbnb is dominating the global market: (9/2015)



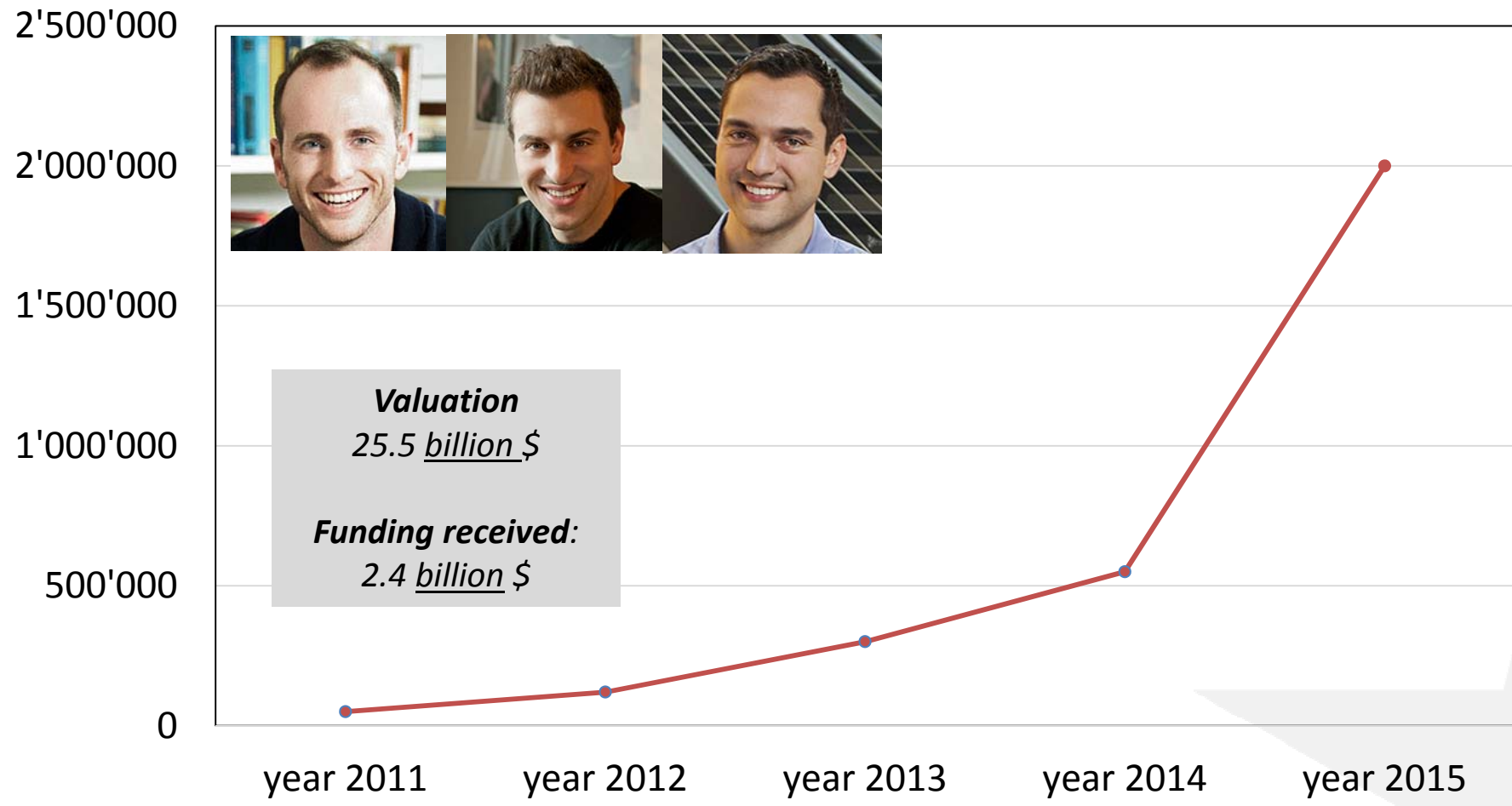
Source: HOTREC, Allemann (hotelleriesuisse)

May 26, 2016: There are now **2.2 million** homes on Airbnb, with **90 million users** in **34,000 cities**. Airbnb will service **129 million guests** in 2016. (<http://www.adweek.com/news/advertising-branding/heres-how-airbnb-disrupted-travel-industry-171699>)

Cowen is now projecting Airbnb “**room nights**” to increase from around 79 million in 2015 to 500 million in the next five—and **one billion in 2025** (Bloomberg, April 11, 2016)

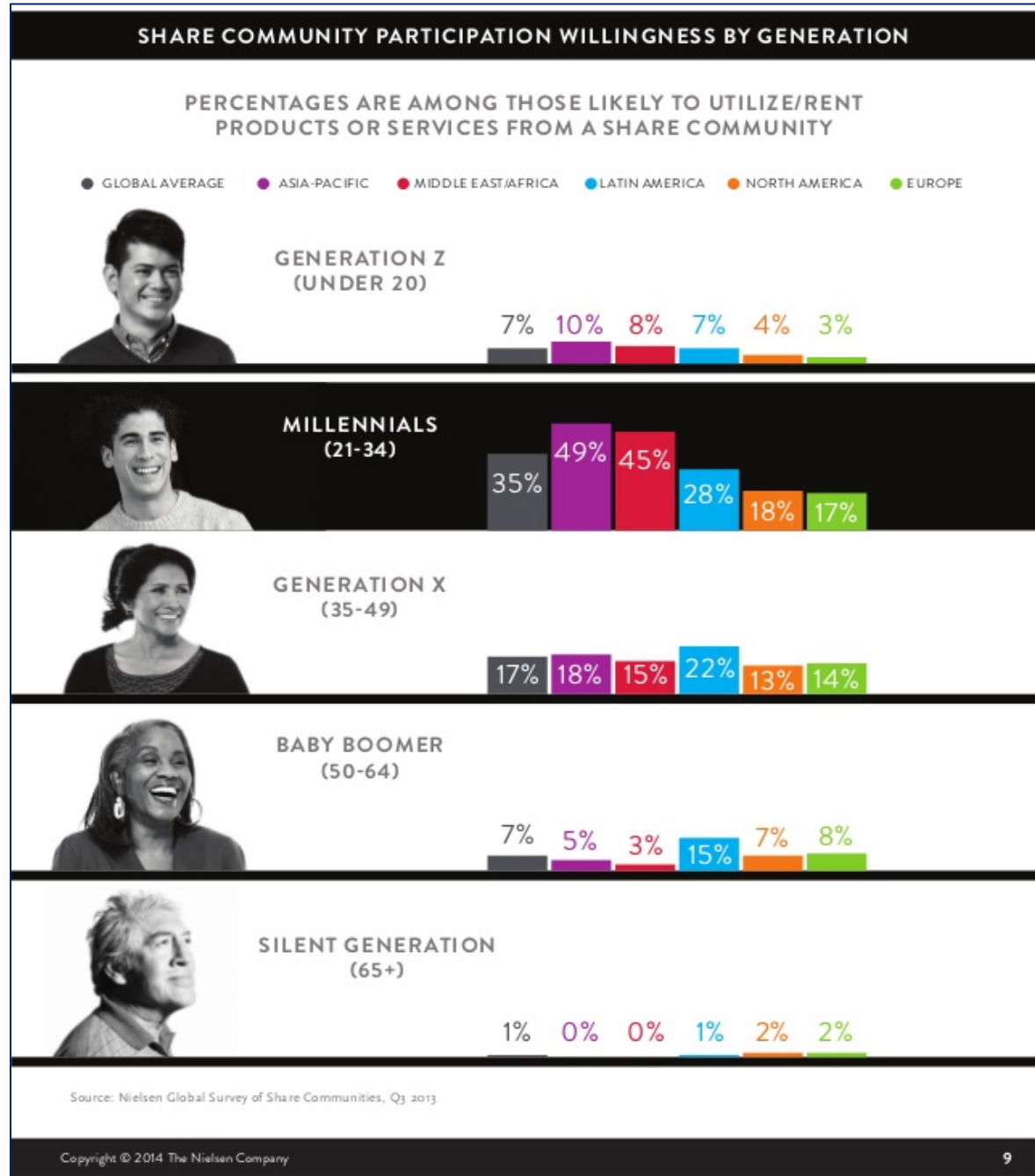
US investment bank Cowen & Company predicts that Airbnb will process **\$12.3 billion in reservations** 2016, up from an estimated \$7.2 billion in 2015 (tnooz, April 11, 2016)

