

**GUEST PERCEPTIONS OF HOMESTAYS FOR AUGMENTING
HOMESTAY-BRANDING STRATEGIES**

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DECLARATION

We, Esinah Rutendo Mutseta and Rufaro Cyprain Nyaruve, hereby declare that,

- The content of this treatise, entitled “Guest perceptions of homestays for augmenting homestay-branding strategies”, is our original work;
- All sources used or quoted have been acknowledged and documented by means of complete references; and
- This treatise has not been previously submitted by us for a degree at any other tertiary institution.

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Esinah Rutendo Mutseta

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ABSTRACT

Small and micro businesses are engines through which developing countries like South Africa can achieve growth and development goals as they provide employment, produce goods and services thus contributing to the growth of society and the economy at large.

Homestay establishments are a fairly new phenomenon in South Africa and have shown rapid growth over the past few years with potential to continue growing even more. They present a home owner with a viable business opportunity therefore it is necessary to determine the branding strategies that would provide these homestay establishments with a competitive advantage over other homestays, and even over traditional accommodation such as hotels, guest houses, lodges and bed and breakfasts.

Despite there being an increased demand for homestay establishments, there is a growing body of knowledge on homestay establishments in general, but no studies on branding strategies used by homestay establishments, and in particular, in South Africa. This study was conducted to broaden the knowledge and understanding of the homestay establishment and the branding strategies homestay owners can implement. The focus and primary objective of this study was to conduct an exploratory study of guests' perceptions of their experience in an Airbnb homestay establishment and how branding strategies could be used by homestay owners to improve these experiences.

The study was conducted in Port Elizabeth focusing on the homestay establishments located in the beachfront suburbs of Humewood and Summerstrand. Reviews left by guests that stayed at homestays in these beachfront suburbs were taken from the Airbnb website. A sample of 20 reviews were chosen and these reviews were analysed by the researchers in order to determine what the guests had to say about their experience during their home stay.

Airbnb provides different categories on its website for guests to use when rating their stay and these are *Value*, *Location*, *Check-in*, *Cleanliness*, *Communication* and *Overall experience with the homestay*. However, after analysing the 20 reviews, other important factors were discovered that were mentioned in most of the reviews such as

host traits, safety and comfort. These other factors were grouped together under the theme *Other hospitality services*.

It was found that *Communication*, *Location* and *Other hospitality services* such as host traits, safety and comfort were amongst the most liked aspects of the guest's stay at a homestay establishment. If homeowners brand their establishments by focusing on these categories it will bring them success as some of them fall under the branding strategies discussed and others are important components of service quality. The *Accuracy*, *Value* and *Check-in* categories were amongst the least popular categories as they got few mentions or none at all in most of the analysed reviews. It is suggested that Airbnb keep the check-in category for rating purposes because it plays an important role in the booking process of the guest. However, adding the safety, host and comfort rating could be good for them as these were mentioned frequently in guest reviews. Homeowners are encouraged to stay consistent in the areas that the guests like the most and find ways to improve on their weak areas that the guests disliked the most.

Keywords:

- Homestays
- Homestay hosts
- Homestay guests
- Online accommodation service provider
- Small and micro businesses
- Branding strategies
- Homestay reviews

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CHAPTER ONE

INTRODUCTION, PROBLEM STATEMENT AND SCOPE OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND TO THE STUDY

The idea for Airbnb came to Brian Chesky and Joe Gebbia in 2007 at a time when they could not afford the rent for their apartment. They decided to turn their living room into a bed and breakfast for three guests and were able to raise funds to pay for their rent (Cambridge, 2017). Airbnb is an online accommodation service provider which falls under the hospitality industry. Peens (2012:1-2) mentions that the hospitality industry offers many different services such as gaming, which includes casinos, restaurants, clubs such as golf clubs or country clubs, conference centres, and accommodation which is the sector in which homestays fall under. About 5.3 million Airbnb users from various countries generated more than \$467million (more than R6 billion) in 2017 (Venktess, 2017). In South Africa women hosts earned nearly \$2 000 (R25 917) in 2016, more income than earned by the typical women hosts in Brazil, China or India (Airbnb, 2017). For example, in a Finweek magazine, Burmeister (2013:7) stated that twenty days a month Jeanne Botha (which is not her real name) rents her Randburg home on Airbnb for R400 a night, of which she nets R340 as Airbnb takes a cut of 9-15% of the rental fee. Therefore, she is generating between R6800 and R8000 a month, depending on the season.

On the Airbnb (2018) website itself, a home owner can enter the area in which they live in, an estimate of the number of guests and whether they will be using an entire house or just a room and it gives an estimate of how much a person can generate a month. According to Airbnb (2018), a host in the Humewood area can earn around R10 000 a month with four guests. A host in Summerstrand will earn around R11 000 a month. Airbnb is a website which offers accommodation rentals to the public and travellers can discover and book accommodations from homestay owners anywhere across the world (Huey-Yeh, Mei-Hsiang & Min-Jhen, 2017:40). Guttentag (2015:1193) states that Airbnb is an online platform where ordinary people rent out spaces in their homes as accommodation for tourists that travel for business or leisure. These statements show that Airbnb is an online tool that hosts can use for providing

accommodation rentals from the comfort of their own space anywhere around the world.

One of the accommodations listed under Airbnb are homestay establishments. A homestay is one of the tourism products which can bring in tourists since there has been an increase in tourists wanting tourism that will expand and increase their knowledge by letting them see, experience and learn how the locals live in the countries they go and visit (Jamal, Othman & Muhammad, 2011:6). However, Kontogeorgopoulos, Churyen & Duangsaeng (2015:31) argue that homestays show how a person can use their residential homes to make money and they go on to mention that it is an accommodation that can feel like a friend or family member's home and yet still have that feeling of being in a hotel or lodge. Simply put, a homestay gives tourists accommodation, and one of the objectives for the tourists will be to enjoy and learn the local culture (Shukor, Salleh, Othman & Idris, 2014:4).

Homestay establishments are unique because they offer a personalised service and a homely feel, which is different from the traditional hotel setting (Rizal, Yussof, Amin & Chen-Jung, 2018:95). There are different types of homestays, and Jamal *et al.*, (2011:5) define one type as a community-based homestay which brings in tourists looking to enjoy the outdoor experience. In particular, this type of homestay is related to nature, culture and local custom. Kontogeorgopoulos *et al.*, (2015:31) look at the rural homestay which allows guest to see how those living in the village, live daily, and this will result in guests experiencing that local community in different ways to the usual tourism products, like hotels and bed & breakfasts.

The potential for these homestay establishments to keep growing and making an impact in the hospitality industry is undeniable and therefore, closer attention must be paid to them to gain better understanding about the use of homestay establishments as an alternative form of accommodation.

1.2 PROBLEM STATEMENT

Various research has shown that the homestay establishment is fairly well established in some countries as there is a growth in the use of homestay accommodation as an alternative form of accommodation in places like Malaysia (Jamal *et al.*, 2011:6 & Shukor *et al.*, 2014:3), Thailand (Kontogeorgopoulos *et al.*, 2015:29) and New Zealand (McIntosh, Lynch & Sweeney, 2011:509). Burmeister (2013:7) and Venktess (2017)

show that homestays provide extra income for the individuals who register their homes on Airbnb in South Africa, making it a viable business opportunity.

Todor (2014:60) and Abimbola (2001:99) stress the value of branding strategies and how they can give a business a long-term competitive advantage over their rivals. However, an online search of Sabinet, EBSCOhost and SAGE amongst other online databases revealed little to no research is available on homestays in South Africa and how branding strategies have been implemented for these homestay establishments, therefore creating a gap in the literature that warrants further investigation. The tourism industry presents opportunities for small, micro businesses in which homestays are a part of and it is one of the fastest-growing sectors in South Africa (Kooli, Cai, Tang, Beer & Wright, 2016:1004). Like any other business, homestay establishments need to be branded well to give guests a positive image of the homestay that will stay with them for a long time and branding will give the homestay establishment its own identity different to other homestay establishments, thus making it important to investigate branding strategies used in homestay establishments. Research on branding strategies will provide more knowledge on the importance of these strategies to homestay establishments and provide more insight on the value of a brand for the homestay owner.

The study aims to provide a detailed understanding into what guests liked and disliked about their homestay, from which to determine how home owners could improve their offering by applying brand strategies relevant to the homestay experience.

Against this background, the problem statement of this study is therefore, that little information is known about branding strategies used by homestay establishments in South Africa, and those listed on Airbnb in particular. Research is needed in this area in order to add value to the limited body of knowledge on homestay establishments in South Africa and their contribution to economic development of the country.

1.3 RESEARCH OBJECTIVES

The section to follow will discuss the primary objective, secondary objectives and the methodological objectives of this study.

1.3.1 Primary objective

In line with the problem statement above, the primary objective of this research is to conduct an exploratory study of guests' perceptions of their experience in an Airbnb homestay establishment and investigate how branding strategies could be used by homestay owners to improve their guests' experiences.

1.3.2 Secondary objectives

- i) To investigate the importance of homestay establishments in the hospitality industry and tourism industries as part of economic development;
- ii) To investigate different branding strategies that could be used for homestay establishments listed on Airbnb;
- iii) To investigate the factors that influence tourists to choose homestays as their alternative accommodation;
- iv) To investigate the perceptions of tourists and travellers about their homestay experiences;
- v) To investigate how branding strategies could improve homestay owners' accommodation offering.

1.3.3 Methodological objectives

- i) To conduct a literature review on the nature and importance of the hospitality and tourism sectors and to contextualise it to homestays on Airbnb;
- ii) To determine the appropriate research methodology to be used to conduct this study;
- iii) To provide conclusions and recommendations based on the findings of this exploratory research that could assist homestay owners to enhance the success of their homestay establishments through adopting appropriate branding strategies.

1.4 RESEARCH DESIGN AND METHODOLOGY

To successfully address the objectives of this study, the research will be divided into two categories, namely, literature review (secondary research) and empirical review (primary research).

1.4.1 Literature review (Secondary research)

Secondary data is data that is already available. It is data that has been collected by someone other than the researcher for a different purpose such as another research or for administrative purposes (McGinn, 2012:804). Sources of secondary data include government agencies, researcher-contributed databases, public or private archives and institutional records (McGinn, 2012:804).

To achieve the primary objective of this study, the secondary research of this study will include a comprehensive literature review that will discuss the importance of small and micro businesses, the services sector and the homestay offering provided. It will discuss the tourism industry and why it is important to a country. The tourism in South Africa and Port Elizabeth will also be discussed. The hospitality industry will be discussed, and the role that accommodation plays in that industry. Homestay establishments are the main focus of the study and they will be discussed in depth by giving a background of what they are, their value and what attracts guests to stay at these homestay establishments. An overview of Airbnb will be given which will include a section on how it works and a section that will highlight its impact on traditional accommodation. An in-depth literature search will be conducted by consulting open shelves, short loan and study collections in the Nelson Mandela University Library, as well as searching the university's online databases which include EBSCO Host, Emerald, SAGE, Sabinet and Google Scholar, for journals or articles relevant to this study. Only reliable and credible Google website searches will be used, for example the Airbnb website and Stats SA.

As far as can be ascertained, after searching online databases such as EBSCO Host, Emerald, SAGE, Sabinet and Google Scholar, no similar research study has been previously undertaken in South Africa.

1.4.2 Empirical research (Primary research)

The primary research of this study will include four categories, namely, research design and methodology, population, sampling and data collection and data analysis.

1.4.2.1 Research design and methodology

There are two most common types of research, namely quantitative research and qualitative research. Quantitative research generally begins with an experimental

design in which a hypothesis is tested followed by the quantification of data, and a numerical analysis is carried out (Mackey & Gass, 2005:2). There are various ways to conduct quantitative research, including exploratory, descriptive, experimental and quasi-experimental studies.

When it comes to qualitative research the data cannot be easily quantified and the analysis is informative rather than statistical (Mackey & Gass, 2005:2). There are various approaches available to conduct qualitative research, including case study, narrative and grounded theory (Struwig & Stead, 2013:13). There are various ways to conduct qualitative research such as focus group interviews, open-ended interviews and observation.

For this research a qualitative research methodology will be undertaken, using an exploratory approach, to analyse online reviews posted by guests on the Airbnb website. The motivation for using qualitative research is addressed in detail in Chapter Three.

1.4.2.2 Population, sampling and data collection

A research population is known as a complete set of people with a specialised set of characteristics relevant to the study (Banerjee & Chaudhury, 2010:64). For this study the research population consists of all the homestays located in Port Elizabeth that are listed on Airbnb. However, due to the inability to test all the homestays in Port Elizabeth a sample will be selected. Banerjee and Chaudhury (2010:64) define a sample as any part of the fully defined population. The sample for this study will be homestay establishments in the beachfront suburbs of Humewood and Summerstrand that are listed on Airbnb.

Due to the study being qualitative in nature, a small sample will be required. For this study the researchers will use purposive/judgemental sampling to conduct the research because of the participants ability to help the research through the reviews guests leave on Airbnb. Online reviews will be used to determine what guests have to say about their stay at the homestay establishments that make up the sample of the research.

1.5 SCOPE AND DEMARCATION OF THE STUDY

As discussed previously in the problem statement homestay establishments are important as part of the hospitality industry as they provide a business opportunity for the host to make extra income, thus contributing to the GDP of South Africa.

Given this information, the study intends to focus on homestay establishments operating within Humewood and Summerstrand. The empirical research will be limited to these areas owing to ease of access of this sample. Additionally, only homestay establishments that are listed on the Airbnb website and have been reviewed by guests that have stayed there will be used.

Homestays provide high income for the individuals who register their homes on Airbnb in South Africa thus contributing to economic development (Burmeister, 2013:7; Venkatesh, 2017; Airbnb, 2018). Although branding strategies are important for businesses, online searches of various databases have shown that there is little to no information available on branding strategies used by homestay establishments listed on Airbnb. Killey (2014:151) indicates that there are various branding strategies that a business can use to improve its brand, this study will however be limited to strategies that can be used in homestay establishments.

1.6 CONTRIBUTION OF THE STUDY

Since previous research has mainly focused on homestay establishments in various countries like Malaysia, Thailand and Netherlands, the body of knowledge pertaining to homestays in South Africa is largely unexplored. This study aims to expand on the limited body of knowledge that exists on homestay establishments and the branding strategies these homestay establishments can implement such as brand name, brand equity, social media branding, destination branding and crowdsourcing branding which will be discussed in detail in Chapter Two. Branding strategies could be key determinants to help the hosts run their homestays and this study offers great potential in assisting homestay owners with knowledge on the different ways they could use branding strategies to better their homestays and to differentiate them from other homestays. Furthermore, this study aims to provide greater insight into the perceptions of guests' experiences with homestay accommodation and the influence branding strategies can have on the performance of homestays as a small business.

1.7 DEFINITION OF KEY CONCEPTS

With the study focusing on branding strategies in Airbnb, clear definitions of terms used in the study are given below.

