



# Tourism innovation through relationship marketing and value co-creation: A study on peer-to-peer online platforms for sharing accommodation



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## ABSTRACT

This paper discusses tourism innovation developed by hosts of sharing accommodation, based on the outcomes of guests' value co-creation. In this process, relationship marketing is a central aspect of peer-to-peer business models, analysed as a catalyst of innovation.

The authors conducted thirty in-depth interviews with Portuguese hosts of Airbnb accommodations in order to understand the integration of guests' value co-creation through relational mechanisms in the innovation of their businesses.

The results evidence that it is established a close relationship marketing with guests during their stay. This fact is considered critical for the co-creation of the tourism experience and to increment innovation in the accommodation services. The main innovation outcomes are incremental and connected to the provided facilities, amenities and partnerships with other businesses. This happens not only through the user generated contents of online reviews, but also with the constant interpersonal contact established between guests and hosts.

## 1. Introduction

Peer-to-peer online platforms have created new business models and brought changes in the way customers feel and express experiences. In tourism, and particularly local sharing accommodation, peer-to-peer online platforms have created a new dynamic of relationships and trust between guests and hosts, who are under mandatory reviews of each other's, as part of the business model (Moon, Miao, Hanks, & Line, 2019; Prayag & Ozanne, 2018). Interaction with hosts is a key motivation for those who look for a shared accommodation, in order to live authentic experiences and face loneliness (Farmaki & Stergiou, 2019; Paulauskaite, Powell, Coca-Stefaniak, & Morrison, 2017), with consequences in the intensification of interpersonal communication (Bridges & Vásquez, 2018).

Considering the phenomenon of co-creation of value in customer-to-customer platforms (Rihova, Buhalis, Gouthro, & Moital, 2018), guests take an active role in the experience (Bridges & Vásquez, 2018; Moon et al., 2019). Online reviews, besides influencing future prospects (Pelsmacker, Tiburg, & Holthof, 2018; Tsao, Hsieh, Shih, & Lin, 2015), may also be seen by hosts as important assets for value co-creation, paving the way for open innovation in their accommodation businesses. In this sense, the need to constantly delight customers in a rising

competitive sector and the management of personal and online reviews as a constructive issue may facilitate the open innovation attitude by managers, as a process to better provide better solutions for customers (Souto, 2015).

The existing literature of sharing economy in tourism sector is strongly focused on guests motivations (Amaro, Andreu, & Huang, 2019), trust (Phua, 2019), perceptions and behaviours (Cheng & Edwards, 2019; Ert, Fleischer, & Magen, 2016; Hamari, Sjöklint, & Ukkonen, 2015), but very little is known about relationship marketing conducted by hosts with guests (Moon et al., 2019; Tussyadiah & Park, 2018), besides their strong interactions established (Bridges & Vásquez, 2018; Farmaki & Stergiou, 2019; Paulauskaite, Powell, Coca-Stefaniak, & Morrison, 2017). The consumer generated feedback is perceived as an opportunity to improve quality in hotel industry (Torres, Adler, Behnke, Miao, & Lehto, 2015), but the incorporation of innovation based on the guests' co-creation process remains understudied in peer-to-peer accommodation (Mathis, Kim, Uysal, Sirgy, & Prebensen, 2016; Rihova et al., 2018).

This paper discusses how guests' reviews consist of value co-creation for the sense of tourism innovation and how hosts implement those suggestions for innovating. The paper also discusses the relationship marketing conducted to promote those reviews, both by interpersonal

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and online communication, and how do hosts make guests satisfied, able to recommend and come back. Finally, the study analyses the type of innovation outcomes that are common in this typology of business, based on guests' co-creation, and the hosts' attitude towards the innovation process.

