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Evaluation of the factors affecting organisational non-financial performance: a case of Airbnb listings in Nairobi County.

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EVALUATION OF THE FACTORS AFFECTING ORGANISATIONAL NON-FINANCIAL PERFORMANCE: A CASE OF AIRBNB LISTINGS IN NAIROBI COUNTY

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DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis proposal contains no material previously published or written by another person except where due reference is made in the thesis itself.

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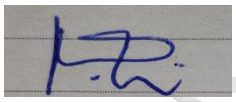
Sign:  _____ Date: __02.05.2024_____

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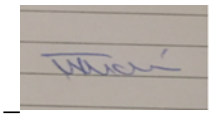
Sign: _  _____ Date: 02.05.2024_____

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LIST OF ABBREVIATIONS

NYC	New York City
SPSS	Statistical Program for Social Sciences
U.K.	United Kingdom
U.S.A	United States of America

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ABSTRACT

This study aimed to evaluate the factors affecting the performance of Airbnb listings in Nairobi, Kenya. The rise of platforms like Airbnb has transformed the hospitality industry, offering an alternative to hotels. While advantageous, Airbnb's model challenges hosts to ensure optimal organisational performance. This is vital for competitiveness and stable income. Existing research on factors affecting Airbnb listings' performance mostly covers developed markets, creating a gap for emerging markets like Kenya. This gap hampers local Airbnb listings from a lack of insights to enhance their operations, risking revenue loss. The specific objectives of the study were to establish the influence of technological factors on the organisational performance of Airbnb listings in Nairobi, Kenya, to establish the influence of location factors on the organisational performance of Airbnb listings in Nairobi, Kenya, and to establish the influence of economic factors on the organisational performance of Airbnb listings in Nairobi, Kenya. Two theories informed this research: the social exchange theory and the balanced scorecard theory. Using the positivism research philosophy, a descriptive design, and a quantitative approach to primary data collection, the study population was users of Airbnb in Nairobi. Data was collected from this sample using a survey strategy. The sample was selected using the judgment sampling technique. The findings indicate that technology factors, location factors, and economic factor are positive and statistically significant predictors of organisational performance of Airbnb listings in Nairobi, Kenya. The study has emphasised the importance of technology, highlighting the positive effects of service automation, innovation, and user-friendly interfaces on customer satisfaction and organisational performance in Nairobi's Airbnb listings. A listing's location factors, from the neighbourhood, accessibility of transit facilities, amenities, proximity to places of interest, and the environment around the apartment have all been shown to significantly and positively affect the organisation performance of Nairobi Airbnb listings. This study has also concluded that economic factors such as competitive prices and perceived value are critical in increasing customer satisfaction, motivation to use, and repurchase intention. This study emphasises the importance of hosts strategically leveraging technology, selecting appropriate locations, and taking economic factors into account for optimising Airbnb listings' operations and maximizing organisational performance in emerging markets such as Kenya.

Keywords: Airbnb, Airbnb listings, economic factors, location factors, peer-to-peer accommodation, sharing economy, technology factors

CHAPTER ONE
INTRODUCTION

Section 1.1 provides the background of the study. The background is guided by and introduction to the study variables, each under separate section. The dependent variable is presented in subsection 1.1.1, the independent under section 1.1.2, and the context of the study under section 1.1.3. This is followed by the problem statement under section 1.2, the research aim and objectives under section 1.3, the research question under section 1.4, scope of the study under section 1.5, significance of the study in section 1.6, and a summary of the chapter under section 1.7.

1.1 Background of the Study

The global diffusion of information technology and digital technologies has greatly contributed to business model innovation in many industries (Nathan, Victor, Tan, & Fekete-Farkas, 2020). Among those affected is the hotel industry. According to Dinev (2022), the digital revolution has transformed how the hotel industry operates, from online travel agents providing independent hotels with autonomy to target wider customer bases to the disruption of the industry by peer-to-peer accommodation networks. Volgger, Taplin, and Pforr (2019) postulate that peer-to-peer accommodation networks are businesses that depend on consolidating a sufficient pool of individuals (hosts) willing and able to offer guests, that is, people willing and able to purchase short-term living space, with accommodation space. Examples of peer-to-peer businesses include Airbnb, HomeAway and 9Flats (Farmaki & Miguel, 2022). This study will focus on Airbnb's peer-to-peer accommodation network.

Airbnb operates under a platform business model. Multisided in nature, platform business models are replacing conventional business models such as those in the hotel industry, and this replacement is made possible by the digitisation of processes, services, and products (Dolnicar, 2017; Zhao, Von Delft, Morgan-Thomas, and Buck, 2020). Platform business models are characterised by players on two sides, where users on one side demand services and products from a central location and, on the other side, are providers of these products and services who seek to fulfil the demand (Rahman & Thelen, 2019). Classic examples of platform business models include Google Appstore, Airbnb, Uber, and Jumia.

The Airbnb company acts as a facilitator in the multisided platform. On one side of the Airbnb business model is the host, the seller of accommodation space (Lee & Kim, 2019). Here, the Airbnb host (Airbnb listing) provides customers with underutilised or unused space for rental. On the other side are the guests, the buyers of the value proposition presented in the provision of space for short-period living. Interaction between the guests and hosts is facilitated by Airbnb (Lee & Kim, 2019). A third side can exist for supplementary service providers such as chefs and photographers, making the offing more attractive to guests.

Guttentag (2019) conceptualises an Airbnb listing as a home or lodging unit that a host makes available for short-term rentals through the Airbnb network. Apartments, homes, rooms, and even unusual properties like treehouses and castles can be listed by hosts. These hosts can either private individuals offering their property for the short-term rental or property management firms. To offer prospective visitors a good idea of what to anticipate, each Airbnb listing advertises itself on the Airbnb company website. The advert contains information about the property, such as its location, amenities, house rules, and images (Hoffman & Heisler, 2020). This definition of Airbnb listing is consistent with that provided by the Airbnb company (2022) that Airbnb listings are properties owned by hosts that are enlisted on the Airbnb platform, properties that customers book or rent.

As a key member of the multisided platform, Airbnb listing performance is critical for the success of the Airbnb business model. Airbnb (2022) facilitates its listings with a dashboard where they can monitor their performance. The performance metrics on the dashboard include quality, conversion, occupancy rates, earnings, and hosting progress (Airbnb, 2022). While these metrics provide a positive direction towards the expansion of the Airbnb model, the Airbnb listing should focus on optimising its performance for future success and growth.

The disruptive potential of platform business models has been illustrated by services like Uber and the Google Appstore. However, there is still a need for more research into the intricate processes by which these platform-based ecosystems create and preserve this balance, particularly in the context of the multidimensional Airbnb network. Amidst the varied interactions within Airbnb's platform, understanding the listings' performance as portrayed by the customers as a critical cog in the business

model becomes paramount. Investigating the factors that influence the organisational performance shed light on strategies for augmenting the attractiveness of Airbnb listings.

1.1.1 Organisational Performance

Organisational performance has developed into the ultimate dependent variable in empirical inquiries in the discipline of management (Herciu & Șerban, 2018). However, its definition is surprisingly open considering only a few studies use consistent measurements and definitions (Demeke & Tao, 2020; Herciu & Șerban, 2018). Due to the rarity of an explicitly expressed definition of organisational performance, the consensus on the valid set of criteria to measure organisational performance thus remains elusive. Various perspectives are discussed in this section to come up with the measure of organisation performance for this study.

According to Oh and Han (2020), organisational performance is an indicator that researchers use to evaluate how well an entity effectively achieves its objectives. Seminal contributions have been made by Richard, Devinney, Yip, and Johnson (2009) towards defining organisational performance, where they incorporate three specific areas of business outcomes: product market performance, financial performance, and shareholder return. Examples of indicators used for the first include market share and revenues, the second is measured using return on investments, return on assets, and profits and shareholder return is measured using economic value added and total shareholder return, among others. However, Richter, Schmidt, Ladwig, and Wulhorst (2017) debate that these indicators have a narrower conception of organisational performance and that firm performance should be conceptualised using operational performance. Richter et al. (2017) further posit that organisational performance should be measured using effectiveness indicators such as reputation, performance in comparison to competitors, and the attainment of goals since organisational effectiveness, operational effectiveness, and financial indicators are interrelated. Richter et al.'s (2017) definition of organisational performance narrows to either financial performance (operationalised using profitability, risk-adjusted profitability, and risk), operational performance (market share, product market outcomes, sales growth, internal processes outcomes, productivity, and cost

efficiency), and effectiveness performance (a survey-based measure of performance related to objectives).

Demeke and Tao (2020) advance several perspectives on organisational performance measurement. The first is the balanced scorecard perspective that was advanced by Kaplan and Norton in 1992 and measures organisational performance by integrating organisational effectiveness, financial measures, operational measures on customer orientation, and organisational learning and growth. The second perspective is accounting, and this measures organisational performance using financial statement information. Additionally, Demeke and Tao (2020) advance the strategic management perspective measures to include financial performance, shareholder return, and product-market performance (similar to the approach adopted by Richard et al. (2009) reviewed earlier in the section) and survival measures advanced by Peter Drucker that include innovation, physical and financial resources, productivity, work performance and attitude, standing in the market relative to potential now and in the future, public responsibility, profitability, and manager development and performance. This makes the strategic management perspective both multi-dimensional and multi-constituency.

Another perspective taken in measuring organisational performance is the entrepreneurship perspective. A one-dimensional approach to measuring performance, this perspective argues that the entrepreneur's goals are the goals of the organisation, and achieving the former means the latter has been achieved. Finally, Demeke and Tao (2020) advance the microeconomic perspective that argues performance is measured based on the utility achieved by the owners of the organisation.

From the perspective of sharing economy organisations, empirical evidence shows that the organisational performance of Airbnb listing (the organisation) is either analysed at the consumer level or the listings level. At the consumer level, these are nonfinancial organisational performance measures and include customer satisfaction measured by: motivation to use, behavioural intentions, and perception of value, indicators that are measured quantitatively using surveys (Mody, Suess, and Lehto, 2017; Möhlmann, 2015; Priporas, Stylos, Rahimi, & Vedanthachari, 2017; Tussyadiah, 2016; Zhu, So, & Hudson, 2017). From the listings level, performance is measured by use of quantitative analysis using online data to measure the number of reviews an Airbnb listing receives and uses it as a proxy to measure the number of

times it has been rented out (Ert, Fleischer, & Magen, 2016; Li, Moreno & Zhang, 2015; Xie and Mao, 2017; Zervas, Proserpio, & Byers, 2017).

Due to the elusiveness of the measurement of organisational performance as evident from the above definitions and measures, this study evaluated the organisational performance of Airbnb listings using the consumer level indicator by measuring customer satisfaction using: Positive reviews, recommendation to others, motivation to use and repurchase intention. The choice of these measures is informed by the distinctive nature of the platform service delivery approach. Airbnb operates in the sharing economy, where trust and satisfaction are important. Positive reviews serve as proof of client satisfaction. This is besides demonstrating the level of service offered by hosts. Recommendations to others reflect both contentment and the possibility of gaining new consumers through favourable word-of-mouth. Also, motivation to utilise the platform again indicates a positive user experience. Finally, repurchase intention indicates loyalty and ongoing involvement with the service. These dimensions are part of the non-financial metrics of organisational effectiveness. Besides, Richter et al. (2017) argue that organisational effectiveness performance reflects better financial performance in both the medium and long term, thus qualifying these measures for the current inquiry. Moreover, they are the measures that have consistently been used by scholars such as Babić Rosario, Sotgiu, De Valck, and Bijmolt (2016) and Liu, Steenkamp, and Zhang (2018) in the shared economy because of the limitations on access to data on listings renting history since listings do not make this information public (Zhang, 2019).

The study assesses the organisational performance of Airbnb rentals, focusing on non-financial indicators such as customer satisfaction, good reviews, recommendation to others, incentive to use, and repurchase intent. These KPIs were chosen because of the unique nature of Airbnb's platform service delivery model. This model operates in the sharing economy, where trust and satisfaction are critical. By concentrating on these non-financial indicators, the study recognises the importance of elements other than standard financial measures in evaluating organisational performance in the context of the sharing economy. Further, Richter et al. (2017) indicate that adopting these indicators stems from their ability to reflect superior financial performance in the medium and long run. This consistency with prior studies in the shared economy area,

where similar non-financial indicators have been used due to data accessibility constraints.

1.1.2 Factors Affecting Organisational Performance

The broader literature has advanced different factors that affect the performance of organisations. According to Mabai and Hove (2020), environmental factors, both internal and external, affect the performance of organisations. This explains why it is important for businesses to conduct a situational analysis using the available strategic analysis tools to identify the factors in these environments and strategize on ways to adapt.

One of the major factors that influence the performance of Airbnb listings is service attributes (Kirkos, 2022). Service quality relates to factors such as a smooth check-in process, host response, room service, booking and cancellation, meeting customer needs, food service, host attitude, and host help (Han and Yang, 2020). According to Kirkos (2022), an Airbnb listing's quick response to customers' requests is an important factor that affects its performance. The author argues that customers interpret the quick response as a deliberate action by the listing to deliver value. This is to suggest that listings with better check-in scores perform better.

Location or geographical factors have also been shown to affect the performance of Airbnb listings (Sainaghi, Abrate, & Mauri, 2021). These attributes include a decent location, neighbourhood, transportation, landmark building, and restaurants (Han and Yang, 2020). Other location elements critical to the consumer include access to beautiful views that are appealing to the customers and the amenities provided in these locations. This includes access to swimming pools, free parking, and a kitchen, among others (Han and Yang, 2020).

Facility factors have also been shown to affect the performance of Airbnb listings. One such factor is the room aesthetics, that is warmness and homeliness of the rooms (Chattopadhyay & Mitra, 2019). The more the ideal room aesthetics, the more a listing entices more guests (Han and Yang, 2020; Zhang, 2019). Another facility factor is how clean, comfortable, and nice the Airbnb units' environment appears to the customers. Others include room size, room facilities, privacy, decoration, and property type (Han and Yang, 2020; Zhang, 2019). This suggests that Airbnb listings with better facility characteristics have better performance.

Host characteristics have been argued to positively affect the performance of Airbnb listings (Zhang, 2019). Kirkos (2022) further add that the rich presentation by the host creates a positive brand image with the clients, and this increases the level of repeat business and referrals. This is in addition to a host possessing a Superhost badge (Kirkos, 2022), an indication the listing is a top performer who has maintained a response rate of 90% or higher, a cancellation rate of less than 1%, and an overall rating of 4.8 out of 5 stars (Airbnb, 2022).

Han and Yang (2020) argue that the general experience of the customers affects the performance of Airbnb listings. Attributes under general experience include the home feeling, good feeling, and host review. Others include the suitability of the Airbnb unit for family, the sharing experience, and host honest advertisement.

Further, technological factors have been shown to influence the performance of P2P accommodations such as Airbnb (Papagiannidis & Davlembayeva, 2021). Service automation acts as a functional motivator to customers and informs their Airbnb repurchase intentions (Jiang, Shum, & Erdem, 2022). Technology innovation such as smart technology adoption by Airbnb listings has been shown to attract customers to these P2P businesses (Marikyan, Papagiannidis, & Alamanos, 2019). Such technologies include smart homes equipped with high-technology networks that link sensors, appliances, and domestic devices using features that guests can remotely access monitor, or control, such that they offer services that meet the needs of the guests (Marikyan, Papagiannidis, & Alamanos, 2021; Papagiannidis & Davlembayeva, 2021; Sovacool & Del Rio, 2020).

