Chapter 12
Sharing Economy Perspectives in the Tourism Accommodation Sector

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Abstract Tourism stakeholders of both the demand and supply side have found themselves involved in a furious debate about the present and future shape of the new provocative and hybrid economic activity of the sharing economy, and its counterpart in the tourism sector, where sharing economy has managed to bypass the established distribution channels and disrupt the traditional structure of the tourism business. This work attempts to: elaborate on the types and presence of the sharing economy in the tourism accommodation sector, and the disruptive innovation nature of it; analyse developments with regards to the sharing economy framework in the Greek tourism industry; and elaborate on the potential impacts of shared economy in tourism, while also discussing potential future implications of this trends.

Keywords Sharing economy · Disruptive innovation · Tourism distribution channels · Greece · Airbnb

12.1 Introduction

The term *"sharing economy"* is used to describe a new hybrid economic activity or, in other words, a *"collaborative consumption"* (Miller 2015; Belk 2014) for a range of businesses. It facilitates peer-to-peer exchange of goods or services, for monetary or non-monetary benefits; and it is consisted of transactions conducted via the use of online platforms and the power of the Internet to efficiently connect people's wants with people's haves (Marshall 2015). The sharing economy includes assets with idling capacity (underutilized capacity) for economic, environmental and/or social benefit. The transactions occur on a peer-to-peer basis and there is an

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exchange of excess capacity (spare room or car ride) over primary production. Even though some of the companies in the sharing economy do imply ownership of the product through exchange or donation, the dominant logic of this type of economy is access, not ownership. The share economy models can be tech-enabled, e.g. car sharing and ridesharing platforms that use mobile apps; or non-tech, e.g. free city tour (Stephany 2015; Stokes et al. 2014).

There are many drivers that account for the spread of sharing economy, but the most important ones are (Selloni 2017; Gruszka 2017): (i) *Advances in technology*. Web and mobile devices, such as tablets and smartphones, equipped with GPS and near-field technology, offer speed of contact/interaction and are rapidly becoming the principal device through which people manage their lives online and play a critical role in building large-scale sharing communities. (ii) *Increased environmental awareness*. Sharing and sustainability are connected concepts, since many people who decide to adopt sharing practices consider their choices as being 'better for the environment' (Heinrichs 2013). In times of scarcity, to share resources and assets means to collaborate for more sustainable ways of living. (iii) *Global recession*. The most popularly perceived benefit of sharing is saving money. This is particularly crucial in times of economic crisis. However, the idea of 'saving money' is not opposite to that of doing something 'good for society and environment'. These two principles are both important for those people who decide to adopt sharing practices and use collaborative services. iv) *Internationalization and sense of community*. Internationalization has also led to a cultural transformation and shift towards sharing. Over the past 20 years consumers (such as generation X and Millennials), have steadily become more comfortable with the efficiency and safety of purchasing goods and services online from countries they've never visited and from people they've never met. In this respect, trust is the 'New Currency' in transactions (Stokes et al. 2014; Godelnik 2017). Users are now oriented towards "doing more with less", a principle that has given rise to a new breed of owners, who also seek to rent, lend, swap and barter goods, either in search of economic benefits or in support of a greater social value.

The goal of this paper is to explore the disruptive and controversial nature of sharing economy in the tourism industry and elaborate on its challenges for the future.

12.2 Business Models' Developments in the Tourism Accommodation Sector

The continued growth of sharing economy companies, such as Airbnb and other short-term vacation rental suppliers seems to be a hot innovative concept nowadays, but the principle is not a new one. Already around the 1950s the American economist Joseph Schumpeter coined the term *"creative destruction"*, that is a process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one (Schumpeter 1994). This force of creative destruction constitutes a beneficial force for economies, since it leads to business model innovation, provides the basis for sustainable business success and finally reinforces the sustained long-term economic growth of the whole economy. As Casadesus-Masanell and Zhu (2013: 464) mention: *"New entrants in a wide array of industries have demonstrated time and again that innovative business models can provide the basis for sustainable business success, even in competitive settings with well-established incumbents"*.