To answer these questions, a qualitative methodology was developed, through thirty interviews with owners of local accommodations shared in Airbnb in Portugal. Airbnb is one of the most representative example of peer-to-peer accommodation online platforms (Cheng & Edwards, 2019; Oskam & Boswijk, 2016). Although the literature shows that there is a cultural convergence in customer experience in Airbnb (Brochado, Troilo, & Shah, 2017), Portugal shows the phenomenon of tourism exploitation (Costa, Carvalho, & Rodrigues, 2018) and evidences growing projections for Airbnb (Palos-Sanchez & Correia, 2018). With adjustments already made in local accommodation law and hotel groups investing also in this typology, Portugal becomes an interesting object of analysis for this study.

The understanding about relationship marketing developed in Airbnb and the incorporation of guests' value co-creation in the innovation process by hosts may deepen theory of relationship marketing in customer-to-customer interactions (Rihova et al., 2018) and the conversion of value co-creation in open innovation (Bogers, Afuah, & Bastian, 2010; Randhawa, Jossierand, Schweitzer, & Logue, 2017). This study may also help managers to identify the best practices to promote guests' co-creation and how to implement innovation in peer-to-peer accommodation services.

## 2. Literature review

### 2.1. Sharing economy in tourism

The internet made it easier for people to organize their trips (Heo, 2016) and the sharing economy brought the concept of online peer-to-peer platforms to the tourism and hospitality sector (Tussyadiah & Pesonen, 2018; Tussyadiah & Zach, 2017; Young, Corsun, & Xie, 2017) by sharing, redistributing, renting, exchanging or donating goods and services within digital platforms, allowing people to save money and develop a more collaborative and sustainable society (Hamari et al., 2015). Because of that, collaborative consumption is no longer a niche market, but rather a business model that is able to compete with the traditional services (Belk, 2014; Möhlmann, 2015; Oskam & Boswijk, 2016; Tussyadiah & Sigala, 2018), due to the importance given to financial, emotional, social, environmental and consumption benefits linked to collaborative consumption (Barbosa & Fonseca, 2019).

Sharing economy is a concept widely developed in the tourism sector (Cesarani & Nechita, 2017; Phua, 2019; Zervas, Proserpio, & Byers, 2017), considering the popularity of online platforms for sharing transportation or book accommodation (Mahadevan, 2018). Sharing platforms encourage people to share the extra space they have in accommodation or in transportation, like Airbnb or Uber (Tussyadiah & Pesonen, 2018). The sharing economy concept is usually related with disruptive innovations, such as products that can be cheaper, smaller, more convenient and/or simpler than the ones existing in the market. In this way, they provide a different value proposition to customers than the traditional products and attract other kind of customers (Guttentag & Smith, 2017; Varma, Jukic, Pestek, Shultz, & Nestorov, 2016).

There are two types of sharing economy: one form is business-to-consumer, such as commercial car sharing; and the other is consumer-to-consumer, through the online platforms from individuals to individuals (Möhlmann, 2015), being Airbnb the major example in accommodation services (Moon et al., 2019; Oskam & Boswijk, 2016; Phua, 2019).

In peer-to-peer platforms, service providers usually use their own personal resources to present the services to customers, and the relationship between them is a result of multiple interactions (Yang, Song, Chen, & Xia, 2017). They create a strong relationship with

customers (Bridges & Vásquez, 2018), even not being marketing professionals or trained to sell services. They work mostly based on mutual agreement and trust to perform the transaction of the service (Phua, 2019; Tussyadiah & Zach, 2017).

With the rise of the internet, it became more accessible for people to create these kind of private businesses without much expense (Möhlmann, 2015). Peer-to-peer accommodations are similar to the traditional room renting, the only big difference is the usage of the online platform, usually a website, that brings people together (Prayag & Ozanne, 2018). Physical characteristics and host reviews impact the price, which tends to drop when more reviews are available (Gibbs, Guttentag, Gretzel, Morton, & Goodwill, 2018).

### 2.2. Motivations to use peer-to-peer accommodation

Since collaborative consumption business model is important to tourism and hospitality industry, it is also important to understand the motivations to use peer-to-peer accommodation (Tussyadiah & Pesonen, 2018). There are several benefits and risks related to this type of business. In peer-to-peer accommodations, the benefits to the owners/hosts are essentially the financial return and getting in touch with people from all around the world (Pizam, 2014).