1.7.1 Homestays

For the purpose of this study, *Homestays* refer to rooms or spaces that individuals use to offer accommodation to guests or tourists (Shukor *et al.*, 2014:4).

1.7.2 Homestay host

In this study, *Homestay host* will refer to individuals that offer accommodation for rental (Airbnb).

1.7.3 Homestay guests

For the purpose of this study, *Homestay guests* refers to individuals who travel for leisure and personal reasons, as well as those that travel for business and rent accommodation for the duration of their stay (Cambridge, 2017).

1.7.4 Online accommodation service provider

For this study, *online accommodation service provider* refers to an online service providing accommodation reservations for people who will be travelling in their home country or internationally and require accommodation at their destination. For example, Airbnb and Booking.com (Oskam, 2016:22).

1.7.5 Small and micro businesses

For this study *Small and micro businesses* are businesses that employ one to fifty employees and is independently owned and managed by one or more owners (National Small Business Amendment Act, 2004:2).

1.7.6 Branding Strategies

Branding Strategies are defined as long-term activities that business owners use to create a competitive advantage, such as brand name, brand equity, social media branding, destination branding and crowdsourcing (Abimbola, 2001:100).

1.7.7 Homestay reviews

For this study, *Homestay reviews* refer to the feedback left by *homestay guests* on the Airbnb website about their experience during their stay at the homestay (Lin, Huang, An & Yu, 2008:443)

1.8 STRUCTURE OF THE STUDY

The structure of the research is as follows:

Chapter One provides an introduction and background to the study. In addition, reference will be made to the problem statement, the purpose of the study, and the research objectives. The research objectives will be highlighted. The required information and type of data that will be needed for the literature review and empirical investigation will be given. The research design and methodology will also be discussed in this chapter and thereafter the scope and demarcation of the study will be given. The contribution of the study, as well as key concepts for the study will be given in this chapter.

Chapter Two will provide a thorough literature review based on various articles, journals and books that were consulted by the researchers. The chapter will highlight the importance of small and micro businesses. The services sector will be discussed and how the homestay offering is part of a service. The tourism industry in South Africa will be addressed focusing on its economic importance and what attracts tourists to come visit the country and Port Elizabeth in particular. Thereafter, the chapter will examine the hospitality industry and the role accommodation plays in this industry. The chapter will discuss homestay establishments by giving a brief background to what they are, their value and what makes them attractive to guests. An overview of Airbnb will be given and how its ratings and reviews work will also be discussed. The chapter will also look at the different perceptions of homestay owners and the perceptions of guests who use homestays as accommodation when they travel. This will then lead to the discussion of branding strategies that can be used by businesses in general and which strategies will best suit homestay establishments.

Chapter Three will focus on the research design and methodology and the rationale behind the selected methodology. This will be done by elaborating on the sample and sampling techniques, and the primary data collection method that will be utilised. The

way data analysis will be carried out will be highlighted and a table defining the themes used for the analysis of data will be given.

Chapter Four presents the results and outcomes of the empirical investigation and clearly explains the findings of the research conducted.

Chapter Five will conclude the study by providing a brief overview of the preceding chapters, together with an abstract of the main findings. Based on the findings of the literature review and the empirical investigation, conclusions will be drawn. Furthermore, the contributions and limitations of the study will be explained, and recommendations for future research will be proposed.

CHAPTER TWO

THE APPLICATION OF BRANDING STRATEGIES TO SUPPORT THE GROWTH OF HOMESTAY ESTABLISHMENTS

2.1 INTRODUCTION

Small businesses play a very important role in the economies of many developing countries like Turkey (Avcikurt, Altay, & Ilban, 2011:153) and Nigeria (Titus, Tochukwu & Chidi, 2013:167) and South Africa (BER Research Note, 2016:5). Titus *et al.*, (2011:153) note that small businesses are engines through which developing countries can achieve growth and development goals as they provide employment, produce goods and services thus contributing to the growth of society and the economy at large.

Gullifer and Tirado (2018:109) mention that micro-businesses are “the lifeblood of any functioning economy”. The authors go on to mention that there are plenty of these micro businesses and that together they have a higher turnover than any other form of business in most of the countries around the world.

As mentioned in Chapter One of this study, the use of homestay establishments as an alternative form of accommodation has grown rapidly. Venktess (2017) states that homestay establishments provide additional income for the home owners who list their homestay establishments on Airbnb making it a viable business opportunity as a small business.

The primary objective of this study, as mentioned in Chapter One, is to conduct an exploratory study of guests’ perceptions of their experience in an Airbnb homestay establishment and investigate how branding strategies could be used by homestay owners to improve their guests’ experiences

This chapter will examine and discuss the importance of small and micro businesses in the South African economy, the services sector and homestays as service offerings. The chapter will also look at tourism in South Africa and the hospitality industry, and homestay establishments as a viable small business. An overview of the Airbnb industry will be given. Branding strategies and how they can be implemented will be discussed, together with the perceptions of the home owner and guest. Lastly, a summary of the chapter will be given.

2.2 THE IMPORTANCE OF SMALL AND MICRO BUSINESSES IN THE SOUTH AFRICAN ECONOMY

Small businesses play a critical role in the South African economy (Nkwinika & Munzhedzi, 2016:77). This section will address the nature and importance of small and micro businesses in South Africa, and those within the tourism and hospitality industries.

2.2.1 The nature of small and micro businesses

The South African National Small Businesses Act (1996:2) defines a small business as a separate and distinct business entity which can be classified as a micro, a very small, a small or a medium enterprise when it meets the stated classifications provided in Table 2.1 below:

Table 2.1: Data showing the contribution of SMME's to the economy.

Sector or sub-sectors in accordance with the Standard Industrial Classification	Size or class	Total full-time equivalent of paid employees <i>Less than:</i>	Total annual turnover <i>Less than:</i>	Total gross asset value (fixed property excluded) <i>Less than:</i>
Catering, Accommodation and other Trade	Medium	100	R10,00 m	R 2,00 m
	Small	50	R 5,00 m	R 1,00 m
	Very small	10	R 1,00 m	R 0,20 m
	Micro	5	R 0,15 m	R 0,10 m
Transport, Storage and Communications	Medium	100	R20,00 m	R 5,00 m
	Small	50	R10,00 m	R 2,50 m
	Very small	10	R 2,00 m	R 0,50 m
	Micro	5	R 0,15 m	R 0,10 m
Finance and Business Services	Medium	100	R20,00 m	R 4,00 m
	Small	50	R10,00 m	R 2,00 m
	Very small	10	R 2,00 m	R 0,40 m
	Micro	5	R 0,15 m	R 0,10 m
Community, Social and Personal Services	Medium	100	R10,00 m	R 5,00 m
	Small	50	R 5,00 m	R 2,50 m
	Very small	10	R 1,00 m	R 0,50 m
	Micro	5	R 0,15 m	R 0,10 m

Source: NO. 102 OF 1996: National Small Business Act, 1996.

This definition was further amended in the National Small Business Amendment Act (2004:2) by substituting small business with small enterprise which is a separate or distinct entity together with its branches and subsidiaries and is managed or owned by one or more owners. As shown in Table 2.1, from a South African perspective, a micro-business is made up of not more than five employees, has a total annual turnover of less than R150 000 and a total gross asset value of less than R100 000. Based on the

criteria in Table 2.1, homestay establishments qualify as micro-businesses because usually it is the home owner and one or two employees who are involved.

2.2.2 The importance of small and micro businesses

Gullifer and Tirado (2018:110) view micro businesses as having an important social role of empowerment in addition to the importance it already has economically. Cronje, Ferreira and van Antwerpen (2017:26) argue that unlike large businesses, small, micro and medium enterprises (SMMEs) have low barriers to entry and therefore easy to start-up. The authors go on to mention that SMMEs create a closer relationship with customers and community by providing personalised services.

SMMEs are usually established as independent businesses, built on personal relationships and actively managed by the owners. They have a presence in their local areas of operation and are mainly dependent on internal sources for financial growth (Cronje *et al.*, 2017:25). Moreover, SMMEs play an important role in the economic and social environment of a country by creating employment and increasing productivity, thus stimulating growth of income, especially in the case of developing countries like South Africa which have major employment and income distribution issues. The economic value of these micro businesses is massive and in developing countries, which includes South Africa, Gullifer and Tirado (2018:110) mention that 93% of all SMMEs were made up of micro-businesses.

2.3 THE SERVICE SECTOR AND HOMESTAYS AS SERVICE OFFERINGS

The following section will discuss the services sector and homestay establishments as a service offered to people who are travelling to a destination. The expanded marketing mix for services and service quality will also be discussed in this section.

2.3.1 The service sector

The service sector contributed about 65% to South Africa's Gross Domestic Product (GDP) in the year 2016 (Stats SA, 2018). Tourism is one of the largest and fastest growing industries in the service industry (Gurrieri, Lorizio & Stramaglia, 2014:59). In South Africa, tourism is rapidly growing, and in 2016 it contributed about 9.3% of the country's GDP (Fin24, 2017).

Digginis (2014:237) defines services as an intangible benefit on its own or as part of a tangible product, which some form of exchange satisfies an identified need, and this is supported by McDonald, Frow and Payne (2011:27). In addition, the authors also mention that there is some contact with customers, but the form of exchange is not a transfer of ownership. Yang and Roy (2013:286) define services as actions, processes and performances which offer benefits to consumers and are consumed at point of sale. From the definitions provided services are not physically produced but are performed, and individuals do not take possession of the service but make use of it immediately at that particular time the service is given.

In South Africa the services sector includes a wide variety of organisations, services and activities and some are provided on a non-profit basis and others are provided to make a profit. According to du Plessis (2014:3), commercial services include hotels therefore based on this it is assumed that homestay establishments are also part of commercial services.

2.3.2 Homestay establishments as a service offering

In relation to homestay establishments, home owners provide services by offering accommodation to individuals that book to stay in their homestay establishments. Yang and Roy (2013:287) and Digginis (2014:239) identify five characteristics of services namely, intangibility, inseparability, perishability, heterogeneity and ownership.

Intangibility means that when purchasing a service one cannot see it or touch it prior to purchase, therefore evidence of the service and its quality need to be given (Digginis, 2014:239). In relation to homestay establishments, when individuals make bookings online they are unable to see or touch what they are booking, however homestay owners provide evidence of the service through images and descriptions of their homestay establishments and the services available on the online booking platform.

Inseparability means that production and consumption of services happen simultaneously, services are sold first and then produced and consumed simultaneously (Yang & Roy, 2013:287). Individuals who travel and use homestays for accommodation have to make bookings before they can make use of these establishments after which accommodation is provided to them during the course of

their stay thus making use of the service simultaneously as it is made available to them.

Perishability means that services cannot be stored, they can only be provided if there is a demand (Digginis, 2014:239). According to du Plessis (2014:9), perishability is a result of variations in demand and supply. The author goes further to note that it can be applied to the homestay establishments because there is an increasing demand for homestays. If a guest wants to book a room at one homestay but finds it is already booked. The guest has to book a room at another homestay. In this case the booking is lost since the demand cannot be kept for later use.

Heterogeneity refers to the fact that service performance varies from one service encounter to another and happens because no two individuals give the same evaluation of the same service given at the same time (Yang & Roy, 2013:288). Reviews that are left by individuals with regards to their stay at different homestay establishments show that the service encounters are different, and each individual has a different evaluation (Airbnb, 2018). At the same homestay establishment one guest can find the host unhelpful whilst another guest can get all the help and assistance they require.

Ownership refers to the fact that when some individual purchases a service product, the individual does not take ownership of anything but purchases the right to temporarily access the service or temporarily use it (Digginis, 2014: 240). Like any other form of accommodation in tourism, individuals that book a room(s) at a homestay establishment from the owners do not take ownership of the homestay establishment, instead they only have temporary access to the homestay establishment.

2.3.3 The services mix and its expanded elements

The services mix is a set of elements that shape the nature of services that an organisation offers to its consumers. Much like the normal marketing mix for products, the services mix elements include product/service, price, place and promotion (Dmour, Al-Zu'bi & Kakeesh, 2013:17). The authors go on to point out that the services mix further expands to include three more elements which are people, physical evidence and process.

People refers to the individuals that have the required knowledge and skills to ensure that consumers receive the services they paid for (Dmour *et al.*, 2013:17). The homestay owner and one or two staff employees are responsible for ensuring that the guest receives the services paid for.

Physical evidence is any tangible goods that enhance the performance and communication of services and the environment in which the services is provided (Dmour *et al.*, 2013:17). The homestay establishment and facilities like the bed, tea/coffee station and other tangible products in the homestay establishment are the physical evidence for homestays.

Dmour *et al.*, (2013:17) refer to process as the procedures and flow of activities by which a service is acquired. When it comes to homestays, making a booking, checking in and out of the homestay establishment and staying in the homestay establishment itself all form part of the process involved in acquiring the services offered by homestay establishments.

2.3.4 Service quality

Service quality is defined as how well services delivered meet consumer expectations and satisfy their needs (Ismail, Hanafiah, Aminuddin & Mustafa, 2016:400). The authors go on to say that service quality could be used to measure tourist satisfaction when a product or service is at its desired level. The interior layout and design of the homestay form part of the tangible factors of service quality and are likely to play a crucial role in customer satisfaction and the duration of stays in homestays (Ogucha, Riungu, Kiama & Mukolwe, 2015:280). For the guest at a homestay establishment it can be said that communication between themselves and the host, and their comfort can also play a crucial role in their satisfaction during their stay.

Ogucha *et al.*, (2015:281) outline the intangible factors of service quality in homestay establishments and they include reliability, responsiveness, empathy and assurance. Reliability involves the host being able to perform a task correctly at first attempt and is one of the important intangible factors. Responsiveness is the willingness of the host to provide services and help guests. Empathy is the ability of the host to care and individualise attention given to guests. Finally, assurance is the ability of the host to inspire trust and confidence and is important in homestay establishments as guests need to feel safe in the environment they are in (Ogucha *et al.*, 2015:281).

2.4 TOURISM IN SOUTH AFRICA

This section will examine tourism in South Africa and its economic value, as well as accommodation available to travelling individuals. It will also provide a brief discussion on the hospitality industry.

2.4.1 Tourism in South Africa and its economic value

In South Africa, tourism is one of the fastest growing sectors of the economy, and its contribution to the country's gross domestic product (GDP) increased from 4,6 per cent in 1993 to 8,3 per cent in 2006 (Moyo & Ziramba, 2013:4). According to Meyer and Meyer (2015:197), many developing countries and regions have managed to grow their economies with increased economic participation through the development of tourism. Furthermore, the authors note that tourism has shown itself to be an effective sector for economic growth allowing for diversification of the local economy by attracting foreign investment which in turn will lead to the creation of employment and income.

According to Williams (2016:21), the economic growth slowing down to 1.9% in 2013 did not stop South Africa from recording their highest number of foreign guests, 9.5 million. Airbnb itself contributed an estimated R2.4 billion in economic activity taking into account the income earned by the households and the estimated spending by the Airbnb guests (Meyer, 2018:45).