Economic factors also affect the performance of Airbnb. The price that the facility charges and the dynamic pricing strategy employed have been shown to positively affect the revenues of Airbnb listings (Ju, Back, Choi, & Lee, 2019; Kwok & Xie, 2019; Leoni & Nilsson, 2021). Studies also show that perceived value has a positive and significant correlation with customer satisfaction, which in turn increases the revenues from return business (Awang Razli, Jamal, & Mohd Zahari, 2017). The platform owners' and Airbnb listings' understanding of the above factors will help them develop ideal strategies for competitiveness. Such informed the need for this study in Kenya to explore the factors affecting Airbnb listings' performance in Nairobi, in this case focusing on technological, location, and economic factors.

Technological factors encompassed aspects such as service automation and the level of innovation within the Airbnb listing (Casais, Fernandes, and Sarmento, 2020; Jiang et al., 2022; Papagiannidis and Davlembayeva, 2021). For location factors, considerations included accessibility (including transit options, nearby attractions, city proximity, and places of interest), the quality of the neighbourhood, and the environment surrounding the apartment (Han and Yang, 2020; Sainaghi et al., 2021). Economic factors included the pricing of the listing and the perceived value it offers to potential guests (Awang Razli et al., 2017; Ju et al., 2019; Kwok & Xie, 2019; Leoni & Nilsson, 2021).

The independent variables that the current study adopted were technological factors, location factors, and economic factors. The inclusion of these attributes is based on considerable research demonstrating their significance on the performance of Airbnb listings. The listings' incorporation of technological factors (service automation and innovation levels) is indicative of the growing significance of technology in influencing consumer expectations and experiences. Technological factors enhance the convenience and efficiency of the booking process and the experience within the apartments. The analysis of location attributes, which include neighbourhood quality, accessibility, and environmental factors, recognises the importance of geographic context in shaping customer preferences and satisfaction levels. Finally, economic factors, including pricing and perceived value, elucidate the financial dynamics affecting the performance and competitiveness of Airbnb listings.

The study's focus on technology, location, and economic aspects is supported by their demonstrated relevance to Airbnb listings and the hospitality industry in general (Awang Razli et al., 2017). Technological aspects, such service automation and innovation levels, respond to changing consumer expectations while improving booking efficiency and overall experience (Papagiannidis and Davlembayeva, 2021). Location variables, such as neighbourhood quality and accessibility, recognise the impact of geographic context on customer choices (Han and Yang, 2020). Economic considerations such as pricing and perceived value emphasise the financial dynamics that are critical to competitiveness (Leoni & Nilsson, 2021). By prioritising these attributes, the study has provide actionable insights into the primary determinants influencing the performance of Airbnb listings in Nairobi, Kenya, addressing specific

contextual issues while remaining consistent with previous literature on organisational performance drivers.

1.1.3 Airbnb in Kenya

Airbnb (2022) was founded in 2008 and is the leading global peer-to-peer accommodation network. Airbnb has grown to serve more than one billion guests hosted by more than four million hosts in almost every country in the world. Statistics show that Airbnb has over 6 million active listings globally, is located in over 100,000 cities and towns, and is present in over 220 regions, hence earning hosts cumulatively $150 billion (Airbnb, 2022).

A report by Airbnb (2018) put Kenya as the 3rd largest Airbnb market in Africa. The report shows that the typical earnings for hosts were $920 per month, and 55% of hosts in Kenya used Airbnb earnings to make a living while 57% of the hosts used these earnings to afford to stay in their homes. This comes against the backdrop of recent statistics showing that there were more than 367,091 Airbnb listings in Africa in 2021, which was coupled with a demand of 5,753,786 units in the same period, resulting in revenues of $481,423,202 (Alltheroom.com, 2022).

Murage, Mutisya, and Muthengi (2020) postulate that there is a growth in peer-to-peer accommodation in Kenya, where they concluded there is a relationship between customer needs and their accommodation choice. With this regard, the majority of users of Airbnb in Kenya are single, showing that Airbnb accommodation was less preferred to the married as compared to single. The Airbnb company has launched an initiative that encourages healthy entrepreneurship and tourism in under-resourced and rural African communities, an effort that has been launched in Kenya and South Africa (Novikova, 2021).

In light of recent events, the regulatory environment governing Airbnb operations in Kenya has been scrutinised and adjusted to improve security measures (Andae, 2024). Following reports of violence and security issues within Airbnb premises, the Kenyan government has implemented stronger restrictions to protect visitors and ensure public safety. These measures include intensified surveillance, mandatory security checks, and more stringent vetting procedures for hosts and guests (Andae, 2024).

According to Airbnb (2024), Kenya's short-term rental policies are governed by the Tourism Act 2011 and the Tourism Regulatory Authority policies 2014. In March 2021, the Kenya Tourism Regulatory Authority (KTRA) published a public circular mandating that all individuals supplying licensable accommodation facilities register by March 31, 2021. This requirement is consistent with the classification of various lodging categories, such as serviced apartments and holiday cottages, as regulated tourist businesses that require annual licensing (Airbnb, 2024). As such, these regulatory interventions seek to foster a conducive environment for healthy entrepreneurship and tourism. This is while addressing pressing security challenges within the sector. To this end, the completion and demand for the Airbnb homes have increased given the traction, the heightened competition has made the hosts of Airbnb to search for ways to improve performance, thus the current study intended to establish the factors that affect the performance of Airbnb listings in Nairobi, Kenya.

1.2 Problem Statement

The Airbnb platform has revolutionised the hospitality industry since it provides a unique and cost-effective alternative to traditional hotels (Abrate, Sainaghi, & Mauri, 2022). While the Airbnb platform provides numerous benefits to both guests and hosts who own the Airbnb listings, it also presents a significant challenge to the latter in terms of performance (Ye, Chen, & Paek, 2023). Performance, in this context, refers to the ability of hosts to achieve their desired objectives, which range from high listing occupancy rates, increased revenues, positive guest reviews, and customer satisfaction (Chen, Wang, Lyu, & Zhang, 2022). Achieving optimal performance is crucial for hosts to remain competitive and maintain steady revenues and income (Ratilla, Dey, & Chovancová, 2022).

Scholars have made it possible for Airbnb listings in advanced economies and markets to access an abundance of data to align their strategic direction to the ecosystem they operate in. From studies in Italy and the U.S. focused on the pricing strategies to adopt to ensure optimal performance (Abrate et al., 2022; Deboosere, Kerrigan, Wachsmuth, & El-Geneidy, 2019; Kwok & Xie, 2019; Sainaghi et al., 2021), to studies on the level of customer service required by Xie, Heo, and Mao, (2021) in the U.S., to studies on the planned behaviour of consumers and how it affects their purchase intentions by Nathan et al. (2020) in Malaysia and Tripp, McKnight, and Lankton, (2022) and Zhang

(2019) in the U.S., listings in these markets have at their disposal strategic data they can leverage to improve the level of value delivered across the platform ecosystem while still increasing their overall value in terms of better performance. This left a gap in knowledge regarding the factors affecting listings' performance in emerging and developing markets (Henama & Mathole, 2022; Ye et al., 2023), such as Kenya. While Airbnb has gained popularity in Kenya in recent years, there was a dearth of research on the factors that influence Airbnb listing's organisation performance in the country (Murage et al., 2020).

The hospitality industry has been transformed by Airbnb, offering a cost-effective alternative to traditional hotels. Despite its benefits, Airbnb hosts face challenges in achieving optimal organisational performance (Murage, 2021). The scarcity of research in this area poses significant challenges to Airbnb listings in Kenya, as they have limited knowledge of the factors that impact their organisation's performance (Murage, 2021, Murage et al., 2020). Without such knowledge, hosts may struggle to optimise their operations, leading to poor performance and lost revenue. There is a dearth of studies examining the association between technology, location, and economic factors and organisational performance of sharing accommodation listings in the context of developing countries in Africa such as Kenya. Besides, the subjective nature of the qualitative methods taken by these studies creates an opportunity to test the association between economic factors and the organisational performance of Airbnb listings quantitatively. Most studies have been conducted in big cities in developed countries and have used secondary data and qualitative research designs. This has limited the generalisability and transferability of the findings to other regions with different cultural and social attributes. There was a need to identify the critical factors that influenced Airbnb listing organisational performance in Kenya to enable hosts to align their operations and maximise value delivery (Murage et al., 2020).

The performance challenge experienced by Airbnb hosts in Nairobi County originates from a lack of understanding of the factors that influence organisational success in the local context (Akoth, 2023). While research in advanced economies has provided insights into strategic directions for Airbnb listings, there is a lack of understanding of the specific potential in emerging nations such as Kenya (Murage, 2021, Murage et al., 2020). Existing research focuses primarily on industrialised countries, employing qualitative methods and secondary data, which limits its application to Nairobi's

unique cultural and socioeconomic milieu. The study's quantitative analysis highlights the relationships between technology, location, and economic factors and organisational performance, allowing Nairobi's Airbnb hosts to make more informed decisions and optimise their operations. This study aimed to address the gap in understanding factors influencing Airbnb listing organisational performance in Nairobi, Kenya, to equip hosts with strategic insights for enhanced value delivery and competitiveness.

1.3 Research Objectives

1.3.1 Main Objective

The aim of the study was to evaluate the factors affecting the organisational performance of Airbnb listings in Nairobi, Kenya.

1.3.2 Specific Objectives

i. To establish the influence of technological factors on the organisational performance of Airbnb listings in Nairobi, Kenya.
ii. To establish the influence of location factors on the organisational performance of Airbnb listings in Nairobi, Kenya.
iii. To establish the influence of economic factors on the organisational performance of Airbnb listings in Nairobi, Kenya.

1.4 Research Questions

i. What is the influence of technological factors on the organisational performance of Airbnb listings in Nairobi, Kenya?
ii. What is the influence of location factors on the organisational performance of Airbnb listings in Nairobi, Kenya?
iii. What is the influence of economic factors on the organisational performance of Airbnb listings in Nairobi, Kenya?

1.5 Scope of the Study

This study evaluated the factors affecting Airbnb listings' performance in Nairobi, Kenya. The inquiry was conducted in a period of three months between December 2023 and February 2024. The study's target population was adult Airbnb consumers

that had attained the age of 18 and above and had stayed in Airbnb or used Airbnb service in Nairobi County before.

1.6 Significance of the Study

This study is critical to Airbnb listings management, informing them on strategies to adopt to enhance their performance. As service providers in the sharing economy, by understanding the factors that affect their performance identified in this study, the hosts will adopt best practices and optimise and align their operating model to maximize value for all sides of the platform ecosystem. Hosts will tailor their approach towards better meeting guests' needs in the Kenyan market and ultimately increase revenue.

The findings of this study are valuable to other scholars who are interested in improving the peer-to-peer platform ecosystem, particularly in Kenya. This study's findings are a source of empirical critique for future studies, enabling scholars to build on the current study's strengths and limitations. More importantly, the study's theoretical contribution provides a foundation for future research on the determinants of operational performance in the sharing economy, specifically in the peer-to-peer accommodation industry. By enhancing the understanding of the drivers of performance for local Airbnb listings in Kenya, this study informs the development of policies and support strategies that can improve the business performance of these entities on the sellers' side of the platform ecosystem.

Finally, the study of the factors affecting the performance of Airbnb listings in Kenya provides important insights for Airbnb platform policymakers. With a better understanding of the drivers of performance for local Airbnb listings in Kenya, policymakers can develop support strategies and policies that will improve the business performance of hosts on the platform. This information not only benefits hosts in Kenya but is also valuable in informing policy decisions in other markets with similar characteristics. By gathering empirical data and analysing the factors that affect the performance of Airbnb listings in Kenya, this study provides policymakers with valuable insights that will inform the development of policies aimed at promoting the growth and success of the sharing accommodation industry in the region.

1.7 Chapter Summary

This chapter has provided the background of the study, the problem statement of the proposed research, the research aim, the specific objective, the research questions, and the significant of the study. The chapter has also presented the study scope on evaluating the factors affecting the organisational performance of Airbnb listings in Nairobi. Chapter two presents a comprehensive review of the relevant literature guided by the research objectives. Further, chapter three presents the research methodology that the current study used to achieve the study aim and answer the research questions. Chapter four presents the analysis and findings while chapter five presents the discussion, conclusions, and recommendations of the study.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This section presents a review of recent literature on the factors affecting the organisational performance of Airbnb listings or providers. The chapter covers the theoretical review, the empirical review and the operationalization of study variables. In the empirical review, significant studies are done on technology factors, location factors, and economic factors related to P2P accommodation and operational performance to investigate and understand the research problem. The review further critiques the literature based on the research design adopted and the analysis of findings.

2.2 Theoretical Review

This section analyses theories that anchor the current research. As such, the section expounds on what proponents have discovered in relation to the determinants of Airbnb listing organisational performance. The two theories that explain the phenomenon under study are the social exchange theory and the Balance Score Card Theory.

2.2.1 Social Exchange Theory

This study was anchored on the social exchange theory, a key theory that scholars use to understand the reason individuals participate in the sharing economy (such as Airbnb) (Chatterjee, Dandona, Mitra, & Giri, 2019; Lee & Kim, 2019). Social exchange theory is a social psychology, sociology, and management theory that is associated with relationship creation, maintenance, and disintegration (Boateng, Kosiba, & Okoe, 2019). The theory postulates that people interact or take part in an activity when specific basic economic principles related to the benefits of engaging in such social exchange outweigh the costs (Boateng et al., 2019; Chatterjee et al., 2019). In other words, individuals choose relationships that promise to maximise their utility or reward and minimise costs. This assertion comes against the backdrop of the argument that people assess benefits and costs unconsciously and consciously through conducting a cost-benefit analysis and is followed by making relationship choices informed by the values they hold and the things that are important to them (Boateng

et al., 2019; Priporas et al., 2017). This informs the argument that the relationship that offers individuals the most rewards at the minimal cost are the ones they will value more and the possibility of prolonging these associations increases.

Based on the social exchange theory, Airbnb customers that are content with the value or benefit that they get from their arrangement with the Airbnb host will bring more business, thus enhancing organisational performance (Lee & Kim, 2019). The more the customers experience greater satisfaction from an Airbnb listing, the more the listing gets better customer reviews, better guest ratings, and more business that impacts overall revenues and profitability. The countered benefits, that is guest benefit for reciprocated host benefit, result from personal appreciation, trust, and obligation that customers identify with (Mbango, 2018), pushing positive reviews for Airbnb listings. Moreover, committed customers are likely to engage in the repurchase of Airbnb listing services, boosting revenues.

The characteristics of Airbnb listings are well reflected in the social exchange theory through the interpersonal relationships based on the costs and benefits (Wang, Xiang, Yang, & Ma, 2019). In this light, this study applied the social exchange theory to understand the factors that affect the organisational performance of Airbnb listings in Kenya. The social exchange theory is flexibly employed in sharing economy and it can explain a wide array of factors that determine the performance of Airbnb listings (Boateng et al., 2019). As argued by Lee and Kim (2019), the social exchange theory has theoretical advantages that informed its utilisation in peer-to-peer accommodation studies.

The study used the social exchange theory to select technology, location, and economic factors as the independent variables. To begin with, service automation in the shared economy and the level of innovation and value cocreation between guests and hosts are technological factors that enable individuals to experience the ease of use of P2P accommodation such as Airbnb. According to Malmström and Johansson (2015), most collaborations facilitate the exchange of knowledge, information, experience, and new ways of thinking and accelerate learning and innovation. The social exchange theory can explain the cost-benefit evaluation by Airbnb guests where these customers participate in the co-creation of innovative technology that will

improve their room rental experience and overall utility by sharing high-quality sharing economy content with hosts.

