



# Improving the Capture of Platform Economy Activity: The Case of Short-Term Rental Platforms



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# > Agenda

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- Sharing (?)
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- Findings: Regulatory Challenges
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## > Literature Review Highlights

### Historical Context of Sharing Economy:

- ✓ Sharing economy is **not a new concept** (Frenken & Schor, 2017).
  - ✓ Examples include cities in the 19th and 20th centuries under immigration pressure
  - ✓ Informal housing arrangements like boarding houses and **conventillos** addressed housing scarcity.
- 
- Key Differences in Modern Sharing Economy & role of ICT in transforming peer-to-peer interactions:
    - ✓ Today's sharing economy leverages ICT to **facilitate transactions between strangers** (Ganapati & Reddick, 2018).
    - ✓ Digital platforms reduce asymmetric information via **crowd rating systems** (Schor, 2014).
    - ✓ Crowd ratings act as self-regulatory mechanisms but may perpetuate biases (Stemler, 2017).



# > From sharing economy to platform economy

## Overview of the platform and sharing economies

- ✓ The sharing economy is considered a **disruptive innovation**.
- ✓ **Emerged from grassroots** initiatives and advancements in ICT during the post-Web 2.0 era.
  - “sharing activities” are organized through a network structure- critical mass & "chicken and egg problem"
- ✓ **Rapid Expansion**
- ✓ Growth accelerated by smartphone proliferation and app development (Guttentag & Smith, 2017).

## Origins and Evolution

- ✓ Term "**sharing economy**" first appeared in 2008, during the global financial crisis (Schor & Fitzmaurice, 2015).
  - ✓ Initially referred to as "**collaborative consumption**," focusing on utilizing idle resources (Schor & Attwood-Charles, 2017).
  - ✓ The term "**sharing economy**" popularized by Lawrence Lessig (Harvard Law School) in his book *Remix: Making Art and Commerce Thrive in the Hybrid Economy*
  - ✓ Transitioned from **niche to mainstream** across industries (Möhlmann, 2015; Zhang et al., 2019).
  - ✓ **Enabled people to monetize assets via platforms**, e.g., gig work, room rentals (Ganapati & Reddick, 2018).
- => some scholars believe that the term “**sharing economy**” should be replaced by “**platform economy**,” a term coined by Parker, Van Alstyne, and Choudary (2016)
- Key technological advancements driving growth
  - Need for improved measurement methods by NSOs



## > Sharing (?)

- Russell Belk (2014) goes further by arguing that all these terms lead to semantic confusion. He asserts that “**sharing**” should not include profit motives, such as with *couchsurfing* (<https://www.couchsurfing.com>)
  - “sharing” has **become an umbrella** term under which online platforms seek to benefit from the positive symbolic value and reputation associated with sharing (Acquier, Daudigeos, & Pinkse, 2017; Frenken & Schor, 2017)—a kind of performative term (Schor & Attwood-Charles, 2017).
  - Key technological advancements driving growth
    - ✓ Online and offline “sharing activities” are organized through a network structure.
    - ✓ On online platforms, connections between actors are significantly **enhanced by matching algorithms, enabling providers to offer their services or assets beyond their immediate social networks, extending to strangers.**
- => Matching capacity facilitates entry **into highly regulated markets** by lowering entry barriers, primarily due to consumer attraction.
- ✓ Trust in strangers is **established through a crowd-based rating system** integrated into the platform.
  - ✓ Matching capacity facilitates entry into highly regulated markets by lowering entry barriers, primarily due to consumer attraction.

*couchsurfing*



Credits: ChatGPT

## ➤ Challenges in Measuring the Platform Economy

1. This model has **blurred the lines between personal and commercial use.**  
i.e. accommodation-sharing platforms, also known as short-term rental platforms, like Airbnb
2. regulatory compliance, market impact, changes in tourists' spending behavior, and the generation of supplemental income for individuals by renting out spare space in their homes or dedicated properties to guests.



International agencies and national government departments have faced the challenge of measuring sharing economy activity.

