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Digitalization and the hybridization of markets and circuits in Airbnb

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ABSTRACT

Digitalization, combined with the proliferation of online review and payment systems, has been integral to the creation of the sharing economy. While the sharing economy has opened industries to additional workers, it also shifts risks to users and leads to a hybridization of previously pure economic concepts such as markets and circuits of commerce. Due to this risk shift, how do sharing economy users, specifically Airbnb hosts, protect themselves from the risks inherent in a marketplace that is both formal and informal, and regularly crosses the boundaries between legal and illegal? Using qualitative interviews with 23 Airbnb hosts in New York City, I argue that Airbnb's shifting of risk to workers leads to a hybridized form of institutional work as hosts create a social circuitry in order to protect themselves. This research contributes to the larger literature on digitalized and informal markets and circuits, risk, and societal impact of digitalization.

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Digitalization, the diffusion of digital technology, continues to rapidly transform every sector of society and the economy. Smartphones and tablets are increasingly used in classrooms; local retailers are forced to compete – or create digital stores associated with – multi-national online behemoths like Amazon and Alibaba (Hagberg, Sundstrom, and Egels-Zandén 2016); workers are reachable 24–7; and even pets have learned to order products via the Alexa virtual assistant (Moyes 2017). But the biggest impact of digitalization has been the rise of an entirely new economic movement: the sharing economy. As noted in the call for papers for this special issue, the sharing economy “has rendered novel market forms possible by offering unprecedented possibilities for potential sellers and buyers to connect.” The advent of contact-less payment systems, online reviews and ratings, and the rise of online protections (such as platforms providing escrow) have reduced the “classic obstacles” to strangers participating in economic exchange. Airbnb, an accommodations marketplace, is an ideal setting for examining how digitalization and the sharing economy have led to the hybridization of standard economic concepts such as markets and circuits.

However, while these standard operating obstacles have dissipated, the development of a peer-to-peer market has also given rise to additional challenges, including the outsourcing of corporate risk to individuals. While Hacker (2006) has addressed the prevalence of risk shift from corporations to individuals through high-deductible insurance and the replacing of pension obligations with worker-managed retirement accounts (such as a 401k in the US), the sharing economy shifts risk entirely to workers and, to a lesser extent, consumers. Rather than simply shifting future risk – such as that of retirement funding – the sharing economy engages in a risk transformation whereby both future and current risk is shifted to workers. This risk transformation is especially obvious within Airbnb, an

“accommodation marketplace,” that remains notorious in New York City for violating city and state laws and individual apartment leases. The question arises, in light of this risk shift, how do Airbnb hosts protect themselves from the risks inherent in a marketplace that is both formal and informal, and regularly crosses the boundaries between legal and illegal?

In this paper, I argue that the rise of the sharing economy, and resulting risk transformation, necessitates the need for institutional work (Lawrence, Suddaby, and Leca 2010; Lawrence and Suddaby 2006) by Airbnb hosts. This institutional work – itself a hybridized concept – results in a further hybridization of standard economic concepts such as markets (Swedberg 1994; Coase 1988; Geiger, Kjellberg, and Spencer 2012) and circuits of commerce (Zelizer 2010). In response to the sharing economy’s outsourcing of risk from corporations to workers, Airbnb hosts create a *social circuitry* as a protective strategy. Although hosts rarely interact with each other, or their guests, the larger community of hosts is utilized as a reference point for maintaining community norms and protecting fellow hosts.

In the section that follows, I discuss the literature on markets, circuits of commerce, institutional work (Lawrence, Suddaby, and Leca 2010; Lawrence and Suddaby 2006), and digitalization (Hagberg, Sundstrom, and Egels-Zandén 2016), and argue that the sharing economy, by its very nature, crosses boundaries between markets, circuits, and digitalization, and in doing so, hybridizes these concepts. After outlining the methods used in my data collection, I then discuss how Airbnb hosts create a hybridized circuit of commerce – a *social circuitry* – within a digitalized marketplace in order to protect themselves from the risks inherent in a marketplace that is both formal and informal, and regularly crosses the boundaries between legal and illegal.

This research contributes to the larger literature on digitalized (Doherty and Ellis-Chadwick 2010; Robinson 2017) and informal markets (Portes 1994), circuits (Zelizer 2010), risk (Hacker 2006), and the sharing economy (Schor 2014; Frenken et al. 2015), by providing evidence that this new economic movement is creating market change, and affecting networks within markets, through the creation of social circuitry. This work further contributes to the study of the societal impact of digitalization.