The social exchange theory also informed the selection of the location factors variable because Airbnb guests seek to maximise their benefits by renting apartments that offer convenience during their stay (Priporas et al., 2017). Moreover, Airbnb guests seek out accommodations in specific locations to meet their needs. The behaviour that emerges from the guest's evaluation of factors related to the social, economic, and environment surrounding the Airbnb apartment and the resulting exchange process of paying for the accommodation in exchange for a great experience exhibit trait of social exchange.

Finally, this research used the social exchange theory to select the economic factors variable because Airbnb guests pursue relationships where the rewards are greater compared to costs while abandoning those where costs are greater than rewards. Economic sociology observes relationships as a series of exchanges that aim to balance the costs and rewards (Cook, Cheshire, Rice, & Nakagawa, 2013). The social exchange theory demonstrated how the perceived economic exchange between Airbnb guests and hosts affects the performance of listings.

2.2.2 Balanced Score Card Theory

Another theory anchoring this study was the Balanced Scorecard (BSC) theory. BSC evolved in the 1990s as an innovative reaction to the limits of primarily financial-oriented performance instruments such as budgets, thanks to the collaborative work of Kaplan and Norton (1992). Frederico, Garza-Reyes, Kumar, and Kumar, (2021) hold that, initially intended for performance evaluation, BSC theory has evolved into a strategic framework for both communication and evaluation. Its fundamental philosophy emphasizes the importance of publicly discussing objectives and priorities, as well as establishing a culture of learning and collaboration within teams, providing a comprehensive approach to performance management that goes beyond traditional financial indicators (Frederico et al., 2021; Mio, Costantini, & Panfilo, 2022).

In the context of the current study on evaluating factors affecting the organisational performance of Airbnb listings in Nairobi County, the BSC framework is used to select the organisational performance of Airbnb listings variable in the study. BSC framework encompasses four critical perspectives. To begin with, the Customer

Perspective stresses understanding and satisfying the individual needs of guests to improve overall satisfaction, as evidenced by indicators such as customer satisfaction levels and satisfaction versus importance analysis (Fatima & Elbanna, 2020). Further, the Financial Perspective revolves around optimizing financial and regulatory objectives, which are critical for satisfying stakeholders. Measures of financial perspective include cost management, assessment of unfunded requirements, and budget projection conformance (Mio et al., 2022). Third, the Internal Perspective emphasizes the improvement of internal processes that are critical for customer satisfaction, such as cycle time, completion rate, and personnel efficiency (Mio et al., 2022). Finally, Learning and Growth emphasize the need for ongoing development in accomplishing corporate goals. This perspective includes indicators such as employee happiness, retention, training activities, and technology investment to promote strategic enhancement (Fatima & Elbanna, 2020).

The BSC framework was utilised in selecting the dependent variable in this study, which focuses on the organisational performance of Airbnb listings in Nairobi County. BSC's comprehensive approach allows for a more nuanced picture of organisational performance by taking into account customer satisfaction, internal processes, and learning and growth efforts (Mio et al., 2022). By combining numerous performance metrics from several viewpoints, the BSC presents a comprehensive picture of how various aspects influence Airbnb hosts' overall success. This is consistent with the intricacies of the hotel business and tackles the issues of evaluating organisational performance in a multidimensional setting.

The holistic approach to performance measurement provided by incorporating the BSC theory into this study is one of its key strengths (Arasli, Alphun, & Arici, 2019). Beyond financial measurements, the BSC takes into account customer, internal processes, and learning and growth factors (Arasli et al., 2019). Given the challenges of assessing organisational performance and the multidimensional character of the hospitality business, this method matches well with the complexities of assessing organisational performance (Arasli et al., 2019; Fatima & Elbanna, 2020). The BSC theory provided a complete perspective of how various factors affect the overall success of Airbnb hosts in Nairobi County by including diverse performance indicators.

2.3 Empirical Review

This section justifies the relevance of the current study by positioning the inquiry within a broader scholarly conversation. The section reviews the existing evidence that the study builds on. The review is guided by the specific research objectives.

2.3.1 Technological Factors and Organisational Performance

According to Jafari-Sadeghi et al. (2021), technological factors refer to the impact of technical breakthroughs, inventions, and digital technologies on organisational performance and competitiveness. These elements include technological infrastructure, digital platforms, automation, data analytics, communication technologies, and information systems. In today's business environments, technological variables are widely regarded as important drivers of innovation, efficiency, and strategic difference. Academic literature frequently investigates the effects of technology adoption and digital transformation on many dimensions of organisational performance, including productivity, customer experience, and market expansion (Jiang et al., 2022).

Technological factors in the context of Airbnb refer to the use of technology to facilitate the process of booking and enhance customer experience from booking to staying (Papagiannidis and Davlembayeva, 2021). This includes the development and deployment of smart user-friendly technology within Airbnb apartments. Previous studies have emphasized that technology is critical to the success of Airbnb listings. For instance, Jiang et al. (2022) conducted a study in the U.S. focusing on the motivators and repurchase intention of guests before and after the COVID-19 pandemic. The study concluded that technology as a functional motivator was positively related to guest satisfaction with Airbnb listings. Service automation made it more likely for clients to come back for additional services at the listings where they had had positive experiences. As such, service automation can be traced from the functionality and convenience provided by the Airbnb platform, where useful information is available and the efficiency of access provides ease of use to guests through simple, yet responsive user interfaces (Jiang et al., 2022). A critical evaluation of the study by Jiang et al. (2022) indicates that the findings are based on a specific period (before and during the COVID-19 pandemic), which might not capture the long-term effects of technology on guest satisfaction and repurchase intentions.

Similarly, Papagiannidis and Davlembayeva (2021), in a study in the UK, explore the concept of smart technology utilisation in shared accommodation. According to the authors, smart homes and accommodation provides functional value to customers and enhanced their experience, leaving them with high utility and increasing the prospects of repurchase. In this regard, smart homes are residences that are equipped with high-technology networks that link sensors, appliances, and domestic devices using features that guests can remotely access monitor, or control, such that they offer services that meet the needs of the guests (Marikyan et al., 2019; Marikyan et al., 2021; Papagiannidis & Davlembayeva, 2021; Sovacool & Del Rio, 2020). Smart accommodation utilises smart devices that enhance guests' control of stay experiences and augments their entertainment experience, playfulness, and aesthetics. Guests are more satisfied when the price they pay the Airbnb accommodation reflects in more reward from a great experience that is facilitated by technology. Papagiannidis and Davlembayeva (2021) suggest that customers create emotional value when they reside in residential facilities installed with smart accommodation. Besides, operational benefits such as convenience, efficiency, and comfort enhance user experience, a psychological position that contributes to positive guest reviews, ratings, and overall satisfaction. Examples of smart technology installed in smart accommodations include smart speakers, smart lighting, smart door locks, smart cameras, smart thermostat, smart air conditioners, smart plugs, switches, sockets, and routers, smart alarms, smart kitchen appliances, smart voice-controlled assistants, and smart beds, among others (Papagiannidis & Davlembayeva, 2021). While the study sheds light on the benefits of smart technology in improving customer experiences and creating emotional and operational value within shared accommodations, there is still a gap in understanding the Airbnb guests' experiences and their direct impact on the organisational performance of Airbnb listings. Addressing this gap could provide a more nuanced understanding of the role of technology factors in enhancing organisational performance within the Airbnb context.

In a study in Portugal, Casais, Fernandes, and Sarmento (2020) sought to establish how technology-driven sharing accommodation business models innovation practices increased traffic to their businesses. The results of 30 in-depth interviews concluded that Airbnb hosts' value-cocreation with guests ensured that they understood the service quality attributes that maximized the latter's utility and developed

technological innovations that maximized value. These innovations are tied to the facilities provided and the amenities and are integrated with smart technology. Trust that ensues from the cocreation of services with customers is shown to contribute to relationship marketing through word of mouth and increased reviews (Casais et al., 2020). Relationship marketing is the strategy employed in creating and maintaining good relationships with a firm's existing customers through customer loyalty and long-term customer engagement instead of investing in finding new customers (Durmaz, Güvenç, & Kaymaz, 2020). As such, both word of mouth and increased reviews are connected to enhancing the consumer decision behaviour of prospective Airbnb customers (Casais et al., 2020). The existing research has focused on the positive aspects of technology-driven P2P accommodation, emphasizing value co-creation, innovation, and enhanced reviews. However, the nuanced impact of word-of-mouth and reviews on diverse customer segments remains underexplored, requiring further investigation for a holistic understanding of their influence on organisational performance.

The technology factors thus examined in this study include service automation and level of innovation. These factors are critical components in generating a mutually advantageous exchange between guests and hosts. This relates to the idea by stressing the cost-benefit analysis that visitors unknowingly perform, which drives them to engage in novel technological interactions that improve their overall utility and pleasure. The reviewed studies about technology factors and performance of Airbnb listings, that is in service automation and level of technology innovation essentially focus on cities in advanced economies, affecting the ability to generalise in other regions with diverse cultural and social setups. A quantitative study in developing countries such as Kenya could compare the results from the local context to those conducted in the developed nations context. Moreover, little is known about the effect of technological factors on the satisfaction of Airbnb guests in Kenya. This was an opportunity for the current study to provide evidence of the relationship between the level of innovation and service automation and the organisational performance of Airbnb listings in Kenya.

2.3.3 Location Factors and Organisational Performance

Tourism and hotel management scholars define location as the distance from the city centre, transport hub, or major attraction (Chica-Olmo, González-Morales, & Zafra-Gómez, 2020). Further, Sainaghi et al. (2021) assert that location factors refer to an organisation's geographical qualities and accessibility to numerous facilities, transit hubs, tourist attractions, and metropolitan centres. These criteria include accessibility, safety, convenience, and proximity to key locations, all of which have a substantial impact on consumer preferences and operational efficiency. Academic literature frequently emphasizes the importance of location considerations in affecting customer behaviours, market demand, and overall corporate competitiveness across industries (Chica-Olmo et al., 2020).

Further, Tussyadiah and Zach (2017) conceptualise location as the characteristics of the neighbourhood where the Airbnb property is located. This includes the locational advantages that come with proximity to the customer's point of interest (examples include restaurants, shopping centres, and markets) and proximity to transport and the convenience that comes with it (examples include access to public transit and walking distance to attraction sites, city). The location factors examined in this literature review included accessibility (transit, attraction, city, place of interest), neighbourhood, and the environment around the apartment.

In a study that sought to develop a spatial econometric hedonic model to explain Airbnb listings' pricing strategies in Málaga, Spain, Chica-Olmo et al. (2020) found that location was a key determinant in setting up the price of an apartment. The authors used four measures to operationalise location and used secondary data from the Airbnb database for the research. These measures include accessibility (distance from the centre, beach, and place of interest), social (ethnicity of the residents), environmental (noise and pedestrians), and spillover effects (the state of neighbouring apartments). Findings show that spatial spill-over effect, noise, accessibility of amenities, walkability, and ethnicity of neighbourhood residents affected the pricing of the listing's apartments (Chica-Olmo et al., 2020). While Chica-Olmo et al. (2020) highlight the impact of accessibility, social environment, and spillover effects on pricing strategies, there is still a gap in understanding how a broader range of location factors, such as cultural vibrancy, safety perception, and proximity to local attractions,

may influence guests' experiences, satisfaction, and subsequent reviews, thereby affecting organisational performance. Extending the study's scope to include a broader range of location factors could provide a more nuanced understanding of their importance in affecting the overall success of Airbnb listings.

Sainaghi et al. (2021) conducted a study in Milan, Italy on the determinants of Airbnb listings' performance. The study measured performance using revenues and price, and the independent variables included the location of the Airbnb apartment. Further, the study used secondary data from 323,184 observations between November 2014 to June 2019 extracted from AirDNA and quantitative methods to establish how factors under study (listing type, size, seasonality, and location) affected Airbnb performance. The study concluded that location was a positive and significant predictor of Airbnb performance. The further the distance between the city centre, beaches, convention centres, and destination attraction and the listing, the negative the performance and vice versa. Despite the valuable insights provided by Sainaghi et al. (2021) regarding the positive impact of location on Airbnb performance in Milan, Italy, there is a research gap in understanding the nuanced interplay between specific location attributes and their varying effects on organisational performance, as the study focused primarily on distance-related factors. More research is needed to understand how different location-related factors other than distance, such as neighbourhood characteristics, cultural amenities, and local accessibility, can influence the performance outcomes of Airbnb listings.

In another study in the U.S., Jiang et al. (2022) conducted two inquiries: one before and another during the COVID-19 pandemic to find out the motivators of the repurchase intention of Airbnb apartments by guests. The study employed a quantitative design using online surveys to collect data. Among the factors that were analysed include functional motivators (financial, amenities, convenience, neighbour, and technology function), social motivators (online review, social include, host, sustainability, and financial), emotional motivators (homely feeling), epistemic motivators (novelty and authenticity), and conditional motivators (platform safety). Location-based functional motivators (convenience and neighbourhood) were shown to have the strongest effect on the repurchase intention of Airbnb apartments among U.S. P2P accommodation users before and during the pandemic. The study by Jiang et al. (2022) reveals a research need in the context of location characteristics and

organisational performance. While the study emphasizes the role of convenience and neighbourhood in repurchase intention, a more comprehensive investigation of how diverse location attributes other than these factors contribute to guests' repurchase decisions and, as a result, the overall organisational performance of Airbnb listings is needed. Addressing this gap could provide a more comprehensive knowledge of the interaction of location-related motivators and their impact on guest behaviour and listing performance.

In an earlier study in New York City (NYC), U.S., Deboosere et al. (2019) employed a hedonic regression model of Airbnb that took into account location effects (neighbourhood) in predicting the revenues performance of listings in the City. The research web-scraped Airbnb transactions data set in NYC between August 2014 and September 2016. The findings demonstrated that locational factors (neighbourhood variation such as ethnicity, population density, and density, distance from the tourist attractions, distance subway, and transit accessibility to city jobs around the city) have the strongest impact on monthly revenues and pricing of Airbnb listings in NYC. The study by Deboosere et al. (2019) leaves a research gap in the need for a more in-depth exploration of how these locational factors interplay with diverse organisational performance indicators beyond revenues and pricing, such as guest satisfaction, reviews and their implications on organisational performance.

Seminal contributions to Airbnb and customer experience literature have been made by Lyu and Fang (2022) in a study in China. The study employed a qualitative design through 34 in-depth interviews. Using explanatory factor analysis of the interviews, the finding extracted 5 key factors that enhanced customer experience and increased the intention to repurchase Airbnb listing services. The five include tangible-sensory experience, the host characteristics, cultural experience, interaction with peer guests, and the location of the apartment. Location indicators used in the study include the convenience of the location (close to attractions, centre, and transit points), the nearby facility (supermarket, restaurants, local markets), and the surrounding environment (natural and quiet). A review of the literature by Lyu and Fang (2022) indicates a research gap in the need for a more in-depth investigation of how the identified location-related indicators, such as convenience, nearby facilities, and surrounding environment, directly impact Airbnb listings' broader organisational performance.

In a recent study, Chung and Sarnikar (2022) investigated how the descriptors hosts used for marketing the listings affected the performance of Airbnb listings in the U.S. The study employed a quantitative design by collecting text descriptions and key metrics about hosts and Airbnb listings from InsideAirbnb.com, extracting aspects from using the ABAE model, and later analysing the effects of these aspects on the listing's performance using the negative binomial mixed effect model. Data was collected from San Francisco and Oakland in the U.S. between October 2018 to December 2019. A total of 14,506 observations from 5,473 listings were used. The finding indicates that location attributes were moderately linked to listing organisational performance in terms of revenues. While Chung and Sarnikar's (2022) study finds a moderate link between hosts' marketing descriptors and Airbnb listings' revenue performance via location attributes, there is a gap in fully understanding how these descriptors, specifically related to location, impact a broader range of organisational performance metrics, such as guest satisfaction, reviews, and overall competitiveness. Further research could provide a more comprehensive knowledge of the subtle function of location-related descriptors in affecting the overall performance outcomes of Airbnb listings.