South Africa is fortunate to be able to cater to all the different markets by being a business destination, attracting eco-tourists and those seeking leisure tourism (Williams, 2016:21). South Africa is known as the "Rainbow Nation" with the diverse cultures found throughout the country. There are many natural monuments, museums and historical sites that tell of South Africa's story and are beautiful places for guests to visit (Quintin, 2017). South Africa also has an appealing natural and cultural heritage and is one of the most rapidly growing tourist attractions (Rogerson & Merwe, 2015:236). Climate is a key element of the success of the tourism sector of a region (Fitchett, Robinson & Hoogendoorn, 2017:851).

South Africa is considered to have particularly suitable climatic conditions for tourism. The favourable climate lures guests to the country and this is a significant component of the competitive identity of South Africa as a guest destination (Fitchett *et al.*,

2017:853). In South Africa, marine tourism brings in guests from different countries. It includes activities such as ocean and coastal water sports, hotels and restaurants, beach resorts, recreation, fishing, cruises and chartered yachts which can be used to host parties (Van der Merwe, Slabbert & Saayman, 2011:457). These are some of the activities that can attract guests to Port Elizabeth.

2.4.2 Tourism in the city of Port Elizabeth

Port Elizabeth, also known as the Friendly city is the fourth largest city in South Africa and is found in the Eastern Cape Province of South Africa. It is home to some of the most beautiful natural attractions in the country like The Addo Elephant National Park, Storms River and Tsitsikamma (SA East Cape, 2013). According to NMBT (2018), Port Elizabeth is the only city which boasts the Big 7 (Elephant, Buffalo, Rhino, Lion, Leopard, Southern right whale and the Great white shark) within its boundaries. Tourism makes up the world's largest industry, and beaches are considered as one of the main lures of this industry (Van der Merwe *et al.*, 2011:457). The Nelson Mandela Bay Tourism website points out that Port Elizabeth has a coast stretching more than 40km and this coast boasts a multitude of Blue Flag Beaches (NMBT, 2018). The website explains that the Blue Flag status is an international award only given to those beaches that meet excellence in safety, amenities, cleanliness and environmental standards. One of these beaches is Humewood Beach, situated between the beachfront suburbs of Humewood and Summerstrand.

Potential guests who will use homestay accommodation in Port Elizabeth, particularly in the beachfront suburbs of Humewood and Summerstrand can opt to have the city's beaches as one of the reasons they chose to stay there. However, Humewood is on higher ground than Summerstrand therefore the scenery in Humewood would be more captivating. Port Elizabeth is also known as both the Mohair and Bottleneck Dolphin Capital of the world (NMBT, 2018).

Port Elizabeth is the centre of South Africa's motor vehicle manufacturing industry therefore it has a major sea port which imports large volumes of containerised components and raw materials for this industry (NMBT, 2018). In 2018 Port Elizabeth will host the Ironman 70.3 World Championships and this will see over 6 000 athletes from around competing in this event, accompanied by nearly 20 000 visitors all requiring accommodation (NMBT, 2018). The city of late has been hosting the Ironman

African Championships and this event is a major tourism boost in Nelson Mandela Bay as it brings in international tourists, as well as athletes and spectators who get the unique opportunity to visit one of South Africa's beautiful coastal cities and historically important areas (Nkanjeni, 2018).

2.5 THE HOSPITALITY INDUSTRY IN SOUTH AFRICA

This section will provide a brief discussion on what hospitality is, the components of the hospitality industry and the role accommodation plays in the industry.

2.5.1 The importance of the hospitality industry to the economy

According to Ottenbacher, Harrington and Parsa (2009:263), the hospitality industry is one of the largest industries worldwide and is regarded as a powerful economic driver. Hospitality is defined as the treatment of visitors, guests or strangers with kindness or goodwill (Ottenbacher *et al.*, 2009:265). Baker and Magnini (2016:1513) define hospitality as a human exchange, which is entered into, designed to enhance the mutual wellbeing of the parties concerned through the provision of accommodation, food and drink. The authors go on to further state that hospitableness refers to friendly service that emphasises welcoming behaviour towards the customer. A guest's stay at a homestay can be made better or worse depending on the friendliness of the host. No person would enjoy staying at a place where they did not feel welcome.

As mentioned above, since Port Elizabeth will be hosting the 2018 Ironman 70.3 World Championships, it will be important for the locals to be hospitable to their guests. This will be more necessary for homestay owners who will no doubt have the athletes or tourists present to watch the event staying at their homestay establishments. It can be seen from the discussion of the tourism industry and hospitality industry that both work hand in hand. When the tourism in South Africa is doing well bringing in tourists from all over the world, the country's hospitality is what will make their stay enjoyable.

2.5.2 The provision of overnight accommodation in the hospitality industry

Accommodation is an important part of the hospitality industry as the guests require a place to rest and revive during their travel. It is also an essential part of tourism, and the choice and type of accommodation reflects the needs and expectations of the guest (Sharpley, 2000:275-276). Comfortable hotels and accommodation facilities play a vital role in popularising any tourist destination. If a guest enjoys the same

facilities and comforts as he or she enjoys at his or her home, the guest is likely to get attached to the place (Ahliya, 2010). The popular types of accommodations in tourism are hotels, guest houses, bed and breakfast, lodges and homestays.

In the tourism and hospitality industry hotels make up a fundamental part of the industry in terms of accommodation (Statista, 2018). This study will however focus on homestay establishments only and not hotels.

2.6 THE HOMESTAY ESTABLISHMENT AS A VIABLE BUSINESS OPPORTUNITY

This section will address the nature and background of homestay establishments as they are the main focus of the study. The value of homestay establishments and their attractiveness will also be discussed.

2.6.1 The nature and background of homestay establishments

As mentioned in Chapter One homestay establishments are one of the tourism products which allow tourists to experience and learn the lifestyle of the locals in the countries they visit (Jamal *et al.*, 2011:6). Kontogeorgopoulos *et al.*, (2015:31) mentioned how they can be used to earn income by providing accommodation to paying guests. Ogucha *et al.*, (2015:279) stated that a homestay is a home owner's private residence where the main aim is accommodation for the family, and the secondary use is to provide accommodation to paying guests. The authors further mention that it is not a hotel, or a motel and these paying guests stay in the comfort and security of a family home. A homestay establishment is normally thought to be a safe and affordable housing option for visitors looking to experience and learn the host's lifestyle (Ogucha *et al.*, 2015:279). Accommodation such as commercial homes, bed & breakfast, guest houses and homestay establishments provide alternatives to the traditional hotels. The homestay establishment is part of the larger hospitality industry and has distinct features that include intangibility, variability and inseparability (Shen & Liu, 2015:60).

2.6.2 The value of homestay establishments

As mentioned in Chapter One homestay establishments are growing in popularity and this in turn means that competition is bound to rise. Shen and Liu (2015:60) argue that the home owners have to increase the visitors' experiences and make the guest feel

that the brand has unique value or brand equity. Brand equity will be discussed in section 2.8.2 of this chapter. In Chapter One it was discussed how the homestay establishment here in South Africa can bring income for a home owner thereby making it a viable business opportunity, which encourages people to register their homes on the Airbnb website and start making money for themselves.

2.6.3 The attractiveness of homestay establishments

Gunasekaran and Anandkumar (2012:1130) identify four factors that have an influence over customers' decision to stay in alternative accommodation, namely, homely atmosphere, value for money, local touch and guest-host relationship. The authors note that the homely atmosphere highlights the importance of maintaining a friendly atmosphere and providing service with a personal touch. The local culture factor includes aspect such as interaction with locals and local culture hence stress the of importance of maintaining a local touch and providing an authentic experience through interactions, displays, cuisines and tangible evidence. The guest-host relationship factor looks at the friendly relationship between the guest and the host, as well as bad experiences with hotels in the past that may lead to guests looking for alternative accommodation. Value for money is also a factor that affects guests' decision to look for alternative accommodation as homestay establishments are cheaper and guests get a personalised experience which in turn gives value for money paid.

The attractiveness aspect of the homestay establishment usually influences the guest's intentions to come back to that homestay, and that intention to revisit may be influenced by the promotional efforts of homestay owners, that lead to previous guests recalling memories about their stay at that homestay (Toh, Tan & Yeo, 2016:204). The attractiveness of homestays that influence customer loyalty was researched by Toh *et al.*, (2016:206) and they examined the surroundings of the building and features, service quality, homestay facilities, homestay operation and management, and homestay geist and community co-prosperity.

Surrounding of the building and features looks at the full exterior and interior design of the homestay and Toh *et al.*, (2016:206) state that local architecture should be found in these homestays. Service quality focuses on customer satisfaction with the services provided by the homestay owners or staff. Homestay facilities examines the space,

safety and security of the homestay. Homestay operation and management analyses how the homestay owners manage the homestay and design the rooms and surroundings, as well as how they respect the guest's privacy and their safety. According to Toh *et al.*, (2016:206), a customer will be influenced to come back to that homestay in the future if they are satisfied with the housekeeping at the homestay; the cleanliness of the rooms; the cost of accommodation in relation to the services received; the friendliness of the staff; and the perceived security of the homestay. Finally, the homestay geist and community co-prosperity looks at whether the home owners are involved in any community development efforts and the relationship between the staff of a homestay and guests (Toh *et al.*, 2016:206). Geist itself means the spirit of an individual or group therefore it will look at the relationship or interaction of the host and the guests.

Blogs, online reviews, and social networking websites are enabling customers to interact virtually and to share information, opinions, and knowledge about all kinds of goods, services, and brands (Fileri & McLeay, 2013:44). The authors further mention that travellers write online reviews to share their own experiences with a product and/or service and describe their levels of satisfaction to help other travellers thus having an influence on the decision of the form of accommodation that other travellers may opt for. Since the emergence of social media, the hospitality industry and tourism industry have adopted the use of online reviews to obtain feedback from customers (Moro & Rita, 2018:343). All this leads to the next topic on the overview of Airbnb and how it works.

2.7 ACCOMMODATION RESERVATION VIA ONLINE SERVICE PROVISION

Gone are the days where accommodation bookings could only be done physically or via phone calls now online accommodation service providers such as Airbnb allow people to book accommodations online (Airbnb, 2018). This section will discuss online accommodation provision, give an overview of how Airbnb works and its impact on traditional accommodations.

2.7.1 Online accommodation provision

The use of Airbnb as an alternative form of accommodation has grown rapidly over the years, and according to Guttentag, Smith, Potwarka and Havitz (2018:342), many tourists are choosing to stay in the home of a stranger they find online via Airbnb over

staying in hotels or lodges. Airbnb is not alone in providing accommodation online. Online accommodation service providers such as Afristay and Booking.com are some of the other options available to people (Afristay, 2018; Booking.com, 2018).

2.7.2 Airbnb and how it works

Airbnb started in 2008 as a simple idea that combined economic benefits for travellers and for residents of tourist areas (Oskam & Boswijk (2016:26) and Airbnb (2018). Airbnb works in a simple way by making it easy for potential guests to search and book accommodation, because Airbnb hosts share their spaces in 190 countries and more than 34,000 cities (Airbnb, 2018). All the guest has to do is enter their destination and travel dates into the search bar to discover distinctive places to stay, anywhere in the world. There are a few ways to book spaces on Airbnb. Oskam and Boswijk, (2016:26) mention that some hosts want to get to know a guest before they confirm a reservation, while others prefer to reduce the time it takes to manage requests by using Airbnb's Instant Book feature. According to Meyer (2018:45), Airbnb hosts welcomed nearly 400 000 guests to South Africa in 2016 with more than half of the guests being foreign guests.

Airbnb has built a reputable rating system that enables and encourages participants to rate and review each completed stay (Zervas, Proserpio & Byers, 2017:693). On the Airbnb (2018) website the use of ratings and reviews are used to measure the stay a guest had at a particular homestay establishment. The guest has 14 days after checking out to write a review not exceeding 500 words. The ratings work differently as the guest will have to give a star rating for various categories. The Airbnb categories that the stay will be judged on are as follows:

- **Overall experience:** this refers to all the aspects of the stay;
- **Cleanliness:** this refers to whether the guest found the space to be clean and tidy;
- **Accuracy:** this refers to whether the host's listing page accurately represented their space;
- **Value:** this refers to whether the guest feels that they got value for money during their stay;
- **Communication:** refers to how well the host communicates with the guest before and during their stay;

- **Check-in:** which refers to how smoothly the check-in process went;
- **Location:** refers to how the guests felt about the neighbourhood.

A rival to Airbnb, Booking.com, also uses a rating system but on this site, guests can evaluate with four smiley or sad faces, each counting for a score of 2.5. Therefore Booking.com calculates the score by adding up all the individual categories' scores and dividing the sum by the total number of reviewed categories. Cleanliness, Location and Value are categories that are also used for rating purposes on Booking.com. Comfort, facilities and staff are the other categories used. Booking.com's reviews are 100% genuine because hosts get to confirm that the guest has stayed at their property whilst, also checking for swear words and verifying the authenticity of all guest reviews before adding them to their site (Booking.com, 2018).

2.7.3 Airbnb and its impact on traditional accommodation

According to Zervas et al., (2017:688), since Airbnb was founded in 2008, it has served over 50 million guests and has a market capitalisation eclipsing \$30 billion (an estimate of over R380 billion). Therefore, Airbnb has a quantifiable and measurable impact on hotel revenue in the affected area (Zervas *et al.*, 2017:688). When compared to hotels, Airbnb hosts offer competitive pricing because private residences fixed costs, such as rent and electricity, are already covered (Oskam & Boswijk, 2016:27). Airbnb can affect hotel room revenue through lower occupancy rates, decreased hotel room prices, or a combination of these two factors. This is reported within the hotel and hospitality industry as RevPAR (revenue per available room), which is the product of average room price and occupancy (Zervas *et al.*, 2017:695). According to Guttentag *et al.*, (2018:342), traditional accommodations see Airbnb as a significant threat.

The traditional market for accommodation in tourism involves guests renting from formal businesses such as hotels and Airbnb has shaken this model up by providing an online marketplace that allows rentals from one ordinary person to another (Guttentag, 2015:1194).

2.8 BRANDING STRATEGIES FOR HOMESTAY ESTABLISHMENTS

A branding strategy is defined by Todor (2014:61) as a plan of action which focuses on making a business or its products and services unique in the mind of the customer. However, Abimbola (2001:100) defines branding strategy as a policy for making and

developing competitive advantage. Killey (2014:151) argues that a business can employ several branding strategies when it is in the process of creating a brand, and no strategy is said to be more effective than the others, as the nature of the industry and product the business offers have an impact on the success of the branding strategy used. In the services market industry such as the hospitality sector where homestays are increasingly a part of, it is important for the businesses to develop and manage their brands due to high competition (Kooli *et al.*, 2016:1005). In this section brand name, brand equity, social media branding, destination branding, and crowdsourcing branding will be discussed.