Markets, circuits, digitalization, institutional work, and the sharing economy

Before discussing how the sharing economy has led to the hybridization of concepts, it’s helpful to revisit the terminology at hand. While the word *market* has numerous meanings, ranging from a place to trade to the legal right to hold a meeting at a marketplace (Davis 1952), Swedberg (1994, 255) defines a market as a specific type of social structure where the threat of sanctions helps to maintain both “recurrent and patterned interactions between agents.” Swedberg eschews economic definitions of markets as price-making mechanisms and instead views markets within the broad heading of exchange. This definition of a market draws on Coase’s (1988, 8) concept of a market as “a social institution which facilitates exchange.”

While Coase and Swedberg identify markets as allowing for interactions and exchange, most discussions of markets are more focused on the role of competition in markets. Weber ([1922] 1978), for instance, considered competition to be integral to markets. Simmel ([1908] 1968, 57) further elaborates on the competition as a form of “indirect conflict” whereby competing parties engage in parallel effort, and where the focus is on surpassing the competition as opposed to destroying him or her. Indeed Swedberg’s own work categorizes markets into ideal types based on their relationships with competition and exchange (1994, 273) and Rauch and Hamilton (2001, 1) note that exchange within a market is “episodic and anonymous and is mediated by competitively determined prices.”

However, markets do not have to be anonymous and do not operate within a vacuum. Granovetter (1985) characterizes approaches to economic activity in terms of the “socialization” in such activity. Geiger, Kjellberg, and Spencer (2012, 135), drawing on Callon, Millo, and Muniesa

(2007) and MacKenzie (2009), highlight the material dimension of markets, or “the extent to which the outside world is taken into account when approaching market-related phenomena.” The issue of the outside world, and the socialization that occurs in markets, is front and center in circuits of commerce.

Circuits of commerce are structures that combine “economic activities, media, accounting systems, interpersonal relations, boundaries, and meanings ... that cannot simply be reduced to firms, markets, or networks” (Zelizer 2010, 304). Zelizer (2010, 303) also notes that a circuit is “a distinctive and widespread form of economic interaction that recurs across an enormous variety of circumstances.” Such circuits arise when people experience “significant collective problems of trust” due to the absence of central authorities that could enforce agreements (Zelizer 2010, 304). Circuits of commerce have four main components: (1) social relationships among individuals that lead to economic relationships; (2) a shared system of evaluating and accounting for economic exchanges; (3) shared meanings in regards to the exchanges; and (4) a boundary that defines membership in the circuit and controls transactions that could cross that boundary (Zelizer 2010). As a result, circuits of commerce are found in a variety of markets, including the formal economies of art dealers (Komarova and Velthuis 2018), financial traders (Cetina and Bruegger 2002), and Sydney hotel operators (Ingram and Roberts 2000). Perhaps the true strength of the circuit arises in informal economies of immigrant remittance networks (Zelizer 2005), makerspaces and food swaps (Schor et al. 2016) and the betrayal and deceit-focused inner city Philadelphia circuits of poor African-Americans (Goffman 2009). In Zelizer’s concept of circuits, the circuit operates as a form of social control, providing a sufficient level of trust between actors to allow for economic relationships to arise out of personal relationships.

Personal relationships and interactions, or at least the perception of such relationships, is also integral in the *sharing economy*, a catch-all term for “peer-to-peer” firms that connect people for the purposes of distributing, sharing, and reusing goods and services” (Mathews 2014). The concept encompasses everything from multi-billion dollar companies such as Airbnb (room rental) and Uber (on-call taxi service) to free durable good sharing sites such as Neighborgoods. The hybridization inherent in the sharing economy can be found in its very name. The Merriam-Webster dictionary defines share as “to grant or give a share in” and yet the same source notes that an economy is an “organized system of human activity involved in the production, consumption, exchange, and distribution of goods and services.” To share is to give freely. A sharing economy – an organized system focused on consumption, exchange and distribution – that occurs without cost, appears to be a contradiction in terms. Adding to the contradictions, free services that ultimately involve sharing, such as libraries and public parks, are excluded from commonly used definitions of the sharing economy. By comparison, Ebay, an online auction service, is hailed as an early sharing economy founder. However, it is equally true that the so-called sharing economy, although often used to describe online platforms that provide free or low-cost access to goods, such as couchsurfing.com or Share Some Sugar, is now more commonly used to describe multi-billion dollar platforms such as Airbnb and Uber. As a result of this definitional flux, I define the sharing economy as app-based technologies that focus on the lending or renting of assets or services for profit or higher good. This definition draws on work by Frenken et al. (2015) but is also more limiting than Schor’s (2014) four broad categories.