A business model innovation is defined as *"the discovery of a fundamentally different business model in an existing business"* (Markides 2006: 20). The *key elements* are its *superior quality platform* to bring together supply and demand; the *trust mechanism* between owners and renters; and the *low cost structure* of running the business that does not require capital investments in properties. Schumpeter identified five types of firm's innovation: new products, new methods of production, new supply sources, new markets exploitation, and new ways to organize business or business model innovation. This implies the search for new logics of the firm and new ways to generate revenues and provide value for customers, suppliers, and partners. For a business model to be considered innovative, it *"must enlarge the existing economic pie, either by attracting new customers into the market or by encouraging existing customers to consume more"* (Markides 2006: 20). Importantly, the business model innovator does not bring new products to market. Instead, the innovator finds a new way to bring the existing product or service to consumers.

Christensen (1997) introduced the concept of *disruptive innovation*, which he first applied to technological innovation. Later, the term was revised to include predictions regarding business models' innovations. "Disruption" in this case describes a process in which a smaller company, with fewer resources, succeeds to successfully challenge established incumbent businesses (Christensen et al. 2015). Usually, the offering of the business model innovator is originally focused on the low-end of the market or its periphery, initially limited in size and profit margins; and emphasizes different attributes or dimensions of the product, compared to the offerings of the established players. That is why a new entrant with a disruptive business model in an established industry initially attracts different type of customers, who are previously not served by the incumbents (Christensen and Overdorf 2000; Markides 2006; Guttentag 2015).

The peripheral position of the innovator keeps them initially off the radar of the established players in the industry. However, as the business of the innovator develops, its performance eventually gets to a level of being sufficient in the old attributes, emphasized by established competitors; and superior in the new attributes (Markides 2006:21). As a result, customers of established firms are now willing to substitute the traditional offering for that of the disruptive innovator's. Consumers' switch towards the innovator's product is often magnified by the attention from the media and from the incumbents, who by now cannot ignore the presence of the business model innovator (Markides 2006). Such attention, in turn, makes the firm of the business model innovator known even wider, which may lead to further substitution effect. Disruptive innovation, by contrast, originates in the low-quality, low-price segment and is not initially popular among consumers of mainstream incumbents. Only as the quality improves but the prices remain low will such consumers begin to switch to the innovator's offering. That is when the disruption takes place (Christensen et al. 2015).

Importantly, not any business model innovation can be considered disruptive. Some cases of innovation are better described as sustaining. *Sustaining innovation* improves existing products or services. As Christensen et al. (2015) mention, the improvements can be either incremental advances or major breakthroughs, but nevertheless they all enable firms to sell more products to their most profitable customers. Furthermore, it is quite important to mention that the borders between the categorization of the business in either sustaining or disruptive innovation are blurred in the long run. An example of this case is Airbnb. Airbnb's offer originated in the segment of the private rentals in the homes rental industry. In this context, its offering can be characterized as sustaining innovation, as Airbnb improved the quality of the service, made it easy, efficient, and safe. As the company's product improved, its popularity began to attract attention of clients from another segment of the travel accommodations industry—the hotel sector. The initial appeal of Airbnb occurred at the low end of the market, as the Airbnb properties were usually priced lower than hotel offerings. These customers were particularly price-sensitive and they would not typically stay at a hotel. Thus Airbnb provided them a cheap place to stay during their travels. As Airbnb acquired more properties, it attracted potential clients of two and three-star hotels who would be willing to substitute a hotel room with an Airbnb property. As the number of nicer properties on Airbnb rose up, customers from four and five-star hotels started also under certain circumstances e.g. a family trip, to consider Airbnb as a viable alternative to hotel accommodation.