- The rapid growth of this sector has prompted these agencies to realize that GDP estimates fail to account for the welfare gains generated by these platforms.
- The deflator used to calculate GDP does not capture the lower prices consumers can access through these platforms
- **Consequently, the true impact of the platform economy on consumer welfare and the broader economy remains partly hidden from conventional GDP**

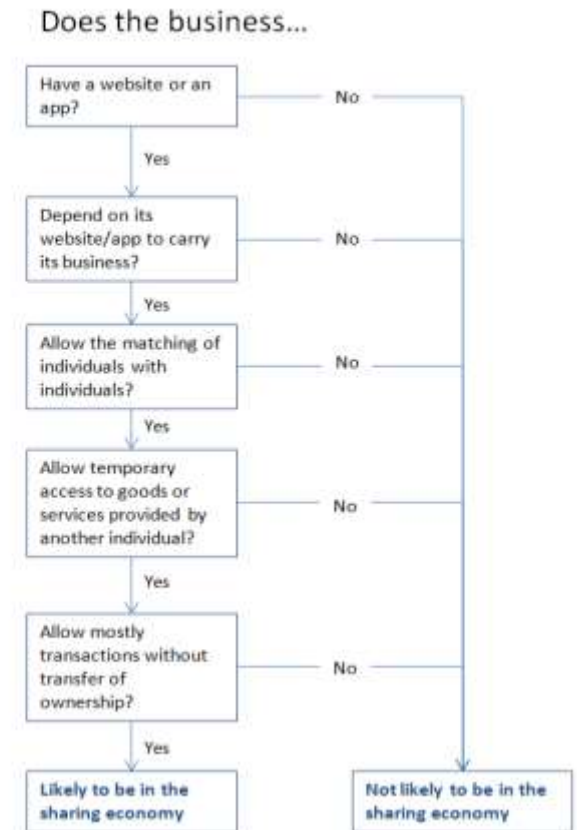
(cfr. Coyle, D., & O'Connor, S. (2019). *Understanding the Sharing Economy*. Retrieved from <https://ideas.repec.org/p/nsr/escoed/escoe-dp-2019-04.html>)

## ➤ Measuring Sharing Economy Activity by National Statistical Offices

UK's Office for National Statistics (ONS) (2017) **has exclude activities involving the permanent transfer of ownership from its scope of measurement**. As a result, digital platforms that enable the sale of goods, such as Amazon Marketplace, or the free exchange of goods, such as Freecycle (<https://www.freecycle.org/>), were also excluded from the scope of measurement



Figure 1: Decision tree for identifying sharing economy businesses



Source : Office for National Statistics (UK ONS). (2017). *The Feasibility of Measuring the Sharing Economy. November 2017 Progress Update*. UK Retrieved from <https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/thefeasibilityofmeasuringthesharingeconomy/november2017progressupdate>

## ➤ ISO definition of «sharing economy» 2021

### Neutral role of platforms

**“An economic model in which platforms enable providers and users to exchange products and assets.”**

Note 1 to entry: In the sharing economy:

a) **platforms are neither providers nor users of the products and assets exchanged between providers and users;**

b) exchanges between providers and users can take place both online and offline;

c) exchanges can often be intended as "peer-to-peer" transactions involving underutilized resources, either for free or for a fee;

d) platforms facilitate transactions between providers and users, including payment processing, insurance procurement, reputational rating/review systems, and complaints handling; and

e) providers can offer assets or access to assets.

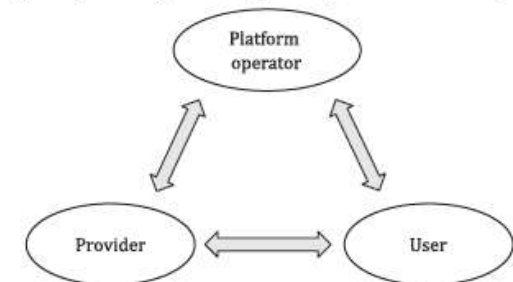
Note 2 to entry: **There are many different types of economic models, and the sharing economy is one such model.”**

ISO 42500:2021(E)

**Annex A**  
(informative)

Figure representing the sharing economy

Figure A.1 shows a figure representing the sharing economy model addressed by this document.