Further, Cheng and Jin (2019) conducted a study that used big data text analytics to find out the factors that were most influential to the customer experience of Airbnb users. The study employed text mining and sentimental analysis to collect and analyse data, respectively. Findings established that users considered location as one of the most influential factors in building a positive experience. The explanation for this premise is that the close to a city centre a listing is, the wider range of attractions the guest is exposed to and the wider the selection (Cheng and Jin, 2019). Such attractions may include beaches, points of interest, lakes, views, natural and quiet surroundings, old towns, nature, and convention centres. While Cheng and Jin (2019) demonstrate the importance of location in shaping Airbnb listings' customer experiences, there is still a research gap in fully understanding how the various location-related factors mentioned- such as proximity to attractions, natural surroundings, and convention centres- interact with various organisational performance dimensions.

In a similar light, Tussyadiah and Zach (2017) conducted a qualitative study in Portland, Oregon, U.S., using lexical analysis (text analytics) to investigate the Airbnb attributes that guests seek to satisfy their accommodation needs. The research found

that location, hosts, and property attributes were consistently linked to customer experience and satisfaction. Customers have a preference for Airbnb accommodations that are close to a city centre, and the longer the distance from these centres, the negative the performance of listings. While Tussyadiah and Zach (2017) emphasize the importance of location, hosts, and property attributes in meeting guests' accommodation needs, there is still a research gap in fully understanding how location factors interact with these other attributes to influence not only the customer experience but also broader organisational performance indicators like reviews, listing popularity, and overall competitiveness. Further research could provide a full understanding of how certain aspects of geography, other than proximity to city centres, contribute to the multifaceted performance outcomes of Airbnb listings.

The above studies have concluded that the better located the facility to the city centre, the more easily accessible the transit infrastructure, the better the apartments that neighbour the Airbnb apartment, and the less the noise and human traffic, the better the customer experience, the higher the reviews and customer rating, the greater the customers' satisfaction, and the greater the intention to repurchase. This is in line with the dictates of cost-benefit analysis and value exchange. Airbnb guests weigh the cost they incur to get a better experience from Airbnb accommodations that are accessible and are located in better neighbourhoods. When the benefits are more than the cost, guests receive these benefits as enhanced customer experience and customer satisfaction. From this exchange, guests' intention to repurchase a listing's offering increases.

Accessibility, neighbourhood, and environment around the apartment, three constituents of location factors, are critical determinants of the customer experience when using an Airbnb listing's services that this study will examine. As such, guests seek accommodations that maximize convenience while also meeting their individual requirements. As guests consider the social, economic, and environmental context surrounding their Airbnb selections, this coincides with the theory's emphasis on individuals choosing relationships that promise larger rewards relative to costs.

As such, all the reviewed studies have been conducted in different cities globally, and generalising these results to other regions may be a challenge. Besides, most of the studies reviewed have used secondary data for analysis, also challenging the

generalisability of the study results to other regions that have different cultural and socio-economic alignments. Furthermore, Airbnb businesses have expanded in Kenya (Murage et al., 2020), and while they continue to create a threat to conventional players in the accommodation industry, there was a need to conduct this study to establish whether location factors analysed in this review affect the performance of Airbnb listings.

2.3.4 Economic Factors and Organisational Performance

Economic factors are conceptualised as those attributes that influence the buying habits of consumers or firms (Marijs & Hulleman 2019). These factors cover a wide range of themes, from pricing and cost structures to broader market dynamics and macroeconomic situations. They have a significant impact on both individual and organisational purchasing behaviours and consumption patterns (Marijs & Hulleman 2019). The economic factors examined in this review include price and perceived value.

Frank and Enkawa (2009) advanced two key economic determinants of customer satisfaction. These determinants include economic growth and economic and economic expectations. According to these authors, the economic growth and lagged economic expectations of the consumer positively influence the perceived value of a good or service, which in turn positively influences customer satisfaction or utility. In this case, economic growth equals the growing average income of the consumers while economic expectations are defined as the expectations of future economic performance (Frank and Enkawa, 2009). Altogether, there is a research gap in Marijs and Hulleman's (2019) and Frank and Enkawa's (2009) studies in completely understanding how these economic drivers, other than perceived value and satisfaction, directly affect firm-wide organisational performance. Further research could reveal the subtle ways in which economic attributes influence Airbnb listings' overall organisational performance.

According to Awang et al. (2017), while there is no agreed-upon definition of perceived value, the commonly held idea among definitions is that it is a concept that describes customer value as assessed based on what customers offer and what they get in return depending on their evaluation. Perceived value is expressed as a value for money that derives from guests' cognitive trade-off between the costs and the

perceived monetary benefits, explaining the reason most people prefer Airbnb accommodation over conventional accommodation (Shin, Fan, & Lehto, 2021). The studies by Awang et al. (2017) and Shin et al. (2021) highlight the role of perceived value in customer preferences for Airbnb accommodations. However, a research gap remains in fully understanding how perceived value, especially in the context of economic factors, directly influences Airbnb listings' overall organisational performance. Further investigation could reveal the nuanced connections between perceived value as an economic determinant and organisational performance.

As such, the study by Birinci, Berezina, and Cobanoglun (2018) (2018) indicates there is a positive relationship between customer perceived value and customer satisfaction and overall purchase behaviour, factors that contribute to purchase decision-making, making it a factor vital to the success of Airbnb listings. This study was conducted using a cross-sectional survey of 391 U.S. Airbnb previous guests. Airbnb guests expect the trade-off between the perceived value and the actual price they pay for lodging to favour them. While Birinci et al. (2018) emphasize the significance of customer perceived value in shaping satisfaction and purchase behaviour among Airbnb guests, generalising and transferring these findings to other cultural contexts may be hard. Further research is needed in the context of emerging economies on the association between consumer perceived value and overall performance outcomes of Airbnb listings.

Further, Papagiannidis and Davlembayeva (2021) conducted a study that investigated the role of perceived value in motivating consumer intention to stay in smart accommodation. This study was conducted against the backdrop of shared economy accommodation owners seeking new ways to differentiate themselves from the intensifying competition in the P2P accommodation industry. A sample of 430 was used to conduct an online survey in the U.K. The study established that the functional value that a customer attaches to a smart accommodation was related to the perception that the accommodation had good value for the price, the usefulness of the smart devices, and enhanced control of the stay experience. However, these findings may be limited to the U.K., an advanced economy, and an inquiry into whether this association stand is required in emerging economies such as Kenya.

According to Nisar, Hajli, Prabhakar, and Dwivedi (2020), purchase intentions are a predictor of actual purchases. The researchers made this conclusion in an online quantitative study that used online surveys to collect data to understand the main determinants of P2P purchase intention. Nisar et al. (2020) found that the perceived value of P2P accommodation in the sharing economy influenced the intention of customers to favour the listing that offered maximum value when their perceptions of value were high, which was further linked to their willingness to rent the accommodation space. There is an opportunity to extend these findings into examining the association between perceived value and organisational performance of Airbnb listings in Kenya.

Another economic factor advanced in literature is the price of a product or service. Several authors have recognized the role that product pricing plays in the performance of Airbnb listings, considering that price is a key factor in selecting accommodation (Zhang, 2019). Take for instance the dynamic pricing strategy. According to Abrate et al. (2022), the dynamic pricing strategy is a revenue management strategy utilised in the hospitality industry to optimise profits. As such, Airbnb listings are utilising the dynamic pricing strategy to their advantage with varying results. In a longitudinal study of Airbnb accommodation businesses in Italy conducted quantitatively using 1.2 million observations from secondary data extracted from the AirDNA database, Abrate et al. (2022) concluded that the level of the pricing strategy employed by both professional and nonprofessional hosts varied and had a correlation to listings performance. As such, a listing with a professional host performed better at the same price compared to those that were managed by nonprofessional hosts. Besides, they concluded that the use of price variability had a positive correlation to a listing's revenue performance because the guest selected the Airbnb accommodation to rent using its price as the determinant, a social exchange where customers consider the benefits to outweigh the costs, which also significantly impacted the profitability of the host. From this review, a research gap remains in comprehensively investigating how prices directly influence organisational performance beyond revenue generation in terms of guest satisfaction.

In a study of 10 U.S. cities that used 2,799,420 reviews from 64,464 listings posted on the Airbnb platform, Zhang (2019) used both the latent Dirichlet allocation method and a negative binomial regression model to analyse how 16 topics from customer

reviews affected Airbnb listings performance. The study concluded that price variability by the host (time-varying pricing or dynamic pricing where hosts adjust the pricing of their apartments based on time) had an impact on the performance of the listing. According to (Zhang, 2019), Airbnb listings provide pricing per night on specific platforms that hosts use to market their services. Guests will decide whether to take up these services based on how the perceived benefits (greater reward for using Airbnb) outweigh the price (costs to the customer). The responsiveness of guests to pricing will depend on the pricing strategy that an Airbnb business employs (Toader, Negruşa, Bode, & Rus, 2022). Overall, there is a research gap in fully exploring the interplay between prices, guest responsiveness to prices, and their collective influence on Airbnb listings' broader organisational performance beyond revenue generation and towards guest satisfaction.

Similar to the literature on technology and location factors, the economic factors (price and perceived value, the key constituents of economic factors that this study will examine) are positive determinants of the customer experience and customer satisfaction when using an Airbnb listing's services. All the reviewed studies have been conducted in big cities, and generalising these results to other regions may be a challenge because other regions have different cultural and socio-economic alignments. This research continued the focus on a big city (Nairobi) to establish whether location factors analysed in this review affect the performance of Airbnb listings and guarantee comparability of results with other big cities used in the literature.

2.4 Research Gap

The synthesis of the relevant literature has identified several research gaps in the existing literature on the factors affecting the organisational performance of Airbnb listings, as presented in Table 2.1. To begin with, while technology has been shown to have a positive association with the organisational performance of Airbnb listings, previous studies have been confined to specific regions, limiting the generalisability and transferability of the findings to other regions with different cultural and social attributes. Additionally, there is a dearth of studies examining the impact of technological factors on the performance of sharing accommodation listings in the context of developing countries in Africa such as Kenya. Also, while there are studies

that have connected technology factors to organisational performance, they have focused on the hotels and there are limited studies covering the P2P accommodation in Kenya.

Further, the review of the empirical literature has identified location factors such as accessibility, neighbourhood, and environmental attributes to have a positive association with customer experience. However, most studies covering this phenomenon have used secondary data and were conducted in different locations, making it difficult to generalise and transfer these findings. Moreover, while Airbnb businesses have expanded in developing countries in Africa such as Kenya, there has not been equal growth in research in this area.

Finally, the review of the relevant literature has established that economic factors such as price and perceived value have a positive association with Airbnb listings' performance. However, most studies have been conducted in big cities in developed countries and have used qualitative research designs, limiting the ability to generalise the results to other cultural contexts and scenarios and economic development taxonomy. Besides a dearth of studies covering developing countries, the subjective nature of the qualitative methods taken by these studies creates an opportunity to test the association between economic factors and the organisational performance of Airbnb listings quantitatively. Therefore, these gaps were filled by conducting a study in Nairobi, Kenya, using quantitative research and the conceptual framework presented in Figure 2.1 to evaluate the factors affecting the organisational performance of Airbnb listings in the region.

Table 2. 1 Research gaps.

Authors	**Country**	**Purpose**	**Methodology**	**Findings**	**Research gaps**
Abrate et al. (2022)	Italy	Exploring the relevance of the degree of Airbnb hosts professionalisation with the pricing strategies and listings performance	Quantitative longitudinal study	The impact of the pricing of Airbnb apartments on the performance of the listing remained solid	Geographical limitations and some aspects of the findings may not be generalised to other locations
Birinci et	The U.S.	To compare customer	Quantitative	A strong positive	May only be generalised

al., 2018		perceptions of P2P and hotel accommodation advantages and disadvantages and investigate their effect on customer satisfaction and repurchase intentions.		relationship between customer satisfaction and perceived value	to the U.S. traveller group population because the study used a sample representing a higher concentration of younger travellers. Need for more diverse and larger samples
Casais, B., Fernandes, J., & Sarmento, M. (2020).	Portugal	To investigate tourism innovation development by hosts of P2P accommodation based on the outcomes of value co-creation with guests	Qualitative	There is a close relationship between co-creation and increment innovation and customer experiences in Airbnb listings.	A quantitative study of this nature can evaluate innovation and co-creation on customer satisfaction
Cheng, M., & Jin, X. (2019).	online	To use online reviews through sentimental analysis and text mining to investigate attributes of user's experience	Qualitative	Airbnb users consider location, host, and amenities attributes as the most significant influencer of experience	Future research could collect more specific data from smaller samples to retrieve more qualitative information on the listing host's attitude towards dynamic pricing
Chica-Olmo et al. (2020)	Spain	Use the spatial econometric hedonic model to explain Airbnb pricing strategy in Malaga, Spain using determinants	Quantitative	Location is a key determinant in pricing an apartment	Some key location data (air pollution of the location, views of the apartments, among

		such as location, guests, hosts, and structural characteristics			others) was not available on the Airbnb database and primary research would unearth this data
Chung, Y., & Sarnikar, S. (2022)	U.S.	To understand the utilisation of listing descriptors during the market by Airbnb hosts and how they impact sales performance	Quantitative design	Findings show that location, physical aspects of the Airbnb property, amenities, host expectations on the suitability of visitors, and host-specific attributes were moderately linked to listing performance in terms of revenues.	Geographical limitations and some aspects of the findings may not be generalised to other locations
Deboosere et al. (2019)	The U.S.	The study sought to identify key factors that influence the performance of Airbnb	Hedonic regression analysis	Location factors are a strong predictor of the performance of Airbnb listings	The study lacked sensitivity to the location of listings. The need to incorporate more sophisticated location factors exists in future research
Jiang, W., Shum, C., Bai, B., & Erdem, M.	U.S.	Test and compare the total and indirect effect of 13 motivators on consumer repurchase intention on P2P	Quantitative design	Functional motivations were shown to increase repurchase intention, and neighbourhood and	Because of the low reliability of online reviews, the study recommends replication of

(2022)		accommodation through satisfaction.		convenience, location-based functional motivators, had the strongest effect.	the research using field experiments
Lyu, J., & Fang, S. (2022).	China	Investigate the experience of customers using Airbnb as a P2P accommodation.	Qualitative	Tangible-sensory experience, the host characteristics, cultural experience, interaction with peer guests and the location of the apartment all positively affect the Airbnb listing's customer experience.	Customers' experiences are subjective and the use of interviews means that the ability to generalise the results to other cultural contexts and across scenarios is limited. The study can be replicated in other regions
Nisar, T. M., Hajli, N., Prabhakar, G., & Dwivedi, Y. (2020).	Online	To investigate the main determinants that affect the purchase intention of P2P accommodation	Quantitative	Consumer perceived value was among six variables that were positively associated with the purchase intention of P2P accommodation.	The sample had more than 50% represented by respondents aged between 30-39 years. This overrepresentation provides an opportunity to test the age group perspective of purchase intention of P2P accommodation.
Papagiannidis & Davle	U.K.	Investigate the role of perceived value in driving consumption intention	Quantitative	The perceived value increases the intention to purchase P2P	There is a need to test the model used in the study in