Thus, in the context of the hotel industry, the new sharing economy model, presented by the Airbnb's innovation, can be characterized as disruptive, not sustaining. Once the hotel customers start substituting their standard choice of accommodation (hotel) with the Airbnb alternative, we can talk about disruption to this industry (Dewald and Bowen 2010). A disruptive innovation initially offers a lower performance according to what the mainstream market has historically demanded (Dewald and Bowen 2010). At the same time, it provides some new performance attributes, which in turn makes it prosper in a different market. As it improves along the traditional performance parameters it eventually displaces the former technology.

The most widely-known sharing economy companies operate in tourism-related activities (such as transport, entertainment and accommodation), and the hospitality sector has been at the center of some of the most intense public disputes about the effect of the sharing economy on more traditional and established economic models. All these companies operate in online platforms, which serve as an intermediary and a facilitator of the transaction that brings together the "haves" and the "wants" of both suppliers and consumers; and ensure transparency of the transaction. According to Parker et al. (2016: 25), *"A platform is a business, based on enabling* *value-creating interactions between external producers and consumers. The platform provides an open, participative infrastructure for these interactions and sets the governance conditions for them"*. There is a great number of online platforms, providing worldwide accommodation, which can be categorized as follows:

(a) *Platforms where financial payment is included*. In this category, sharing economy models and platforms are monetized (e.g. earning income from sharing assets). In the accommodation segment examples are Airbnb, FlipKey, HomeAway, HomeStay, HomeSuite, Roomorama, Wimdu (popular in Europe), Stop Sleep Go (popular in Philippines), Accommable (homes and apartments accessible for people with mobility issues) to name a few. The dominant platform is undoubtedly Airbnb. Hotel share services give also the opportunity to book a non-refundable reservation of someone who did not manage to complete his/her trip, etc. at a discounted price, with companies such as Vacatia (sharing timeshares, condos and resorts) and Roomer (Thriftynomands.com). There are also many other forms of online platforms offering services, such as renting a campervan, RV, or trailer with representing companies such as Outdoorsy and RV Share; parking services, such as BoonDockers (RV parking), Divvy (parking, Australia based company), Gamping (private camping anywhere), Harvest Hosts (camp or park in farms, vineyards), etc.

(b) *Free platforms*. In this case, sharing economy models and platforms are non-monetized, such as Couchsurfing (a dominating one) and Hospitality Club. Couchsurfing is a website, which facilitates people who want to travel cheaper and find a way to avoid the charge of the accommodation. The members of Couchsurfing stay with a host, who provides them a room or a space to stay without paying charge for this service. This social networking website was founded in 2 April 2003 and was launched in January 2004. The idea belongs to a 25 years old computer programmer named Casey Fenton, who in 1999 conceived the idea of couchsurfing (Marx 2012; Toeniskoetter 2013). According to the official website, the community of Couchsurfing counts, in June 2017, 12 million members in more than 200,000 cities and has also its own application.

(c) *Platforms that provide free accommodation services in exchange of another service in return*. This is very similar to a barter economy situation that is a cashless economic system, in which services and goods are traded at negotiated rates. Examples of this phenomenon are companies of house swapping, (e.g. Home Exchange, Home for Exchange, Love Home Swap); or house sitting services, where free accommodation is provided in exchange of caring pets or house, such as TrustedHousesitters, Nomador, HouseCarers and Luxury Housesitting. This segment includes also the work for accommodation phenomenon, with companies, such as HelpX, Skill Stay, WWOOF (worldwide opportunities on organic farms) and Work Away. There are also knowledge sharing companies, such as LocalFu, Seats2Meet, Trover; and platforms that include house swapping, such as Home Exchange, Home for Exchange, Love Home Swap.