Digitalization is the diffusion of digital technologies into businesses, workplaces, and the home, and is crucial to the rise of the sharing economy and peer-to-peer networks. Digitalization, as noted by Hagberg, Sundstrom, and Egels-Zandén (2016, 695), as opposed to digital, “implies that this transformation is on-going and has no clear beginning or end.” Additionally, digitalization provides new opportunities to connect businesses, workers, and employees and enables a “blurring of boundaries” (Ritzer and Jurgenson 2010). Digitalization, as in the case of the sharing economy, leads to changes in consumer roles (Schulten and Schaefer 2015), changes in intermediaries (Bakos 2001) and the development of new actors (Hagberg, Sundstrom, and Egels-Zandén 2016).

While some researchers have argued that digitalization will lead to increased transparency and a decrease in information asymmetries (Doherty and Ellis-Chadwick 2010), other research suggests that digitalization may lead to bottom-up deregulation of various workplace and consumer protections. Robinson (2017) notes that in the case of Uber, digitalization allows for the rise of “triangulated transacting” which provides users with an “opportunity to take on a new, digitally-facilitated work role using software without meeting any regulatory requirements that normally (and legally) apply to the work” (Robinson 2017, 16). Likewise, with Airbnb, digitalization leads to the disruption of regulatory requirements regarding short-term rentals by allowing listings that bypass hotel regulations. However, while Uber has a reputation for paying the fines incurred by drivers who drive without the appropriate licensing, Airbnb disavows any responsibility. Airbnb hosts are advised to observe the laws in their jurisdiction, and the service will not pay fines or assist hosts if they are threatened with eviction or other legal actions. This disavowal of responsibility allows potential hosts to “take on a new, digitally-facilitated work role using software” but also leaves them responsible for the repercussions of engaging in such work (Robinson 2017, 16).

The position of Airbnb hosts, and other sharing economy workers, outside the regulatory framework results in a need for organizational work. Although often described as the role of actors in creating or disrupting institutions, *organizational work* also highlights how actors can maintain organizations (DiMaggio 1988) and Oliver (1991; 1992) and how organizations rely on the actions of individuals to contribute to their reproduction over time (Berger and Luckman 1966; Giddens 1984). As noted by Möllering and Müller-Seitz (2018), institutional work is not limited to actors within a particular organization but frequently arises in fields – such as the sharing economy – that have a high degree of uncertainty, and serves as a strategy to “configure the field and institutionalize a common direction.” While Möllering and Müller-Seitz (2018) examine conferences as a strategy to bring actors together to engage in institutional work, Airbnb hosts rarely meet each other. Airbnb hosts utilize the larger host community as a reference point to justify certain actions as part of efforts to protect themselves and their hosting.

In short, the sharing economy is a strong example of the boundary blurring and hybridization of concepts that occurs with digitalization. While the sharing economy, as a digitalized market, has dissipated some of the obstacles to the development of a market, it has also given rise to additional challenges by outsourcing risks to workers. In traditional markets, users can rely on circuits of commerce to reduce their sense of risk as personal relationships pave the way for economic interactions. But in the sharing economy, the allegedly peer-to-peer network is largely anonymous and the risks are often unknown at first. In response to this risk, Airbnb hosts have created a *social circuitry*, a novel form of institutional work and a hybridization of Zelizer’s (2010) circuits of commerce.

As a result, if markets are plastic phenomenon (Nenonen et al. 2014) and “always in the making” (Kjellberg et al. 2012), then the sharing economy is fluid, a raging river that is capable of carving new valleys, smoothing cliff edges, and in a worse case scenario, leaving destruction in its wake. The sharing economy, by its very nature, crosses boundaries between markets, circuits, and digitalization. In the following section, I provide a background on Airbnb in New York City and explain how the platform is an especially vivid case study of the boundary crossing and concept-hybridization that is prevalent in the sharing economy.

Airbnb: a case of concept hybridization

Airbnb, a online marketplace and hospitality service, enables people to rent short-term lodging including rooms, apartments, houses and hotel rooms. Often described as the follow-up to the free service, Couchsurfing, Airbnb identifies itself as a “a global travel community that offers magical end-to-end trips including where you stay, what you do and the people you meet.” The company has built its reputation – and \$38 billion valuation, as of May 2018 – on the basis of a message of “trust

and inclusivity” (Griswold 2016). As founder Brian Chesky explained in a 2014 blog post, “Today, so much of the way we travel has been mass-produced and commoditized. Airbnb is just the opposite. We’re a community of individuals” (Chesky 2014). In an effort to build “trust” between users, Airbnb’s website provides user profiles and photographs and encourages communication between the prospective host and guest. However, the platform’s efforts to build trust by emphasizing user profile photos and communication appears to have backfired and instead eased the way for discriminatory behavior. Edelman, Luca, and Svirsky (2017), in an Airbnb audit study, found that individuals with “distinctively African-American names” were 16% less likely to be accepted relative to identical guests with distinctively White names.