Peer-to-peer accommodations do not have the same services that traditional hotels provide, but they fulfil the needs of markets that are interested in paying for a room with access to other parts of the house, or having a more personal experience with authentic interactions with locals (Paulauskaite et al., 2017; Young et al., 2017). These accommodations provide a different experience from hotels in a way that they can offer extra benefits that can be useful to a lot of tourists, like the access to the kitchen and personal suggestions and information from hosts about the best places to visit (Pizam, 2014). In fact, human interactions are an important attribute for guests, since social interactions have been identified as an important reason for sharing practices (Tussyadiah & Zach, 2017), especially in a social context of loneliness (Farmaki & Stergiou, 2019). Even though peer-to-peer accommodation services are usually related to low-cost pricings, it also attracts people with high purchasing power (Tussyadiah & Pesonen, 2018). For those traveling alone, loneliness is stated as a key driver to choose shared accommodation, as the guest-host interactions may overcome a loneliness experience and social isolation (Farmaki & Stergiou, 2019).

Studies point out that most guests in peer-to-peer accommodations are leisure travellers and that business travellers still tend to use hotel services. This information is important to understand the main factors that influence the choice for sharing services, such as the price, the location of the place, the access to house amenities, as well as customer reviews (Young et al., 2017). Many factors can affect guests' satisfaction and the post-purchase opinion of the service, with consequences in loyalty and intention to spread positive comments (word-of-mouth) to other people (Tussyadiah & Zach, 2017). Recent research has been identifying significant variables for guests, like cost-savings, and social motivations (Tussyadiah & Pesonen, 2018), familiarity, trust and utility (Möhlmann, 2015), enjoyment, amenities and service, facility, location, feel welcome and comfort of a home (Tussyadiah & Zach, 2017). Rational determinants such as utility, cost savings, and familiarity are considered crucial to this type of services, but trust is the variable that determine competitive advantage (Bilgihan & Bujisic, 2015). Social interactions between guests and hosts have an importance highly connected with satisfaction and positive word-of-mouth (Tussyadiah & Zach, 2017). Another aspect that can also influence customer experience is customer-to-customer interactions, once they allow customers to share their ideas and experience with other customers (Tsao et al., 2015).

The type of reviews might depend on the customer nationality, because cultural differences can result in different perceptions of the service (Zgolli & Zaiem, 2017), thought customer experience in Airbnb seems to be convergent across culture (Amaro et al., 2019).

The main barriers to choose sharing accommodation are the efficacy and ability to use the platform, the necessary trust for the relationship between strangers through the online platform, as well as the lack of cost-savings, because these services are not always that cheapest when compared to the competitors (Tussyadiah & Pesonen, 2018).

### 2.3. Relationship marketing in peer-to-peer accommodation

Relationship marketing has been widely studied in tourism and hospitality management (Rahimi, Köseoglu, Ersoy, & Okumus, 2017), and peer-to-peer platforms in the internet have given a wider importance to this dimension (Moon et al., 2019). Variables such as trust, word of mouth or reviews rose importance, since the opinion of the other users became what really matters in consumer decision behaviour (Chandna & Salimath, 2018).

Due to technological developments, e-commerce and e-tourism have changed the way relationship marketing works in this industry (Rahimi et al., 2017). In general, customers are more informed and look forward to a more personalized experience. In tourism and hospitality, customer experience is not only about the quality of the food or the accommodation, but also about the information delivered, the online and offline interactions, both with the service providers and other customers. Managing this customer experience can be really challenging in this industry (Kandampully, Zhang, & Jaakkola, 2018).

The hosts of peer-to-peer accommodation services develop a relationship with guests in order to provide them unique experiences, and to enable tourists to visit the city through the local perspective (Paulauskaite et al., 2017). When customers look for service experiences, they seek not only to satisfy their fundamental needs, or the economic appeal of saving money, but also they have the social appeal, related to the social relationship and sense of belongingness to a community, connected with the interactions with local hosts (Tussyadiah & Pesonen, 2018). Travelers want to develop social and psychological links from that experience.