12.3 The Sharing Economy Framework in the Greek Tourism Industry

All the above mentioned platforms operate in Greece, and the dominant ones, such as Airbnb, Flipkey, Housetrip and Homeaway, appear to have developed large portfolios of properties all over the country, being considered by locals and Greek authorities as a powerful tool that provides an opportunity for all stakeholders to do more with what they have (Rinne 2015; OECD 2016). The supply of tourist accommodation through short-term rentals in Greece counts 9,677 hotels, 401,330 rooms and 773,445 beds (Hellenic Chamber of Hotels 2015). More and more cash-strapped Greeks joined various platforms and leased their properties to tourists in an effort to improve their income and make ends meet. Some are leasing their renovated parents' home, some an empty property, and some just a room in their own home; they also seem to prefer short-term to long-term tenants. According to estimates, more than 8,000 properties in Attica alone are being leased out to tourists. In some central areas of Athens, such as Koukaki, the growth was more than 800 per cent, establishing vacation rental apartments as a popular choice, due to the severe lack of hotel rooms in the city (Ta Nea 2016). However, it should be noted that competition among these platforms becomes keener and new mergers and acquisitions between firms arise. Flipkey for example, was bought by TripAdvisor in 2008 and today boasts a portfolio of more than 300,000 rentals around the world. Homeaway, with over one million live vacation rental listings in 190 countries, has recently signed a deal with Expedia to merge its inventory with that of the popular online travel agent.

Undeniably, *Airbnb* is the main company operating in the accommodation domain. Airbnb has successfully revolutionized the way in which the sharing economy is perceived as, within a short period of time, found itself among the world leading traditional international hotel chains through an unprecedented expansion (Selloni 2017). It was founded in 2008 by B. Chesky, J. Gebbia and N. Blecharcyzk, with main mission to create a world, where people can belong when they travel by being connected to local cultures and having unique travel experiences. The Airbnb business model facilitates *peer-to-peer transactions* and *generates trust*, since parties engaged rely on each other due to a set of conditions, namely:

- Both hosts and guests have to provide their government issued documents to Airbnb in order to verify their identity. Even though neither the guests nor the host see other people's ID, the fact that Airbnb keeps it in its database serves as an instrument in establishing the initial trust between the actors.

- The link to users' social media profiles (Facebook, Google and LinkedIn) allows hosts and guests to further verify one's ID.
- The system of mutual ratings creates incentives for hosts to treat their guests well, and for guests to follow the house rules and leave the room clean and tidy.

The procedure in Airbnb starts when the consumer visits its website or downloads its application, searching for an alternative to traditional accommodation during his/her vacation. The main benefit for travelers is access to a variety of affordable accommodations that feel like home and not like an impersonal hotel room. The customer then searches between a listing of a variety of residences, which can also include penthouses, castles and treehouses, where hosts can rent for a short-term their residence (or part of it) to people (guests) with a charge of accommodation. The main benefit for hosts is the ability to advertise and make money with a resource that they own and that otherwise might be sitting idle (a spare bedroom); or for which it might be difficult to find a customer (an entire property for short-term rent). Airbnb makes use of resources that ordinary people already have and can make available via rent to those who need them. Airbnb receives from these transactions a service fee from both hosts and guests and adopts the role of a facilitator.

Urban centers, such as Athens, had more than 74,500 *Airbnb* travelers between 2009 and 2014 (Hellenic Statistical Authority 2015). The impact of Airbnb in Athens was until 2014, €69 million and 1060 supportive job positions (Hellenic Statistical Authority 2015).

Flipkey has more than 3,000 listed properties in tourist areas in Greece. According to data collected in October 2014, nearly 45% of these properties are situated in the popular destinations of Mykonos, Santorini, Paros, and Crete. Interestingly, 65% of listed properties in Mykonos are offered for €400 (or more) per night, yet 52% of listed properties in Crete are offered for €120 (or less) per night, which is an indication of the variety of available properties among tourism destinations in Greece (https://www.flipkey.com/greece-vacation-rentals/g189398/).