While an easy solution might be to reduce the platform’s emphasis on user communication or to remove profile photographs entirely, Airbnb runs into a unique challenge as a result of its market hybridization. Airbnb is both a formal market, “where sellers publicly advertise their prices and locations” (Anbarci, Gomis-Porqueras, and Pivato 2012), and part of the informal economy, defined as “those actions of economic agents that fail to adhere to the established institutional rules or are denied their protection” (Feige 1990, 990). The concept of the informal economy is linked to Keith Hart’s (1973) study of urban markets in Ghana, and not surprising, most informal economy research is focused on illegal markets (Beckert and Wehinger 2012) or examines developing or emerging economies. While Gershuny (1979; 1985) and Pahl (1980) studied the informal economy among the middle class, their work focused on removing activities from economic exchange, for instance, individuals choosing to repair their own machines or mow their own grass in an effort to “maximize the efficient allocation of time” (Portes 1994, 429). Studying Airbnb hosts in New York City allows for the theoretically novel experience of studying otherwise law-abiding middle-class citizens actively engaged in the unusual situation marketing themselves, and their homes, in an illegal endeavor.

Although New York is one of the largest markets for Airbnb with more than 25,000 active hosts (*Airbnb in the City* 2014) and more than 47,500 listings (Inside Airbnb 2018), since 2010, it has been illegal in New York State to rent out apartments in buildings with three or more units for less than 30 days (Lovece 2010). Hosts can get around the law through the roommate rule, which allows hosts to live with one unrelated person if that individual has access to the entire apartment and the host is present the entire time, but most hosts prefer to rent their space when they aren’t present. A report in October 2014 from the New York Attorney General found that 72% of Airbnb listings for entire units from January 2010 through June 2014 ran afoul of this and other codes (*Airbnb in the City* 2014).

Even the marketing of apartments for Airbnb – the formal market component – is often illegal – an externality that complicates such work (Callon 1998). In June 2016, the New York State Legislature passed a measure, signed into law in late 2016, that forbids landlords and tenants from listing whole apartments for short-term rental on Airbnb and similar sites. Those who violate the law can face a fine of up to \$7,500 (Bellafante 2016). In 2018, the New York City Council voted to require online rental services, such as Airbnb and HomeAway, to provide the addresses and names of hosts to the city’s Office of Special Enforcement on a monthly basis, and to disclose whether rentals were for an entire apartment (illegal) or for just a room (legal) (Greenberg 2018).

Part of the challenge with Airbnb arises from the very nature of the sharing economy with its focus on peer-to-peer as a strategy for distributing, sharing, and reusing goods and services. Residential apartments in New York generally lack the higher fire and safety standards that are required for legal hotels including automatic sprinklers, multiple exits and clearly-posted evacuation plans. An individual who lived in a hotel and listed their hotel room on Airbnb might violate their stay agreement, but they would be less likely to run afoul of the safety standards associated with hefty fines. Additionally, the Office of Special Enforcement, which enforces the laws against Airbnb, is primarily complaint driven. Hosts who are renting out residential properties are more likely to have neighbors who may note unusual activity or complain about disruptive behavior.

New York is not the only city where Airbnb hosting has veered into an informal and illegal market. San Francisco, New Orleans, Amsterdam, Barcelona, Paris, and Vancouver have also cracked down on short-term rentals by limiting their availability or regulating hosts, but high rates of violations remain. As a result, Airbnb is both a formal organization – with an estimated four thousand employees and more than 4,500,000 listings in over 65,000 cities in 191 countries, and over 4.4 billion dollars worth of funding by the end of 2017 – and a marketplace for an informal – and in many places, illegal – economy. Just like participants in the underground economy studied by Venkatesh (2006), Airbnb hosts are engaged in “informal economic activities [that] bypass the existing laws and regulatory agencies of the state” (Portes 1994, 431). Through a hybridized form of Zelizer’s (2010) circuits of commerce – a concept I call *social circuitry* – hosts seek to protect themselves from the potential of problematic guest or detection by the city or a landlord by seeking guests who are a “good match” and by developing a sense of community with other hosts. In light of this flux, and the various actors, interests, and regulatory components at work (or being subsumed by the work), Airbnb is an example of a “really existing market” (Boyer 1997) and the resultant challenges.

In the following section, I outline my research methodology and then how Airbnb hosts in New York City utilize a social circuitry in order to collect information about potential guests, market themselves, provide reviews that will be helpful to other hosts, and attract appropriate guests.