2.8.1 Brand name

Consumers use the brand name and reputation as a way to measure a product's quality and attributes, and the consumer's purchase intentions depend on the degree of perceived fit between the product and the brand name (Tsai, Dev & Chintagunta, 2015:866). According to Kachersky and Carnevale (2015:157), consumers prefer brand names that include the pronouns "I" and "my" because of the words' ability to bring out consumers' self-beliefs. The authors note that "I" shows an internal focus on oneself, while "you" indicates a focus on oneself in relation to others. Using this information home owners can incorporate the "I" or "my" when they list their homestay on the Airbnb website.

2.8.2 Brand equity

Brand equity refers to the set of brand assets and liabilities that are linked to a brand and its name that adds or subtracts to the value provided by the product or service (Dmour *et al.*, 2013:17). According to Belen del Rio, Vazquez and Iglesias (2001:452), brand equity is defined as a set of associations and behaviours on the part of the brand's customers, channel members, and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name, and that gives the brand a strong, sustainable, and differential advantage over competitors. Brand equity results from the name of a brand that gives a product or service added value, and Shen and Liu (2015:61) go on to say that it is created by the relationship that the customer has with the brand. A product or service with brand equity has a special place in the minds of the consumer, as they are familiar with the product or service and know the fundamental value of it (Shen & Liu, 2015:60). Belen del Rio *et*

al., (2001:452) point out that a high brand equity shows that consumers have good associations related to the brand name more than with the product or service itself. Homestay owners can use the names of their homestay establishments to build brand equity for their business.

2.8.3 Social media branding

The integration of social media in brands' strategies across the world is increasingly necessary if the business wants to succeed in that business environment, where their competition can be in the same area or located in another country (Moro & Rita, 2018:343). Social media branding is becoming more important, and can be enhanced by interactions online (Killey, 2014:152). As discussed before, a guest can leave a review on the homestay establishment they stayed at, and the host can also comment on that review. This is a form of online interaction that can help the homeowner pick out what was important for the guests and emphasise on that when they brand their homestay and list it on the Airbnb website. Moro and Rita (2018:343) point out that when social media started being used, the tourism and hospitality industries were one of the first to start using online reviews as a means for obtaining customer feedback.

According to Lim, Chung and Weaver (2012:199), social media itself is known to influence the decisions that are made by tourists therefore the comments and recommendations left on the reviews section can have an impact on potential guests using that homestay. Before travelling, tourists will usually find and analyse different forms of travel information early in the travel decision making process to avoid making wrong decisions (Leung, Law, van Hoof & Buhalis, 2013:8). Therefore, the homestay owner should use social media wisely to brand their homestay because the potential guests can use it to evaluate whether or not to book a stay at that homestay based of what they see online.

2.8.4 Destination branding

According to Satori, Mottironi and Corigliano (2012:328-330), destination branding is able to shape or modify the image and personality of tourist areas, to influence tourists' expectations, and to orientate travel choices. Branding has become a very useful tool for the tourist destination marketer as the brand can identify the destination and make it unique and different from others through positive imagery that connects tourists to the destination emotionally (Lim, Chung & Weaver, 2012:198). According to

Machlouzarides (2010:84), destination branding is all about creating total experience and value proposition to guests by successfully managing the set of available products and services. In the Humewood and Summerstrand areas, images of the beachfront are examples of ways the home owner can differentiate their homestay establishment from others and entice the tourist to stay there.

Destination branding which is also used during the FIFA World Cup tournaments to promote the host country is used to make people aware of the country and the host cities (Killey, 2014:152). Homeowners can use this type of branding to their advantage and make people aware of the beauty of the Humewood and Summerstrand areas. As mentioned before in this chapter the Ironman World Championships are held in Port Elizabeth annually, and home owners can use that opportunity to brand their homestays in ways that will promote the city or area these homestay establishments are located in, specifically the Humewood and Summerstrand areas. However according to Zouganeli, Trihas, Antonaki & Kladou, (2012:743-750), destination branding can only be sustainable when hosts, policy aims, and tourists' demands are in linked together.

2.8.5 Crowdsourcing branding

Crowdsourcing has various definitions and is subject to misunderstandings (Hossain & Kauranen, 2015:3). The authors go on to say that crowdsourcing is a process of integrating the inputs of consumers to manage business activities. Killey (2014:152) mentions crowdsourcing branding uses information gathered from the public and this information will be used to carry out business related tasks. This therefore can mean that homeowners can search for information on what people look for in homestay establishments and brand their homestays using that information because it is coming from the people that will potentially stay at their homes.

Based on the meaning of crowdsourcing various articles or books written on homestay establishments can be used by home owners, and the information they get from them can be used to help brand their homestay. If crowdsourcing involves use of consumers' inputs as mentioned by Hossain and Kauranen (2015:3) then hosts can have a look at the reviews left by guests and see which areas are of importance to these guests and brand their homestay establishments accordingly.

2.9 CRITERIA FOR BRAND SUCCESS AND CUSTOMER BRAND

EXPERIENCE

Kooli *et al.*, (2016:1005) outline three main criteria a service brand needs to implement to be successful. The first is that a clear and focused positioning should be defined and understood by everyone involved including the consumer, but in the case of the homestay it will be the homeowner, cleaner and guest. Kotler, Wong, Saunders and Armstrong (2005:559) elaborate further on the brand positioning by incorporating certain values such as the attributes of the brand; the benefits the brand offers and its values. Kotler *et al.*, (2005:559) go on to mention that a brand can position itself by representing a certain culture and personality, and the business in this case, the homestay should build its brand strategy on creating and protecting these values. Kooli *et al.*, (2016:1005) point out that the second criteria discuss the consistency in the quality and service and this comes down to the way the staff behave and the consumer-staff relations. The final criteria for success are that the brand must have clear business values.

Brand experience is defined by Brakus, Schmitt and Zarantonello (2009:53) as a customer's response through sensations, feelings and cognitions, and their behavioural responses caused by their interaction with the brand. Shen and Liu (2015:62) define experience simply as a visitor's good memories about a place and that it is the central value of leisure tourism. When the guests stay at the homestay they will have an experience there, a brand experience and according to Manthiou, Kang, Sumarjan & Tang (2016:107), brand experience consists of four parts which are discussed below.

2.9.1 Sensory experience

Sensory experience involves a detection of objects by the sensory organs and the use of colour, material, design, slogans and visual symbols bring about a sensory experience (Manthiou *et al.*, 2016:107). Homestays can make good use of this to give guests a good brand experience by having rooms that are not dull or too plain but instead trying to incorporate vibrant colours and adding some artwork. According to Cleff, Walter and Xie (2018:13), sight and sound are vital in ensuring a customer has an arousing and memorable sensory experience. Shen and Liu (2015:62) mention that this experience creates the perception of added value to the product or service.

Therefore, things like the location of the homestay establishment, the views surrounding, and the appearance of the homestay can add to the sensory experience of the guest.

2.9.2 Affective experience

Affective experience looks at the feelings, sentiments and emotions produced by a subject and there can be positive reactions like love or pride and negative reactions like fear and disgust (Manthiou *et al.*, 2016:107). This can be used by home owners as they can try adding to the homely feel of the home. This affective experience will be crucial for homestay owners because it will influence guests staying at that homestay or coming back. Cleff *et al.*, (2018:13) sum it up by mentioning that affective experience looks at the moods and emotions that are brought about by the brand experience.

2.9.3 Intellectual experience

Intellectual experience looks at a place's ability to make individuals think or feel curious (Manthiou *et al.*, 2016:107). The authors go further by pointing out that it will make them think creatively and in a problem-solving way due to the surprise and intrigue. Summed up, intellectual experience includes conscious mental processes and makes the customers think about the brand and this can cause the customer to get into a creative mental state by using their imagination, but also into an analytical problem-solving mind frame (Cleff *et al.*, 2018:13). Home owners can add puzzles, quizzes or board games to the rooms or have different famous quotes around the rooms that will get the guests thinking.

2.9.4 Behavioural experience

Behavioural experience involves physical attraction, showing visitors different lifestyles and this behaviour can change the person's lifestyle if the experiences were motivational, inspirational or emotional in nature (Cleff *et al.*, 2018:13). The authors go on to mention that the behavioural brand experience focuses on the customers' physical experience. Home owners can have bicycles that guests can use to explore the beach front areas or just suggesting scenic places around the area that guests can go see can add to this behavioural experience.

2.10 GUESTS' PERCEPTIONS OF THE HOMESTAY EXPERIENCE

Perceptions develop when individuals receive and process information about products/services through different sources such as word-of-mouth testimonies from family members or friends, advertisements and general conversations with associates or strangers (Kenyon & Sen, 2012:180).

Allowing a guest into the host's home is not a decision that can be made quickly and easily as there are a number of issues to take into consideration. Getting paid for it is usually the main if not, the sole reason people put up their houses as homestays. The moment the homeowner takes a guest into their home, they lose their privacy and the personal space they usually enjoy. McIntosh, Lynch and Sweeney (2011:511) state that the homestay business can have a huge emotional toll on the owners and the impact of hosting on the hosts' personal life and family can be massive. Not all homestay experiences can be memorable for the home owners as the guests can be a handful, very noisy or extremely untidy which can annoy the hosts. There are potential benefits that come with being a home owner; the guests could come with gifts from their respective countries, the home owner can gain knowledge of the guest's culture and traditions whilst learning a new language in the process. (McIntosh *et al.*, 2011:511).

When looking at homestays from the perception of the guest there are different aspects to consider, such as the expectations of the guest and their experience during their stay. Brand perceptions can come from a variety of sources including consumer experiences, marketing, communications, or word of mouth (Lee, 2013:210). Guests are motivated to have homestay establishments as an accommodation option as they believe they will be able to learn more about the language and culture of the country they are visiting from the host family. Therefore, the guest will be expecting to be welcomed as part of the family by the host and treated in a friendly way (Juveland, 2011:3). Some guests have their expectations met when they are hosted by a welcoming home owner and their family for the duration of their stay. Juveland (2011:6) states that in other cases, guests are hosted by a family that has little interest in the guest which can lead to the guest having a negative experience.

2.11 SUMMARY

This chapter discussed many aspects that play a role in homestay establishments. Firstly, it was important for the chapter to start off by addressing the nature and importance of small and micro-businesses because homestay establishments are a micro-business. The majority of economies around the world rely on the many micro-businesses that operate within that country, whether it be a developed country or developing country, micro-businesses play a vital role. Homestay establishments offer a service to the paying guests in the form of accommodation and they meet the five common characteristics of a service which are intangibility, inseparability, perishability, heterogeneity and ownership. An overview of tourism in South Africa and its impact on the economy was necessary to understand that the homestay establishment can be a viable business opportunity in South Africa with the large number of tourists who visit the country and it can also benefit the economy.

Homestay establishments as a viable small business were discussed and this was the most important part of the literature chapter. The nature and value of the homestay establishment were important to highlight what this establishment is and the good business opportunity waiting as this is a growing tourism product. It was important to mention the attractiveness of the homestay establishment and what would lure guests to go back and stay there again. Next an overview of Airbnb was given and how it operates. The rating and review system used by Airbnb was also discussed to highlight what guests found important when they visited these homestay establishments. Branding strategies that homestay establishments could use to help create a competitive advantage over their competitors and leave a lasting impression on guests were discussed. Brand success and the brand experience guests will have during their stay were also discussed. Lastly the perceptions of the home owner and guest were discussed, and this looked at how both parties felt about the homestay establishment and the experiences involved.

In Chapter Three the research design and research methodology of the study will be discussed.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The literature review in Chapter Two addressed the importance of small and micro businesses in South Africa. The chapter also looked at the services sector and homestays as service offerings. It also discussed Airbnb and branding strategies that can be used in homestays.

This study aims to provide a detailed understanding into what guests liked and disliked about their homestay in an Airbnb establishment, and investigate how home owners could improve their offering by applying brand strategies relevant to the homestay experience.

This chapter will focus on the research design and methodology to be followed when conducting this study. The chapter commences with a discussion of the nature of research. Data collection methods will also be discussed in this chapter, namely, secondary data collection and primary data collection methods. The data analysis method will be explained.

3.2 THE NATURE OF RESEARCH

Collis and Hussey (2014:2) define research as a systematic and methodical process which involves the analysis and investigation of a subject matter with the aim of increasing knowledge on it. Research is defined as a systematic investigation process to find answers to a problem (Kumar, 2011:28). The author goes on to mention that research involves verifying what is already known and identifying gaps in knowledge. Sekaran (2000:4) simplifies the meaning of research by mentioning that it provides necessary information to help make more informed decisions that successfully deal with problems. The author further mentions that information gained from research could come from the careful analysis of first-hand data or data that is already available. This study will analyse data that is already available in the form of online guest reviews. These definitions show that research is important because it increases knowledge and

understanding on a certain topic of discussion and allows that information to be passed to a larger audience (Leedy & Ormrod, 2005:2).

Scientific research goes a step further and according to Sekaran (2000:20), scientific research is focused on problem solving and follows a logical, organised, and rigorous method to identify problems, gather data, analyse the data and come up with valid conclusions. The scientific method is best described as an approach to gaining new knowledge, and this approach effectively distinguishes science from non-science (Marczyk, DeMatteo & Festinger, 2005:4). Kumar (2011:28) defines scientific research as comprising of methods to observe, interpret and analyse data. According to Marczyk *et al.*, (2005:16), the three general goals of scientific research are description, prediction, and understanding. This study will have no predictions, but it will enhance the understanding of guest perceptions of homestays and how branding strategies can be used by owners of homestay establishments.

The purpose of this research will be to broaden the present knowledge on homestays as they are a fairly new alternative to the traditional accommodation establishments such as hotels, guest houses, lodges and bed and breakfasts. Once knowledge of the homestay offering is provided, it will be necessary to discuss the branding strategies that can be used for these homestays to attract tourists, and which of those strategies will bring success. According to Quinlan, Babin, Carr, Griffin and Zikmund (2015:4), research is a tool that will answer that practical question of which branding strategy should work best for homestays.

3.3 RESEARCH DESIGN

Leedy and Ormrod (2005:85) mention that the strategy researchers will follow when tackling a research problem is called the research design. Bryman and Bell (2011:40) state that the process of research design provides a framework for the collection and analysis of data. Kumar (2011:41) points out that a research design's main function is to explain how the researcher will find answers to the research questions and sets out specific details of the researcher's inquiry. These definitions show that a research design refers to how data is collected and analysed.

3.3.1 Tasks involved in research design

There are various tasks that are involved in the research design process. Collis and Hussey (2014:98) outline the following tasks as the main steps involved in research design:

- i) Identify the research problem or issue: This involves reading literature on the topic, and finding gaps in previous studies, as these gaps show opportunities for more research to be conducted.
- ii) Determine the purpose: This requires only a few sentences that will explain the main aim of the research and its objectives.
- iii) Identify the main research question(s): These questions usually create the hypothesis which will need to be tested. The answers to the research questions should be of interest or importance for the research to get attention.
- iv) Choose methodology and methods: Usually researchers can use qualitative research methods, quantitative research methods or a combination of both. The research instrument to collect data will also be chosen.
- v) Determine outcomes and timetable: Data will be collected and analysed, and the main findings discussed. Statistical methods are usually used to analyse this data. Recommendations will also be given based on outcome of the study.
- vi) Write the proposal: This is the document that will set out the research design for a proposed study.