Evolution of global Airbnb listings since foundation in 2008

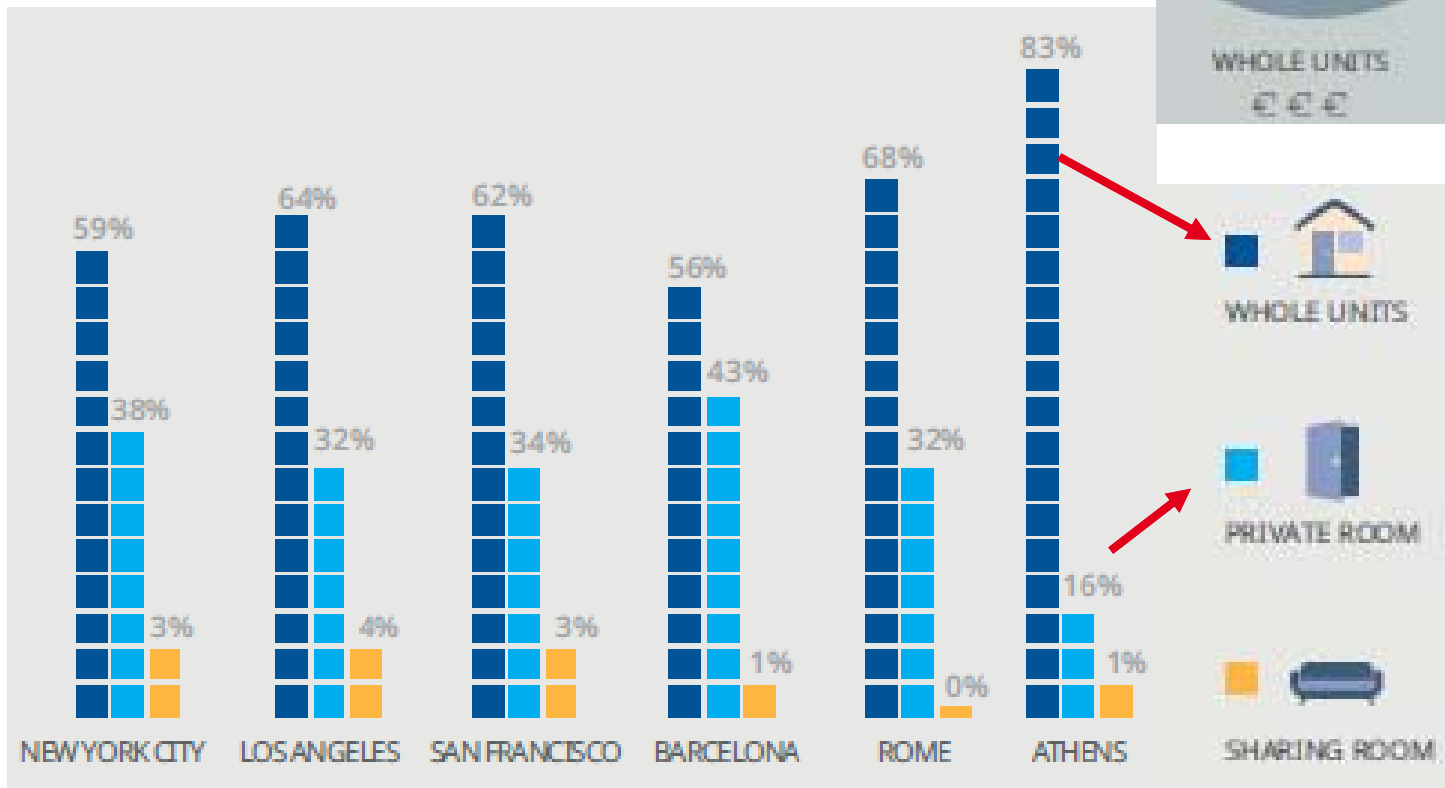


Source: Reuters, venturebeat.com, airbnb.com (Joe Gebbia, Brian Chesky, Nathan Blecharczyk)