Methodology

I draw my data from in-depth qualitative interviews with 23 Airbnb hosts in New York City, 20 of whom were within the East Village neighborhood of Manhattan. As with many New York City neighborhoods, the specific borders are open to debate and discussion. I use the *New York Times*’ Real Estate definition as “bounded by 14th Street and East Houston Street, the Bowery/Fourth Avenue and the East River” (Gregor 2014). The East Village is known as one of the more affordable downtown areas in Manhattan. Sociologist Sharon Zukin (2009, 97) describes the East Village as an area

where protest is a way of life and history is important. These are the sources of the neighborhood’s reputation for authenticity, and they have been preserved in the low rents and social spaces of a sometimes shabby, often funky locale of tenements and small stores.

The East Village is particularly appealing to potential Airbnb hosts: 64% of the housing stock is comprised of small tenements (built before 1939) where on-site building superintendents are rare and doormen are nonexistent (ACS Housing profile 2009–2013). A lack of on-site building personnel is often considered a negative point: on-site supers, doormen and porters are an amenity. But for Airbnb hosts, the lack of supervision is often described as a “perk” that provides for the requisite level of anonymity. A 2015 study by New York Communities for Change and Real Affordability For All noted that in the East Village, a staggering 28% of its vacant units were illegal hotel rooms on the popular home-sharing site (Fermino 2015). Indeed, while five of my hosts maintained properties that were exclusively used for Airbnb rentals (which is illegal), almost all hosts engaged in at least some renting while they were gone, which is in violation of the short-term rental laws.

In order to focus on hosts in the East Village, I alternated between using “East Village” and “10003” as my search parameters on the site. Respondents were reached by sending messages through Airbnb’s Contact Host feature in four batches of emails between March 25th, 2015 and July 20, 2015. Requests for participation emails were sent to 150 hosts in total, resulting in interviews with 20 hosts, a 13% response rate that included automatic declines if a host didn’t respond to a message within 48-hours.

Respondents were interviewed using Weiss’ (1994) interview matrix to allow for a participant-directed interview and focused on open-ended questions: how hosts became involved with Airbnb; their best and worst experiences; decision-making around accepting hosts; day-to-day logistics; profile and listing management; the experience of getting reviews; and if they considered themselves

to be an entrepreneur. The interviews, which averaged more than two hours in length, were conducted face-to-face, and usually in public locations such as coffee shops and parks.

The interviews were recorded, transcribed, and coded into both numeric and thematic fields. Survey data was compiled in a spreadsheet and averages were calculated. Thematic qualitative data was sorted into broad topical categories and coded inductively. All respondents were assigned pseudonyms.

The East Village is 66.9% white and, as illustrative of many aspects of the sharing economy, my sample was overwhelmingly (80%) White. One individual identified as Black, one as racially mixed, one declined to answer, and one described himself as Israeli. The population of white respondents included a number of white ethnics including immigrants from Armenia, Israel, Ireland and Canada. The participants were roughly split between female (45%) and male (55%). Their ages ranged from 23 to 60, with 60% falling between 20 and 35 years old, and a median age of 30.5. Their education levels were especially high: 45% had a Bachelors degree; 25% had a graduate degree and an additional 20% were enrolled in or had some graduate education. Only two participants listed their educational level as “some college,” and one of those individuals was currently enrolled in a local college. More than half of my sample described their household income as more than \$100,000; four participants categorized their income as below \$35,000, while three described their income as between \$35,000–\$49,999. The remaining two listed incomes between \$75,000–\$99,999.

Although the nature of Airbnb precludes obtaining data about the overall demographics of hosts or guests, American Community Survey (2009–2013) data shows that the East Village includes approximately 72,000 residents and almost 40% of the neighborhood is between the ages of 20 and 34 (Gregor 2014). Education levels are particularly high: 42% have a Bachelors degree and 28% have a graduate or professional degree (ACS 2009–2013). The median household income in the East Village (\$69,293) tends to be higher than the City as a whole (\$52,259).

In the next section, I outline how Airbnb functions as a social circuitry and how the circuitry is used by hosts to reduce the risks inherent in hosting. I'll also detail how money serves as a powerful symbol within this component of the sharing economy.

Social circuitry in the sharing economy

In a traditional circuit of commerce, the focus is on personal relationships that lead to economic exchanges. But in the sharing economy, specifically Airbnb, the desire for an economic interaction (renting a space) creates the need for a quasi-personal relationship between host and guest, and the shared meanings and accounting are more prevalent within the community of hosts than between hosts and guests. Due to this hybridization of circuits, I refer to this as a *social circuitry*, a term that is evocative of the cloistered world of socialites and of the engineered nature of the relationship. This *social circuitry* has three primary characteristics: (1) The desire for economic relationships leads to the creation of a temporary facsimile of a personal relationship; (2) An obligation to shared meanings and accountings that can be shared with the larger “host community” (and that is clarified with guests through money); (3) Adherence to platform boundaries.