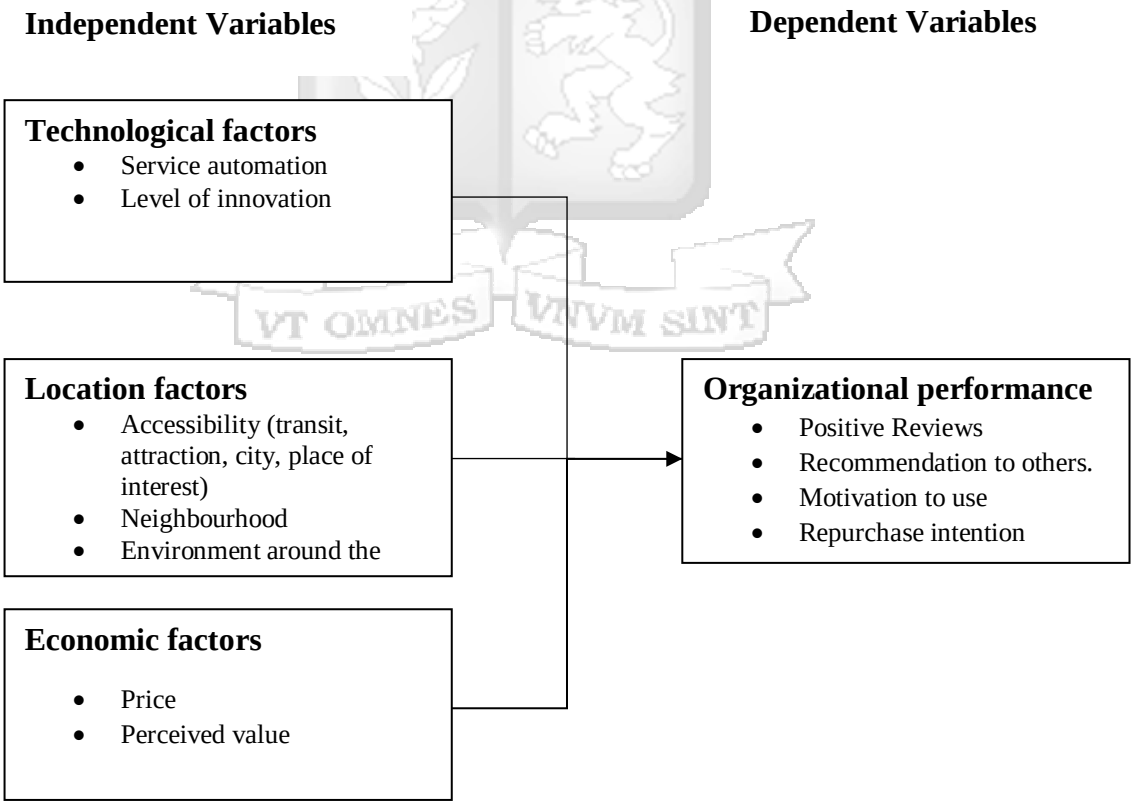
mbayeva (2021)				accommodation	different social and cultural settings
Sainaghi, R., Abrate, G., & Mauri, A. (2021)	Italy	Investigate the determinants of the performance of Airbnb listings	Quantitative	Performance was measured using price and revenues, and the results showed that the listing type and size, seasonality, and location were significant and positive determinants of performance among Airbnb properties.	The analysis of a single region may not make the data generalisable to other contexts
Tussyadiah and Zach (2017)	Online	Investigate the key determinants of customer satisfaction across Airbnb listings.	Qualitative	Location, hosts, and property attributes had a positive effect on customer satisfaction.	The problem of losing valuable information in the data collection and during the text analytics
Zhang (2019)	The U.S.	Explore detailed topics in Airbnb customer reviews and examine the effects of these topics on a listing's performance	Quantitative	Price variability by the host had an impact on the performance of the listing	The study reviewed data in the U.S. market. Future studies could examine review topics from other regions and investigate any differences across countries and whether the results from this study held to other regions.

Author (2024)

2.5 Conceptual Framework

The conceptual framework presents and demonstrates the relationship between the independent and dependent variables to aid the formulation of the research design. Technological factors, location factors, and economic factors are shown to have a positive relationship with Airbnb listing organisation performance. The technological factors are measured using service automation and levels of innovation in the listing. On the other hand, location factors are operationalised using accessibility (distance from the city, beach, places of interest, transit points), environmental (noise and pedestrians), and the neighbourhood (spill-over effects). Economic factors are operationalised using the price of the Airbnb accommodation and the customer's perceived value, while the organisational performance of the listings is operationalised using customer satisfaction and repurchase intention.

Figure 2. 1 Conceptual framework



Author (2023).

Operationalisation of Variable

Table 2.2 describes the study variables and their indicators. It also shows the data collection tools that will be employed, the data analysis method, and the supporting literature.

Table 2. 2 Operationalization of the variables

Variable	Type of Variable	Indicator	Data Analysis	Supporting Literature
Technological factors	Independent	• Service automation • Level of innovation	Likert Scale Ordinal	Casais et al. (2020); Jiang et al. (2022); Papagiannidis & Davlembayeva (2021).
Location factors	Independent	• Accessibility in terms of distance from the city, beach, places of interest, and transit points • Environment around the Airbnb apartment in terms of noise and pedestrian crowding. • State of neighbouring apartments.	Likert Scale Ordinal	Cheng and Jin (2019); Chica-Olmo et al. (2020); Chung and Sarnikar (2022); Deboosere et al. (2019); Jiang et al. (2022); Lyu and Fang (2022); Sainaghi et al. (2021); Tussyadiah and Zach (2017)
Economic factors	Independent	• Price • Perceived value	Likert Scale Ordinal	Abrate et al. (2022); Birinci et al. (2018); Papagiannidis & Davlembayeva (2021); Nisar et al. (2020); Zhang (2019)
Organisational Performance	Dependent	• Repurchase intention	Likert Scale Ordinal	(Mody et al., 2017; Möhlmann,

		• Customer satisfaction • Motivation to use.		2015; Priporas et al., 2017; Sainaghi (2020); Tussyadiah, 2016; Zhang (2019); Zhu et al. (2017)

Author (2024).

2.6 Chapter Summary

This chapter has examined both the theoretical and empirical literature associated to factors affecting performance of P2P listings. Two theories have been used to anchor the study: the social exchange theory and the BSC framework. The empirical review has brough about research gaps that have informed the selection of the methodology and research design detailed in chapter 3.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methods that was used to collect and analyse data to answer the research questions and meet the objectives. Among the sections expounded on include the research philosophy, the research design, and the population and sampling. Other sections include data collection and tools, data analysis, research quality, and research ethics.

3.2 Research Philosophy

The current research utilised the positivism research philosophy. Positivism is a traditional scientific method that establishes theoretical frameworks and tests them, defines research variables by explaining the process that is used to measure these variables, collects data to test the assumptions, and reports the results of the study objectively (Frey, 2021). In this study, positivism informed the method and strategy used for data collection, analysis, and interpretation. Under positivism, the researcher maintained impartiality throughout the study process by using statistical approaches to make research inferences. This paradigm made it easier to gather empirical evidence to evaluate the guiding theories and draw objective conclusions. Additionally, the researcher maintained independence from study participants during data collection to reduce the possibility of bias. Overall, positivism directed the study's rigorous and systematic approach. This ensured that the research findings were reliable and valid.

3.3 Research Design

This study used a descriptive cross-sectional research approach. This technique permitted a fact-finding investigation aimed at presenting a thorough explanation of the current state of affairs regarding the impact of location, technology, and economic factors on Airbnb performance. The study's design was to reveal the relationship between these attributes and Airbnb performance. Specifically, the descriptive cross-sectional design allowed for the investigation and explanation of the relationship between the independent variables (location, technology, and economic factors) and listing performance. By establishing the strength of the association between each

variable and performance levels, the design provided a full understanding of the elements influencing Airbnb listing performance in Nairobi County.

In line with the descriptive research design, this research adopted a quantitative approach. According to Borgstede and Scholz (2021), quantitative research applies statistical tests to confirm or detect trends. Typically, this method relies on collecting and analysing numerical data to explain, describe, control, or predict variables or phenomena of interest. In the current study, the objectives set out to detect the trend between location, technology, and economic factors and the performance of Airbnb listings in Nairobi, Kenya. Quantitative research is a reliable, result-oriented methodology, replicable, particularistic, and generalisable (Frey, 2021). Therefore, quantitative research is the most preferred solution used in a study that seeks to be generalised to the population (Mohajan, 2020) such as the current research. Besides, a researcher exercises objectivity and detachment. For this reason, the current study only sought to deduct relationships between the study variables by being detached, that is, not getting involved in the external perspectives of the respondents. The second reason for adopting the quantitative approach was the ability to get precise, clear-cut, and accurate results (Frey, 2021) that factually reflected the relationship between the variables under investigation.

3.4. Population of the Study

According to Andrade (2021), a population is an entire group that a researcher is studying and from which the sample is drawn. The population under consideration for this study included adult customers aged 18 and above who have used Airbnb services in Nairobi County. These individuals were identified as the target group for studying the elements influencing Airbnb listing performance in the region. The demographic comprised both Nairobi County residents who had used Airbnb for local accommodation and tourists who had stayed in Airbnb listings while visiting Nairobi County. Airbnb caters to a wide range of users, including tourists, business travellers, and local residents looking for accommodation, therefore the study's population was intended to reflect this diversity. Given the dynamic nature of Airbnb usage and the continual influx of users, available literature suggests that the population of Airbnb users in Nairobi County is vast and potentially infinite (Andrade, 2021; Murage et al.,

2020). Therefore, the formula by Yamane was utilised to arrive at the study's sample size as presented in section 3.5.

3.5 Sampling Design

This study used non-probability judgment sampling to select the sample to represent the study population. Judgemental or purposive sampling means the study selected the respondents based on who the researcher thought was the ideal person to provide data to answer the research questions, in this case, Airbnb users. Guided by sample size calculation method for infinite population suggested by Brase and Brase (2019), this research estimated the sample size using the formula $n = (zc\partial/E)2$ so that the necessary sample size will be = (Z-score)^2 × StdDev × (1-StdDev) / (margin of error)^2.

Where:

zc = Z-score

∂ = StdDev

E = Margin of error

Margin of error = 0.05%.

Confidence level = 95%.

Sample Size = [(1.96)2 x 0.5 (1-0.5)] / (0.05)2

= (3.8416 x 0.25) / 0.01

= 384

3.6 Data Collection Methods

3.6.1 Development of Questionnaire

The study collected the primary data by use of semi structured questionnaires. The survey utilised a 5-point Likert Scale, ranging from 1 (strongly disagree) to 5 (strongly agree), to structure the questions. The questionnaire consisted of three sections. The first section covered the demographic details such the respondents' gender, nationality, age, and level of education. The second section delved into the specific independent variables being studied, namely technological, location, and economic factors, while the third section covered the dependent variable of the study, that is, organisational performance (as detailed in the appendix). To ensure eligibility, a screening question was positioned at the beginning of the questionnaire: "Have you been a guest in an Airbnb in Nairobi County before?" This helped identify respondents

who have stayed in Airbnb accommodations within Nairobi County, thereby aligning with the research's criteria.

3.6.2 Data Collection

The study focused on collecting primary data in order to fulfil the research objectives, the proposed study used questionnaires to obtain quantitative data. In particular, respondents for the online survey were recruited through targeted outreach efforts to individuals who had previously used Airbnb services in Nairobi County. The survey link was disseminated through multiple channels, including social media platforms, online forums, and community organisations relevant to Airbnb users in Nairobi County. The survey link was distributed to possible respondents through various means, along with clear information about the study's objective, participation criteria, and assurances of confidentiality and data protection. The first section of the questionnaire had a consent form that explained the voluntary nature of participation, the objective of the study, and rights of respondents. Questionnaires were selected as the data collecting strategy because they provide a useful tool to compile data from a significant sample and extrapolate the results to a larger population (Ball, 2019).

3.6 Research Quality

3.6.1 Reliability

The current study ensured the research quality by establishing the reliability of the research instruments. To test for the reliability of the measurement scale, a pilot study used 20 questionnaires was conducted by the researcher and distributed to the students of Strathmore University graduate students. Upon collecting the responses, the researcher measured internal consistency using Cronbach's alpha in SPSS Statistics version 29. The Cronbach alpha should cross the 0.70 threshold to establish the questionnaire's reliability (Tiamiyu et al., 2022). The cut-off point was 0.90 because Tavakol and Dennick (2011) note that a high value of alpha (more than 0.90) may suggest redundancies in the study and indicates that the test length should be shortened. From the results in table 3.1, all variables achieved a Cronbach alpha between 0.70-0.90.

Table 3 1 Reliability statistics

	Cronbach's Alpha

Technology factors	0.893
Locational factors	0.751
Economic factors	0.744
Organisational factors	0.726

Pilot data, 2023.

3.6.2 Validity

The researcher performed content validity to ensure that the items in the measurement scale sufficiently and appropriately measure the research constructs (Tiamiyu et al., 2022). To this end, the researcher consulted academicians from Strathmore Business School with special knowledge of the tourism and hospitality industry and experts in tourism and hospitality marketing to scrutinise the questionnaire and validate the items of measurement. Additionally, the researcher face-validated the questionnaire to ascertain that it was readable and that it had clarity (Jamil, Mohammad, & Ramu, 2019).

In addition to content validity, the researcher conducted a pilot test in order to improve the construct validity of the study. A pilot study was carried out by the researcher utilising a sample of 20 respondents, as already highlighted. The goal was to locate problems with the questionnaire, such as unclear questions or gaps in the coverage of the constructs. The iterative process of expert review and pilot testing provided a strong foundation for the development of the measuring tools and confirmation of the construct validity of the study.

3.7 Data Analysis

This study used quantitative data analysis. To begin with, the researcher checked the data from the questionnaires for errors and completeness. Upon cleaning it, the researcher used the Statistical Program for Social Sciences (SPSS) software version 29 for both descriptive and inferential statistics. Descriptive statistics were used to analyse responses from the demographic section of the questionnaire. More importantly, descriptive statistics, mainly the mean and the standard deviation were used to gauge the respondents' level of agreement with the statements provided.

On the other hand, inferential statistics were used to measure the relationship between independent variables in objectives 1, 2, and 3 (technology factors, location factors, and economic factors, respectively) and the dependent variable (organisational performance). A regression model was used for the inferential analysis. The regression

analysis was used to establish a relationship between these study variables. Specifically, the regression model presented below was used.

$Y=\alpha+\beta1X1+\beta2X2+\beta3X3+\beta4X4+\varepsilon$

Where;

Y = Dependent variable (organisational performance)

A= the model intercept

β1-4 = Coefficient of independent variables

X1 – technological factors

X2-Location factors

X3 Economic factors

ε – Error term

$Organisational\ performace\ =\ \beta0\ +\ \beta1\ technological\ factors\ +\ \beta2\ location\ factors\ +\ \beta3\ economic\ factors +\ \varepsilon$. Here, $\beta0$ is the intercept while $\beta0, B2, and\ B4$ are coefficients of the estimates. Finally, ε represents the error term.

The researcher determined the composite measures for technological factors, location factors, and economic factors by collecting responses from participants on multiple related items presented in the questionnaire. The researcher assigned a numerical value to each response using the Likert scale and then calculate a composite score for each participant by averaging their responses across the items within that specific variable. This yielded a single number value that represented their perception with each of these attributes. Similarly, for organisational performance, the dependent variable, the researcher calculated a composite score for each participant by averaging their responses across the items within that specific variable.