Sharing: High potential within the millennials



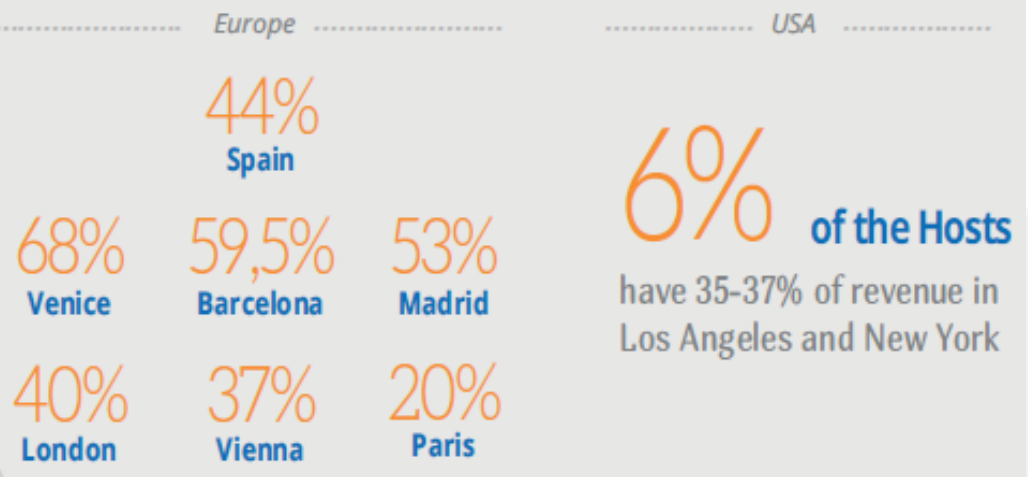
Renting whole units vs sharing



Commercial renting: hosts with more than one listing



Share of listings belonging to hosts having more than one property offered



Airbnb in Switzerland: Our methodology

- Analyzing publicly available information about Switzerland's Airbnb's listings with **Web scraping technique** (web harvesting or web data extraction)
- **October/November 2015**: We made searches for 4'577 localities in Switzerland to gather data and estimate – based on similar studies - to be able to gather **90%** of all listings -> presented data = minimum values
- **Our questions :**
 - How many listings (objects) are in Switzerland and in the cantons?
 - What are the characteristics of the objects (size, price, type)
 - Which hosts are running a business with multiple listings and where?

Airbnb in Switzerland: Our results



140 CHF Per Night



John

Central big cozy 3 room apartment.

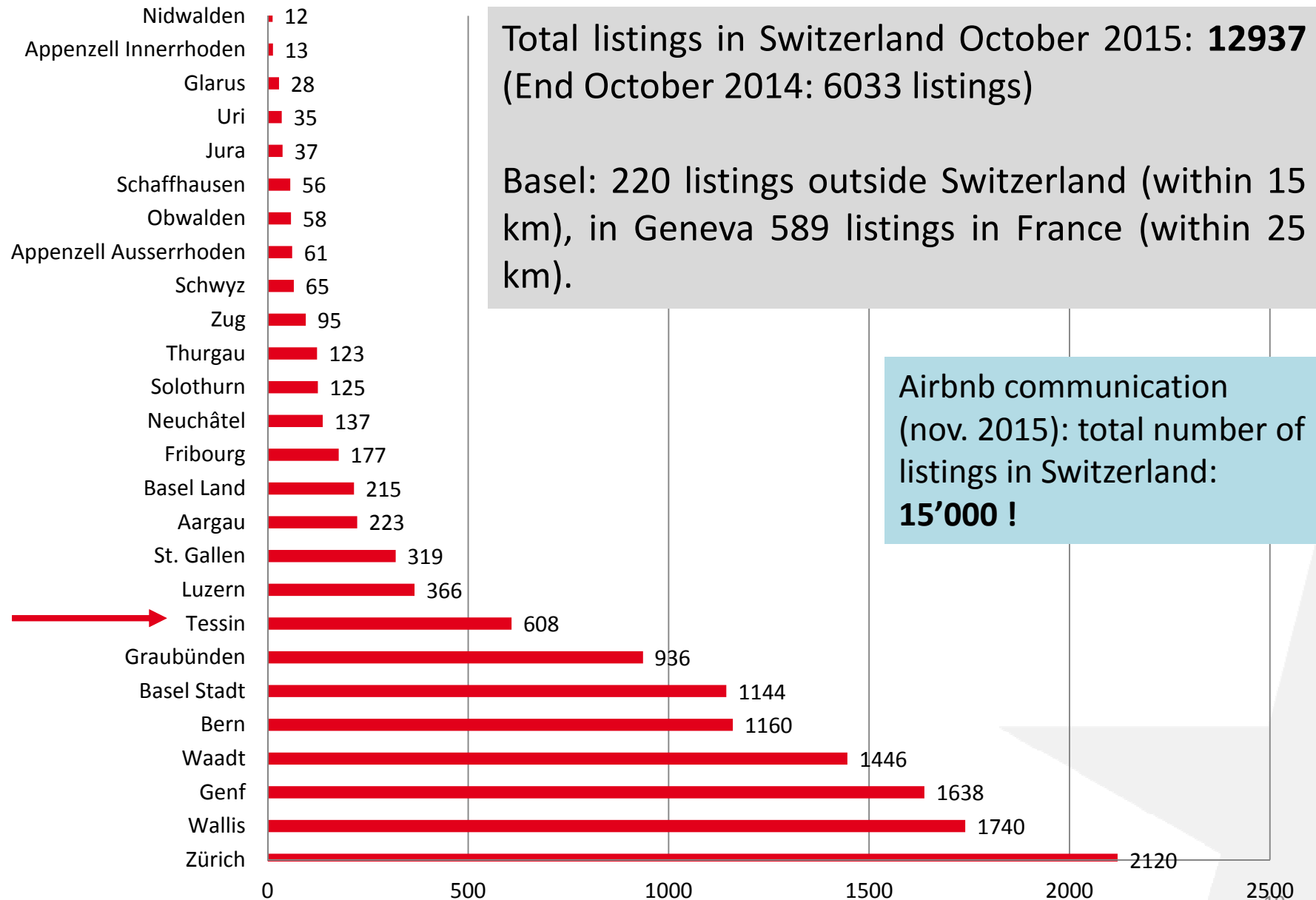
Zermatt, Wallis, Switzerland ★★★★★ (53)