The hybridization of concepts within informal markets has also been noted by Cholez and Trombette (2016, 149) in their study of micro-entrepreneurs in Madagascar and the “forms and characteristics of economic exchange uncertainty.” In their study of the fish processing (catching and delivery) circuit, vehicle battery repair network, and daily sale of food stuffs, Cholez and Trompette describe an economic circuit as “a socio-technical and spatialized chain which organizes on a regular and continuous basis the circulation of goods and payments between ‘kinship’ partnerships” (2016, 148). However, on Airbnb, where most hosts and guests never meet in person, rather than the development of a “kinship” partnership, the focus is on the creation of an interaction that has a guise of a personal relationship. Hosts and guests don't create a strong relationship so much as they convey enough information to create a superficial linkage. Hosts, who are even less likely to meet, identify a sense of community and community norms with other hosts, using such norms to support their

claims regarding the appropriateness of certain behaviors. Furthermore, money not only serves as an impetus for the temporary relationship between the host and guest but also assists in the development of good matches.

(1) *The desire for economic relationships leads to the creation of a temporary facsimile of a personal relationship;*

On Airbnb, users are commonly thought of as falling into one of two categories: hosts or guests. However, these categories are not mutually exclusive. Users are not required to just focus on hosting or renting but often use the service in both roles, sometimes simultaneously (i.e. hosts who rent out their homes while staying in a vacation Airbnb). Regardless of their end goal for the site, all users must register, which requires providing a first and last name, email address, and birthday. Once registered, users are prompted to complete a user profile that provides additional self-description in order to “Help other people get to know you.” Suggested topics include five things you can’t live without; favorite travel destinations, books, movies, shows, music, food; your “style of traveling;” and a life motto. All users are also urged to upload a personal photo that clearly shows his or her face.

Hosts also post a listing profile, which includes pictures of the space for rent, a list of applicable rules (such as no smoking, pets, or children), and placing a location “pin” on a map, so that prospective guests can understand where the space is in relation to landmarks and local transportation. The listing profile also includes information about amenities such as tv, shampoo, air conditioning, hair dryer, kitchen and internet.

This information – provided by the host and guest, but prompted by Airbnb – is an example of Web 2.0, in which users produce content, as opposed to Web 1.0 where content is provided by professionals (Ritzer and Jurgenson 2010). This user-provided content helps to connect host and guest in an intimate relationship by conveying “information and attention not widely available to third parties” (Zelizer 2010, 315). This connection, a simulacrum of an actual relationship, is necessary so that hosts feel comfortable with a stranger accessing their home and possessions and sleeping in their bed. Even though the connection is an often necessary step in the creation of an economic relationship, hosts describe it as providing a high level of comfort, even as they acknowledge that the potential guest’s representation might be a facade:

What I’ve found neat is how quickly a stranger, no longer seems like a stranger when you exchange messages back and forth ... even though people could totally be lying and misrepresenting themselves, whatever. It’s interesting to me the high level of comfort I get as soon as I look at someone’s pictures of themselves and they tell me their reason for visiting and we exchange some notes back and forth about the place. The degree of comfort that gives me is like disproportionately high maybe. Then it’s like not a stranger, it’s like this girl and her boyfriend from Italy who are coming to New York for the first time and are excited about having a barbecue in the backyard, you know. (laughs) – Ramona, 28, Airbnb host

Like many hosts, Ramona and her boyfriend rent their entire apartment. As a result, they rarely meet their guests. Even key hand-off is often conducted remotely or through an intermediary. As a result, the focus is on the creation of an interaction that has a guise of a personal relationship. Hosts and guests don’t create a strong relationship so much as they convey enough information to create superficial linkages that are used as a form of reassurance of similarity.

This need to present “reassurance information” is a two-way street. Hosts also share personal information about themselves and their homes, including photos, in an effort to address issues that potential customers might be concerned about, and to ensure that they are able to attract desirable guests. Once again, this creation of a personal relationship and sense of familiarity is necessitated by the desire to have an economic relationship. This need to find a “good match” is especially important if the host will be present during the rental, a rarity in New York Airbnb listings, but one of the few legal uses of the service. For instance, Daniel, a 31-year-old branding professional, and his girlfriend utilized such phrases as “a smoke-free house keeps our linens fresh” in a conscious and intentional effort to let people know that it was a clean apartment – and that smoking would not be welcome. As Daniel describes their profile, it was full of “clues” that would be understood by like-minded guests:

Just little things, like, 'We always have avocado available in the kitchen for you guys.' Yeah, it was a very conscious effort to make it like a certain personality and like, here's who you're going to be staying with without saying it that directly. We definitely want to give people clues for like, you know, you're going to be with a couple, we're young professionals and we're probably not going to be out drunk all the time, but we're probably going to come home late. And it helps people who also do that to be like, 'oh cool, I can probably find a bar with them' (Ravenelle 2017a, 33).