3.8 Ethical Issues

To ensure the study upholds research ethics, the researcher sought an ethical approval from Strathmore Business School. Further, the researcher obtained ethical approval from the National Commission for Science, Technology, and Innovation, Kenya. The study provided a consent declaration to be filled by the respondents acknowledging

their voluntary participation in the research. The declaration also informed the respondents that they had the discretion to stop taking part in the study and that the collected data would not be used thereafter.

3.9 Chapter Summary

This study has adopted a positivism research philosophy that aligns with the conventional scientific method that gave the study objectivity and statistical rigor. The research adopted a descriptive cross-sectional approach coupled with a quantitative method. Data was collected using a survey that employed online questionnaires. Descriptive and inferential analysis were collected to answer the research objectives. Finally, the chapter outlines the ethical considerations taken in conducting the study.

CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

The study aimed to evaluate the factors affecting the organisational performance of Airbnb listings in Nairobi, Kenya. To achieve this aim, this study sought to answer three specific objectives. These objectives are establishing the influence of technological factors on the organisational performance of Airbnb listings in Nairobi, Kenya, establishing the influence of location factors on the organisational performance of Airbnb listings in Nairobi, Kenya, and establishing the influence of economic factors on the organisational performance of Airbnb listings in Nairobi, Kenya. To achieve the research aim and objectives, this chapter presents the results of both the descriptive and inferential statistics. The chapter begins by evaluating the response rate, followed by the background information of the respondents. Further, descriptive statistics are presented for each variable, followed by inferential analysis results. The chapter concludes with a multiple regression analysis that provides the results that meet the study's aim and objectives.

4.2 Response Rate

Considering the efficiency and effectiveness of online surveys, it is important to acquire a representative response rate before data analysis. This is because the response rate is often considered as a critical yardstick for evaluating a survey's quality (Wu et al., 2022). It is based on this assertion that the researcher sought to find out this study's response rate. For an infinite population of Airbnb users in Nairobi as of November 2023, the formula by Yamane was utilised to arrive at the study's sample size of 384. A 5% sampling error was employed to arrive at this sample. As indicated in Table 4.1, this study was able to attain a response rate of 56.51%. Of the desired 384 responses, only 217 surveys were filled and returned by the respondents. This response rate is considered within the recommended rate for online surveys (30%) (Fincham, 2008) and is adequate for conducting a quantitative analysis.

Table 4. 1 Survey response rate

Response	Frequency	Percentage
Returned	217	56.51

Unreturned	167	43.49
Total Administered	**384**	**100**

Source: Survey data, 2024

4.3 Demographic Information

This study collected demographic data on the survey respondents to better understand their background and relevance to this study. Given the importance of a diversity of viewpoints, this study accounted for numerous demographic aspects such as the age of the respondents, sex, education levels, and nationality. These demographic characteristics help to provide a more nuanced interpretation of the study results. This is besides allowing for a more comprehensive interpretation of the study's findings.

4.3.1 Gender of Respondent

The survey collected data on the age of the respondents. The results indicate that the majority of those who participated in the study were male respondents. This is at 51.2%. Female respondents made up 48.4% of those who took part in the study. 0.5% of respondent chose not to disclose their gender. From these results, it can be concluded that the gender was balanced. This gender balance ensures that varied opinions are captured, resulting in a more complete knowledge of the factors driving Airbnb listings' performance in Nairobi.

Table 4. 2 Gender of the respondents

	Frequency	***Percent***
Chose not to say	1	.5
Female	105	48.4
Male	111	51.2
Total	*217*	*100.0*

Source: Survey data, 2024

4.3.2 Age Distribution

Additionally, the study sought to establish the age distribution of the study respondents. The results on Table 4.3. The results indicate that the majority of respondents were between 30-39 years old at 55.8%. This was followed by 25.8% of respondents aged between 40-49. Both respondents aged between 18-29 and 50-59 comprised 8.8%, the third highest in the study. The least represented group was those aged over 60 the 0.9% of study respondents. This distribution indicates that the majority of Airbnb users in Nairobi middle aged, ranging between 30 to 49 years old. This suggests that the study predominantly gathered viewpoints from middle-aged people, who are more likely to have extensive experience with Airbnb services and their impact on organisational performance.

Table 4. 3 Age distribution of the respondents

	Frequency	***Percent***
18-29	19	8.8
30-39	121	55.8
40-49	56	25.8
50-59	19	8.8
Over 60	2	0.9
Total	*217*	*100.0*

Source: Survey data, 2024

4.3.3 Level of Education

The educational backgrounds of survey respondents vary at various levels. A majority (37.3%) had high school as their highest level of education. This was followed by 30% completing a diploma program. 21.7% of respondents held an undergraduate degree. 7.4% of the respondents had a master's degree while 2.3% had a Doctorate. These results indicate a significant representation of high school and diploma holders, followed by undergraduate holders. Moreover, this representation shows a high literacy level sufficient to provide perspectives ideal for answering the research questions. This shows that the study included people with varied levels of education, providing a diverse range of opinions on the research objectives.

Table 4. 4 Respondents 'level of education

	Frequency	*Percent*
Diploma	65	30.0
Doctoral Degree	5	2.3
High school	81	37.3
Master's Degree	16	7.4
University Degree	47	21.7
Total	*217*	*100.0*

Source: Survey data, 2024

4.3.4 Nationality

The demographic breakdown by nationality presented in Table 4.5 reveals that the majority of survey respondents (96.3%) identified as Kenyan. A small percentage, 2.8%, identified as foreigners. As such, 0.9% of respondents chose not to disclose their nationality. This distribution implies that the respondent population is primarily Kenyan. The results reflect a demographic with a better understanding of the Kenyan Airbnb market. This guarantees that the insights collected are relevant to the specific context of the Nairobi Airbnb market, which aligns with the research aims of analysing factors influencing organisational performance in Kenyan settings.

Table 4. 5 The nationality of respondents

	Frequency	*Percent*
	2	.9
Foreigner	6	2.8
Kenyan	209	96.3
Total	*217*	*100.0*

Source: Survey data, 2024

4.4 Descriptive Analysis

In this section, descriptive statistics were used to examine respondents' evaluations of technological, locational, economic, and organisational performance in Airbnb listings

in Nairobi, Kenya. Mean scores were computed for each statement to determine the level of agreement or satisfaction among respondents, with standard deviations indicating the spread of responses around the mean. The high mean ratings across all variables indicate a generally positive attitude about Airbnb services, with respondents expressing pleasure with a variety of issues including technology capabilities, location convenience, cost, and overall organisational performance. The means for each variable were used to run the inferential analysis and results in section 4.5.

4.4.1 Descriptive analysis on Technological Factors

The study's first objective was to establish the influence of technological factors on the organisational performance of Airbnb listings in Nairobi, Kenya. The researcher asked the respondents to indicate their levels of agreement with statements on Airbnb technology factors. These responses are presented in Table 4.6.

The statistics show that respondents have a positive perspective on many aspects of Airbnb services that incorporate smart technology. Airbnb properties featuring automated services, such as automated check-in, smart locks, and smart thermostats, obtained an impressive mean of 4.71 (SD = 0.787). These results suggest a high level of satisfaction. Similarly, when it came to the responsiveness of the mobile app or website, users gave Airbnb a high rating (mean = 4.80, SD = 0.614). Further, the well-organised presentation of information on the Airbnb app or website also received a mean of 4.86 (0.513). The results indicate a favourable user experience coupled with clear and structured content on the Airbnb website and App. Besides, respondents found it easy to get desired information on the Airbnb app or website. This is with a mean score of 4.85 (SD = 0.551).

Table 4. 6 Descriptive results on Airbnb technology factors

Statement	*Mean*	*Std. Dev*
Airbnb listings with automated services (smart technology) such as automated check-in, smart locks, and smart thermostats.	4.71	.787
Airbnb if the mobile app/website is responsive.	4.80	.614
Airbnb if the information on the Airbnb app/website is well organized.	4.86	.513

Airbnb if the app/website made it easy to find what I need.	4.85	.551
Overall Mean	*4.80*	*.514*

Source: Survey data, 2024

More importantly, technology factors had an overall mean of 4.8 and a standard deviation of 0.514. These results suggest that, on average, the respondents rated the relevance of technology factors when choosing an Airbnb highly. The standard deviation results indicate that the responses on technology factors are closely clustered around the mean. This suggests agreement between the respondents about the relevance of technology to the Airbnb experience.

4.4.2 Descriptive Statistics on Location Factors

The second objective was to establish the influence of location factors on the organisational performance of Airbnb listings in Nairobi, Kenya. To achieve this objective, respondents were asked to respond to questions in Table 4.7. The study demonstrates positive attitudes toward the location-related aspects of Airbnb listings. Respondents had a positive attitude about Airbnb rooms located in calm and safe locations. This is as presented by their high mean of 4.81 (SD = 0.663). Having Airbnb listings located near transit services had a mead of 4.65 (SD = 0.805). Further, having Airbnb listings located near places of interest had a mean of 4.68 (SD = 0.791) while listing near the city had a mean of 4.51 (0.919). These results indicate that, on average, respondents preferred Airbnb listings located near transportation services, places of interest they could visit, and near the city where they could access other range of services conveniently. On average, the location factor variable had a high mean of 4.65 with a standard deviation of 0.686. This result suggests that location factors are important to customers when they make choices related to renting Airbnb accommodation. Similarly, the low standard deviation shows that the responses are clustered around the mean, suggesting a high level of agreement with this variable by respondents.

Table 4. 7 Descriptive results on location factors

Statement	***Mean***	***Std. Dev***

Airbnb if rooms/houses are located in a quiet and safe neighbourhood.	4.81	.663
Airbnb if rooms/houses are located near transit/commuting services.	4.65	.805
Airbnb if rooms/houses are located near places of interest (e.g. leisure parks, famous landmarks in Nairobi, museum, etc).	4.68	.791
Airbnb if rooms/houses are located near the city.	4.51	.919
Overall mean and SD	*4.65*	*.686*

Source: Survey data, 2024

4.4.3 Descriptive Statistics on Economic Factors

The third objective was to establish the influence of economic factors on the organisational performance of Airbnb listings in Nairobi, Kenya. Respondents consistently reported a positive preference for Airbnb listings based on pricing and value considerations. Statements on competitive pricing received an average of 4.71 (SD =0.874). Further, a balanced relationship between price and amenities received a mean of 4.78 (SD = 0.697). Respondents' preference for Airbnb listings that had an alignment with expectations in features and facilities had a mean of 4.86 (SD = 0.535). Finally, delivery of good value by Airbnb listings received average scores of 4.84 (SD = 0.619). On average, respondents had a general contentment and good attitude toward Airbnb listings in terms of pricing and value. The economic factor variable had a mean of 4.79 (SD = 0.574). This result suggests that economic factors as represented by perceived value and the price of Airbnb listings are important to customers when they make choices related to renting accommodation. Also, the low standard deviation shows that the responses are clustered around the mean. This suggests a high level of agreement with this variable by respondents.

Table 4. 8 Descriptive results on economic factors

Statement	***Mean***	***Std. Dev***
I would be more inclined to choose an Airbnb listing if it offers competitive pricing.	4.71	.874

I would lean towards selecting an Airbnb listing if it provides a reasonable balance between price and amenities.	4.78	.697
I would be more likely to favour an Airbnb listing if it aligns with my expectations in terms of features and amenities.	4.86	.535
I would be more inclined to opt for an Airbnb listing if it delivers good value for the price I'd be paying.	4.84	.619
Overall mean and SD	*4.79*	*.574*

Source: Survey data, 2024

4.4.4 Descriptive Statistics on Organisational Performance

The examination of respondents' perceptions of the dependent variable suggests a strong preference for Airbnb experiences that not only met their expectations but also left them extremely satisfied. This is with mean ratings ranging from 4.81 (SD = 0.623) and 4.87 (SD = 0.574), respectively. These high mean scores indicate a strong overall satisfaction with many areas of Airbnb's services. The respondents expressed their desire to recommend an Airbnb property to a friend or family member upon having a positive experience. This is represented by the mean of 4.87 (SD = 0.579). Similarly, the prospects of respondents renting Airbnb listings in the future as a result of a satisfying experience had a mean of 4.81 (SD = 0.673). The overall mean for organisational performance was 4.85 (SD = 0.560). The result suggests that a better experience within Airbnb accommodation would increase overall customer satisfaction.

Table 4. 9 Descriptive results on organisational performance

Statement	***Mean***	***Std. Dev***
I would prefer an overall Airbnb experience that leaves me highly satisfied.	4.86	.623
I would prefer an Airbnb property that meets my expectations and is responsive to my needs and requests.	4.87	.574
I would be likely to recommend an Airbnb property to a friend or family member given a positive experience.	4.87	.579

It is likely that I would choose to rent the same Airbnb accommodation in the near future if I had a satisfying experience.	4.81	.673
Overall mean and SD	*4.85*	*.560*

Source: Survey data, 2024

4.5 Inferential Analysis

The inferential analysis carried out for this study were correlational analysis and regression analysis. Before conducting the analysis, there was a need to establish the distribution of the variables to ascertain which between ordinal regression and linear regression was ideal. When the dataset is normally distrusted, parametric methods are used, in this case, Pearson correlation and Linear regression. However, if the dataset is not normally distributed, the non-parametric method is used, in this case, the Spearman Rank correlation and Ordinal regression. Since the respondents were more than 100, the Kolmogorov-Smirnov test was used to interpret the normality results. From Table 4.10, all variables were significant at $p < 0.001$. This suggest that they were not normally distributed. Based on the conditions above, the data required analysis using non-parametric methods: Spearman Rank correlation and Ordinal regression.

Table 4. 10 Tests of normality

	Kolmogorov-Smirnov[a]		
	Statistic	**df**	**Sig.**
Technology factors	.454	216	<.001
Location factors	.390	216	<.001
Economic factors	.455	216	<.001
Organisational performance	.465	216	<.001

Source: Survey data, 2024

4.5.1 Correlation Analysis Results

The correlation matrix reveals significant relationships among the study variables, as indicated in Table 4.11. These variables are technology factors, location factors, economic factors, and organisational performance. There is a moderate positive significant correlation between technological factors and location factors ($r = 0.695$, $p < 0.001$). This result indicates that as technology factors increase, so do location factors, though moderately. In other words, they both move in the same direction. Technology factors had a moderate positive correlation to economic factors ($r = 0.586$, $p < 0.001$). This indicates that, as the importance of technological factors to Airbnb customers increases, so does the significance of economic factors, though this correlation is moderate. The correlation results also show that there is a positive moderate significant correlation between technology factors and organisational performance ($r = 0.575$, $p < 0.001$). As the importance of technological factors to Airbnb customers increases, so does the organisational performance.

Table 4. 11 Correlation matrix

		Technology factors	Location factors	Economic factors	Organisational performance
Technology factors	Correlation coefficient	1.000			
	Sig. (2-tailed)	.			
Location factors	Correlation coefficient	.695**	1.000		
	Sig. (2-tailed)	<.001	.		
Economic factors	Correlation coefficient	.586**	.701**	1.000	
	Sig. (2-tailed)	<.001	<.001	.	
Organisational performance	Correlation coefficient	.575**	.567**	.578**	1.000
	Sig. (2-tailed)	<.001	<.001	<.001	.