- 
Entire home/apt
- 
6 Guests
- 
2 Bedrooms
- 
6 Beds

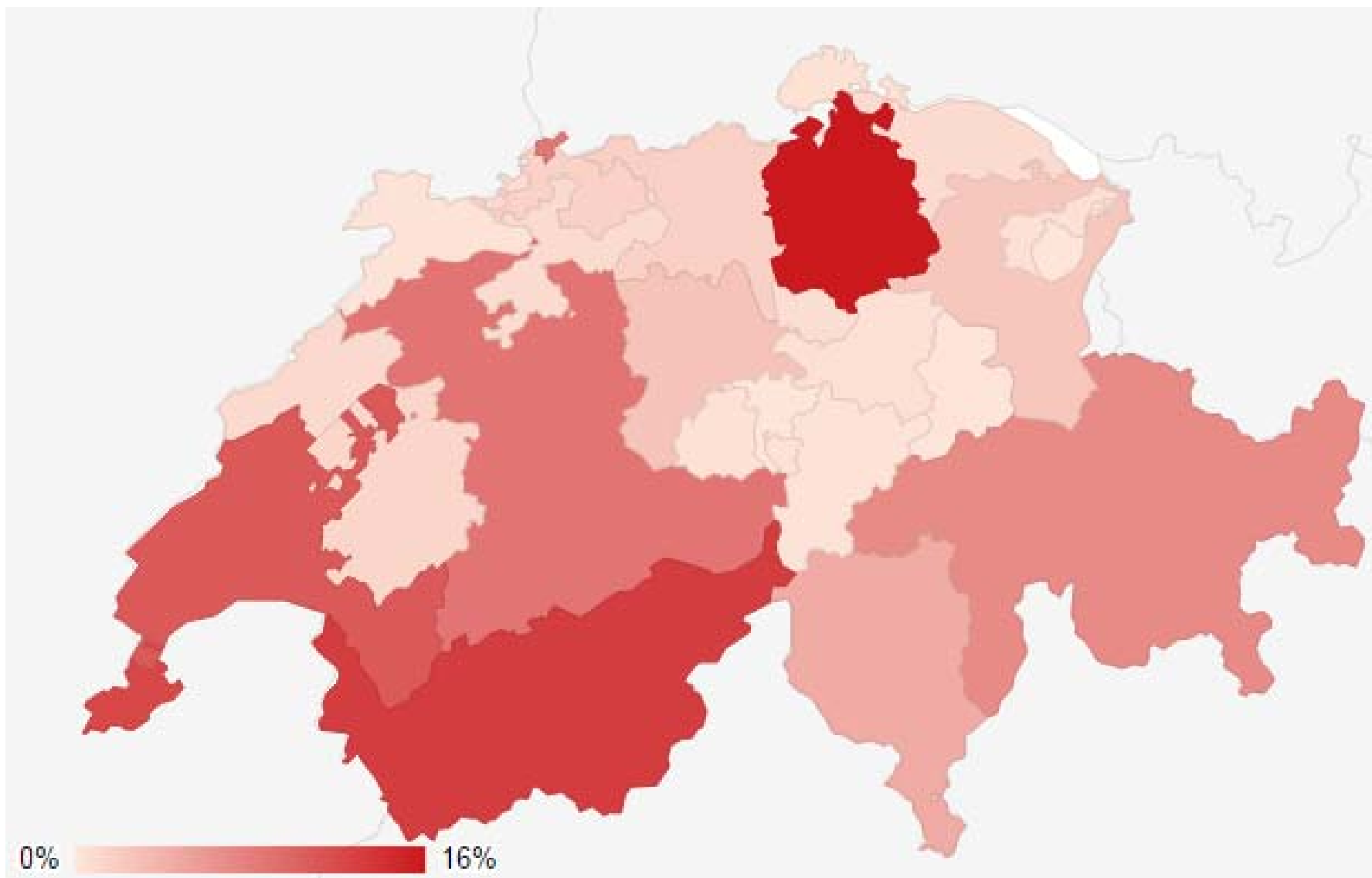
Check In	Check Out	Guests
11/12/2015	11/13/2015	1 ▾
140 CHF x 1 night		140 CHF
Cleaning fee		40 CHF