The problem statement of this study as mentioned in Chapter One is that little information is known about branding strategies used in homestay establishments in South Africa, and research is needed in this area to enhance knowledge on how branding strategies can be used for these homestay establishments.

Once the problem statement is highlighted, it then leads to the study's research objectives. Chapter One pointed out that the primary objective will be in line with the problem statement and for this study, the primary objective is to conduct an exploratory study of guests' perceptions of their experience in an Airbnb homestay establishment and how branding strategies could be used by homestay owners to improve these experiences. The secondary and methodological objectives are also outlined.

Collis and Hussey (2014:97) highlight the following characteristics of good research design:

- There should be a good fit between the research methodology and the paradigm (qualitative or quantitative) that will be well understood and accepted by the other readers.
- A fundamental framework or structure should be present to guide the conduct of the research.
- The appropriate research methods should be used.
- The design should allow for knowledge claims that are consistent with the strategy of inquiry.
- Researcher should be able to address the research question(s) and meet the aims and objectives of the study.

There are various qualitative research designs available to researchers and these include case studies, ethnography, phenomenological study and grounded theory study (Leedy & Ormrod, 2005:135-141). Leedy and Ormrod (2005:135) state that in a case study, a particular individual, programme, or event is studied in depth for a defined period of time and may be suitable for learning more about a little known or poorly understood situation. In an ethnography, the researcher looks at an entire group that share a common culture, in depth and is suitable for gaining an understanding of the complexities of an intact culture (Leedy & Ormrod, 2005:137).

Grounded theory uses a prescribed set of procedures for analysing data and constructing a theoretical model from them. It is useful when current theories about a phenomenon are either inadequate or non-existent (Leedy & Ormrod, 2005:141). A phenomenological study attempts to understand people's perceptions, perspectives and understandings of a particular situation, and the researcher can make some generalisation of what something is like from an insider's perspective (Leedy & Ormrod, 2005:139).

The phenomenological study design will be most appropriate for this study as it entails looking at reviews given by guests that have stayed at a homestay establishment and review their experiences during their stay. The reviews will give the researchers an insider's perspective of homestays.

3.4 RESEARCH METHODOLOGY

Research methodology refers to the principles, procedures, and practices that govern research (Marczyk *et al.*, 2005:22). According to Collis and Hussey (2014:59), a methodology is an approach to the process of the research, encompassing a body of methods. The research methodology signals to the reader how the research will be conducted and what philosophical assumptions underpin the research (Quinlan *et al.*, 2015:143).

Research can be of the quantitative nature or qualitative nature and how research will be carried out will depend on this (Leedy & Ormrod, 2005:94).

Quantitative research is described by Bryman and Bell (2011:150) as the collection of numerical data and goes further to give insight to the relationship between theory and the research carried out. Deductive reasoning is used when analysing the relationship between theory and the research, and Quinlan *et al.*, (2015:395) explains this as the researcher coming to their own conclusion about the study based on facts brought up.

Quinlan *et al.*, (2015:399) describe qualitative research as research which produces non-numeric data by making words the main focus instead numbers when data is being collected. Bryman and Bell (2011:386) states that the theory is generated out of the research. Qualitative research uses data involving understanding of complexity, detail and context of the research subject (Hox & Boeije, 2005:593). In a qualitative research, the researcher goes through the process of identifying themes and describing findings from interviews or observations rather than subjecting data to statistical procedures (Kumar, 2011:36). Methods of data collection used in qualitative research are flexible and sensitive to social context, with the most common method being the qualitative interview, in which the interviewee is given the opportunity to talk about their experiences (Hox & Boeije, 2005:595). When it comes to sample sizes, quantitative research emphasis is on a greater sample size whereas qualitative sample size uses a smaller sample size (Kumar, 2011:38).

Qualitative research is the methodology deemed most suitable for this study. With the increasing impact of the internet as mentioned by (Liu, *et al.*, 2008:443), online reviews are increasingly being used to describe people's experiences with a myriad of products and services (Schuckert, Liu & Law, 2015:608-609). A plethora of online reviews suggests an opportunity exists for this relatively new form of customer feedback to be

analysed by researchers into meaningful results. By following this qualitative methodology approach of content analysis in the same manner as that used to transcribe interviews, researchers can gain a better understanding of homestay experiences, since it is difficult to obtain homestay data through quantitative research.

The study will require content analysis. Leedy and Ormrod (2005:142) define content analysis as a detailed and organised investigation of the contents of a body of material to identify patterns, or in the case of this study to identify themes. The authors go on to note that content analysis is usually performed on human interactions and transcripts of conversation in this case the content analysis will be performed on guest reviews found on Airbnb. Leedy and Ormrod (2005:142) presented the steps that are usually followed in content analysis:

- i) The researcher will need to identify the specific body of material to be studied. A small sample of guest reviews on Airbnb will be studied therefore random sampling will be used. Sampling will be expanded on further in section 3.5.2.
- ii) The researcher has to define the characteristics or qualities to be examined in precise, concrete terms. For this study the themes will be defined.
- iii) The researcher breaks down each item into small manageable segments to be analysed separately. For this study the guest reviews will be broken down to analyse the themes mentioned.
- iv) The researcher analyses the material thoroughly for instances of each theme defined in step 2.

Post analysis, the researchers will make a judgement about the findings based on the randomly selected sample of reviews that contained at least 70 words.

This research also takes the form of desk research. Jackson (1994:21) defined desk research as the process of obtaining public secondary data. As mentioned in Chapter One this study involves the use of library books, journals, online websites and the data collected is even public data in the form of online reviews left on the Airbnb website.

3.5 DATA COLLECTION

A data collection method is defined by Collis and Hussey (2014:59) as a technique for collecting or analysing data. Data collection methods refer to how researchers gather the data required for their research (Quinlan *et al.*, 2015:152). This section will address

the different data collection methods namely, secondary data collection and primary data collection.

3.5.1 Secondary data collection

Secondary data is data that is already available. It is data that has been collected by someone other than the researcher for a different purpose such as another research, or for administrative purposes (McGinn, 2012:804). Sources of secondary data include government agencies, researcher-contributed databases, public or private archives, and institutional records (McGinn, 2012:804). The internet is also an important source of secondary data as various published research data and studies are available on various internet databases (Kumar, 2011:154).

When using secondary data, the researcher needs to be careful with the data used. Kumar (2011:154) identifies the following issues that the researcher must keep in mind when using secondary data and these include:

- Validity and reliability – The validity of information may vary from source to source. Information obtained from a census is more likely to be valid and reliable than that obtained from most personal diaries.
- Personal bias – The use of information from personal diaries, newspapers and magazines may have the problem of personal bias, as these writers are likely to exhibit less rigorousness and objectivity than one would expect in research reports.
- Availability of data – It is common for researchers to assume that the required data will be available, but they cannot, and should not make this assumption. Therefore, it is important to make sure that the required data is available before researchers proceed further with the study.
- Format – Before deciding to use data from secondary sources it is equally important to ascertain that the data is available in the required format.

Once secondary data is located, it is necessary to examine it to get the relevant information needed for the study as not all the information in the literature sources identified may apply to the study. For this study, an in-depth literature search will be conducted by consulting open shelves, short loan and study collections in the Nelson Mandela University Library. In addition, the researchers will search the university's online databases which include EBSCO Host, Emerald, SAGE, Sabinet and Google

Scholar, for journals or articles relevant to this study. Only reliable and credible Google website searches will be used, for example the official website of Airbnb. Other studies will require that data be accessed from other international and national libraries by means of the inter-library loan facilities however, this study did not require that. Chapter One stressed that as far as can be ascertained, no similar research study has been previously undertaken in South Africa.

3.5.2 Primary data collection

Primary data is first-hand or original data collected specifically for the study (Kumar, 2011:41; Hox & Boeijs, 2005:593). The collection of primary data calls for decisions on the population, sample frame and sample.

(a) Population, sample frame and sample

A research population is known as a complete set of people with a specialised set of characteristics relevant to the study (Banerjee & Chaudhury, 2010:64). For the purpose of this study, the population can be defined as all the homestays located in Port Elizabeth listed on Airbnb.

A sample frame is a list of elements from which a sample may be drawn (Quinlan *et al.*, 2015:399). These authors go on to mention that it is also known as the working population because these units will eventually provide units involved in analysis. In this study the sample frame will be beachfront homestays in Port Elizabeth listed on the Airbnb website.

A sample is defined by Banerjee and Chaudhury (2010:64) as any part of the fully defined population. It is also defined by Bryman and Bell (2011:718) as the segment of the population that is selected for research. The sample for this study will be selected from homestay establishments in the beachfront suburbs of Humewood and Summerstrand that are listed on Airbnb.

(b) Sampling techniques

According to Leedy and Ormrod (2005:199), there are two major categories of sampling techniques that can be used for a study; probability sampling and non-probability sampling. When probability sampling is used Quinlan *et al.*, (2015:178) mention that the sample selected from the population is claimed by the researcher to

be representative of the population. Probability sampling techniques include simple random sampling which involves selecting a sample at random from a sampling frame (Quinlan *et al.*, 2015:178). Using this sampling technique each unit has an equal probability of being included in the sample (Bryman & Bell, 2011:179). Systematic sampling involves selecting aspect at systematic or regular intervals from the sampling frame (Quinlan *et al.*, 2015:178-179). These authors go on to mention that stratified sampling is a sample selected based on some known characteristic of the population, a characteristic that will have an impact on the research. The last sampling technique discussed under probability sampling is the cluster sampling technique which is used when the units or the people who make up the population of the study are to be found in groups or clusters (Quinlan *et al.*, 2015:179).

When non-probability sampling is used the sample is selected to represent the population, but Quinlan *et al.*, (2015:180) mention that this sample is not representative of the population, in any statistical sense. Non-probability techniques include purposive sampling also known as judgmental sampling, and this technique involves the researcher deciding who will be included in the sample based on that participant's ability to help the research (Quinlan *et al.*, 2015:181). Quota sampling as defined by Quinlan *et al.*, (2015:181), involves the researcher developing a sample of participants for the research using different quota criteria. Bryman and Bell (2011:193) mention that the different criteria could be gender, ethnicity, age groups, socio-economic groups or region. Snowball sampling involves the researcher identifying one participant in the research that they will conduct the research with, and then the next participant is recommended by that first participant (Quinlan *et al.*, 2015:181). Bryman and Bell (2011:192) echo the same message and mention that the first participant is used to establish contacts with others.

The chosen sampling technique for this qualitative study will be the purposive (judgmental) sampling technique. Leedy and Ormrod (2005:206) point out that for this sample, people are selected for a particular purpose as the name suggests. The authors go on to argue that the selected people represent diverse views on a topic.

Once the sample has been drawn, a research instrument has to be developed. More details on the research instrument will be provided in the following section.

(c) Research instrument: Questionnaire

Normally for qualitative research it would be necessary to incorporate a questionnaire to evaluate guests' perceptions of their homestay experience, as it would bring more understanding to how branding strategies can help homestays. Questionnaires can either have open-ended questions or closed ended questions. However, for a study that is qualitative in nature such as this one, the questions would be open-ended questions.

Open-ended questions are described by Bryman and Bell (2011:716) as being questions that do not give the respondent a set of possible answers to choose from. These types of questions are used to explore understandings, feelings and beliefs as they usually need the respondent to think and reflect (Quinlan *et al.*, 2015:248). Open-ended questions are useful when exploring new areas or ones in which the researcher will have limited knowledge (Bryman & Bell, 2011:249). However, the authors go on to mention that they are time consuming as the interviewees will spend a long time talking as compared to closed-ended questions.

Closed-ended questions present the respondent with a set of possible answers to choose from (Bryman & Bell, 2011:712). They require short responses and are usually used to collect factual data (Quinlan *et al.*, 2015:248). Processing answers using these types of questions is easy according to Bryman and Bell (2011:250), and they go on to mention that comparing the answers is made better because it shows the relationship between variables. However, the authors also acknowledge that closed-ended questions do not allow respondents to give the interesting responses that they might have. The questionnaire would have various sections that require respondents to fill out, ranging from sections that require details of the respondent to sections dealing with the different important research questions.

The research instrument has to meet the criteria of validity and reliability. Validity refers to whether a concept measures what the measuring instrument intended to measure (Bryman, 2011:159). In qualitative research, validity is concerned with whether findings represent the experience of participants (Frey, 2018:1697). Reliability refers to the dependability of the research, and the degree to which the research can be repeated while obtaining the same results (Quinlan *et al.*, 2015:259). However, for this

particular study no questionnaire will be used therefore validity and reliability cannot be tested for.

3.6 DATA ANALYSIS

The content analysis for this qualitative research will involve identifying common themes in guest's reviews of their stay at a homestay establishment (Leedy & Ormrod, 2005:142).

A list of 20 guest reviews on different homestays in the Humewood and Summerstrand beachfront areas will be selected at random on the Airbnb website. The aim is to pick out the main points stressed in these reviews, pertaining to the rating system used on the Airbnb website. This data will be captured on MS Excel version 2016.

As mentioned in Chapter One, the primary objective of this study is to conduct an exploratory study of guests' perceptions of their experience in an Airbnb homestay establishment and investigate how branding strategies could be used by homestay owners to improve their guests' experiences.

3.6.1 Theme definitions

This section of the chapter discusses the themes used to analyse data, defines these themes and explains where they were found and why they are being used for this study. This will be the raw data used for the study.

Airbnb allows guests to leave online reviews about their stay and experiences while staying at homestays (Airbnb,2018). Certain themes were picked up from the reviews left by guests which fall under the Airbnb rating system and are therefore relevant to this study. The Airbnb themes are *Communication*, *Cleanliness*, *Accuracy*, *Value*, *Check-in*, *Location* and *Overall experience* were defined in Table 3.1 below. Table 3.1 also includes host traits, property(s) and comfort which were factors picked up in *the Other hospitality services* theme created by the researchers because they were important to the study. These factors will be defined individually in Table 3.1. This brings the total themes that will be used to eight. The number of aspects column shows the number of aspects that will fall under each factor. For example, under *Communication* there will be four aspects that fall into that category, and these are response time, information, helpfulness and amenity recommendations.