Peer-to-peer services' users create relationships which are fostered between customers and service providers and the commitment to these relationships can be more emotional and related to social benefits, than related to safety ones, leading to loyalty (Yang et al., 2017). Safety benefits can be described as the sense of security and relief perceived by customers about the service providers. These safety benefits are directly related to commitment and indirectly related to loyalty, since sharing economy has in its basis the trust construct (Tussyadiah & Park, 2018). Trust is a subjective perception of how the manager will behave in a certain way according to an implicit or explicit promise made. Tourism managers started to use relationship marketing as a strategic tool to gain competitive advantage and customers' trust on the characteristics of a particular product or service (Wang, Law, Hung, & Guillet, 2014).

The electronic customer relationship management provides a more personalized and detailed information about customers and enables a closer relationship with them. That is why it is important to adopt relationship marketing strategies to get loyal customers customer relationship management. These strategies have been studied because of the impact on the satisfaction of customers (Rahimi et al., 2017). The main method used in peer-to-peer platforms to facilitate trust is the existence of reputation mechanisms through online reviews. Reputation information is usually provided to consumers through customer score numbers (Ert et al., 2016). While user generated contents in hotel industry are perceived as important source of feedback for quality improvement (Torres et al., 2015), online reviews in Airbnb are mainly positive and less-than-positive reviews are communicated with euphemisms (Bridges & Vásquez, 2018). This means that interpersonal communication is very important so that hosts may understand service aspects that have room to improve in guests' perspective.

Besides all information provided by the platform, there are other issues besides trust that are necessary to take into consideration when talking about peer-to-peer accommodations, such as online and offline

interactions and self-disclosure between guests and hosts, that are crucial to their relationship development and consequently for their proximity, trust and future behaviour (Moon et al., 2019). A way to make the online interaction more personal between guests and hosts is by using photos in the hosts' profiles, since they can make guests more satisfied and feel safer, influencing their intention to buy the service. However, there are still no certainties whether the hosts are aware of the impact that the personal photos may have on guests' trust, since they have been focused on the properties photos and not on the profile photos (Ert et al., 2016). Besides that, through the online personal profile, hosts can present to guests the information about themselves that they consider important to influence the guest's choice.

However, even though it is important to emphasize characteristics and positive attributes, it is even more important that these attributes correspond as closely as possible to reality in order to maintain authenticity. Also, the way that hosts interact with guests through the platform can affect the expectations and degree of trust with which guests stay before the face-to-face contact (Tussyadiah & Park, 2018). That is why research show that it is important to have accessible tools, so hosts can present themselves and their service according to guests' needs (Tussyadiah & Zach, 2017).

Relationship marketing is very important for business and specifically for the tourism and hospitality sector (Rahimi et al., 2017; Wang et al., 2014). It is also understood that the development of relationships with customers allows companies to know their customers better and to adapt the offer to their needs, making them satisfied and possibly loyal (Kandampully et al., 2018; Rahimi et al., 2017). Peer-to-peer accommodation services show particularities in relationship marketing, considering the fact that it is based on a consumer-to-consumer business model (Moon et al., 2019), with higher interactions between hosts and guests during the experience that are mainly positive reviewed (Bridges & Vásquez, 2018).

### 2.4. Tourism innovation and value Co-Creation

The rise of competition in tourism became hospitality owners and destination managers aware of the importance of developing constant innovations (Kofler, Marcher, Volgger, & Pechlaner, 2018) in order to create competitive advantages (Dogan, Nebioglu, Aydin, & Dogan, 2013). A common model followed to integrate business innovation is through the perspective of the open innovation model. Open innovation concept proposes that companies should be opened to receive ideas outside the organisation, seeking knowledge and generating value for the company. In this model, the company should produce its own ideas, as well as integrate innovations from other companies (Baldwin & Hippel, 2011; Chesbrough, 2003).