Housetrip has 1,500 listed properties in tourist areas in Greece, most of which are again situated in Crete and the Cyclades island complex (http://www.housetrip.com/en/greece).

Homeaway has more than 6,500 listed properties in tourist areas in Greece. According to data collected in October 2014, nearly 53% of these properties are situated in Crete and the island complexes of Cyclades and Dodecanese. Many of them are luxury villas and apartments (the site mainly rents out entire properties). Actually this is a strong indication of the additional pressure caused by the growth of the sharing economy in some of the most popular tourism destinations in Greece (http://www.homeaway.com/search/keywords:greece).

Legislation to tax incomes from short-term rentals via online platforms (like the ones mentioned above) has been published in a circular, recently issued by the General Secretary for Public Revenues. The legislative framework imposes tax rates for incomes of natural persons coming from short-term rentals via the online platform Airbnb for furnished real estate, offering no other service apart from the supply of bed clothes. Tax rates for incomes from Airbnb rate from 15% for annual incomes up to 12,000 Euros; 35% for annual income ranging between 12,001 to 35,000 Euros; and 45% for annual income over 35,000 Euros. The new tax rates will be imposed as of 1.1.2018. For example, the Airbnb income earned in 2017 by legal entities will be taxed as income from entrepreneurship with 29%.

Tax evasion and the provision of services by unlicensed operators has been a key issue of the political agenda for many sectors of the Greek economy, including tourism, long before the recent growth of the sharing economy (GTP 2015). According to Greek law, until 2016 only businesses (hotels, hostels, etc.) had the legal right to rent accommodation as a profession. Individuals, who wanted to rent their residences to tourists for a limited period, could not be covered by law, because there was no possibility to declare this kind of rent to the Ministry of Finance, with a consequent action of the latter renting illegally in the shadow economy, evading taxes and of course, lack of tax revenue for the state budget. As it became imperative for the Greek state to introduce legislation aiming at removing bureaucratic obstacles, simplifying procedures, and facilitating in general business growth in non-hotel accommodation establishments (e.g. villas and apartments), the Greek parliament passed some modifications, where owners cannot rent their properties to tourists for 30 days or less, unless they have met certain requirements in order to acquire the operation license, issued by the Greek Tourism Organization (Laws 4254/2014; 4276/2014). A more recent Law no. 4446/2016 (Government Gazette A 240/12.22.2016) indicates the conditions that a residence must fulfill in order to be considered as a property for short-term rent and the conditions in order to be considered legal (Rozou 2017).

The law calls also for the creation of a registry, where property owners renting out their homes as tourist accommodation would be required to sign up. The law limits the number (four) of homes that can be rented out per owner; while it requires that the accommodation facility must be larger than 9 m^2 with natural lighting, ventilation and heating; and must be furnished and rented out without the provision of any service, except for bed linen. Homes can be leased out for a total of 90 days in urban and popular tourist areas; and for 50 days in less known destinations. According to the Greek Ministry of Finance, the goal is to raise some 48 million Euros in 2018 from the Airbnb revenues.

However, there are concerns associated with the legal regime in Greece as well as the recent examples of international experience in relation to the reaction of destination authorities to the sharing economy phenomenon. First of all, there is the concern about the effectiveness of the Greek State to enforce the law in terms of collecting fines or imposing penalties on a variety of cases. Some examples can be when owners rent out: their residential flats to tourists for up to 30 days; entire properties such as villas and secondary residences to tourists without possessing the operation license, issued by the Greek Tourism Organization; their properties for more than 3 months per year. Other examples are cases of individuals, who advertise the provision of any kind of tourist services, without possessing the necessary operation license, issued by the Greek Tourism Organization (http://www.keeptalkinggreece.com/2017/07/25/taxes-airbnb-rentals-greece/).