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Survey data, 2024

Location factors had a strong positive and significant correlation to economic factors ($r = 0.701$, $p < 0.001$), the highest in the analysis. The findings suggest that, as the importance of location factors to Airbnb customers in Nairobi increased, so did the importance of the economic factors. Similarly, as the importance of location factors to customers increased, so did the organisational performance of Airbnb listings in Nairobi ($r = 0.567$, $p < 0.001$). Finally, the results of the Spearman Rank correlation

analysis indicate that, as the importance of economic factors to Airbnb customers in Nairobi increased, so did the organisational performance of the listings ($r = 0.578$, $p < 0.001$).

4.6 Regression Analysis Results

4.6.1 Regression Between Technology Factors and Organisational Performance

The model-fitting information indicates that the ordinal regression model fits the data perfectly. This is considering that the Chi-square is significant at a p-value of <.001, as indicated in Table 4.12.

Table 4. 12 Model Fitting Information

Model	*-2 Log Likelihood*	*Chi-Square*	*df*	*Sig.*
Intercept Only	163.955			
Final	99.964	63.990	1	<.001

Link function: Logit.

Source: Survey data, 2024

The results of the Pseudo R-square are presented in Table 4.13. From the results, it can be seen that 34.8% of changes in the dependent variables, that is Airbnb listing organisational performance, is explained by technology factors. This significant result indicates that Airbnb listings in Nairobi should carefully consider the technology they employ to drive more satisfied customers and enhance organisational performance.

Table 4. 13 Pseudo R-Square results

	Pseudo R-Square
Nagelkerke	.348
McFadden	.222

Link function: Logit.

Source: Survey data, 2024

The results of the ordinal regression analysis indicate that technology factors are a positive significant predictor of organisational performance. The results indicate that,

a unit increase in technology factors leads to a predicted increase of 2.581 in organisational performance. The significance is strong at a p-value of 2.581.

Table 4. 14 Parameter Estimates

Organisational performance	***Estimate***	***Std. Error***	***Sig.***
Model intercept	3.902	1.783	.029
Technology factors	2.581	.357	<.001

Source: Survey data, 2024

$OP = 3.90 + 2.581TF + 1.78.$

4.6.2 Regression between Location and Organisational Performance

The model fitting information in Table 4.14 has a significance of P < 0.001. This indicates that the ordinal regression model fits the data used for analysing the location factors and organisational performance.

Table 4. 15 Location and Organisational Performance Model Fitting information

Model	***-2 Log Likelihood***	***Chi-Square***	***df***	***Sig.***
Intercept Only	189.155			
Final	118.205	70.949	1	<.001

Source: Survey data, 2024

The results in Table 4.15 present the location and organisational performance Pseudo R-Square. The results show that location factors explain 37.3% of changes in organisational performance in Airbnb listings in Nairobi, Kenya. Also, this result is significant.

Table 4. 16 Location and Organisational Performance Pseudo R-Square

	Pseudo R-Square
Nagelkerke	.373
McFadden	.238

Source: Survey data, 2024

Table 4.15 presents the results of the ordinal regression testing the causal relationship between Airbnb listings' location factors and the listing's organisational performance.

From the results in Table 4.15, the coefficient of location factors was 2.239. This result suggests that, for a unit increase in Airbnb listing location factors, there is a predicted log odds of organisational performance being higher than 2.239. As such, this result is statistically significant at p<.001. This means that location factors as an independent variable has a strong positive and significant effect on the organisational performance of Airbnb listings in Nairobi.

Table 4. 17 The effect of location factors on organisational performance

Organisational performance	***Estimate***	***Std. Error***	***Sig.***
Model intercept	2.835	1.148	.014
Location factors	2.239	.292	<.001

Source: Survey data, 2024

$OP = 2.84 + 2.239LF + 1.15.$

4.6.3 Regression between Economic Factors and Organisational Performance

The fitness of the regression model to the data examining the association between economic factors and organisational performance is provided in the information in Table 4.16. These results indicate that the model fits the data well considering its level of significance at a P-value of <0.001. This qualified the analysis of the association between the variables using the ordinal regression model.

Table 4. 18 Model fitting information

Model	***-2 Log Likelihood***	***Chi-Square***	***df***	***Sig.***
Intercept Only	171.528			
Final	94.265	77.264	1	<.001

Link function: Logit.

Source: Survey data, 2024

Further, table 4.17 indicates that 40.1% of the changes in the organisational performance of Airbnb listings in Nairobi is attributed to economic factors. In other words, 40.1% of changes in Airbnb listings' organisational performance is attributed to the customer preference for listings that offered better prices and that respondents perceived to offer better value.

Table 4. 19 Economic factors and organisational performance Pseudo R-Square

	Pseudo R-Square
Nagelkerke	.401
McFadden	.259

Link function: Logit.

Source: Survey data, 2024

The regression results of the association between economic factors and organisational performance are presented in table 4.18. As such, economic factors emerge as a strong positive and significant predictor of organisational performance. This is presented by the coefficient of 3.055 (P<.001). The coefficient suggests that a unit increase in economic factors leads to a predicted increase of 3.055 in organisational culture. This indicates that Airbnb listing customers in Nairobi place a high significance on the economic aspects when they choose a listing for accommodation.

Table 4. 20 The effect of economic factors on organisational performance

Organisational performance	***Estimate***	***Std. Error***	***Sig.***
Model intercept	4.783	1.437	<.001
Economic factors	3.055	.401	<.001

Source: Survey data, 2024

$OP = 4.78 + 3.06LF + 1.44$

4.6.4 Multiple Regression Analysis Results

The model fitting information in Table 4.19 indicates that the ordinal regression model used for analysis in this research fits the data well. This conclusion is informed by the Chi-Square significance level at $p < 0.001$. These results are further supported by those in the goodness of fit results in Table 4.19 which indicates that both the Pearson and Deviance Chi-Square are non-significant at 0.994 and 1, respectively. Ideally, for a model to fit the data perfectly, both the Pearson and Deviance Chi-Squares should have nonsignificant results. Thus, the analysis will proceed with the ordinal regression results presentation.

Table 4. 21 Multiple Regression Analysis Model fitting information

Model	***-2 Log Likelihood***	***Chi-Square***	***df***	***Sig.***

Intercept Only	254.742			
Final	168.307	86.435	3	<.001

Link function: Logit.

Source: Survey data, 2024

Table 4. 22 Goodness-of-fit

	Chi-Square	***df***	***Sig.***
Pearson	528.565	613	.994
Deviance	159.319	613	1.000

Source: Survey data, 2024

The results of the Pseudo-R-Square indicate that technology factors, location factors, and economic factors explain 44.8% of changes in Airbnb listings' organisational performance. This is as presented by the Nagelkerke Pseudo R-Square result in Table 4.20. These results achieve the aim of the research which was to evaluate the factors affecting the organisational performance of Airbnb listings in Nairobi, Kenya. From the results of the R-Square, the three independent variables positively affect the organisational performance of Airbnb listings in Nairobi, Kenya. The remaining 55.2% of the changes or variations in the organisational performance of Airbnb listings in Nairobi can be explained by factors not covered in the current study and model. Overall, technology factors, location factors, and economic factors are strong predictors of organisational performance in Airbnb listings in Nairobi.

Table 4. 23 Pseudo R-Square results

	Pseudo R-Square
Nagelkerke	.448
McFadden	.300

Source: Survey data, 2024

The results in table 4.21 show the effect of each independent variable on the dependent variable from the ordinal regression analysis. The findings are informed by the model: $Organisationalperformace(OP) = \beta 0 + \beta 1 technologicalfactors(TF) + \beta 2 locationfactors(LF) + \beta 3 economicfactors(EF) + \varepsilon$. Substituting the

coefficients in the model, it becomes: $OP = 5.857 + 0.953TF + 1.074LF + 1.604EF + 2.268$.

Table 4. 24 Parameter Estimates

	Estimate	***Std. Error***	***Sig.***
Model intercept	5.857	2.268	.010
Technology factors	.953	.480	.047
Location factors	1.074	.391	.006
Economic factors	1.604	.440	<.001

Source: Survey data, 2024

For the first objective, which examined the effect of technology factors on the organisational performance of Airbnb listings in Nairobi, Kenya, this study has found that the coefficient in the multiple regression analysis for technology factors is 0.953 (P = 0.047). In other words, technological factors have a positive and statistically significant effect on Airbnb listing organisational performance in Nairobi. This result suggests that, for every unit increase in technology factors in Airbnb listing, there is an estimated increase in the listings' organisational performance by 0.953. It is important to note that, while this association is strong, it is not as strong as location factors and economic factors.

The second objective, establishing the influence of location factors on the organisational performance of Airbnb listings in Nairobi, Kenya, has also been attained through a location factors 'coefficient of 1.074 (P = .006). The results indicate that location factors have a strong positive and significant effect on Airbnb listing's location factors. For every unit increase in location factors, that is Airbnb is located in a quiet and safe neighbourhood, located near transit/commuting services, located near places of interest, and located near the city, there is a predicted increase in Airbnb listings 'organisational performance by 1.074.

Finally, this study has established the influence of economic factors on the organisational performance of Airbnb listings in Nairobi, Kenya through the economic factors' coefficient of 1.604 (<0.001). As such, a unit increase in economic factors, that is better value perception and better pricing of Airbnb listings in Nairobi, leads to a predicted increase in the organisational performance of these entities. It is also worth

noting that economic factors have the highest significant effect on the performance on the performance of Airbnb listings in Nairobi.

In conclusion, in the multiple linear regression analysis, all three factors were analysed concurrently in order to understand their combined effect on organisational performance. The coefficients and significance levels in the multiple regression analysis offered information about the relative relevance of each element when taken together. Comparing the data, it is clear that all three variables - technology, location, and economic conditions - have statistically significant effects on organisational performance in both analyses. However, in the multiple regression analysis, economic factors were found to be the biggest predictors of organisational performance, followed by location factors and finally technological factors. This shows that, while technology plays a role, economic and location factors have a greater influence on the overall performance of Airbnb listings in Nairobi.

4.7 Chapter Summary

The linear regression analysis yielded the following coefficients and p-values for each variable: 2.581 ($P < 0.001$) for technology factors, 2.239 ($P < 0.001$) for location factors, and 3.055 ($P < 0.001$) for economic factors. The findings revealed that each individual element had a significant positive effect on Airbnb listings' organisational performance in Nairobi. In the multiple linear regression analysis, the coefficients and p-values were as follows: for technology factors, the coefficient was 0.953 with a p-value of 0.047; for location factors, the coefficient was 1.074 with a p-value of 0.006; and for economic factors, the coefficient was 1.604 with a p-value of <0.001. These findings also revealed that all three variables had a positive significant effect on organisational performance, with economic considerations having the largest coefficient and statistically significant impact, followed by location factors and finally technology factors. These findings are discussed in detail in the next chapter.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter wraps up the study on the factors affecting the performance of Airbnb listings in Nairobi, Kenya. The chapter begins with a discussion of the findings. The discussion is informed by each study objective. The findings discussion also synthesises the results of the study with those of previous researchers that have been discussed in the literature review. More importantly, this study gives a deduction of the study in the conclusion section. This is followed by recommendations for policy and management of Airbnb listings in Nairobi. Finally, the chapter discusses the study limitations and suggestions for future research focusing on addressing these limitations.

5.2 Discussion of Findings summary

This section presents an in-depth analysis of the study's main findings. It provides useful insights into the factors affecting the organisational performance of Airbnb listings in Nairobi, Kenya. Overall, the study found technology, location, and economic factors as important drivers of listings' organisational performance. The findings indicate that technology factors (β 0.953, P = 0.047), location factors (β 1.074, P = 0.006), and economic factor (β 1.604, P <0.001) are positive and statistically significant predictors of organisational performance of Airbnb listings in Nairobi, Kenya. The discussion of findings is based on the specific objectives of the study. Each is presented in a separated subsection.

5.2.1 Technology Factors and Airbnb Listing Organisational Performance

This study established the effects of technological factors on the organisational performance of Airbnb listings in Nairobi, Kenya. The findings indicated a strong positive significant predictor of the organisational performance of Airbnb listings in Nairobi. Findings indicate that, on average, the level of service automation in an Airbnb listing in Nairobi contributes highly to customer satisfaction, motivation to use, and repurchase intentions. Essentially, Airbnb listings in Nairobi that have automated services in the form of smart technology drive organisational performance

from increased customer experience and engagement. These technologies include but are not limited to the installation of smart thermostats, smart locks, and automated check-in. The study signals Nairobi Airbnb customers 'intention to recommend a listing to friends and family when the experience is satisfactory. These findings indicate that the optimisation of Airbnb listings customer touchpoints using smart technology not only drives positive experience but also satisfaction and return business, and enhances customers' motivation to rebook these accommodations in the future. These findings are consistent with the social exchange theory where repurchase intentions increase as a reciprocity to a great experience driven by technology installations.

Similarly, the level of innovation within the Airbnb Application and website (depending on what individual customers prefer to use), has also driven this positive association with Airbnb listings 'organisational performance. As such, the study has established that, on average, Nairobi Airbnb customers have better experience and satisfaction when either the technology they use to book accommodation is responsive, in this case, the Airbnb mobile app and the Airbnb website. The study has also established that, besides having a responsive app and website, the way information is organised on the interface enhances the customer experience. This drives their repurchase intention higher, the level of satisfaction, and the motivation to keep using Airbnb services.

Most importantly, the study found that the preference for Airbnb listings in Nairobi was largely attributed to the ease of use of the Airbnb mobile app and website. While technology is important to the contemporary accommodation consumer, it should be accompanied by the ease-of-use characteristic. The more the technology is easy to use, the more customers seeking peer-to-peer accommodation will associate with Airbnb in comparison to competitors. These findings are consistent with the social exchange theory where the motivation to use and the repurchase intentions increase as a reciprocity to a great experience driven by an optimum technology platform provided by Airbnb to its customers.

These findings are consistent with those by Casais et al. (2020), Jiang et al. (2022), and Papagiannidis and Davlembayeva (2021). For instance, Jiang et al. (2022) established that technology, as a functional motivator, was positively related to guest satisfaction with Airbnb listings. Service automation increased the likelihood of

clients repurchasing a listing's services where they had positive experiences. As such, service automation can be traced from the functionality and convenience provided by the Airbnb platform. This is because useful information is available to guests. Also, the efficiency of access provides ease of use to guests through simple, yet responsive user interfaces (Jiang et al., 2022). This study is also consistent with previous findings that suggest that customers create emotional value when they reside in listings fitted with smart accommodation technologies (Marikyan et al., 2019; Marikyan et al., 2021; Papagiannidis & Davlembayeva, 2021; Sovacool & Del Rio, 2020).

This study's findings on technology aspects, particularly service automation and innovation on the Airbnb platform, are well aligned with the Social Exchange Theory. The study demonstrates that the use of smart technologies results in a mutually beneficial exchange between hosts and guests. This is shown to improve the overall guest experience. Automated services provide guests with convenience and efficiency. On the other hand, Airbnb hosts earn greater customer satisfaction, repurchase intentions, and favourable recommendations. This technological exchange promotes a good relationship dynamic. This is in line with the concepts of Social Exchange Theory. The findings demonstrate the role of technology in facilitating a pleasant interaction between listings and guests.

More importantly, this study's findings support the premise of the Balanced Scorecard Theory. The incorporation of smart technology, such as automated check-ins and dynamic interfaces, improves numerous aspects of performance. The improved customer experience, satisfaction, and motivation to use Airbnb listings 'services all contribute to a fairer evaluation of business performance. This is in line with the balanced scorecard framework, where technical elements play a critical role in addressing a well-rounded organisational performance in the competitive landscape of peer-to-peer accommodations.