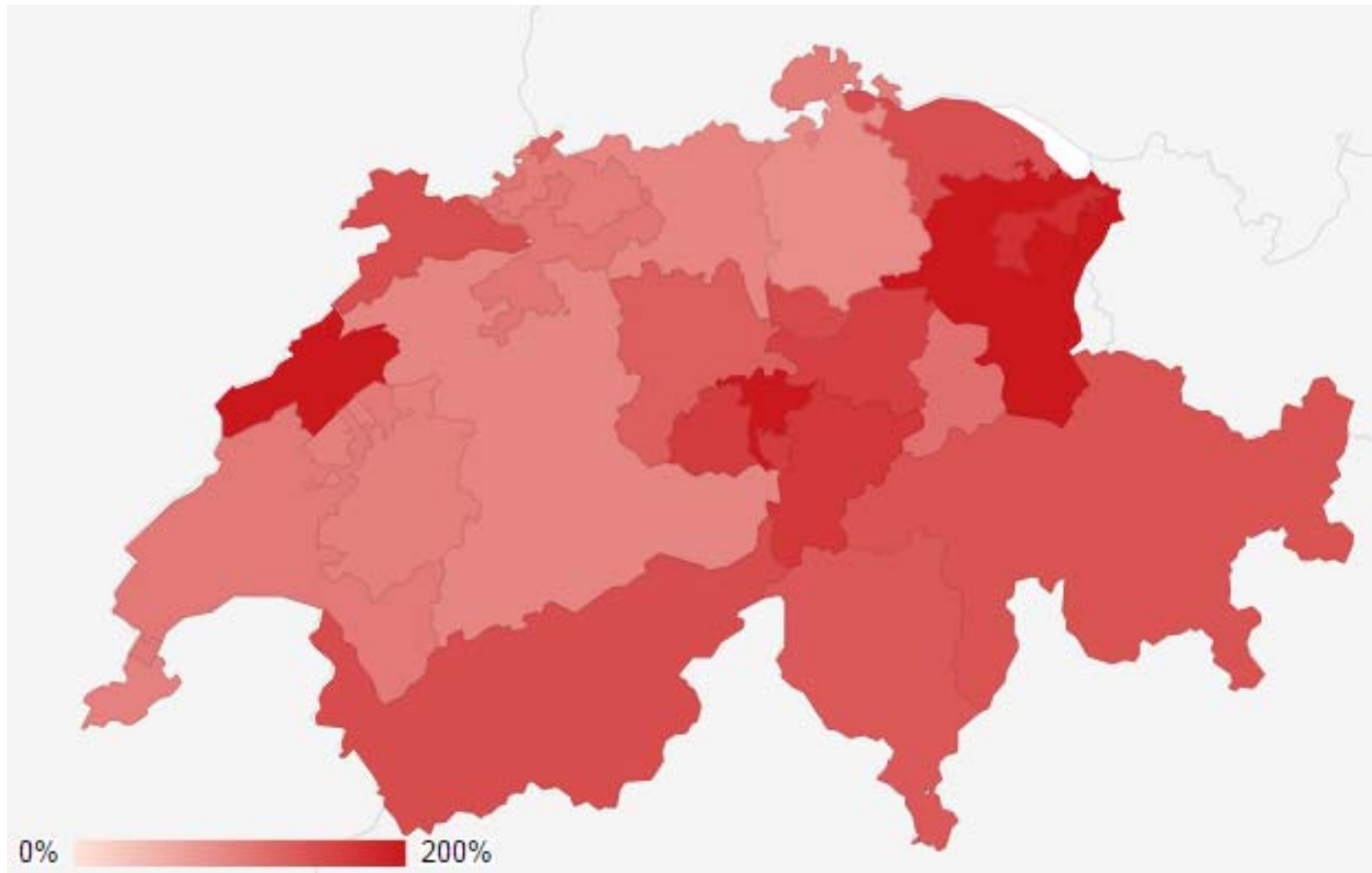
Airbnb listings by canton



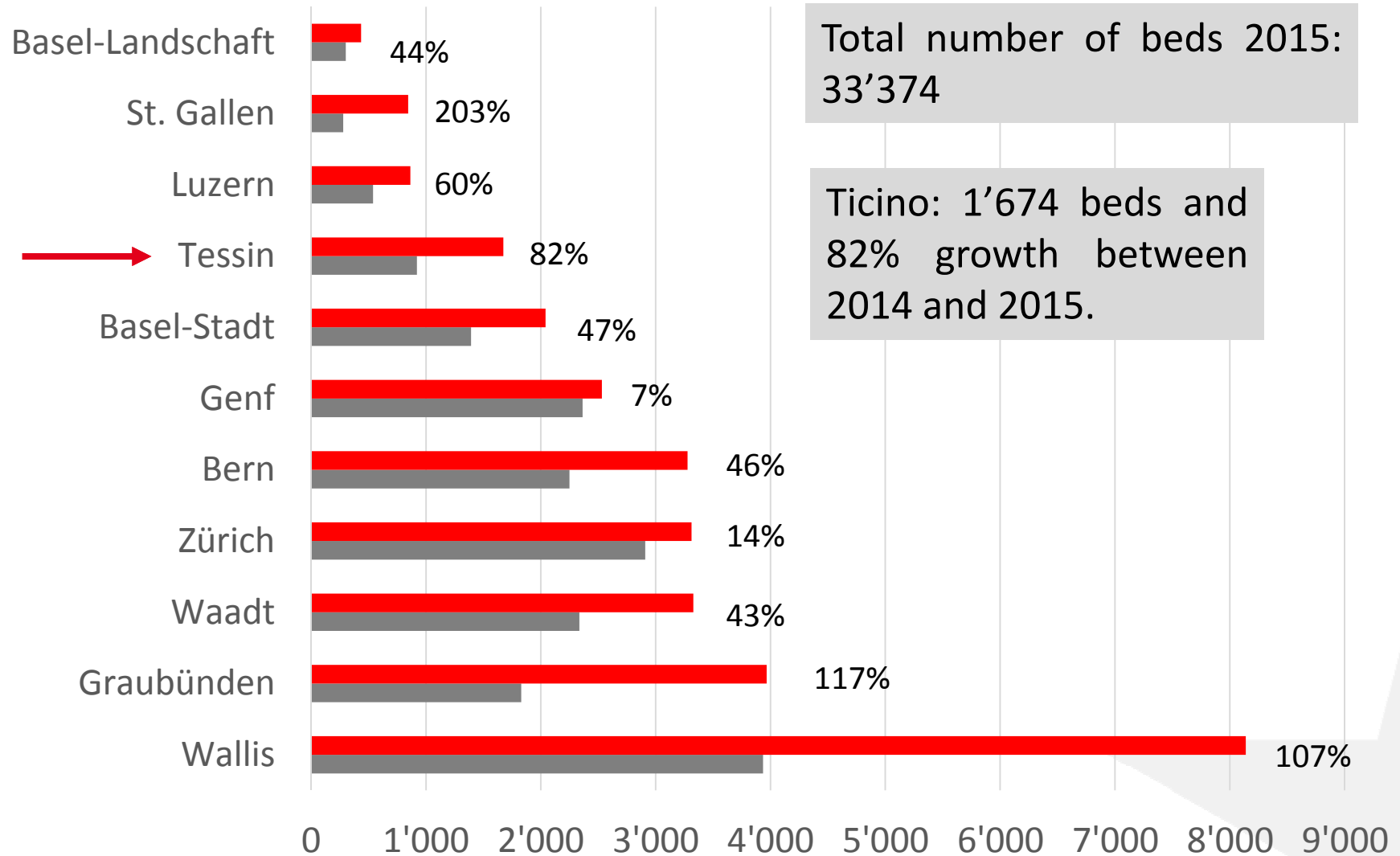
Airbnb listings by canton: map with «market shares» in %