In the case of summer resorts in particular, the key concern is to what extent all the accommodation options, provided by the online platforms of the sharing economy to tourists, possess the operation license needed. For all the officially registered units of non-hotel accommodation (e.g. villas, houses and apartments) in Greece, this is a matter of great importance in terms of figuring out whether they compete on a level playing field with the hosts of Airbnb and other platforms. All the above mentioned concerns had as result the reaction of the traditional accommodation services, since the latter are not only confronting the disadvantage of fixed prices, but also the less personalized services in contrast with Airbnb.

12.4 The Impact of Sharing Economy in Tourism

There are many matters of concern as to the rapid development of the shared economy in the tourist sector; with the most important ones including the following:

a. Taxation
Established businesses and sole traders are taxed according to long-established taxation regimes, including taxes on sales, income and sometimes even sector specific taxes, such tourist taxes for overnight hotel stays. On the contrary, ordinary members of the public are able to lease an item or provide a service similar to that, which established businesses or sole traders provide, using sharing economy sites, without being taxed in the same way. This issue has provoked much anger among the business community providing such services, with accusations that sharing economy providers are 'not competing on a level playing field'. Despite the growth of the sharing economy, there is a questioning with regards to the regulation and the collection of taxes. It has become difficult for state and local authorities to enforce them to the service providers of the sharing economy. Also, there is a debate over whether service providers in the sharing economy are in reality independent contractors or employees (Marshall 2015; Miller 2015).

The question of devising a tax regime for the transactions and business activity that are generated through sharing economy sites is still largely unresolved in most cities and countries. The traditional accommodation businesses are in difficult position, since they are not only confronting the disadvantage of fixed prices and taxation, but also the less personalized services in contrast with Airbnb, for example. As governmental bodies become aware of the size of income they are potentially losing out on, their decision to intervene in the sharing economy has been significantly driven by the subject of taxation. The scope of intervention in this case is not limited to the categorization of taxable and non-taxable activities along with the classification of tax levels. It is also about deciding what groups involved in the sharing economy should pay taxes and who will be responsible for the collection of them.

b. Unfair competition
Service providers in the sharing economy do not comply with the licensing and certification requirements that apply for traditional businesses. If the latter do not obtain the necessary documentation and find themselves in violation of established regulations they are regularly subject to heavy fines, provided of course that there is liability and high performance of the actual implementation of fines and additional penalties. However, trust and reputation building are believed to drive self-regulation in the sharing economy; and shape relations between service providers and users. As the future will show whether this idea is wishful thinking or a realistic prospect, lawmakers around the globe are under pressure to control emerging business models through licensing and certification (Miller 2015). At the same time, the economic and social drivers of the sharing economy should notify law-makers as to whether a common set of licensing requirements should apply in all cases or whether contemporary approaches should take into account the particularities of different cases (e.g. long-term unemployed, people engaged in occasional activity, non-profit businesses).

c. Safety and security
These concerns revolve around issues of risk management for the groups participating in the sharing economy (Miller 2015). From the point of view of *customers*, reputation based on peer-to-peer reviews could not necessarily operate in each and every case as a substitute for consumer protection laws. This is a rather sensitive issue, given the absence of a universal approach to managing different types of reviews as well as processing payment information and personal data. Additional concerns arise in the cases of both *providers and workers*. Being aware of the fact that an outstanding performance may be the key for more positive comments along with employment and revenue opportunities, these groups engage in the sharing economy with a limited capacity to defend themselves in cases of discrimination and without the benefits usually associated with professional activity, e.g. minimum wages.

d. Land use and sustainable urban development
There are many concerns regarding the coexistence of sharing economy practices with traditional land uses and professional activities. The prospect of rejuvenating economic activity and promoting the efficient use of urban assets naturally provokes a certain degree of skepticism from citizens and entrepreneurs as to the extent of transformation that is promised to take place. Lawmakers and urban planners are already considering how the introduction of the sharing economy is possible to enhance the vibrancy of neighborhoods and commercial areas and at the same time to secure stability and quell the fears of tax payers, businesses, and other groups of stakeholders, who have so far operated outside of the sharing economy (Miller 2015; Davidson and Infranca 2016).