5.2.2 Location Factors and Airbnb Listings Organisational Performance

This study has also achieved the second objective which sought to establish the association between location factors and Airbnb listings' organisational performance. The findings have indicated a strong positive significant effect of location factors on organisational performance. The better the location factors in line with customer expectations, the better the organisation performance of listings in Nairobi, Kenya. As

such, the findings have established that Airbnb customers in Nairobi prefer listings that are located in safe and quiet neighbourhoods. This points to an enhanced consumer experience as compared to renting an Airbnb listing that is located in an unsafe and noisy neighbourhood. To the customers, this study has found that the state of the neighbouring apartments matters to the overall experience. Preference increases for Airbnb that are located in less crowded neighbourhoods. The findings also confirm the relevance of accessibility of the Nairobi transit system by customers when evaluating their repurchase intentions, satisfaction, motivation to use, or even recommending a listing to friends, family, or peers. This includes proximity to commuting services such as public transport and the distance to accessing these services. These findings are consistent with the social exchange theory where the motivation to use and the repurchase intentions increase as a reciprocity to an enhanced customer experience brought about by the conveniently located Airbnb accommodation or property. The better the property is located, the higher the drive by the guests to reciprocates as in a social exchange by repurchasing the services of the listing or increasing the intention to use.

More importantly, the study has established that the organisational performance of an Airbnb listing will be positively affected by the proximity of the apartment to places that customers consider as being of interest. Such places in Nairobi may include but are not limited to famous landmarks in the city, leisure parks, and museums. An Airbnb listing that is better located within a shorter distance of the city centre enhances the customer experience. This means ease of accessing grocery stores, restaurants, shopping malls, entertainment spots, and other places of leisure that may interest the Airbnb listings 'customers. Cumulative, when these elements are viewed by customers as meeting and exceeding their expectations, the organisational performance of the Airbnb listings is enhanced through repurchases from these customers, referrals from satisfied customers, and the increased motivation to keep using the establishments owned by Airbnb listings in Nairobi, Kenya.

These findings resonate with studies by Chica-Olmo et al. (2020) and Sainaghi et al. (2021) who indicated that neighbourhood and convenience have a significant influence on the repurchase intention of Airbnb listings among P2P accommodation users. Similarly, safe, quiet neighbourhoods and proximity to convenient services were shown by Cheng and Jin (2019), Chung and Sarnikar (2022), Deboosere et al.

(2019), Jiang et al. (2022), Lyu and Fang (2022), Tussyadiah and Zach (2017) as critical to customer experience, eventually positively affecting organisational performance.

The study's investigation of location determinants in the context of Airbnb listings in Nairobi supports the tenets of the Social Exchange Theory. The positive association established between location and organisational performance, and in support of the Social Exchange Theory, customers experience a positive exchange when they visit Airbnb properties in safe and quiet neighbourhoods located near city attractions. In this regard, guests benefit from higher satisfaction and security. On the other hand, hosts profit from increased repurchase intentions and referrals. The theory's emphasis on reciprocity of benefits reflects the essence of locational factors that contribute to a pleasant and mutually beneficial interaction between hosts and guests in the Airbnb environment in Nairobi.

The proximity to city attractions, ease of access to commuting services, and overall neighbourhood quality all contribute to a fair and comprehensive evaluation of performance. The favourable relationships between these location parameters and customer satisfaction, repurchase intentions, and motivation to use the listings emphasise the strategic importance of location in attaining overall organisational performance. This is consistent with the Balanced Scorecard Theory holistic approach to attaining organisational performance.

5.2.3 Economic Factors and Organisational Performance

This study has found that, of the three independent variables examined, economic factors had the strongest influence on the organisational performance of Airbnb listings in Nairobi. This result points out the relevance paid by customers to how well the listing offers value for money. From the findings, P2P accommodation consumers are more interested in listings or establishments that offer competitive pricing. Intuitively, besides the convenience that P2P accommodations such as Airbnb listings provide to customers, this study has shown that their affordability is what makes them stand out in a market with many accommodation options. Therefore, it is those listings that offer competitive pricing that are more likely to have repeat business and more satisfied customers. Similarly, this study has found that P2P accommodation customers are inclined towards those listings in Nairobi that balance experience as

provided by their amenities and prices. Amenities include additional services such as laundry services, a swimming pool, a gym, spas, and restaurants, among others. If the consumers perceive that the prices charged for Airbnb accommodation are competitive and reflect the included amenities, then their satisfaction, motivation to use, and repurchase intentions increase. In essence, these findings are consistent with the social exchange theory where the motivation to use and the repurchase intentions increase as a reciprocity to an enhanced customer experience brought about by the better prices or higher perceived value by guests from acquiring the services of a listing. The higher the perceived value by guests or the better the guests rank the pricing of a listing as compared to peers, the higher the drive by the guests to reciprocates as in a social exchange by repurchasing the services of the listing or increasing the intention to use.

These findings align with those of Birinci et al. (2018), Papagiannidis and Davlembayeva (2021), Nisar et al. (2020), and Zhang (2019). These studies also reveal the positive effect of economic factors, particularly pricing and perceived value, on P2P accommodations 'organisational performance. Abrate et al. (2022) also reinforce the significance of competitive pricing in determining organisational success. Additionally, Zhang (2019) sheds light on the responsiveness of guests to pricing, indicating that the pricing strategy employed by an Airbnb host significantly influences guest behaviour. The Social Exchange theory and the Balanced Scorecard theory's economic components provide a comprehensive lens through which to understand the interplay of economic considerations in reflecting the organisational performance of Airbnb listings. As such, Airbnb guests will prefer listings that provide the best economic value.

Besides the prices of the Airbnb listing, there is also the aspect of the accommodation meeting expectations. In other words, the perceived value of the customers. If the amenities and features do meet the perceived value the customers hold of them, then this positively and significantly affects the organisational performance of Airbnb listings in Nairobi. Similarly, value is attached by customers to the price they pay for Airbnb accommodation in Nairobi. If both are in sync, then customer satisfaction, repurchase intention, and motivation to use increase. Overall, this study has found that P2P accommodation consumers are left highly satisfied if their expectations are met by Airbnb listings. This is besides the listing's owners being responsive to their requests and needs, a reflection of value for money. Besides, the organisational

performance of Nairobi's Airbnb listings will improve when the customers become promoters of the brands to peers and if they keep choosing these establishments any time the demand arises.

5.3 Conclusions

The concluded study has established that technology factors, location factors, and economic factors all have strong positive and significant effects on the organisational performance of Airbnb listings in Nairobi Kenya. The study has further brought out the strong influence that economic factors hold on organisational performance. The study has emphasised the importance of technology, highlighting the positive effects of service automation, innovation, and user-friendly interfaces on customer satisfaction and organisational performance in Nairobi's Airbnb listings. A listing's location factors, from the neighbourhood, accessibility of transit facilities, amenities, proximity to places of interest, and the environment around the apartment have all been shown to significantly and positively affect the organisation performance of Nairobi Airbnb listings. This study has also concluded that economic factors such as competitive prices and perceived value are critical in increasing customer satisfaction, motivation to use, and repurchase intention. These conclusions guide the recommendations provided in the next section.

5.4 Recommendations

Informed by the findings of this study, several recommendations are advanced. The suggestions are advanced under policy and management recommendations. As such, these recommendations have been provided separately for policy and for practice in the subsections below.

5.4.1 Policy Recommendations

Policymakers within the Airbnb platform business model can utilise this study's findings to develop regulations and policies for the listings. These policies will ensure that both Airbnb as the platform owner and the listings as the accommodation providers optimise their profitability. This is by implementing technology-related policies and pricing strategies that reflect value for money for consumers. Also, the platform owner can use these findings to tailor the policies unique to the Kenyan market, specifically Nairobi, on the location of new listings. The findings of this study

can also be used by Nairobi County hospitality industry policymakers on policies they should develop and implement to support Airbnb listings to enhance customer experience and support listings 'performance. For instance, the policy could centre on regulations that bar the licensing of Airbnb listing operations in certain locations within Nairobi. The policy could also guide technology requirements such that the privacy and safety of customers are enhanced.

5.4.2 Managerial Recommendation

Airbnb listings within Nairobi have at their disposal insights that can guide them in enhancing their overall organisational performance. From the lens of technological factors, the listings could enhance the experience of customers by enhancing the utilisation of smart technology. The listings, as critical players on the supply side of the multi-platform business model of Airbnb, can use this study's findings to suggest co-creation initiatives with the platform provider. The co-creation initiatives could centre around improving the Airbnb platform- the mobile App and the website- such that enhances the interactions with customers. Also, this study has pointed to the relevance of pricing on the organisational performance of Airbnb listings in Nairobi, Kenya. The findings indicate that the pricing of the P2P accommodation should reflect customer-perceived value. Therefore, the findings of this study could inform the pricing strategies employed by Airbnb listings in Kenya to ensure they optimise their performance, that is, maximise profits while reducing costs. Finally, Airbnb listing owners and prospective owners in Nairobi can use the findings of this study to better position their properties. This is considering that customers prefer those properties that are strategically located to enhance their travel experience.

5.5 Theoretical Contribution

The concluded research contributes to social exchange theory where the empirical evidence has shown that when Airbnb customers are satisfied, their repurchase intention increases, and the motivation to use increases, leading to the improved organisational performance of listings in Nairobi. Besides, using the balanced scorecard theory, listings in Nairobi will account for technological factors to enhance operational efficiency, aligning with the internal processes 'perspective of the BSC theory. Further, customer consideration through stay experience and strategically located properties will ensure that the customer perspective of the BSC model is

attained. Finally, the economic attributes of Airbnb listings 'have been shown to enhance performance. This study's findings could be utilised to customise the BSC of different Airbnb listings in Nairobi through empirical inquiry of this nature.

5.6 Study Limitations and Suggestions for Further Research

It is important to acknowledge the limitations of this study and how they can be addressed. To begin with, this study took a descriptive cross-sectional design approach. This means that there is no guarantee that these findings could stand over time, despite the cultural, social, and geopolitical aspects remaining the same. Therefore, a longitudinal study could address this limitation. Second, this study was purely quantitative. This means that the subjective perspectives of the respondents were not considered in the analysis. While this did not affect the quality of the current inquiry, it would be interesting to see how the findings of a mixed method study could differ from those of the current study considering the variables examined in this study.

This study suggests that future research could look into examining the phenomenon addressed in this study in a longitudinal study. This is to examine if the factors affecting the organisational performance of Airbnb listing in Nairobi remain the same considering that these entities operate in a dynamic and complex environment. Future studies could also employ a mixed-method approach to expand the understanding of how technological factors, location factors, and economic factors affect the organisational performance of Airbnb listings in Nairobi. This understanding could be made clearer by the subjective nuances provided by respondents, capturing their perspectives and attitudes in addition to carrying out a quantitative study.

5.7 Chapter Summary

This chapter has successfully wrapped up the study. The chapter has advanced policy recommendations and management recommendations. It has also advanced the study's theoretical contribution and concluded with a suggestion for further research.

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APPENDICES

Appendix A: Introductory Letter

My name is Maureen Awuor Obunga, and I am an MBA student at the School of Management and Administration, Strathmore University. I am reaching out to you with an invitation to participate in this study that is a crucial part of my thesis. The research seeks to examine factors influencing the organisational performance of Airbnb listings within Nairobi County. I have taken great care in selecting individuals with deep knowledge of the subject, and your involvement would significantly improve the quality of the research.

The survey is designed to be concise and will take approximately 5 minutes or less to complete. Your participation is entirely voluntary, and you are free to withdraw from the study at any point without any explanation or consequences. I would like to assure you that I have taken all necessary precautions to ensure the confidentiality, anonymity, and privacy of your responses. Your privacy is of utmost importance, and I will treat your data under the strictest standards of confidentiality. I will use the information you provide solely for my degree program and I will present it in an anonymized format. Only my academic supervisor and myself will have access to the data. To further protect your privacy, I will store all collected data in a password-protected folder in a fully anonymized form. Once I complete my course, I will securely destroy the data.

If you have any questions or require additional information about this study, please feel free to contact me via email at maureen.obunga@strathmore.edu. I am more than willing to provide any clarification you may need. I highly value and deeply appreciate your participation in this study. Your insights and contributions will undoubtedly contribute to advancing our understanding of the factors influencing organisational performance in the context of Airbnb listings in Nairobi County.

Thank you for considering my invitation, and I look forward to the possibility of your participation.

Best regards,

Maureen Awuor Obunga

Email: Maureen.obunga@strathmore.edu

Appendix B: Questionnaire

Section A- Demographics

1. **Gender**
   - Male
   - Female
2. **Nationality**
   - Kenyan
   - Foreigner
3. **Age**
   - 18-29
   - 30-39
   - 40-49
   - 50-59
   - Over 60
4. **Education Level**
   - High school
   - Diploma
   - University Degree
   - Master's Degree
   - Doctoral Degree

Section B: Technological Factors, Locational Factors, Economic Factors and Customer Satisfaction.

To what extent do you agree or disagree with the statements below? Please appropriately tick the box with your level of agreement:

N	Item	S-Disagree (1)	Disagree (2)	Undecided (3)	Agree (4)	S-Agree (5)
	Part A: Technological factors					
	I would prefer					
1	Airbnb listings with automated services (smart technology) such					

	as automated check-in, smart locks, and smart thermostats.					
2	Airbnb if the mobile app/website is responsive.					
3	Airbnb if the information on Airbnb app/website is well organized.					
4	Airbnb if the app/website made it easy to find what I need.					
	Part B: Locational factors					
	I would prefer					
1	Airbnb if rooms/house are located in a quiet and safe neighbourhood.					
2	Airbnb if rooms/houses are located near transit/commuting services.					
3	Airbnb if rooms/houses are located near places of interest (e.g. leisure parks, famous landmarks in Nairobi, museum, etc).					
4	Airbnb if rooms/houses are located near the city.					
	Part C: Economic factors					
	I would prefer					
1	I would be more inclined to choose an Airbnb listing if it offers competitive pricing.					
2	I would lean towards selecting an Airbnb listing if it provides a reasonable balance between price and amenities.					
3	I would be more likely to favour an Airbnb listing if it aligns with my expectations in terms of features and amenities.					

4	I would be more inclined to opt for an Airbnb listing if it delivers good value for the price I'd be paying.					
	Section C: Organisation Performance					
1	I would prefer an overall Airbnb experience that leaves me highly satisfied.					
2	I would prefer an Airbnb property that meets my expectations and is responsive to my needs and requests.					
3	I would be likely to recommend an Airbnb property to a friend or family member given a positive experience.					
4	It is likely that I would choose to rent the same Airbnb accommodation in the near future if I had a satisfying experience.					

Adapted from Chica-Olmo et al. (2020); Jiang et al. (2022); and Nisar et al. (2020).

Appendix C: NACOSTI Research Permit

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RESEARCH LICENSE

This is to Certify that Ms.. MAUREEN Awuor OBUNGA of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: An Evaluation of factos affecting performance. A case of Airbnb Listing in Nairobi for the period ending : 03/November/2024.

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See overleaf for conditions

Appendix D: Institutional Ethics Permit

Strathmore UNIVERSITY

16th October 2023

Ms Obunga Maureen Awuor,
maureen.obunga@strathmore.edu

Dear Ms Obunga,

RE: An Evaluation of Factors Affecting Performance. A Case of Airbnb Listings in Nairobi County

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1863/23.** The approval period is from **16th October 2023 to 15th October 2024.**

This approval is subject to compliance with the following requirements:

i. Only approved documents including (informed consents, study instruments, MTA) will be used.
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
v. Clearance for the export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) https://research-portal.nacosti.go.ke/ and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier,
Chairperson; SU-ISERC

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