Table 3.1: Theme definitions

Themes	Theme definitions	Number of aspects
Communication	Communication refers to how well the homestay owner stays in touch with the guests during the booking process, especially if the guest has any inquiries. This considers the time taken to respond to inquiries and the disclosure of necessary information about the homestay on the Airbnb website. Communication also refers to whether the homestay owner was helpful during the guest's stay at the homestay, and if the homestay owner gave the guest any recommendations for nearby amenities.	4
Host traits	Host traits refers to the different attributes that the guest found the homestay owner to possess.	1
Property (Room(s))	Property refers to the room(s) that the guest was staying in. This considers if the guest found the room(s) to be beautiful and if the room(s) had everything provided, especially if the homestay is self-catering. It also looks at the exterior of the homestay and its safety.	3
Cleanliness	Cleanliness refers to how the room or apartment is maintained. If the room is well-kept, spotless, neat and tidy. The room may also be unexpectedly dirty showing that it did not meet guest's expectations.	4
Comfort	Comfort refers to how the guest felt during their stay, whether the homestay was comfortable.	1
Location	Location refers to the area in which the homestay was situated. It considers if the homestay is close to amenities, if the homestay has good views surrounding it and if it is in a noisy area.	3
Overall experience	The overall experience refers to how much the guest enjoyed his/her stay at the homestay. It takes into account whether the guest felt the experience was memorable. It also considers whether the guest is likely to recommend the homestay to anyone else.	2
Accuracy	Accuracy refers to whether the advertising on the Airbnb website was what the guests saw when they got to the homestay.	1
Value	Value refers to the homestay meeting the expectations in terms of whether the guest feels the money they spent was worth it. It also refers to the price of staying at the homestay whether it was too high for them.	2
Check-in	Check-in refers to the ease of the check-in process for the guest and whether they experienced any difficulties during this process because of the host or other reasons.	1

3.7 SUMMARY

In this chapter, the nature of research was discussed by highlighting the meanings of research and most importantly the exploratory research that will be undertaken for this study. It also discussed the purpose of the study and why it will be carried out. The research design was discussed, and this looked at the process that will be followed when carrying out the study, and what each step entailed. The methodology explained how the research will be conducted. It defined qualitative and quantitative research and highlighted which one will be used for the study.

Data collection methods were discussed, focusing on secondary and primary data collection methods. The sources of these methods were elaborated on. The population, sample frame and sample relating to this study were defined and discussed briefly. Sampling techniques were examined and the technique relating to the study was highlighted. The research instrument was discussed, and the focus was mainly on the one used for the study. Validity and reliability of research methods were defined and briefly discussed although they fall outside the scope of this study. Various themes relevant to the study were defined and presented in the form of a table (Table 3.1).

The empirical findings and results will be discussed and thoroughly analysed in Chapter Four.

CHAPTER FOUR

EMPIRICAL RESULTS

4.1 INTRODUCTION

The previous chapter focused on the research design and methodology that will be used for this study. The research design was the plan or guideline which was going to be followed for the study and the research methodology demonstrated how the plan would be executed. There was an option to use quantitative research methods, qualitative research methods or a combination of both. This study required the use of qualitative research methods, as explained in Chapter Three. Guest reviews found on Airbnb were the data collected for this study. For this study, 20 reviews were collected for analysis.

This chapter will examine the reviews collected from the Airbnb website and discuss their meanings and why they were selected. It will explain the findings of these reviews and how an Excel spreadsheet was used to enter the review data. The chapter concludes by discussing the results and a link between the results and literature will be made. Opinions on the results will be given and a discussion on whether these results were expected based on review of the literature.

This chapter commences with a description of the data preparation and data analysis procedures used. A brief description of the sample used for the study is also given. Thereafter, an analysis of the different themes is given.

4.2 DATA PREPARATION

Guest reviews containing at least 70 words were taken from the Airbnb website. Only the most current reviews were selected, that is, reviews not older than 12 months. When the reviews were found on Airbnb they were first entered onto a Microsoft Word 2016 document. Those reviews gathered from Summerstrand were grouped separately from those gathered from Humewood. After this process was completed the reviews were read and analysed, highlighting and making notes of the keywords that corresponded to the rating system used on the Airbnb website. The keywords'

meaning was then analysed to determine how much the guest liked that aspect of their stay.

Leedy and Ormrod (2005:285) caution that data should be presented thoroughly and accurately with the aid of tables, figures or any other presentations the reader can understand. The Excel (2016) spreadsheet was created for the purpose of recording each of the important points in the reviews left by each guest. Eight themes were then created based on these important points raised up in the reviews. The themes were Communication, Cleanliness, Accuracy, Value, Check-in, Location, Overall experience and Other hospitality services. These themes are the same as those used on Airbnb for guests to rate out of five. However, the theme Other hospitality services were one the researchers' decided to add because it dealt with points that did not fall under any of the other themes. Under this theme, aspects such as host traits, comfort and safety were included because they were mentioned in most of the guest reviews. Keywords relating to each theme were used and depending on their meaning were rated from most disliked to most liked. Most disliked was represented by the number (1) and most liked by the number (4). Each guest review had its own sheet on the Excel spreadsheet and then one sheet was made for the results in total.

4.3 DATA ANALYSIS

Leedy and Ormrod (2005:140) mention that for a phenomenological study such as this study, the main goal will be to find common themes or patterns in the guest's description of their experiences. The final result will be a general description of the phenomenon as seen through the eyes of the people experiencing it (Leedy & Ormrod, 2005:140). In this case, the people experiencing how it is staying at the homestay are the guests.

MS Excel version 2016 was used to record data collected from the reviews, and also for the analysis of the data.

As discussed in Chapter Three, Airbnb use eight categories or themes, the term used in this study. These categories are used to describe a guest's experience with their accommodation. The first category, *Communication* included response time, information, helpfulness and amenity recommendations. *Cleanliness* included neat and tidy, spotless, well-kept and dirty. *Accuracy* included the accuracy of the images and homestay information listed on Airbnb to what the guests actually saw. *Value*

included whether the homestay experience gave the guest value for money. *Check-in* included the check-in process. *Location* included proximity to amenities, views and noise. *Other hospitality services* included comfort, host traits, safety and the exterior of the homestay. *Overall experience* included the possibility of guests coming back to that particular homestay and the possibility of them recommending it to others. The empirical results are presented and discussed below.

4.4 SAMPLE DESCRIPTION

In this study, 20 reviews were selected randomly from the Airbnb website for homestay establishments located in Port Elizabeth, specifically the popular beachfront suburbs of Humewood and Summerstrand. Half of these reviews were for homestays located in Humewood and the other half were for homestays located in Summerstrand. Of the 20 reviews collected, 15 of these reviews were based on homestays that involved the homestay owner renting out their entire apartment as a homestay establishment and the rest of the reviews were based on the homestay owner renting out a private room.

4.5 ANALYSIS OF THEMES

In this section the results from the different themes used will be analysed, commencing with the Summerstrand results. This is followed by the Humewood results. An overall analysis and comparison of the two beachfront areas is then presented.

4.5.1 Summerstrand guest review results

The results from the 10 reviews taken from Summerstrand homestays will be discussed in this section. The results are summarised in Table 4.1 below. The numbers in the table in brackets are the Likert-type scale numbers which range from (1) being the most disliked to (4) which is the most liked. In all the reviews analysed, guests were quite clear on the aspects they either liked or disliked during their stay, hence the use of this Likert-type scale. The bold numbers under the Likert-type scale columns represent the score, the number of times that Likert-type scale was used. This number has nothing to do with the number of reviews the researchers used as it is possible for one review to mention all factors under each theme.

Table 4.1 Summerstrand guest review results

SUMMERSTRAND	Most disliked (1)	Somewhat disliked (2)	Somewhat liked (4)	Most Liked (5)
Communication	0	0	0	8
Value	0	0	0	2
Check-in	0	0	0	1
Location	0	0	2	7
Accuracy	0	0	0	2
Cleanliness	0	0	1	4
Overall experience with the homestay	0	0	0	9
Other hospitality services	1	0	2	17

4.5.1.1 Communication

For the purpose of this study, *Communication* was defined as how well the homestay owner stays in touch with the guests during the booking process if the guest has any inquiries. It considers the time taken to respond to inquiries and the disclosure of necessary information about the homestay on the Airbnb website. *Communication* also refers to whether the homestay owner was helpful during the guest's stay at the homestay and if the homestay owner gave the guest any recommendations for nearby amenities.

Under *Communication*, the results show that two of the 10 reviews taken from the Summerstrand homestay highlighted the host's response time. On both reviews it received a score of four on the Likert-type scale used for the study showing it was part of the most liked aspects of their stay. Three reviews out of the 10 reviews mentioned information and helpfulness, and both aspects scored a four on each of the three reviews showing again they were part of the most liked aspects of the guest's stay. Table 4.1 shows the total score *Communication* received for each Likert-type scale, and from the discussed results it shows *Communication* was the most liked aspect with a score of four for a total of eight times by guests.

4.5.1.2 Cleanliness

Cleanliness was defined for the purpose of the study as how the room or apartment is maintained. It shows whether the room or apartment was neat and tidy, well-kept or unexpectedly dirty.

Under *Cleanliness* four reviews mentioned that the apartment or room looked neat and tidy. One of the reviews scored this aspect four on the Likert-type scale showing it was somewhat liked. Three of the reviews scored this aspect four showing it was one of the most liked aspects of their stay. One review mentioned that the apartment was clean, and this scored a four showing it was also one of the most liked aspects of their stay. Table 4.1 shows the total score *Cleanliness* received, with four reviews indicating it was the most liked aspect, thus receiving a score of four. None of the reviews indicated that the homestays were not clean.

4.5.1.3 Accuracy

Accuracy was defined for the purpose of the study as the homestay being adequately represented on Airbnb. It refers to whether the advertising on the Airbnb website was what the guests physically saw when they got to the homestay.

Accurate advertising was looked at under *Accuracy* and two reviews scored this aspect four showing it was part of their most liked aspects of their stay. In Table 4.1 *Accuracy* got scored four only twice as most liked.

4.5.1.4 Value

For the purpose of the study *Value* was defined as the homestay meeting the expectations in terms of whether the guest felt the money they spent was worth it. It also refers to the price of staying at the homestay.

One review mentioned value for money and the guest felt the money they spent to stay at the homestay was worth it because it scored a four meaning this was part of the most liked aspects of the guest's stay. One review mentioned the pricing as "very reasonable" and this is represented with a score of four making it one of the most liked aspects of the guest's stay. Table 4.1 showed that *Value* was most liked scoring a four twice.

4.5.1.5 Check-in

Check-in was defined for the purpose of the study as the ease of the check-in process for the guest and whether they experienced any difficulties during this process because of the host or other reasons.

Only one review from the Summerstrand homestays mentioned the *Check-in* process. The review mentioned that the process was smooth therefore it got a score of four meaning it was part of the most liked aspects by the guest. This result is shown in Table 4.1.

4.5.1.6 Location

Location was defined for the purpose of the study as the area in which the homestay is situated. It refers to whether the homestay is close to amenities, if the homestay has good views surrounding it and if it is in a noisy area.

One review mentioned the views surrounding the homestay and it scored a four meaning the guest enjoyed the views and they were part of the most liked aspects of their stay. Five reviews mentioned the proximity of the homestay to amenities such as shops and restaurants and of the five reviews, two of them had a score of three which means the proximity to amenities was somewhat liked by the guest. Three reviews had a score of four showing this aspect was one of the most liked aspects by the guest. Three reviews mentioned the lack of noise in the area the homestay was located in, and all three scored four showing that the areas were quiet and peaceful. This was part of the most liked aspect of the guest's stay at that homestay.

The results are shown in Table 4.1 and *Location* was somewhat liked twice and was most liked seven times in total.

4.5.1.7 Other hospitality services

This theme was mentioned in Chapter Three as containing all the other key factors selected from the reviews but were not rated on Airbnb. It included host traits which was defined as the different attributes that the guest found the homestay owner to possess. Comfort also falls under this category and it was defined as how the guest felt during their stay at the homestay. This refers to whether the homestay was comfortable. Safety, the appearance and exterior of the homestay all fall under this

category and are defined under property(room(s)). This considers if the guest found the room(s) to be attractive and if the room(s) had everything provided, especially if the homestay is self-catering. It also looks at the exterior of the homestay and its safety.

Three reviews mentioned comfort and one of them scored a four meaning the guest somewhat liked the comfort of the homestay. The other two reviews scored a four meaning the guests found the comfort of the homestay to be part of the most liked aspects of their stay. Of the 10 reviews, six mentioned the host traits and all six scored a four showing they liked the host and got on well with them, thus one of the most liked aspects of their stay. Four reviews mentioned the safety of the homestay and general appearance of it and these aspects both scored four on each review. It shows they were part of the most liked aspects of the guest's stay at the homestay. The exterior of the homestay was mentioned in two of the reviews. One review scored a four showing the guest somewhat liked that aspect of their stay, and the other scored a four showing the guest viewed that as one of their most liked aspects of their stay. One review mentioned the pool at the homestay and because it was out of use it scored a one showing that this was the most disliked aspect of the guest's stay.

The overall results for the *Other hospitality services* theme are summarised in Table 4.1 and from this table it shows the aspects in this theme were most disliked once, somewhat liked twice and most liked a total of 17 times.

4.5.1.8 Overall experience with the homestay

For the purpose of the study *Overall experience* was defined as how much the guest enjoyed their stay, the possibility of them coming back to that homestay and chance that they will recommend it to other people.

Seven reviews scored the possibility of coming back a four showing that they thoroughly enjoyed their stay and would return to that homestay in the future. Two reviews scored the possibility of recommending the homestay to others a four, and this shows they enjoyed their stay and want others to have the same experience they had.

4.5.2 Humewood guest review results

This section will discuss at the results from the reviews taken from Humewood homestay establishments. Table 4.2 gives a summary of the results.

Table 4.2: Humewood guest review results

HUMEWOOD	Most disliked (1)	Somewhat disliked (2)	Somewhat liked (4)	Most Liked (5)
Communication	0	0	0	7
Value	0	0	0	0
Check-in	0	0	0	0
Location	1	1	0	14
Accuracy	0	0	0	0
Cleanliness	2	0	1	9
Overall experience with the homestay	1	2	0	9
Other hospitality services	3	2	3	22

4.5.2.1 Communication

From the ten guest reviews taken from the Humewood homestay establishments, three of the reviews highlighted that the host had a quick response time, which meant that the guests were pleased that the host was fast to respond to any messages or calls from the guests. One of the reviews brought up the aspect that the host disclosed the necessary information that the guests needed to know about the homestay on the Airbnb website. Three of the reviews mentioned that the host was helpful and would make recommendations to the guests on amenities and places that the guests could visit during their stay, thus making it easy for guests that had little knowledge about the place they were visiting. Overall, the *Communication* theme had all aspect falling under the most liked rating on the Likert-type scale as shown in Table 4.2.

4.5.2.2 Value

From the guest reviews given on homestays from Humewood, none mentioned whether they felt that they got value for their money, which may mean that it was not a major factor during their stay since they knew at the time of booking how much they

would be paying, plus the amenities provided were listed on the website. This is also shown in Table 4.2.

4.5.2.3 Check-in

Check-in was defined for the study as the ease of the check-in process for the guest and whether they experienced any difficulties during this process because of the host or other reasons.