Recently, organizations have discovered new avenues for open innovation, through interaction with user communities or consumers, as knowledge and innovation co-creators (Bogers et al., 2010; Randhawa et al., 2017). Innovation intermediaries are crucial in this process (Howells, 2006). In the case of tourism, there are digital intermediaries that provide online platforms, allowing companies and user communities to establish business connections and overcome the challenge of trust through the availability of previous reviews and testimonials (Boudreau & Lakhani, 2009; Randhawa et al., 2017).

Innovation in tourism is mainly incremental, instead of radical (Rodríguez, Williams, & Hall, 2014), and implicate some management challenges, considering the connection with the tourist experience (Eide, Fuglsang, & Sundbo, 2017) and the dependence of other inter-organizational relationships (Martínez-Pérez, Elche, & García-VillaVerde, 2019). In fact, the innovation in tourism may be implemented through the cooperation and partnerships with other stakeholders (Kofler et al., 2018), as well as the enhancement of the tourist value co-creation process (Buonincontri, Morvillo, Okumus, & Niekerk, 2017; Nieves & Diaz-Meneses, 2016).

The value co-creation concept was proposed by Vargo and Lusch

(2004) through the Service Dominant Logic (SDL), which demonstrates that the marketing value is co-created by the customer in the process of service consumption. In this sense, the output from the interactions of all actors of service provision is an opportunity to co-create value (Gronroos & Voima, 2013) and contribute to the innovation process (Souto, 2015).

Tourist involvement in co-creation process has reflection in satisfaction and loyalty (Chathoth, Ungson, Harrington, Altinay, & Chan, 2016; Grisseman & Stokburger-Sauer, 2012), since customers feel that their participation is active and valued (Mathis et al., 2016; Sørensen & Jensen, 2015). For that reason, it is very important to enhance the tourist role in co-creation process (Buhalis & Foerste, 2015) during the tourist experience and also highlight the constructive importance of feedback online reviews (Hu, Koh, & Reddy, 2014). In hotel industry, user generated contents are considered valuable insights to improve quality and understand customer satisfaction (Torres et al., 2015). Besides giving new ideas about the business (Nieves & Diaz-Meneses, 2016), online reviews also promote electronic word-of-mouth (Pelsmacker et al., 2018; Tsao et al., 2015), showing satisfaction and dissatisfaction through user generated contents (Oliveira & Casais, 2019; Ukpaki & Karjaluo, 2018) and providing constructive complaining (Sparks & Browning, 2010), with important outcomes in innovation (Randhawa et al., 2017).

The great amount of research available about peer-to-peer sharing accommodations are focused on the guests perspectives of what is essential to a good stay and to make them satisfied in this type of accommodations (Moon et al., 2019). Little is known about the hosts' perspective about the process of value co-creation by guests in order to conduct incremental innovations (Mathis et al., 2016). In the hotel industry, companies have been dedicated to developing customer relationship management systems to better understand their customers and to adapt strategies according to their needs (Rahimi et al., 2017), increasingly based on user generated contents (Torres et al., 2015) and online reviews (Pelsmacker et al., 2018). However, in peer-to-peer sharing accommodations most service providers are not professionals, and the relationship between service providers and customers, besides informal, is much closer than in formal businesses (Bridges & Vásquez, 2018). In this sense, hosts' perceptions of customer value co-creation and their increment in business innovation from the outcome of a close relationship marketing is a pertinent research question in this context.

This study aims to provide new content to the existent literature, especially with regard to hosts interactions with guests in peer-to-peer interactions, that can be both online and offline, and inform about the most important variables in the contact with guests. The purpose of the paper is to understand the value co-creation through personal and online reviews of peer-to-peer accommodation, the attention given by hosts to user generated contents, and the influence of that co-creation in the innovation process of the business.

The propositions showed in Table 1 were formed based on the literature review in order to be discussed with the results of this study.