NOTE 1 Platform operators can engage in interactions with providers and users to support the exchange of products and assets between providers and users.

NOTE 2 The exchange of different assets can occur between platform, provider and user in this sharing economy system.

Figure A.1 — Figure representing sharing economy

Source : ISO/TC 324. (2021). Sharing economy — General principles. ISO 42500:2021, 5. doi:<https://www.iso.org/standard/80441.html>



## > Findings: Regulatory Challenges (I)

### Background information on the collaborative economy sectors

- Emerged without specific legislative initiatives (Kassan & Orsi, 2012).
- Shifts focus from ownership to access, blurring personal and commercial distinctions.
- Peer-to-peer interactions emphasize horizontal relationships (Jefferson-Jones, 2015; Kassan & Orsi, 2012) **but** existing laws designed for competitive, not sharing economies.
- Legislation must evolve toward governance that is more nodal, agile, and networked (Ndaguba, Brown, Jogulu, & Marinova, 2022).

### Legal position of platforms companies

- UK Employment Tribunal ruling addressed the classification of **Uber** drivers as independent contractors, a status that exempts them from employment law protections. UK Supreme Court unanimously agreed that Uber's drivers were not genuinely self-employed and were entitled to the full rights and protections of worker status (March 2021) (Adams-Prassl, Adams-Prassl, & Coyle, 2021).
- On December 19, 2019, the European Court ruled in favor of **Airbnb** declaring the company an online platform—merely an intermediary—subject to regulation under the European Union's e-commerce directive rather than as a real estate company=>is not required to obtain a license in the real estate industry, which would otherwise obligate it to share data (Heikkilä, 2019).

### Some solutions in str sector

- In March 2020, Airbnb, Booking.com, Expedia Group, and Tripadvisor entered into a data-sharing agreement with the European Commission; reliable statistics on short-term rental stays, including: Number of overnight stays; Number of guests at the municipal level=>
  - Airbnb still limits government access to raw data.
  - Data's usefulness for enforcing compliance with regulatory measures.

## > Findings: Regulatory Challenges (II)

Sharing economy aimed to advance several UN Sustainable Development Goals, including:

- Sustainability
- Entrepreneurship
- Resource efficiency
- Creating opportunities for micro, small, and medium-sized entrepreneurs
- Leveraging the potential of ICT platforms (Gössling & Michael Hall, 2019)

The "dark side" of Airbnb and similar platforms is becoming apparent.

- Platforms like Airbnb, Booking, and TripAdvisor now dominate the market => increasingly adopt a neoliberal model.
- These platforms control transactions and act as intermediaries.
- Their profits come primarily from intermediary fees and control over transactions.

World Bank report  
(Bakker & Twining-Ward, 2018)

Table 5. Top 10 Opportunities and Challenges of P2P Accommodation from the Literature

Opportunities	Challenges
1. Helps attract new markets and demographics to new and existing destinations.	1. May be unregistered and unregulated.
2. Influences the type and nature of visitor purchases and services.	2. May not be following tax laws.
3. Builds consumer trust to visit a destination in new ways and try new products.	3. Can cause disturbances in a residential community.
4. Lowers the barriers to entry for entrepreneurship.	4. May cause housing prices and rents to increase.
5. Supports homeowners and helps prevent displacement.	5. May put visitors at higher risk.
6. Enables the dispersion of tourists in a wider geographical area.	6. May impact the job-intensive hotel sector.
7. Increases access to market, which is particularly helpful for community-based homestays.	7. May benefit only a small minority.
8. Provides flexible inventory to meet the rise and fall of demand and assists in times of crisis.	8. Providers lack organization and representation.
9. Has a relatively small environmental footprint.	9. Contributes to the impact of "overtourism".
10. Collects real-time data about visitors.	10. Internationally located P2P platforms divert income that would otherwise be earned locally.