As shown in Table 4.2, none of the reviews mentioned the check-in process, therefore can be seen as a factor that had little impact on the guests.

4.5.2.4 Location

Location looked at the area in which the homestay establishment was located with aspects such as views from the homestay, the homestay's proximity to amenities and the noise in the area.

Two of the reviews showed that the guests somewhat disliked the location of the homestay establishment because of the noise from the block behind the apartment in the surrounding area and also loud music during weekends which went on till the early hours of the morning. However, two other reviews mentioned that despite being located in a central place, the area was "nice and quiet".

Some of the guests most liked the location of the homestay. Five of the guests indicated that the homestay was situated in an area with beautiful views and seven guests indicated that the homestay was located close to amenities such as restaurants, beaches and public pools.

Overall, *Location* had two most disliked scores and 14 most liked scores on the Likert-type scale as shown in Table 4.2.

4.5.2.5 Accuracy

Accuracy for this study referred to whether the images and details about the homestay establishment were adequately represented on the Airbnb website. Table 4.2 shows that none of the reviews on the homestays in Humewood mentioned if the homestay was the same as what was displayed on the website through images provided by the home owner.

4.5.2.6 Cleanliness

Cleanliness was defined as how the room or apartment is maintained. It shows whether the room or apartment was neat and tidy, well-kept or unexpectedly dirty.

One of the reviews showed that the guest was unhappy with the *Cleanliness* of the apartment as they felt the apartment was dirty, as shown in Table 4.2 by the two aspect that received a score of one for cleanliness on the Likert-type scale.

Table 4.2 also shows that there was one aspect that received a score of three and the score of four of most liked had nine. The most liked rating referred to how well-kept the homestay establishment was, and this shows that *Cleanliness* was a crucial aspect of the homestays that the guests stayed in.

4.5.2.7 Overall experience with the homestay

The *overall experience with the homestay* refers to whether the guest enjoyed staying at the homestay and if the guest is likely to recommend the homestay to other people. Six of the reviews mentioned that their *Overall experience with the homestay* was amazing, and the guests felt at home during their stay. Four of the reviews received a score of four when it came to whether they would recommend the homestay to others as all stated they would definitely recommend the homestay to others.

4.5.2.8 Other hospitality services

As shown in Table 4.2, this category had three aspects that received a score of one, two that received as score of two, three with a score of three and most liked with a score of four has twenty-two.

One of guests felt that the host was very unfriendly and had no respect for guests, they did not feel comfortable and they did not like the apartment. The safety of the area received a score of two showing that some guests did not feel safe and that the place was not secure for a family with small children. However, most of the aspects under the *Other hospitality services* category had a score of four which shows that the guests felt their hosts were very friendly and went above and beyond to make them feel at home and thus exceeded their expectations. The guests also felt the apartments were well equipped with the necessary things that the guests could use during their stay and the apartments were comfortable to stay in.

4.5.3 Overall analysis and comparison of the two beachfront suburbs

This section analyses the results from Summerstrand against those from Humewood and a comparison of the results is made.

4.5.3.1 Communication

The Humewood reviews had *Communication* receiving a score of four on the Likert-type scale seven times whereas Summerstrand reviews had a score of four, eight times. With all aspects of communication receiving a score of four overall, this shows that the guests most liked the way their hosts communicated with them and that the website provided them with the necessary information they needed during the booking process. The results for both beachfront suburbs were similar, and this shows that *Communication* with guests is not a problem and guests are pleased with this aspect of their stay.

4.5.3.2 Cleanliness

Humewood homestays had the majority of guests liking the *Cleanliness* of these homestays and only receiving a score of one in cleanliness twice, whereas, Summerstrand had all the guests that mentioned cleanliness showing that they liked the cleanliness of the homestays. Overall, *Cleanliness* was an important factor to the guests as most of the guests indicated that the place was neat and tidy and well-kept.

4.5.3.3 Accuracy

None of the guests that stayed in Humewood mentioned *Accuracy* in their reviews as compared to Summerstrand which had two reviews that gave a score of four to the *accuracy* of the images and information provided about the homestay. This shows that of the twenty reviews combined, only two reviews felt that the *Accuracy* was important to them and the majority of the reviews did not consider it to be relevant enough to bring up in their reviews even though Airbnb includes *Accuracy* as part of their ratings. It can also mean that the guests found the homestay establishment to be exactly as they saw on the Airbnb website and saw no need to mention it. It is easy to assume that if they did not believe that the homestay establishment was accurately represented on the Airbnb website they would have mentioned it in the reviews.

4.5.3.4 Value

The only two reviews that mentioned *Value* came from the Summerstrand homestays and both scored four showing that the guests felt they got their money's worth staying at that homestay. No reviews from Humewood homestays mentioned *Value* and this can mean it wasn't an important aspect for guests or they did not feel the need to mention it as they got what they expected.

4.5.3.5 Check-in

Only one review mentioned the *Check-in* and this review came from a homestay located in Summerstrand. The check-in process scored a four therefore the guest found the process to be smooth. No reviews from Humewood mentioned the *Check-in*.

4.5.3.6 Location

Five reviews from Humewood scored the views surrounding the homestay a four whilst only one review from Summerstrand even mentioned the views and scored them a four. This shows that in the Humewood area the views are better than those in Summerstrand, as Humewood is an elevated suburb whereas Summerstrand is on flat ground. There were also more reviews in Humewood than Summerstrand that mentioned the proximity of amenities to their homestay. Seven Humewood reviews scored the proximity of amenities a four whilst only three in Summerstrand had the same score. In Summerstrand there were also two reviews that scored the proximity to amenities a four. These results show that the homestays in Humewood are located closer to the shops and restaurants than the homestays in Summerstrand.

However, in Summerstrand there were three reviews that mentioned the lack of noise and scored it a four whilst only two from Humewood scored it a four. In Humewood there were also two other reviews that scored the noise a one and a two respectively showing that it was a noisy area. These results show that in Summerstrand the homestays are located in more peaceful and quieter areas than the Humewood homestays.

4.5.3.7 Other hospitality services

For the homestays found in Humewood there were more reviews that mentioned comfort than those that mentioned it in Summerstrand. This shows guests in Humewood enjoyed their comfort more than those in Summerstrand. Majority of the reviews in both Summerstrand and Humewood scored four showing that comfort was part of the most liked aspects of the guest's stay. Only one review from both areas scored comfort a one showing that it was part of the most disliked aspects of one guest's stay.

Six reviews scored the host traits four for homestays in both Summerstrand and Humewood areas showing that it was one of the most liked aspects for those guests. A review taken from a Humewood homestay was the only one that scored host traits a one showing it was the most disliked aspect for that particular guest. More reviews taken from Summerstrand homestays scored the safety of the homestay a four than those taken from Humewood. This showed that guests who stayed in Summerstrand felt more secure than those in Humewood.

Reviews taken from Humewood mentioned the apartment and its appearance more than those taken from Summerstrand. Majority of the reviews from both areas scored the apartment a four showing it was an aspect they most liked during their stay. However, the results show that more reviews in Humewood scored the apartment a four than those in Summerstrand. This shows that the homestays in Humewood were more appealing to the eye than those in Summerstrand. Only one review in Humewood scored the apartment a one showing it was their most disliked aspect of their stay.

4.5.3.8 Overall experience with the homestay

Humewood had *Overall experience with the homestay* and the likelihood of recommending the homestay to others receiving a score of four nine times whilst in Summerstrand it received a score of four twice. In Summerstrand the possibility of coming back to the same homestay scored four seven times. This shows that overall, the guests enjoyed their experience during their stay at the homestay establishments in both beachfront areas and would recommend them to others and come back to the homestay.

However, even though the majority liked their experience, there were some guests that did not enjoy their experience and their *Overall experience with the homestay* fell under the most disliked and somewhat disliked column on the Likert-type scale.

4.6 SUMMARY

This chapter discussed the data preparation and pointed out how the reviews were extracted from the Airbnb website. The manner in which these reviews were grouped into Humewood reviews and Summerstrand reviews, was explained and lastly the Likert-type scale used in the analysis of data was provided.

Data analysis was discussed, and this gave mention to how MS Excel version 2016 was used to analyse data. The themes used for the analysis of data were pointed out and the factors included in each theme were also mentioned. A sample description was given, and this showed how many reviews were used for the study, how many reviews came from Summerstrand and how many from Humewood. The sample description also showed how many reviews came from rooms and how many came from apartments.

The analysis of themes was then conducted. This section discussed the results of each theme for Summerstrand and Humewood. Tables were included to show the results for each theme in these two beachfront areas. The last section discussed the overall analysis from the results and a comparison was made from results collected from Summerstrand and Humewood.

In Chapter Five, the summary, conclusions and recommendations for the study are given. The chapter will contain a summary of the main findings from the literature review and main findings from the empirical investigation. Shortcomings of the research will be addressed and recommendations for future research will be made. The researchers will also give a self-reflection at the end of the chapter.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In this chapter an overview of the study is provided. Conclusions based on the results discussed in Chapter Four are presented and conclusions are drawn relative to the objectives of the study. A reflection on the learning experience gained from this study is also presented.

This chapter commences with a brief outline of the research objectives, research design and methodology. The main findings from the literature review are given and the main findings from the empirical results are also presented.

The limitations and shortcomings of the study are also discussed and recommendations for future research are suggested. The chapter concludes with a reflection of the researchers' learning experience throughout this study.

5.2 RESEARCH OBJECTIVES

The section to follow will discuss the primary objective, secondary objectives and the methodological objectives that were identified for this study.

5.2.1 Primary objective

As indicated in Chapter One, the primary objective of this research was to conduct an exploratory study of guests' perceptions of their experience in an Airbnb homestay establishment and investigate how branding strategies could be used by homestay owners to improve their guests' experiences.

5.2.2 Secondary objectives

- i) To investigate the importance of homestay establishments in the hospitality industry and tourism industries as part of economic development;
- ii) To investigate different branding strategies that could be used in the Airbnb industry;
- iii) To investigate the factors that influence tourists to choose homestays as their alternative accommodation;

- vi) To investigate the perceptions of tourists and travellers about their homestay experiences;
- vii) To investigate how branding strategies could improve homestay owners' accommodation offering.

5.2.3 Methodological objectives

- i) To conduct a literature review on the nature and importance of the hospitality and tourism sectors and to contextualise it to homestays on Airbnb;
- ii) To determine the appropriate research methodology to be used to conduct this study;
- iii) To provide conclusions and recommendations based on the findings of this exploratory research that could assist homestay owners to enhance the success of their homestay establishments through adopting appropriate branding strategies.

5.3 RESEARCH DESIGN AND METHODOLOGY

To successfully address the objectives of this study, the research was divided into two categories, namely, literature review (secondary research) and empirical review (primary research).

5.3.1 Literature review (secondary research)

Secondary data is data that is already available. It is data that has been collected by someone other than the researcher for a different purpose such as another research or for administrative purposes (McGinn, 2012:804). Sources of secondary data include government agencies, researcher-contributed databases, public or private archives, institutional records (McGinn, 2012:804).

To achieve the primary objective of this study, the secondary research of this study included a comprehensive literature review that examined the Airbnb industry in general, the nature of homestay establishments and the different branding strategies that can be used by a homestay. An in-depth literature search was conducted by consulting the open shelves, short loan and study collections in the Nelson Mandela University Library, as well as searching the university's online databases which include EBSCO Host, Emerald, SAGE, Sabinet and Google Scholar, for journals or articles relevant to this study. Only reliable and credible Google website searches were used,

for example the Airbnb website. As far as could be ascertained, no similar research study had been previously undertaken in South Africa.

5.3.2 Empirical research (primary research)

The primary research of this study included four categories, namely, research design and methodology, population, sampling and data collection and data analysis.

5.3.2.1 Research design and methodology

There are two most common types of research, namely, quantitative research and qualitative research. Quantitative research generally begins with an experimental design in which a hypothesis is tested followed by the quantification of data and a numerical analysis is carried out (Mackey & Gass, 2005:2). There are various ways to conduct quantitative research, including exploratory, descriptive, experimental and quasi-experimental.

When it comes to qualitative research the data cannot be easily quantified and the analysis is informative rather than statistical (Mackey & Gass, 2005:2). There are various approaches available to conduct qualitative research, including case study, narrative and grounded theory (Struwig & Stead, 2013:13). There are various ways to conduct qualitative research such as focus group interviews, open-ended interviews and observation.

For this research a qualitative research methodology was undertaken, using an exploratory approach.

5.3.2.2 Population, sampling and data collection

A research population is known as a complete set of people with a specialised set of characteristics relevant to the study (Banerjee & Chaudhury, 2010:64). For this study the research population consisted of homestays in Port Elizabeth that are listed on Airbnb. However, due to the inability to test all the homestays in Port Elizabeth a sample was selected. Banerjee and Chaudhury (2010:64) define a sample as any part of the fully defined population. The sample for this study was homestays in the beachfront suburbs of Humewood and Summerstrand that are listed on Airbnb.

Due to the study being qualitative in nature, a small sample was required. For this study the researchers used convenient sampling to conduct the research due to the

ease of access to online reviews given on Airbnb about the homestays in the sample, as well as the fact that there are currently no databases of all homestays in Port Elizabeth. Online reviews were used to determine what guests had to say about the homestays that made up the sample of the research. Guest reviews containing at least 70 words were taken from the Airbnb website. Only the most current reviews were selected, that is, reviews not older than 12 months.

5.4 MAIN FINDINGS FROM THE LITERATURE REVIEW

In Chapter Two it was found out that there was no set definition for micro and small businesses and that a number of definitions existed. However, The South African National Small Businesses Act (1996:2) provided the definition of small businesses and showed the number of employees that these small businesses have. Gullifer and Tirado (2018:110) gave the definition of micro-businesses and mentioned that it was made up of not more than four employees which qualified the homestay establishment as a micro business. The author went on to mention the importance of these micro-businesses socially and economically to a country.

The definition of services was given and Digginis (2014:237), and Frow *et al.*, (2011:27) defined services as an intangible benefit on its own or as part of a tangible product, which some form of exchange satisfies an identified need. This was necessary to show that homestay establishments offer a service to guests. It was discovered that services can be provided for non-profit reasons or commercial reasons. Homestay establishments were said to be providing a service for commercial reasons. These homestay establishments were also linked to service offerings in terms of the five characteristics of services identified by Yang and Roy (2013:287) and Digginis (2014:239). The intangible factors of service quality were then linked to homestay establishment.

Tourism in South Africa was examined and Moyo and Ziramba (2013:4) pointed out that it is one of the fastest growing sectors in the country. According to Meyer and Meyer (2015:197), many developing countries and regions have managed to grow their economies with increased economic participation through the development of tourism. The appeal of South Africa to people and its ability to cater to the different needs of tourists was highlighted as a contributor to the growth of the country's tourism sector. The chapter then narrowed down to the appeal of the coastal regions of South

Africa, with Port Elizabeth being the main focus. The activities a tourist can take part in the events held in Port Elizabeth and the natural attractions found in this area were all mentioned as part of the appeal the city has. The role that accommodation plays in tourism was discussed briefly as this is an important part of the tourism experience and it is at the heart of the hospitality industry.