Growth of Airbnb listings between 2014 and 2015



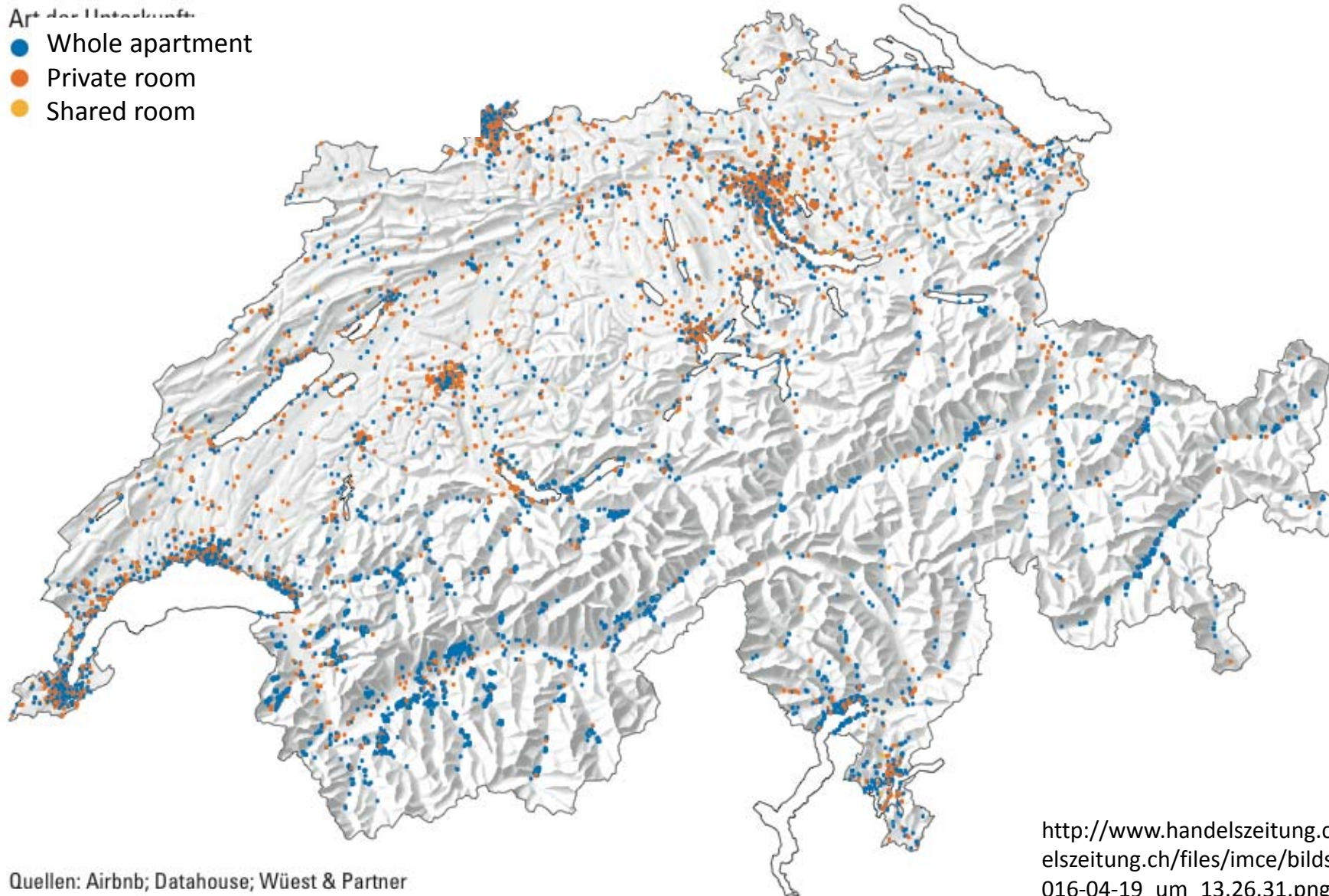
Airbnb - Beds by canton (growth 2014 -> 2015)



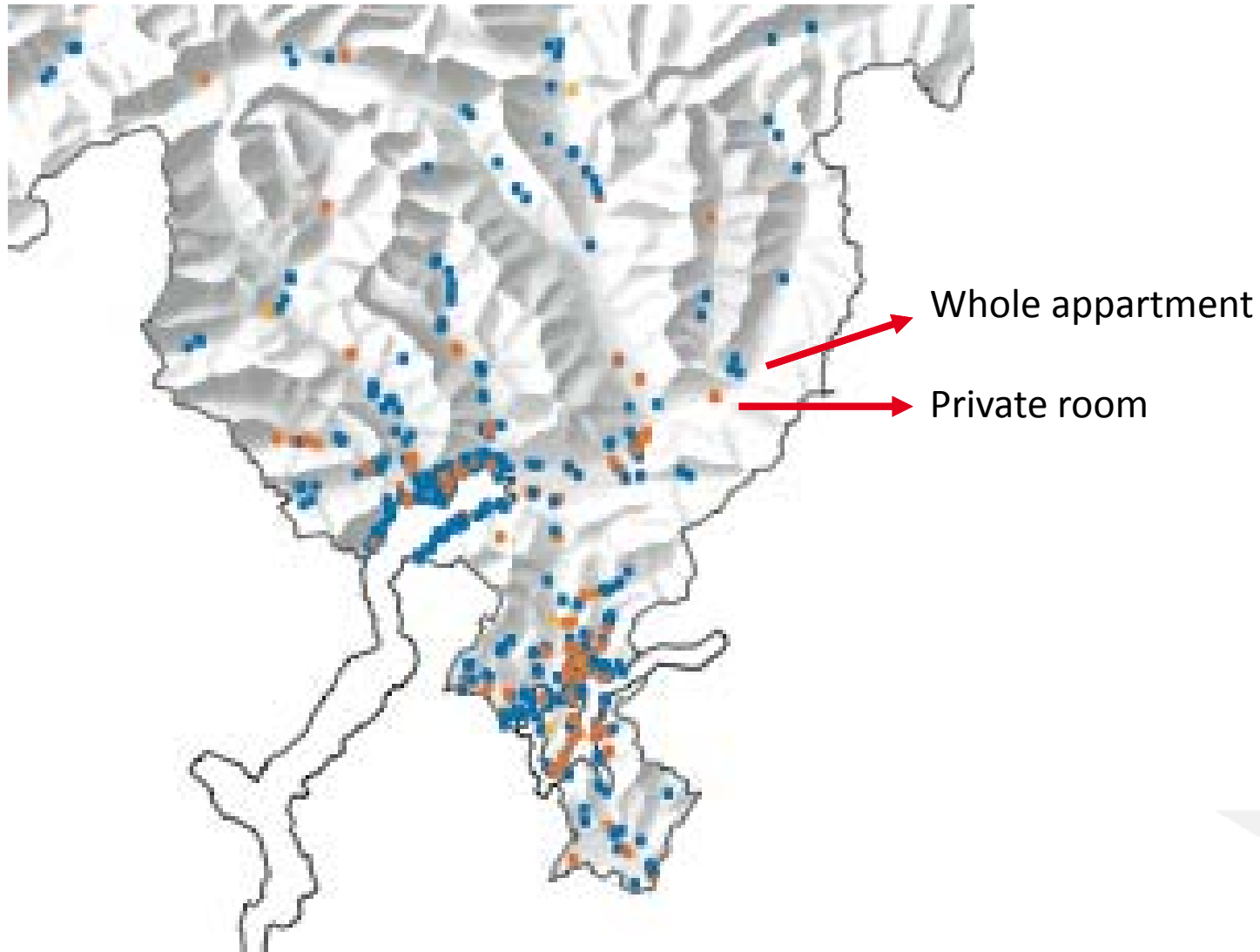
4. Type of lodging offers on Airbnb in Switzerland