On the other hand, as Airbnb claims, 74% of its listings are outside of the main touristic zones. Airbnb also claims that its business contributes to the diversification of the tourism options by encouraging the development of less attractive touristic areas; and that the money that guests spend are distributed throughout the city, particularly to businesses and neighborhoods that traditionally do not have benefits from tourism. According to Airbnb, its economic impact consists of the money that guests spend at the local area (42% of guest spending is in the neighborhoods where they stayed) and on the income that hosts earn, strengthening by this way the local community and economy (48% of host income is used to pay for regular household expenses, like rent and groceries).

12.5 Conclusions and Future Implications

The author supports Christensen and Overdorf's (2000) view, who claim that the most important thing for successfully dealing with disruption is to capitalize on the opportunities the innovation offers, even when the latter do not fit in with the traditional processes or values a company used to work with. It all starts with understanding what the organizations are capable of and the effective allocation of their resources; fresh ideas, adequate resources and motivated employees are needed to deal with innovations. Strategies that hotels should consider can vary, but what stays clear is that they have to respond and adapt.

One possible reaction for the traditional hotel industry is to build *competitive barriers* for sharing economy companies, by forcing policy makers to tighten legislation and protect their domestic industries and neighborhoods. Building competitive barriers can include practices such as lobbying in order to force local authorities to levy taxes on short-term rental properties and regulate them according to the same rules as hotels. There have already been made many attempts to achieve legislative changes and in many cases hotel companies have succeeded by doing so, as for example spacious restrictions for Airbnb in Cataluña (Barcelona). There are many countries where neighborhoods fight and support the preservation of their peoples' traditional way of living and aim for a well-distributed infrastructure of accommodation. Cities like Amsterdam, Venice or Copenhagen, where the privacy and local lifestyle of the inhabitants are seriously disrupted, have already moved to this protective direction. Many other autonomous regions have also changed their regulations, heightening entry barriers to properties listed on Airbnb. In some cases, people can rent their flats only up to 30 days. In the case of New York, even this kind of short rental became illegal (Rodríguez Largo 2017). However, the authority for the defense of competition (CNMC) believes that some of these regulations can actually restrict competition (Rodríguez Largo 2017).

Another reaction could be hotel pricing policies, e.g. decrease of the prices in order hotel staying to become more affordable for customers. In order to be competitive, hotels should review their expenses and find a way to cut costs, but be cautious to not lower service standards. Motel One is an example for a successful hotel group that was founded in year 2000 in the low budget segment (https://www.motel-one.com/). It combines an attractive price, high standards of quality and central location. The price of a room is between 59€–79€ per night, without breakfast, but with a distinguished interior design concept (such as bars with Swarovski crystals, designer lamps, branded flat screen, sheets of Egyptian cotton, granite floor high-quality fitting). Furthermore, hotels have an individual design concept; depending on where they are located (hotels in Cologne for example have a carnival theme). The innovation is that there are no frills included in the cost, i.e. everything considered to be part of the basic equipment and facilities of a traditional hotel, is left out (e.g. telephone, room-service, cabinet, safe and mini-bar). Breakfast is not included and has to be paid at check in. As a result, hotels are tightly organized and they need less staff, concentrating on the essentials, but satisfying the highest standards (Dierig 2015).