Bakker, M., & Twining-Ward, L. L. C. B. I. (2018). *Tourism and the Sharing Economy: Policy and Potential of Sustainable Peer-to-Peer Accommodation*. Washington DC.: **World Bank Group**, Retrieved from <http://hdl.handle.net/10986/30452>

Local governments struggle to regulate short-term rentals, balancing the protection of long-term rental markets with the benefits of peer-to-peer platforms (Duso, Michelsen, Schaefer, & Tran, 2024).

## > Findings: Regulatory Challenges (III)

Academia has developed a substantial body of research focused on analyzing the effectiveness of regulations, particularly in urban destinations impacted by overtourism.

- General conclusion from reviewing this body of studies is that regulation impacts the supply side, although the strength of this effect is uneven.

Restrictive policies generally fall into three categories:

- full prohibition
- partial restrictions
- laissez-faire

quantitative aspects	qualitative factors
<ul style="list-style-type: none"><li>• the number of available rental days</li><li>• concept of “<b>high availability</b>” serves as a strong indicator of commercial or semi-commercial listings (properties available for short-term rental for 180 days or more, is based on tax law assumptions that a main residence is occupied by its owner for over half the year.)</li></ul>	<ul style="list-style-type: none"><li>• differentiating between entire homes or apartments and private rooms within a property</li><li>• license from local authorities. i.e. Geneva (Falk &amp; Scaglione, 2023), Berlin (Duso et al., 2024), and Barcelona (Benítez-Aurioles, 2021)</li><li>• The floor where the STR can be housed i.e. not in the highest floors (Bern)</li></ul>

Efforts to address the lack of data have included:

- **Data Scraping:** A method used by researchers to collect data from public-facing platform interfaces. However, this approach raises legal and ethical concerns.
- **Partnerships and Agreements:** Some cities have entered into agreements with platforms to gain access to certain data types, but these are often limited in scope.
- **Regulatory Measures:** Governments are exploring regulations that require platforms to share specific data, but enforcement remains a hurdle.

“We thought we were becoming hoteliers, but we ended up as cleaners” (Buhalis, Andreu, & Gnoth, 2020, p. 8).

## > Findings: Economic Impact

### Hosts as Micro-Entrepreneurs

- Hosts earn additional income by renting out space via platforms like Airbnb.
- Platforms lower barriers in the traditional accommodation industry (Forgacs & Dolnicar, 2017).
- Essential skills: local knowledge, interpersonal skills, flexibility (Ndaguba et al., 2022).

### Challenges for Hosts

- Some hosts feel disillusioned
- Early Airbnb success relied on high-quality social interaction and local authenticity (Phua, 2018) but social interaction shifted from being a driver to a barrier (Scaglione et al., 2021).

### Professionalization of Hosts

- Emergence of ‘**multi-hosts**’ managing multiple listings.
- Hosts outsource tasks like housekeeping or guest management (Forgacs & Dolnicar, 2017).
- Professionalization boosts demand for cleaning, gardening, and other services.