Art der Unterkunft

- Whole apartment
- Private room
- Shared room

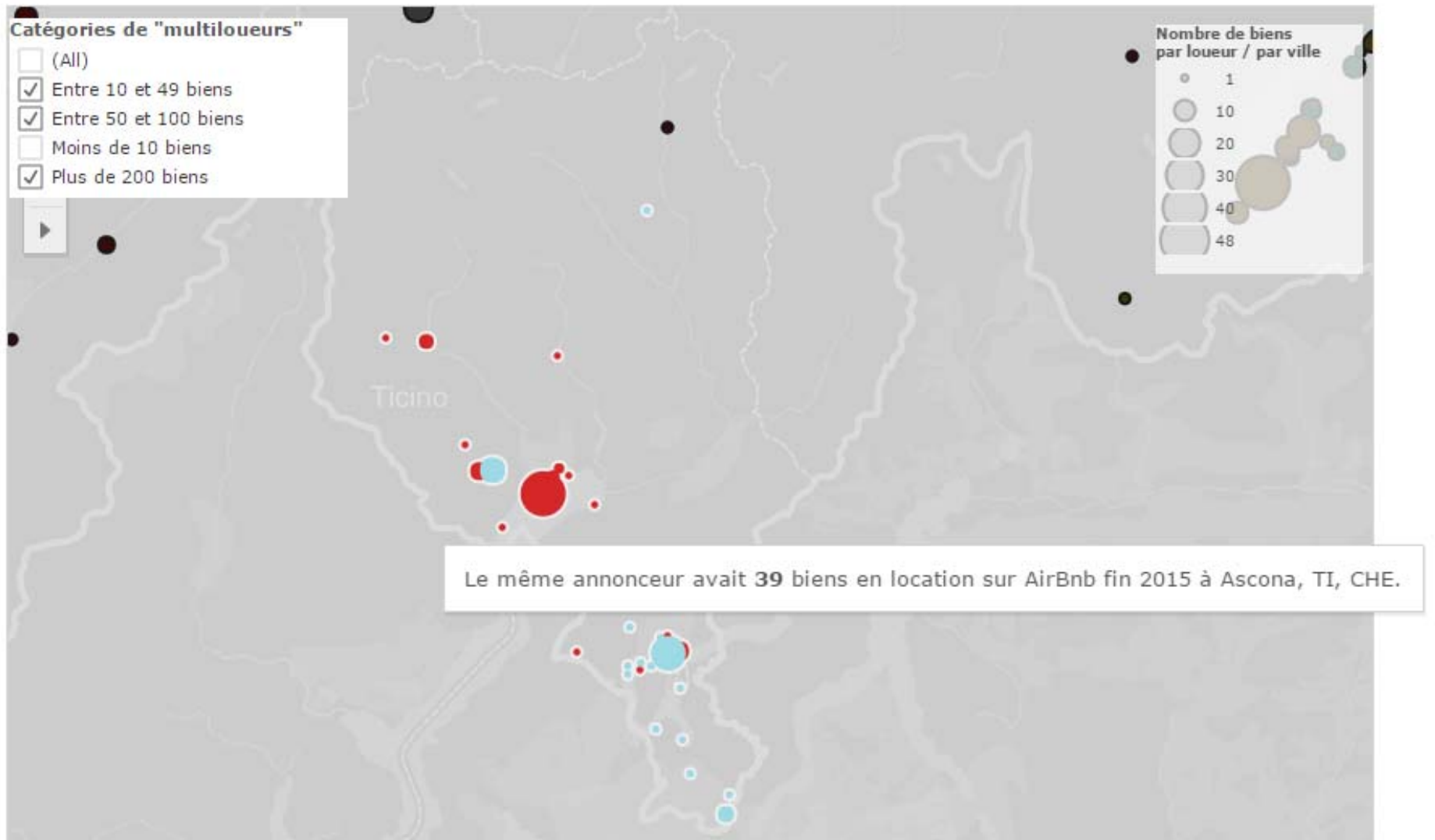


4. Type of lodging offers on Airbnb in Ticino





Airbnb hosts with more than 10 listings in Ticino



Comparison of number of beds: Airbnb versus hotels by canton

	Airbnb		Hotels		Comparison of Airbnb and Hotel Beds
	<i>beds</i>	<i>listings</i>	<i>beds</i>	<i>hotels</i>	
Basel-Stadt	2'041	1'140	6'521	53	31%
Wallis	8'139	1'737	32'535	631	25%
Waadt	3'328	1'437	17'934	288	19%
Genf	2'532	1'633	15'279	121	17%
Zürich	3'312	2'117	24'969	284	13%
Neuenburg	298	137	2'263	68	13%
Schaffhausen	145	56	1'115	28	13%
Appenzell Ausserrhoden	165	61	1'590	53	10%
Bern	3'278	1'158	34'211	701	10%
Graubünden	3'967	934	42'588	699	9%

Typologie of listings

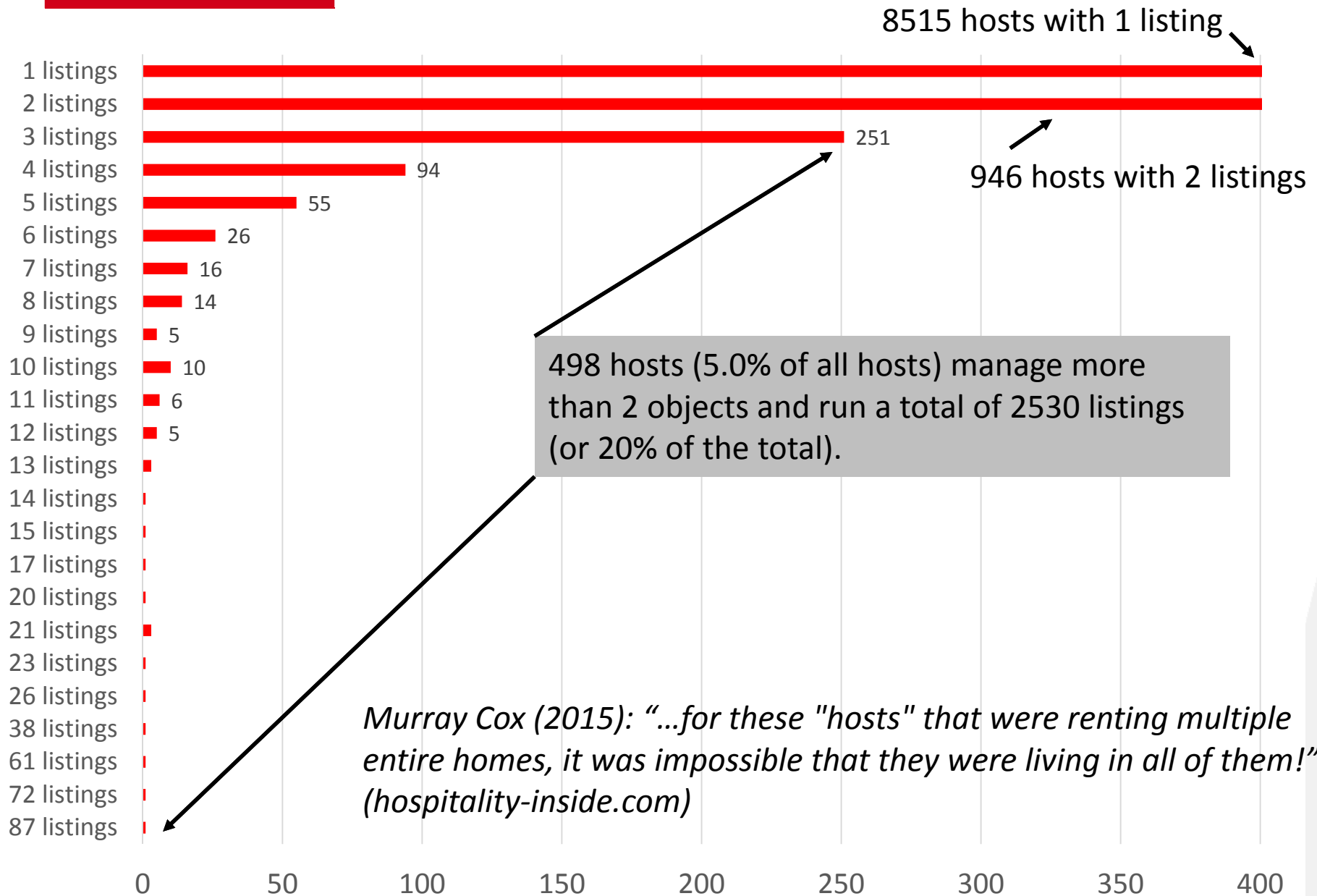
Two thirds of listings are entire homes in Switzerland!