A second and extreme example for cost optimization is the Henn-na Hotel in Japan (https://www.curbed.com/2017/8/25/16201928/robot-hotel-japan-henn-na). By using state of the art technology, Henn-na Hotel has become the worlds' first *robot-staffed hotel*, since at the front desk hotel guests are greeted by multi-lingual robots, which handle the check in and out process. Facial recognition system facilitates not only the identification of a guest, but it also serves for opening a room apart from a contactless IC key card. A robot, incorporating entertainment system, transports the luggage to the entered room number. In order to reduce electricity usage, motion sensors are installed to turn off the lights when no one is in the room. Radio panel technology is used to improve the air conditioning. With the help of electromagnetic waves either heat is kept from escaping the body or radiating type heating/cooling system draws heat away from the body. Furthermore, solar energy is used for the robots. The use of state of the art technology has enabled Henn-na Hotel to reduce costs, establish eco-friendliness and maximize efficiency (https://www.curbed.com/2017/8/25/16201928/robot-hotel-japan-henn-na). The prices for a night in the future-oriented hotel start at round about 7,000 Yen, which is round about 50€. Different than Motel One, Henn-na is pursuing a *dynamic pricing model*, so rooms are distributed through auctions to the ones who bid the most. Clarion Collection Hotel in Sweden offers the customers a walk-in closet, which keeps a few outfits of the guest's favorite brands. The customer can choose directly clothes from there, buy them and have them immediately delivered (Vorn Consulting 2016). Hotels can take advantage of the new technologies to serve the customer needs by opening their doors via apps, comfortably check-ins or virtual payments. Service excellence, collecting good data and strengthening the feedback loop will also help hotels to identify what their guests' value more. By investing in customer research and communication, hotels can find their unique advantages and leverage them.

Disruptive innovation through sharing economy practices can sweep up and down the accommodation industry. However, this situation can stimulate the accommodation industry to redefine its structure, strategy and operation system. New experiences capable of satisfying both modern and traditional consumers through new trends and innovative ideas can be offered. Diversification through personalized experience, tailored to meet customers' needs for authenticity, personalization and on-demand functionality, can lead hotel companies to think out of the box and satisfy each particular customer through, for example, customized organic meals, artificial intelligence, mobile applications, Internet of Things (IoT) services, that would enhance their experience.

Initiatives of corporate internal and external entrepreneurship within hotel chains could also be an option. An internal corporate venture is when innovation is created within the firm and new businesses are created and owned by the corporation. For example, Kike Sarasola, founder of the chain RoomMate Hotels, realized that the check-in and check-out, receiving of keys, and concierge services were often an issue of the Airbnb guests. In 2014, he started a new business, the BeMate, in Spain, establishing partnerships with property owners in locations near his hotels. Anyone who books an apartment through BeMate can do the check-in at the desk of a nearby RoomMate hotel, get the keys, and can use concierge services, while staying at a nice apartment nearby (Hinojosa 2014).

External corporate ventures involve new businesses created by parties outside the corporation and subsequently invested in or acquired by the corporation. Both Expedia with HomeAway and Booking.com, with its huge roster of vacation rentals and apartments, are taking active steps to provide an answer to Airbnb. The more saturate accommodation sector however, has been slower to respond and may have more at stake (with only some exceptions yet, such as AccorHotels, which acquired Onefinestay and invested in other sharing economy sites). It seems that the hospitality industry should always challenge themselves to new trends and innovative ideas that would be able to satisfy modern and traditional consumers. Marriott for example, gives the opportunity to both guests and locals to use lobbies and other vacant areas of its hotels as meeting and work spaces. The Hilton brand of Homewood Suites provides additional amenities (e.g. enhanced food and beverage services, free Wi-Fi) to those guests who stay for many days in these units.

Sharing economy has disrupted the established order of the tourism and hospitality industry. Although it encourages micro-entrepreneurship, provides employment opportunities and improves digital literacy, the empowerment of this new breed of entrepreneurs and the disruptive innovation phenomenon of the sharing economy, if it is not properly regulated and monitored, can lead to safety incidents, social inequality and concerns from traditional markets. Both the proponents and the critics of the sharing economy realize that they could not afford to ignore it, since it has certainly transformed the way all tourism stakeholders function. The "sharing cities" of the future have to develop a culture that offers equal, accountable, safe and transparent services to all tourism stakeholders.

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