### 3. Methodology

This study follows a qualitative analysis through thirty personal in-depth interviews implemented between January and June 2019 to hosts

**Table 1**  
Propositions of the study.

Proposition	Description	Authors
Proposition 1	Personal interactions, user generated contents and online reviews activate a relationship marketing approach in hosts' perspective.	(Oskam & Boswijk, 2016; Tussyadiah & Park, 2018; Tussyadiah & Pesonen, 2018; Tussyadiah & Zach, 2017; Yang et al., 2017)
Proposition 2	Relationship marketing promote value co-creation in peer-to-peer accommodation services.	(Grisseman & Stokburger-Sauer, 2012; Pelsmacker et al., 2018)
Proposition 3	Hosts integrate guests' co-creation in the innovation process of peer-to-peer accommodation services.	(Bridges & Vásquez, 2018; Buonincontri et al., 2017; Sparks & Browning, 2010)

of peer-to-peer accommodations available in Airbnb, in the north of Portugal, for convenience of data collection. Besides the location, the number of reviews was another criterion used when selecting respondents, as hosts with higher reviews have a greater opportunity to implement innovations based on co-created value by the customer. No distinction has been made about the type of accommodation or the distinction that Airbnb gives to host and superhosts. The data collection reflects the availability and interest in participating in the study after a contact with the hosts. Some of the interviews were rejected for a variety of reasons, including lack of availability. There is a predominance of females (57%) in respondents of this study, being the predominant age group of 37–42 years. Most interviewees have the distinction of superhost (60%), making from Airbnb activity a professional business (63%) and managing more than one accommodation.

The themes in the interview script relates to the hosts' perception of reviews; the hosts' experiences in using reviews as co-creation of value for innovation; and their perceived opportunities and inhibitions to implement tourism innovation.

With the transcription of the interviews and given the volume of information it was necessary process in content analysis, the authors created categories for the coding process and data analysis. The literature allowed the identification of categories and subcategories of analysis that proved useful for the analysis of the information. However, after transcribing the interviews, there was a need to add new categories and subcategories to make the data analysis more complete (see Table 2).

## 4. Presentation and discussion of results

### 4.1. Relationship marketing developed in Airbnb

Relationship marketing is considered essential by the interviewees, in line with previous literature (Bridges & Vásquez, 2018). They try to establish a first contact before the guest convert the reservation and to have a personal contact by the time of check in and/or check out: *“Even when all the information is provided in the platform, I try to establish a first contact in order to resolve any concern and promote trust”* (interviewee 7); *“During the experience, I prefer a personal contact instead of using the key locker function, so that I can meet expectations and satisfaction”* (interviewee 30). Personal communication is very important in getting feedback: *“Personal compliments are always made in private mode, mainly personally. Though it is not visible for others, we know that we are in the right way”* (interviewee 28); *“There is always a personal contact so that I may know whether guests are satisfied or not”* (interviewee 24).

Besides the review functions of the Airbnb platform, guests also use to write reviews in Google and TripAdvisor. But the most important tool for interviewees to look for feedback is what's app (interviewees 14 and 29), guest books and surveys (interviewees 10 and 15). They use this app in order to prevent that the major problems are publicly published and make an effort for customer recovery through the relationship established: *“During the check-out we try to understand the customer's feedback”* (interviewee 4); *“I always do an inquiry and leave some sheets in the house, my speech is that as I am starting and want to improve, I need feedback from people. I also have a guestbook and they can write whatever they want and I insist a lot to know wheather anything is wrong”*