	Price by listing				Price/bed	<i>Listings</i>
	<i>Mean</i>	<i>Median</i>	<i>Min</i>	<i>Max</i>		
Entire home/ apt	206	135	10	8109	83	<u>8160</u>
Private room	88	73	10	6757	72	4589
Shared room	70	47	10	1034	57	188
Total	162	104	10	8109	79	12937

*Murray Cox (2015): "Renting out entire homes frequently or every room in an apartment is **not sharing**. While a small part of Airbnb's community may be participating in a true "Sharing Economy", the majority of its revenue is generated by **commercial suppliers** who have turned one or more residential properties into hotels." (hospitality-inside.com)*



Number of listings (objects) by host





Superhosts: Karina (ZH) and Roberto (GR)

Vacation rental agencies
as superhosts

HITrental
business leisure city apartments
Luzern
Zürich
Zug

Hey, I'm Karina!

Zurich, Switzerland · Member since March 2014

Report this user

HITrental, your holiday rentals in Switzerland

56
Reviews

72 Objekte

Verifications

Hey, I'm Roberto!

Saint Moritz, Switzerland · Member since February 2013

Report this user

LOGA Immobilien AG Engiadina.
Ob einfach oder luxuriös, rustikal oder modern, gross oder klein, für die Ferien in Saison- oder Dauermiete oder gar als Eigentum: Finden Sie mit uns die entsprechende Ferienunterkunft im Oberengadin. Eines haben übrigens alle Wohnungen in unserem Angebot gemeinsam: den Komfort! In unseren Büros in Silvaplana, St. Moritz und Celerina stehen Ihnen unsere erfahrenen, einheimischen Teams in der Hochsaison von Montag bis Samstag zur Verfügung. Zudem erreichen Sie uns das ganze Jahr über das Telefon oder per E-Mail

87 Objekte

Verified ID

Do you know this woman?



Jasmine Salihovic, manager of the biggest hotel in Switzerland

This is her hotel




500 rooms in 105 apartments from CH 45 to 720

Source: Thomas Allemann, hotelleriesuisse, 2015

Hotels on Airbnb: Hotel Ibis Bulle


Where are you going?

Become a Host





109 CHF

Check In
mm/dd/yyyy


 **Hôtel ibis Bulle - La Gruyère**
Bulle, Canton of Fribourg, Switzerland

Hotels on Airbnb: Giardino Mountain 5*, St. Moritz

 Become a Host



782 CHF

 **Penthouse in 5 Star Hotel**
Saint Moritz- Champfer, Grisons, Switzerland

Check In

Estimations of Airbnb roomnights in Switzerland

Switzerland (source: Airbnb interview, Handelszeitung 2014)	
Nbr of Airbnb guests 2014	135'000
Average length of stay (LOS)	4.5
Roomnight 2014	607500
Nbr of objects 2014	7000
Roomnights per object 2014	87

Nbr of objects 2015 (this study)	13'000	15'000
Roomnights per object 2015 (lower than 2014 as size of object is smaller)	78	78
Roomnights 2015	1'014'000	1'170'000

A. Schwarz Airbnb (Schweiz am Sonntag, 15. Mai 2016): 300'000 arrivals, length of stay 4.5 nights in 2015

-> **1' 350'000 roomnights** or 3,8% of Swiss hotel roomnights!

[for **Ticino** probably nearly 70'000 rooms nights]

Take aways

Shared accommodation and vacation rental is here to stay. Hotels need to rethink their strategy.

- Important growth of the offer (number of listings more than doubled since 2014) in Switzerland and globally
- Roughly 1 - 1.3 million roomnights on Airbnb in 2015 in Switzerland
- Growth in Switzerland not only in urban areas, strong development in leisure destinations (VS, GR)
- Growth probably due to the use of Airbnb by commercial players of the vacation rental sector
- Two thirds of listing are entire homes (probably nothing to do with sharing)



Future Evolution: cooperation or legal actions?

ROOMS › RENTALS & SHARES

Airbnb Working With Over 100 Cities on Tax Agreements and Regulations

Marie Mawad, Bloomberg - May 24, 2016 3:00 pm

GET YOUR DAILY DOSE OF NEWS FROM SKIFT

Berlin's government legislates against Airbnb

Owners can no longer rent whole properties to tourists, as officials blame websites including Airbnb, Wimdu and 9Flats for driving up rents



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Thank you for the attention!

Contact

Roland Schegg
Walliser Tourismus Observatorium
c/o Institut für Tourismus, HES-SO Wallis
TechnoPôle 3
CH - 3960 Siders

T +41 27 606 90 83
roland.schegg@hevs.ch

www.tourobs.ch

www.hevs.ch

<http://etourism-monitor.ch>