### Host Classifications (Bulchand-Gidumal et al., 2019):

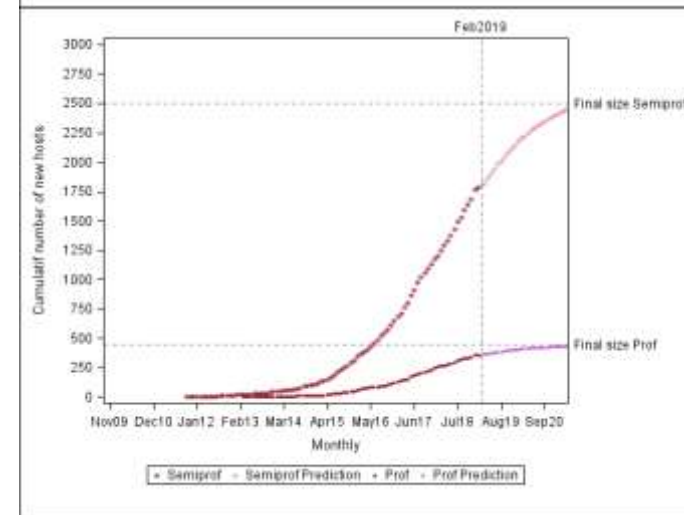
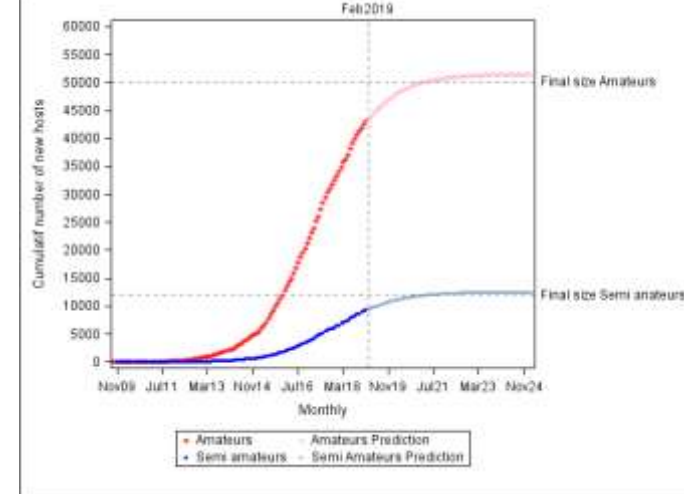
- Amateur: 1 listing. Semi-amateur: 2-3 listings. Semi-professional: 3-9 listings. Professional: 10+ listings.

### Service Standardization and Quality

- Airbnb’s hybrid model blends home-like and professional experiences.
- Unpredictable service quality raises questions about professionalization (Cheng & Jin, 2019).
- Super-host program rewards high performance (Xie & Mao, 2017).

### Gender and Wealth Distribution

- Women are overrepresented as hosts, reflecting gendered spatial ideologies (Goyette, 2021).
- Wealthier households are more likely to host, reinforcing inequality (Mermet, 2021).



Source: Scaglione, M. (2022). Diffusion Models of eTourism. In D. Buhalis (Ed.), *Encyclopedia of Tourism Management and Marketing* (pp. 927–930). Camberley, UK: Edward Elgar Publishing.

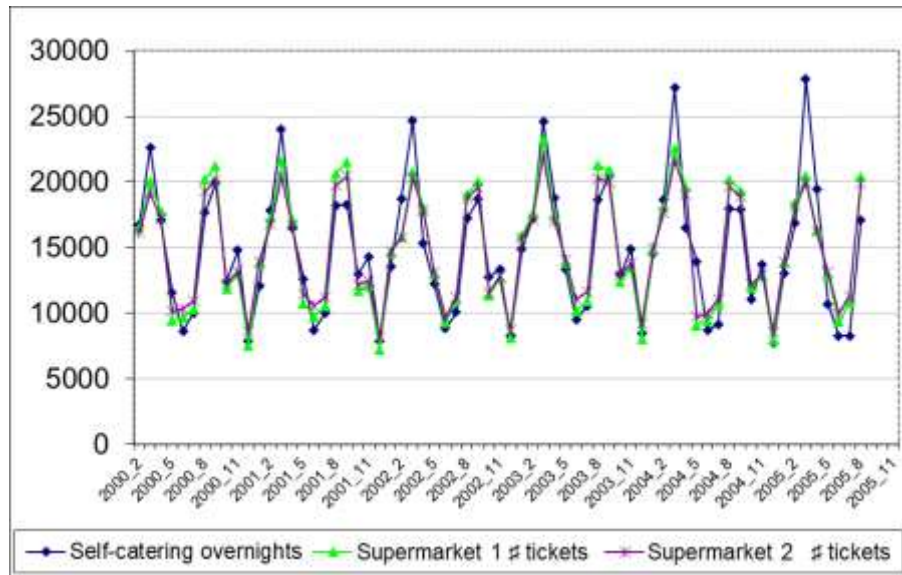
Difficult to obtain from ONS labor and household surveys, as household activities are not usually conceived of as work.