**Table 2**  
Categories and sub-categories of analysis.

Categories of Analysis	Sub-categories of Analysis	Authors
Importance of Reviews	Improvements in Service; Influence in the number of reservations; Customer Satisfaction;	(Sparks and Browning, 2010)
Value Co-creation by User Generated Contents	Add-on to accommodation service; Availability to implement changes;	(Grissemann & Stokburger-Sauer, 2012; Pelsmacker et al., 2018)
Barriers to Innovation	Business Dimension; Lack of Financial Resources; Lack of Barriers; External factors;	(Bridges & Vásquez, 2018; Kofler et al., 2018)
User Generated Contents	Social Networks; Personal Contact; Review Platform;	(Torres et al., 2015)
Additional Services to Business	Guest book and satisfaction surveys; Restauration; Transportation; Tours, wellness and Adventure; Accommodation; No partnerships;	(Buonincontri et al., 2017; Kofler et al., 2018)

(interviewee 10). These extra actions to gather reviews and feedback evidence the importance given by hosts to reviews with the purpose of continuous improvement and integration of the value co-creation in the innovation process. These results are in line with proposition 1.

#### 4.2. Relationship marketing as an antecedent of value Co-creation

The relationship is a crucial asset in the co-creation process. The close relationship between hosts and guests allow the process of co-creation and interviewees admit that the business model and the technology used to overcome the problems of trust tend to enhance the relationship and the co-creation process: *“There are clients who want to be in the space, and they are there for 15 days and enjoy having a simple ‘good day’ or ‘good afternoon’. We can just give a bottle of wine but there is not any further interaction. But others want us to be there to talk, to eat, to explain things about the region. It depends a lot on the customer and you need to have a sensitivity to understand what kind of customer is”* (interviewee 1).

The interactions make the experience. The results of in-depth interviews with hosts and super hosts of Airbnb show the clear importance given to feedback. The accommodation providers are aware that the reviews are an important issue of the business model, as already stated in the literature to improve trust and awareness (Sparks & Browning, 2010; Ukpaki & Karjaluo, 2018). Online reviews influence the number of reservations, since *“online comments are crucial for potential customers’ trust”* (interviewee 7) and *“... to make the accommodation more visible and appealing”* (interviewee 18), and lead to customer satisfaction (Chathoth et al., 2016). As stated previously in the literature the guests’ perception of their co-creation to the business has a positive influence in satisfaction and loyalty (Chathoth et al., 2016): *“Usually the guests with whom we have more interaction are those who make better comments”* (interviewee 4). In this sense, results sustain the idea proposed in proposition 2.

The contributions are also used to improve the business and provide innovations, such as recommended in the literature (Bogers et al., 2010): *“It is always important to have a review, both positive and negative. A positive review is a confirmation that we are doing the right things, a negative review allows us to have the conscious that we have to improve the service”* (interviewee 12).

#### 4.3. Integration of guests’ co-creation of value in business innovation

Regarding the use of user generated content to the innovation process, the hosts declare that online reviews are important to improve the provision of services: *“constructive criticisms are considered and we*

*definitely change immediately”* (interviewee 3) and *“it is the best way to prevent future complaints”* (interviewee 4). These online reviews are used in the innovation process. For example, hosts have declared to integrate new ideas based on customer’s co-creation as suggested in the literature (Nieves & Diaz-Meneses, 2016): *“In the beginning, we had no experience and the comments were really important to improve”* (interviewee 13); *“we have several accommodations and sometimes we forget some particularities. Guests help us to overcome those failures”*; (interviewee 20); *I have improved my business based on my customers’ comments”* (interviewee 28); *“I ask guests to be the most honest they can, so that I can constantly improve”* (interviewee 26). They have improved the accommodation facilities, such as kitchenware, furniture, appliances, house amenities, like coffee or tea (interviewees 2, 7, 12, 27), the number of keys or the door lock with code (interviewee 30), or even cleaning problems (interviewees 14 and 21), the number of towels (interviewee 13), que quality of the internet (interviewee 2), heating conditions (interviewees 10 and 11). All the interviewees explained several improvements made in their accommodations based on guests’ reviews.

Further, one interviewee also added the habit of reading not only the commentaries done to her personal business, but also the reviews made to other accommodations, in order to improve, innovate and prevent negative comments: *“I use to read the comments of other apartments, in order to understand what customers value, their complains and compliments”* (interviewee 4).