Presenting the "personality" of young professionals with an avocado-stocked kitchen is a way to further ensure that hosts are able to attract like-minded guests. Hosts also take the opposite tactic – as international graduate students, Ramona and her boyfriend were worried about possibly scaring off desirable guests by coming across as too different. As a result, Ramona's boyfriend created the listing under her name appear safer and then they "packaged ourselves as a couple which was also a calculation about making ourselves appear normal" (Ravenelle 2017a, 34). Such "packaging" allows Airbnb hosts are able to create common ground with potential guests, thereby creating the possibility for an economic relationship by reducing potential guests' concerns about renting a stranger's home.

In addition to hosts marketing themselves, as part of the Airbnb booking process, guests are also urged to personally introduce themselves to the host through the service's private message service. Airbnb explains that "Giving your host more information will make them more likely to confirm your booking request" and helpfully provides a few conversation starters: "Tell [host name] a little about yourself; What brings you to New York? Who's joining you?; What do you love about this listing? Mention it!"

Having often put a good deal of time and effort into their listings, hosts expect the same from potential guests. Individuals whose profiles are incomplete or whose initial message doesn't provide enough information or a believable explanation for their visit are immediately considered to be suspect and may be declined. Christopher, 40, noted that he was "hypercritical" of the potential guest's initial message and would probe for additional information; guests that were not "forthcoming" were simply declined. Aalia, 30, described herself as "very picky," noting that she totally judges by the cover. "If I don't feel good vibes, or if there's not a long enough message about them that I feel comfortable, I just don't do it" (Ravenelle 2019, 168).

The expectation among the hosts I interviewed is that "real" guests will provide information – and will also desire information – about the listing before attempting to enter an economic relationship with a stranger. Unfortunately, it is impossible to get statistics on the percentage of guests declined by hosts. However, the majority of hosts interviewed mentioned declining at least some guests on the basis of their profile or initial email, while "picky" hosts, such as Aalia, above, described themselves as rejecting most requests.

Airbnb's effort to utilize digital interactions to create pseudo-social relationships between guest and host also helps hosts to feel increased comfort with opening a home to relative strangers. Guests who don't fulfill the community norms of being "forthcoming" are declined. Providing additional information to a host is a way to demonstrate an understanding of the importance of the social relationship to establishing an economic relationship within the circuit. This converting of otherwise impersonal economic transactions to personal interactions within the larger observations of the group is hailed as one of the great accomplishments of the sharing economy, allowing *Gesellschaft* transactions to become *Gemeinschaft* ways (Ravenelle 2017a).

Although Airbnb is often compared to hotels and many listings are managed by rental companies or by individuals who have incorporated their Airbnb listings, the desire for an economic relationship creates a social circuitry whereby the emphasis on social relationships transforms behavior expectations. Zelizer (2010, 304) notes that circuits of commerce "embody and emphasize the centrality of negotiated meanings and social relations in the very economic transactions that analysts have often thought of as impersonal and detached from rich social life." However, with Airbnb, the circuitry is reversed: instead of relationships leading to economic interactions, the desire for an economic relationships requires that hosts and guests create

the appearance of a rich social connection with each other before engaging in an economic transaction.

(2) *An obligation to shared meanings and accountings that can be shared with the larger “host community”;*

The shared system of evaluation and accounting is provided by Airbnb – reviews, ranking criteria and Elite host badges – but is based on user responses. Put another way: Airbnb defines the questions, but the answers are determined, and provided, by hosts and guests. In this way, users both create and utilize the information posted in Airbnb. Likewise, the practice and participation norms are also a joint project between users and the company: Airbnb suggests what people should include as background information in inquires and listings, but adhering to these norms is regulated by users who may decline requests or reject properties outright.

Because it is partly controlled by the users, the review system becomes a shared system of evaluation and accounting. Immediately after a renting experience, guests are sent a short feedback form where they can score the host and their space on such measures as communication, cleanliness, value and listing accuracy (i.e. accurate photo depictions). In addition, guests and hosts are also given the opportunity to write a short review of their interactions that is posted on the other user’s profile.

The shared system of evaluation ensures all users are both reviewer and reviewee. As a result, there is strong social pressure regarding what’s an acceptable review. Hosts refrain from giving negative reviews out of fear that they’ll alienate guests or lose future customers.

