

COMMENTARY ON “AUTHENTICITY AND THE SHARING ECONOMY” in
Academy of Management Discoveries 2018

Glenn R. Carroll (Stanford) and Balazs Kovács (Yale)

Bucher et al.'s (2018) fascinating study of Airbnb adds significantly to established findings showing that part of the appeal of room-sharing resides in its perceived authenticity by customers (Liang et al. 2017; Sanchez-Vazquez et al. 2017; Paulauskaite et al. 2017). In their study, Bucher et al. (2018) demonstrate that lodgers apparently overlook--and even forgive---uncomfortable annoyances in their overnight experiences to the extent that they seek and think they receive an authentic experience in their Airbnb visit. The findings are compelling; the multi-stage mixed-method pair of studies presents a vivid picture of how customers make tradeoffs between the usual lodging concerns and authenticity.

Bucher et al.'s (2018) study adds to mounting evidence suggesting that authenticity acts as a buffer against less-than-pleasant experiences that might otherwise turn off the customer. For instance, we found a similar kind of effect in studying restaurants with David Lehman: although lower posted hygiene grades are normally punished by customers, this is much less so when the restaurant is perceived as authentic (Lehman et al., 2014). Relatedly, Demetry (2015) documents how diners frequenting pop-up and underground restaurants are willing to forego professionalism of cooking and service in order to partake in an authentic experience in the host's home. Likewise, Guevremont

and Grohmann (2018) provide evidence that brands perceived as authentic suffer less damage in scandals than typical brands.

Left unanswered for now—in all these studies---is the intriguing question of whether or not these “imperfections” themselves contribute to the audience’s perception of the organization as authenticity, or whether they act simply as mediators. Although we think the interpretation goes too far, people have suggested to us, for example, that less-than-perfect hygiene actually contributes to some restaurants being regarded as authentic, just as the presence of personal objects and the like may signify authenticity for Airbnb lodgers. (We recall the old adage in software about turning “bugs into features.”)

Also left unanswered in all these studies is whether people use authenticity as a criterion to choose between offerings upfront or whether they use authenticity as a post-experience justification. For AirBnb the question is, Do customers choose a given host or place because they expect the experience to be authentic? Bucher et al. (2018) apparently think so, as they assert that, “Whether or not an experience is perceived as authentic depends on whether it is in line with guests’ expectations about the essence of the experience” (page 26).

As Bucher et al. (2018) indicate, many Airbnb customers express a strong anti-corporate or anti- mass production sentiment as well. Apparently, they are seeking something different than a typical hotel, motel or inn. In that respect, these consumers remind us of early craft beer enthusiasts, who found the oppositional identities of microbrewers

attractive (Carroll and Swaminathan, 2000). But with craft beer drinkers, it was also clear what the consumers were seeking in the affirmative and what they regarded as authentic: small vertically integrated organizational forms, legacy beer recipes and traditional brewing techniques overseen by a master brewer.

With Airbnb, it is not clear (at least to us) what exactly customers are seeking and regarding as authentic beyond their own unique---and possibly individuating---experience. Bucher et al. (2018) use questions in their authenticity scale that point in several possible directions. (We would prefer that the scale also include reference to a location's historical legacy, to capture sentiments such as "we stayed in a 19th century French château.")

Without identifying the target(s) of appeal, it is hard to know how to reconcile these behaviors with the usual attributions of authenticity (Newman and Smith, 2016).

Ironically, one thing that does seem clear and interesting is that, in terms of customer behavior, sharing does not seem to be an important element. That is, customers seem to take the shared offerings eagerly but do not offer usually to contribute much back--the sharing does not flow both ways.

Identifying the type of authenticity being sought by Airbnb customers likely has important implications for organizational design. An obvious opponent of room-sharing, the American Hotel & Lodging Association (2017) claims that much of Airbnb's recent growth apparently comes in the form of commercial subcontracting of large blocks of

similar (and sterile, anonymous) apartments. Even if overstated in importance, commercial subcontractors represent a non-trivial part of AirBnb's stock. And, while staying in these places may be economical, we are sure they are not going to appeal to the person seeking an authentic experience.

Marketing to the customer seeking authenticity can also be tricky. In Kovács et al. (2017), we show (again with David Lehman) that overt self-claims of authenticity by the service provider are likely to backfire and lead to customer rejection. Rather, a better strategy seems to be to create conditions and services that lead customers on their own to think they are getting something authentic. Then, let them spread the word for you.

Finally, we want to note that Airbnb's greatest potential in terms of appealing to customers on the basis of authenticity may not be in lodging per se but in their newer business, what they call Experiences. These are short (2-3 hours often) "trips" or "tours" organized by a local person around some particular theme such as "Making a Unique and Original Kimono" in Tokyo or "Street Dancing in the South Bronx" or "Wolf Encounter" in Seattle. Many of these themes clearly try to represent something the customer might perceive to be authentic---that, in fact, is often the primary attempted appeal.

REFERENCES

American Hotel & Lodging Association. 2017. **Hosts with Multiple Units – A Key Driver of Airbnb Growth**. Washington DC.

- Carroll, G. R., & Swaminathan, A. 2000. Why the Microbrewery Movement? Organizational Dynamics of Resource Partitioning in the U.S. Brewing Industry. **American Journal of Sociology**, 106(3): 715–762.
- Demetry, D. A. 2015. **Episodic Organizations: Pop-up and Underground Restaurants and the Temporality of Organizational Life**. Doctoral dissertation, Northwestern University.
- Guèvremont, A., & Grohmann, B. 2017. Does brand authenticity alleviate the effect of brand scandals? **Journal of Brand Management**: 1-15.
- Kovács, B., Carroll, G. R., & Lehman, D. W. 2017. The perils of proclaiming an authentic organizational identity, **Sociological Science**, 4: 80-106.
- Lehman, D. W., Kovács, B., & Carroll, G. R. 2014. Conflicting social codes and organizations: Hygiene and authenticity in consumer evaluations of restaurants. **Management Science**, 60(10): 2602-2617.
- Liang, L. J., Choi, H. C., & Joppe, M. 2017. Understanding repurchase intention of Airbnb consumers: perceived authenticity, electronic word-of-mouth, and price sensitivity. **Journal of Travel & Tourism Marketing**, 1-17.
- Newman, G. E., & Smith, R. K. 2016. Kinds of authenticity. **Philosophy Compass**, 11(10): 609–618.
- Paulauskaite, D., Powell, R., Coca-Stefaniak, J. A., & Morrison, A. M. 2017. Living like a local: Authentic tourism experiences and the sharing economy. **International Journal of Tourism Research** 19(6): 619–628.

Sanchez-Vazquez, R., J. Silva, & R. L. T. Santos. 2017. Exploiting socio-economic models for lodging recommendation in the sharing economy. **Proceedings of the Eleventh ACM Conference on Recommender Systems**. ACM, 2017.

ORIGINAL ARTICLE

Bucher, E., C. Fieseler, Fleck, M. & Lutz C. 2018. Authenticity and the sharing economy. **Academy of Management Discoveries**, in press.