While reviews help to improve the business by overcoming dissatisfactions, allowing customer recover (Sparks & Browning, 2010), real innovations based on customer co-creation respect also to outdoor activities: *“there were some issues we had thought already, but the reviews could reinforce, for example the innovation about organizing picnics or jeep tours. Users also suggested the organisation of a peddypapper, a wine tasting or thematic dinner and we often end up offering it”* (interviewee 1).

The partnerships with other services are also an outcome in innovation from co-creation of online reviews. This is an important issue, in line with the recommendations of the literature (Kofler et al., 2018): *“Now we have partnerships with adventure companies and restaurants and our guests get a little discount”* (interviewee 1); *“We provide shuttle services through partnerships with transportation companies”* (interviewee 9). The same idea was shared by interviewee 14; *“if guests wish a horse ride or activities in the river, we have people that we can recommend”* (interviewee 20). These established partnerships are consequences of previous guests’ requests, suggestions or reviews.

One of the main barriers to innovation is related to financing. Most tourism companies are small-scale, so access to their own funding is limited (Divisekera & Nguyen, 2018).

The main barriers to implement innovations are the costs involved.

“For example, guests proposed me to have Netflix or paid TV channels. It could be interesting because my competitors do not have those facilities. However, the costs involved are huge and some guest would not value that” (interviewee 8); “I could offer a breakfast as suggested, but I would have to increase the prices and customers are not available to pay more” (interviewee 2); “the costs involved to implement the heating system are too high, although it is a point of complaints” (interviewee 7). In this sense, the results of the study sustains the previous expression in the literature that tourism innovation tend to be incremental and not radical (Rodríguez et al., 2014), although the sharing economy might have implemented radical innovation in business models (Guttentag & Smith, 2017). The idea of Proposition 3 is enhanced with the results of this study.

## 5. Conclusions

The study found that hosts are aware of relationship marketing, even without doing it in a professional business, and the relationships established is crucial to activate consumers' role in the co-creation process. There was a recognition by hosts of the importance that reviews assume in this type of business and the power they have for the growth and development of local hosting on peer-to-peer platforms. Besides the online reviews, hosts develop other strategies to retain feedback for continuous improvement like surveys, personal contact and instant messaging or guest books.

By analyzing the content of the interviews, it was possible to understand how hosts incorporate the reviews that guests leave and how this contributed to peer-to-peer tourism innovation. Hosts use to integrate the co-creation of value promoted by tourist reviews, both those made online and through the personal interaction during the stay. Effectively, the incorporation of user-generated content, in this case in the form of a review, allows hosts to add new attributes to the service they provide. This experience is co-created by the guest in the form of user generated contents and the host derives the right value to innovate.

The implementation of improvements leads to incremental innovations in this peer-to-peer platform, enabling innovation in tourism. The main innovations regard to the accommodation facilities, but also integrate innovation in the business model, such as the establishment of partnerships with other service providers. Barriers to innovation in tourism regard to monetary concerns, inherent to the high costs of implementing innovations, which not all hosts can afford.

The study contributes with significant advances to the theory of sharing economy with a deeper understanding of relationship marketing in informal businesses as sharing accommodation services. Hosts show a marketing orientation of the implementation of guests' value co-creation established through the interaction process. In this sense, the paper discusses the importance of relationship marketing as an antecedent of value co-creation and the continuous open innovation attitude with incremental benefits in the service provided. This particular context of sharing economy, with a close interaction between service providers and customers may reflect a favourable scenario for innovation, although not always happening in formal or professional businesses. These conclusions open new avenues of discussion about favourable conditions to promote open innovation a value co-creation in formal businesses. The research was conducted in the North of Portugal and future research might include comparative perspectives of hosts from different cultures, since relationship marketing may be different from collective and individualistic countries and the propensity to innovate and integrate the outcomes of value co-creation may also vary across cultures.

## Appendix A. Supplementary data

Supplementary data to this article can be found online at <https://doi.org/10.1016/j.jhtm.2019.11.010>.

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