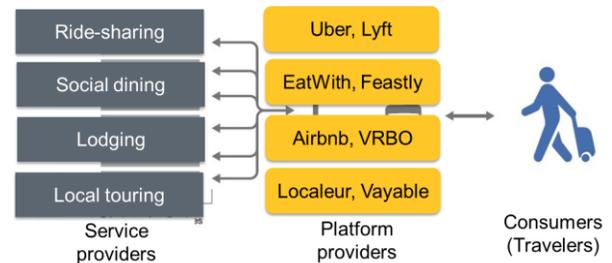


Adoption and Rejection of Service Innovations by Travelers in the Sharing Economy

Research conducted by Seojin Lee

Problem

Spurred by the success of Airbnb, the business model of the sharing economy has been applied to various service areas in the tourism industry, such as ride-sharing, social dining, lodging, and local touring. However, all of the ventures in the sharing economy have not reached expected or sufficient demand. Skepticism about the sharing economy business model has been renewed recently, in part due to the lack of safeguards and consumer protection. It raises a question, “why do not travelers choose service innovations in the sharing economy?” To gain sufficient demand, entrepreneurs need to take into consideration some hidden factors of consumer adoption and resistance.



Research

The research follows a two-study format. The two service types of the sharing economy are selected to examine a service innovation situated in the different innovation decision stages: one is social dining in the pre-adoption stage (Study 1); another is ride-sharing in the post-adoption stage (Study 2). In both studies, the semi-structured interviews and survey data were used to identify the context-specific reasons for and against adoption. Then, a series of statistical analyses were employed to examine how reasonings influence intentions to adopt social dining services (Study 1) and intentions to repurchase ride-sharing services for the next trip (Study 2). The research was conducted in the Las Vegas and Phoenix area from April to November in 2018.

	Study 1	Study 2
Innovation of study	Social dining	Ride-sharing
Innovation decision stage	Pre-adoption (Adoption)	Post-adoption (Confirmation)
Context	Travelers' food consumption	Travelers' ground transportation use
Key elements	Reasons for and against adoption	
Variables of interest	Adoption intentions	Repurchase intentions
Methods	Focus group interview + Survey	Semi-structured interview + Survey

Findings

The research develops and validates mechanisms under which platform and service providers could increase travelers' benefits and reduce their barriers to adopt service innovations in the sharing economy. The findings also reveal different psychological paths in travelers' adoption and repurchase intentions. In Study 1, the trustworthiness of service providers attenuates the reasons against adoption and enhances the likelihood of adopting social dining services in the pre-adoption stage. In Study 2, attitude strength functions as an additional construct, which ultimately increases intentions to repurchase ride-sharing services for the next trip in the post-adoption stage.

Implications

- The service innovations in the sharing economy, at first, started from the IT industry, and then have moved forward to the traditional markets in various areas, including the food service and transportation development.
- The technological advances in platform technology, such as the massive adoption of smartphones and rising capabilities of the internet, provide the important opportunities for service innovations in the sharing economy.
- The quality of service providers matters, in that service innovations in the “gig economy” raise the questions about different levels of qualifications and inconsistent service standards.

Recommendations

- Platform providers could establish safeguards into their systems and create marketing campaigns promoting how they deal with consumer resistance, as adopters become more aware of public safety and welfare.
- Service providers should take actions in place for ensuring service qualities (hygiene conditions of social dining and passenger safety of ride-sharing).
- Policymakers could develop regulations designed to address the issues of licensing, permitting, passenger liability, and insurance.

Researcher

In May 2019 Seojin Lee graduated with her Ph.D, in Community Resources and Development under the direction of Dr. Woojin Lee. She would like to thank Travel and Tourism Research Association (TTRA) for the scholarship contribution towards this dissertation study.