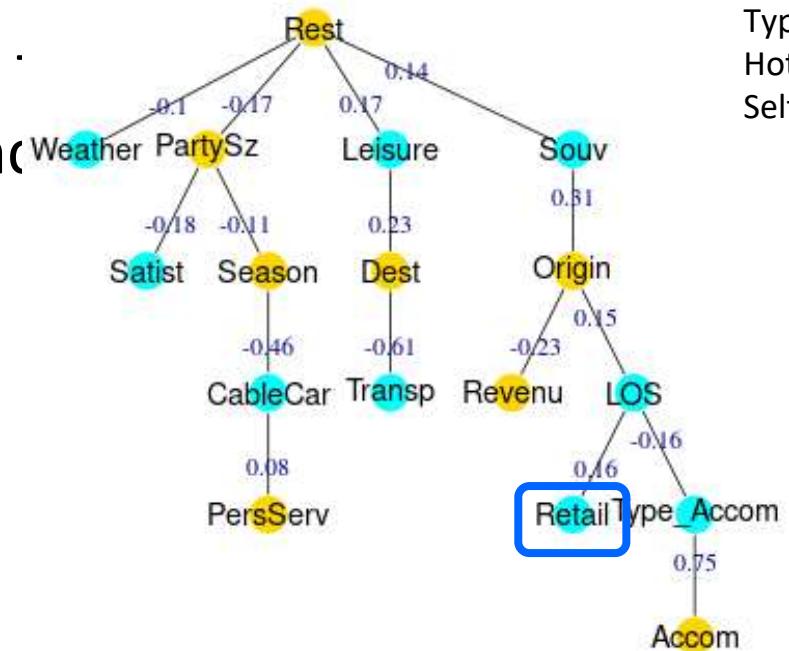
## ➤ Findings: Spending Behavior

### Comparing Spending Patterns of Hotel and Self-Catering Guests

- Increased supermarket spending by self-catering
- Increased length of stay (LOS) and travel frequency (Tussyadiah & Pesonen, 2016)



Monthly time series of overnight stays in the municipality of Ovronnaz and the number of tickets from two supermarkets in the locality. (Perruchoud-Massy, Scaglione, Schegg, & Murphy, 2005)



(Revenue)

Brida, J. G., Moreno, L., & Scaglione, M. (2024). Modeling multivariate tourism expenditure using vine copula: empirical findings from Fribourg-Switzerland. *Quality & Quantity*. doi:10.1007/s11135-024-01839-4

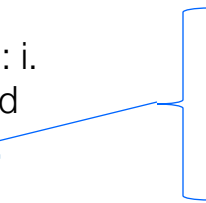


## **> Conclusion and Recommendations ...Platform Economy Impact**

The short-term rental sector has transitioned from a niche to a mainstream market with significant economic implications.

- New job types require revisiting labor statistics.
  - ✓ New employment opportunities have emerged, including the "multi-host" profession => Growth of micro-companies providing services for guest reception
  - ✓ Peer-to-peer activities led by women are often perceived as non-commercial. These roles may remain unrecorded or fall into the grey economy without targeted surveys.
  - ✓ The outsourcing of housekeeping tasks boosts opportunities for micro-entrepreneurs, such as cleaning companies, gardeners, pool service providers, and others.
- Improving Data Collection in terms de tourism expenses.

UN Statistical Commission (2008)  
recommends the following categories: i.  
Package travel, package holidays, and  
package tours; ii. Accommodation; **iii.**  
**Food and drink**; iv. Local transport; v.  
International transport; vi. Recreation,  
culture, and sporting activities; vii.  
Shopping; viii. Others (cfr. op. cit. 4.26).

- 
1. Public establishments (restaurants, bistros, cafés, tea rooms)
  2. Food and beverage retailers (groceries, shops, kiosks, supermarkets)

## ➤ **Conclusion and Recommendations - Some risks in estimation accommodation statistics**

Availability of data provided by platforms is limited

- Data provided by major companies to Eurostat could potentially support Satellite Account estimations.
- The classification of transactions as exports or imports depends on the country of residence of the landlord who owns the listed property, impacting the Balance of Payments. No availability of this data.

Conclusion

- Further studies required to accurately measure the platform economy's economic impact.
- Calls for improved methodologies in estimating tourism and balance of payments impacts.



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Thank you for your attention!

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