A brief overview of the hospitality industry was given, and this included the definition of hospitality. Ottenbacher *et al.*, (2009:265) defined hospitality as the treatment of visitors, guests or strangers with kindness or goodwill. The section also pointed out how hospitality puts an emphasis on a welcoming behaviour towards guests and this will have to be incorporated into the homestay establishments.

Homestay establishments were defined as a home owner's private residence which they use to provide accommodation to paying guests. It is not a motel or hotel and paying guests stay in the comfort and security of a family home. Like bed & breakfasts, motels and guest houses, homestay establishments provide an alternative form of accommodation to the traditional hotels. Homestay establishments are seen as a viable business opportunity in South Africa as they bring in extra income for the home owner and employment for others.

Four factors were identified that influence guests' decisions in choosing to use homestay establishments as an alternative form of accommodation and these factors were, homely atmosphere, value for money, local touch and guest-host relationship. The experience of the guests during their stay at the homestay establishment is important because it affects their decision to come back to that homestay. If the guests are satisfied this will result in positive word of mouth that can be spread through blogs, online reviews and social networking websites.

Airbnb operates an online marketplace accessible via its websites and mobile applications and allows home owners to register their homes. Guests can search and make bookings for homestays on the Airbnb websites. Airbnb allows guests to leave reviews about their stay at a homestay and these reviews can be seen by anyone who accesses the Airbnb website. The guests can rate their stay using various categories provided on the website such as *Overall experience with the homestay*, *Cleanliness*, *Accuracy*, *Value*, *Communication*, *Check-in* and *Location*. Airbnb is one of the major

competitors for traditional accommodation as homestay owners offer competitive prices.

Branding strategies were defined as a plan of action which focuses on making a firm or its products and service unique in the minds of the customers, giving the firm a competitive advantage. Brand name, brand equity, social media branding, destination branding, and crowdsourcing branding were the branding strategies identified in this study. Branding strategies are important for homestays because the high competition in the accommodation industry from other traditional accommodations, will enable the homestay experience to be communicated as distinct from any other offering type.

For a brand to be successful, a clear and focused positioning should be defined and understood by all everyone involved, including the consumer. Consistency in the quality and service also influences the success of the brand. The firm should also have clear business values for branding to be successful.

Brand experience is the customer's response through sensations, feelings and cognitions, and their behavioural responses caused by their interaction with the brand. This is also the customer's good memories about a place and is the central value of leisure tourism. The parts involved in brand experience include sensory experience, affective experience, intellectual experience and behavioural experience.

Perceptions develop when individuals receive and process information about a product or service. Guests develop perceptions about homestays from the information they get from other guests' experiences, marketing, communication and word of mouth. Perceptions can be translated into guest expectations and when these expectations are met, the guest is satisfied.

5.5 MAIN FINDINGS FROM THE EMPIRICAL RESULTS

The manner in which data was prepared was discussed and this included how reviews were taken from the Airbnb website. The next step mentioned was for the reviews to be separated and grouped into two, namely Summerstrand reviews and Humewood reviews. Once the reviews were grouped they were read, analysed and when that was done keywords were highlighted. MS Excel Version 2016 was used to record data and contained the themes the researchers used for the study. The Likert-type scale used for the analysis was also discussed.

The eight themes used for the analysis of data were each discussed briefly, and these were *Cleanliness*, *Value*, *Check-in*, *Location*, *Communication*, *Overall experience with the homestay* and *Other hospitality services*. The factors that are contained in each theme were also mentioned.

The number of reviews used for the study was mentioned and how they came from the Summerstrand and Humewood beachfront areas. It was also pointed out how half of the reviews were from Summerstrand homestay establishments and the other half from Humewood homestay establishments. The number of reviews that came from guests who stayed in apartments and those who stayed in rooms was mentioned.

The results from the analysis of the themes used were discussed and presented separately for Summerstrand and Humewood, respectively. Tables were created to show results for both Summerstrand and Humewood. The table constructed for the Summerstrand results showed that the factors under the *Other hospitality services* theme were the most liked with a total score of 17 and that it is the only theme that had a factor most disliked. *Location* and *Communication* were amongst the themes with the most liked factors with scores of seven and eight respectively. *Check-in*, *Value* and *Accuracy* were three of the least mentioned themes in the Summerstrand reviews. The *Overall experience with the homestay* theme was most liked nine times, and this showed that the guests that stayed at Summerstrand homestay establishments thoroughly enjoyed their stay and would recommend it to others and come back again to that homestay establishment. The results show that no Summerstrand review somewhat disliked any factor under any of the eight themes.

The results shown on the Humewood table of results pointed out that the *Other hospitality services* theme had the most liked factors with a score of 22. It is also the theme that had the most disliked factors with a score of three. *Location*, *Cleanliness* and *Communication* were the other most liked themes in that order with scores of 14, nine and seven respectively. *Overall experience with the homestay* was most liked nine times the same score it received in Summerstrand. *Value*, *Check-in* and *Accuracy* were not mentioned in any of the reviews taken from Humewood. *Location*, *Cleanliness* and *Overall experience with the homestay* also received most disliked scores of one, two and one respectively.

An overall analysis was conducted, and it compared the results from Summerstrand with those from Humewood. The *Communication* results show that homestay establishments in both Summerstrand and Humewood are doing well in this aspect and guests are being kept well informed. *Cleanliness* in the reviews taken from Humewood homestays establishments received more most liked scores than those in Summerstrand showing that the *Cleanliness* in Humewood homestay establishments is better than in Summerstrand homestay establishments. However, a few of the homestay establishments in Humewood did not meet the *Cleanliness* standards of the guests.

Accuracy was a theme that was barely mentioned by the guests and from Humewood no review made mention of it, and only two reviews from Summerstrand mentioned it. This was also the case with the *Value* theme as it did not get any mention in the Humewood reviews but got two mentions in the Summerstrand reviews. *Check-in* was the least popular theme with only one mention out of the 20 reviews and it came from a Summerstrand guest review.

The results from both beachfront areas showed that Humewood had the better scenic views than those found in Summerstrand and Humewood homestays were situated closer to amenities such as shops and restaurants. However, Summerstrand homestays are located in the more peaceful, quieter area.

Humewood homestays provided guests with more comfort than the Summerstrand homestays provided. Humewood also had the most appealing homestay establishments in terms of their appearance to the guest. However, from the results in Summerstrand the homestay establishments are in a much safer area than Humewood homestay establishments. The results showed that hosts in both beachfront areas were welcoming and friendly to their guests.

5.6 CONCLUSIONS

Based on the secondary research, it is evident that the use of homestays in South Africa as an alternative form of accommodation by guests who travel for business or leisure has increased over the past couple of years. Lack of knowledge on the different branding strategies that homestay owners can use to differentiate their homestays from other homestays will result in the homestay establishment's failure as it will not have a competitive advantage over other homestay establishments. It is essential for

homestay owners to identify the different factors that influence the guests' choice when deciding which homestay to live in during their travel and use these to help brand their establishments and better meet the expectations of guests, thus making their homestay establishments more successful.

Homestay establishments are part of the services sector and the service experience varies from one individual to the other therefore the experience of each guest will differ from one guest to the next during their stay in the homestay establishment. It is essential for homestay owners to maintain consistency and create value for their guests to ensure that the guests are satisfied with their experiences.

Creating a brand name and brand equity will provide the homestay with a differentiation advantage as a brand name makes it stand out from other homestays and guests will be able to identify the homestay using the brand name and brand equity will add value to the homestay establishment. The guests can use the brand name and equity to identify themselves with the homestay during their stay when they travel.

Word-of-mouth was seen as an essential tool that homestay owners should take cognisance of as it can create a good image for their homestay establishment which will add value to their homestay. Meeting the expectations of the guests will influence the reviews that guests give about the homestay, therefore creating positive word-of-mouth which can be spread through social media thus automatically giving the homestay owners social media branding advantage.

It was found that when guests have a memorable experience during their stay at a homestay establishment, this directly influences their overall experience and had an influence in them choosing to use that homestay again if they visit and also influences any recommendations they may make that may be seen as potential guests in the future.

When it comes to the rating system on the Airbnb website *Value*, *Check-in* and *Accuracy* were of no real importance to guests when the reviews were analysed. However, some themes not used on the Airbnb website for rating purposes proved to have a greater importance to guests as they featured in many guest reviews from both Summerstrand and Humewood beachfront areas.

5.7 RECOMMENDATIONS

As a result of the research undertaken, a number of conclusions were submitted, and the following recommendations are presented.

The study showed why branding strategies can be important to a small business and which type of branding strategies a homestay establishment can implement to bring more success. The themes *Location*, *Communication* and factors under the theme *Other hospitality services* proved to be the most liked aspects when it came to a guest's stay at a homestay establishment therefore, hosts can brand their homestay establishments around those themes. To help bolster location factors, hosts in Humewood can pay more attention to using their beautiful views to brand their homestay establishments because, as seen from this study, the views scored highly and received more mentions in guest reviews than those that mentioned the views surrounding Summerstrand homestay establishments. The Humewood suburbs are on higher ground than the Summerstrand suburbs, therefore the guests staying there have better views of the sea and the beautiful coastline. The hosts in Humewood should therefore make more use of the destination branding mentioned in Chapter Two. The Humewood homestay establishments also got more mentions and scored highly when it came to their exterior appearance.

Summerstrand homestay owners should make mention of how their homestay establishments are located in safe, secure areas. The results from the study showed that the Summerstrand homestay establishments got more mentions and a higher score when it came to the guests feeling safe there. These results are then supported by the fact that Summerstrand homestay establishments also got more mentions and higher scores for being located in a more peaceful and quieter area than Humewood homestays. Hosts should then use this to brand their homestays and gain a competitive advantage over Humewood homestays.

The host traits were one of the most liked factors under the theme *Other hospitality services* and hosts should continue to be friendly and welcoming to their guests because as mentioned word-of-mouth is an important factor for future homestays. Port Elizabeth is known as the Friendly City as mentioned in Chapter Two, therefore hosts should show their guests that it indeed is a friendly city and make the guests feel at home. Guests can recommend friends and family looking for a place to stay to the

homestay they stayed at. However, more importantly, guest reviews will be read by anyone, anywhere in the world, who may be contemplating travel. This will also help the home owner to create a brand image and build a solid reputation for their homestay. The host will be part of a guest's memorable experiences to the destination and therefore hosts should always strive to ensure host-guest interactions are always warm, friendly and hospitable. The comfort of their guests in their homes should be at the top of the services offered priority list, with the amount of attention given to guests balanced with the guest's need for privacy.

The guest reviews left on the Airbnb website are there for the public to see, therefore instead of just being content with a guest leaving a good review and getting irritated by a guest leaving a bad review the host should pick out for themselves what guests disliked the most about their stay and work on improving that. The most liked aspects the host should aim to maintain those standards.

Hosts can have small suggestion boxes in the rooms the guest is staying in and the guest can write whatever it is they feel the host can do better to make the guest's stay more comfortable.

Airbnb should add a rating for safety, host and comfort on their website for guests to rate because from the study these were important and frequently mentioned aspects in the 20 reviews analysed. Safety will be important especially for guests coming from other countries especially knowing that South Africa has a high crime rate. *Accuracy*, *Value* and *Check-in* were the least mentioned themes in the guest reviews and perhaps Airbnb can get rid of them and put safety, host and comfort in their place. However, these aspects will need more investigation because even if they are getting little mention in guest reviews, they are nonetheless important. *Check-in* is an important part of the booking process because it ensures that the guests arrive at the stipulated time and that everything is in place for their stay.

As mentioned in Chapter One, a rival to Airbnb, Booking.com makes use of four smiley faces or sad faces for guests to evaluate the different aspects of their stay. These count for a score of 2.5 each. Therefore Booking.com calculates the score by adding up all the individual categories' scores and dividing the sum by the total number of reviewed categories. This is something Airbnb can incorporate into their rating system

as it is more interesting for the guests and for Airbnb, it is simple to analyse as each category will be rated out of 10.

5.8 LIMITATIONS OF RESEARCH

With regards to the limitations of the study, the researchers found the sample selection of reviews to be a major factor as only reviews with 100 words or more were selected and most of the reviews that were on the Airbnb website were short reviews with little detail about the guests' stay at the homestay establishment, thus purposive and judgmental sampling was used for the study. Furthermore, access to a list of all the homestays in the beachfront suburbs of Humewood and Summerstrand proved challenging as there is no database that contains a full list of homestays for these areas.

Another limitation of this study was due to homestays being a fairly new form of business in South Africa, there was limited secondary sources that could be used for the literature review that were specific to South Africa as most of the sources were studies conducted for other countries such as Malaysia and Thailand, where homestays are a well-established part of these countries' economies.

Another limitation of this study was that it was impossible for the researchers to get any access to the information of the guests that left reviews on Airbnb in order for them to participate in the study.

5.9 FUTURE RESEARCH

Although Airbnb is the largest accommodation sharing site (Oskam, 2016:22), there are other accommodation sites that have homestays establishments listed on them, therefore, it is suggested that for future research on homestay establishments, researchers should also include homestays that are listed on other websites such as Afristay and Booking.com for their research.

Based on the literature review, this study showed that there are various factors that influence guests in deciding to use homestays as their form of accommodation over staying at hotels or bed & breakfasts. For example, homely atmosphere, value for money, local touch and guest-host relationship. It is thus recommended that future research be conducted focusing on these factors and how homestay owners can use these to create a better experience for their guests.

5.10 SELF-REFLECTION

This exploratory study provided valuable insights into the use of homestay establishments as an alternative form of accommodation. The research highlighted the various factors that influence individuals to opt for homestay establishments instead of hotels, guest houses and bed & breakfasts. This research highlighted that most guests who choose homestays do so because they are looking for a more personal experience which comes with staying at a homestay establishment as it gives them the feeling like they are at a home away from home. The personal experience with the host, if it is positive, appears to boost the homestay choice by the guest.

The literature research highlighted that branding strategies are important for a business as these give the business a competitive advantage over its competitors. The business is not limited to the use of only one branding strategy and can integrate various strategies. Although perceptions and customer experience with a service varies with each customer, if the business provides good value and is consistent in its service delivery, this will have a positive impact on customer experience and may result in customers having their expectations met.

On an individual and personal level, this research has resulted in the researchers gaining greater insight and knowledge on Airbnb and how it works, as well as more knowledge about homestay establishments. Conducting this research has given the researchers more confidence to identify different branding strategies and how these can be applied to homestay establishments. The researchers also gained an understanding of guests' perceptions on homestays and some of the experiences they have had during their stay in a homestay establishment.

The greatest experience and knowledge gained was the ability to do independent research by choosing the most appropriate methodologies, methods, analysing data and making recommendations that could assist homestay owners in selecting suitable branding strategies for their homestay establishments.

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