We’ve had a range of tenants. Some have been really great and some have been so high maintenance like I can’t tell you. But we’ve come to realize you just have to give everyone a good review because even after the review process, they are going to maybe recommend you to their friends or whatever, so imagine if you read something personal about you, like ‘this family was like a real pain to deal with.’ (Amy, 36)

Amy’s experience of posting positive reviews is in line with other research findings on online review systems. Zervas, Proserpio, and Byers (2015) compared more than 2000 listings on Airbnb, which allows mutual guest and host reviews, and TripAdvisor, which only allows guests to review. They found that the number of cross-listed properties rated 4.5 stars or above was 14% higher on Airbnb than on TripAdvisor. Meanwhile, the number receiving a perfect score of 5 stars was 18% higher. In a *New York Times* interview, Zervas noted that the mutual reviewing was an incentive that encouraged “the overreporting of positive experiences and the underreporting of negative experiences,” and theorized that knowing that guests will also be reviewed leads to an increase in the scores they give properties (Streitfeld 2015).

While hosts give good reviews, hosts are also careful to temper the positive message of their reviews when a hosting situation requires such an action. One solution is to simply describe the guests as “nice,” rather than discuss a problem. Such lukewarm praise – while it appears positive to the guest – can be enlightening to other hosts.

These particular guests were pigs. They were not clean at all and I was almost frustrated with how unclear they were, but at the same time they were very nice personality-wise. So I just said ‘nice people,’ I said just few words. I couldn’t get myself to say what I say about my other guests but that was only time when I was like, ‘oh God they’ve left such a gorgeous review for me’. And I was like, ‘alright’ I would just say they were nice, that’s it. (Aalia, 30)

A similar tactic was utilized by Andrew, 28, who rented his second bedroom to a mother and daughter as part of an Airbnb apartment share. Describing the daughter as not “really accustomed to sharing space with other people,” Andrew struggled with how to word his review.

They were super sweet. How do I word that in a way that it doesn’t offend her but also it makes other hosts aware of the fact that she was a little bit loud and not always cognizant of the fact that I wanted her to be quiet or that she was in the common space talking to her mom in another language, very loudly, incessantly.

Whereas many of his reviews describe guests in glowing terms, and emphasize how considerate they were, Andrew's review of the mother and daughter simply described them as "very nice" and emphasized that they wanted to explore the city. The diplomacy exhibited in such reviews, such as describing loud or messy guests as "very nice," further contributes to the circuit by allowing fellow hosts to "read between the lines" without alienating potential guests. However, when there's a risk of a true problem – something more disruptive or risk-engendering than a loud-spoken youth or messy guest – hosts take their "obligation" to warn other hosts seriously, as the next section will discuss in more detail.

The user-generated reviews on Airbnb serve as a shared system of evaluation and accounting, whereby both guest and host can hold each other accountable. However, while hosts and guests rate each other, they do not always share meaning in regards to the exchanges. When there is an especially large gap between the meanings held by hosts and guests, hosts use the reviews as a way to communicate with the "host community" and warn of a potential problem.

While guests may feel that they are renting a property or space, hosts feel that they are renting out their home or their personal property. While this gap between users has been found among users of sharing economy transportation services including RelayRides (Fenton 2013) and Zipcar (Eckhardt and Bardhi 2015), the gap can be especially problematic when it comes to host efforts to protect homes or personal effects. In addition to protecting their possessions from damage or theft, hosts must also ensure that their guests don't attract the attention of neighbors, landlords, or city officials.

James, 36, came home from a trip to discover that a party had been held in his home, as evidenced by a floor full of dirty footprints, multiple empty liquor bottles, and items removed from a closet he used to hide personal possessions.

I reached out and gave them a horrible review on Airbnb ... The guest reached back out via text message and was really apologetic of everything they had done to our home. Asked for forgiveness and I didn't give them forgiveness because they basically trashed our place. So, because of that experience, I'm going to be more thoughtful in terms of who I let in.

As part of his strategy to be "more thoughtful," James intends to look potential users profiles and reviews more closely. He explains, "Taking a look at the profile. Making sure that I'm really actually reading the reviews. And only renting the people that have previously stayed as Airbnb guest. Hopefully, they have multiple reviews too." As someone who uses the reviews to communicate with other hosts, James also expects to be able to read reviews closely to learn if future potential guests might also cause problems.

By only renting to individuals who have been essentially pre-screened by other hosts and stayed successfully, without incident, James highlights the importance of other hosts and the shared meanings used by hosts within the social circuitry. A similar party situation experienced by Joshua, 32, also highlights host perception they have an obligation to inform other hosts about the potential for problems. In addition to giving his party-hosting guests a relatively low 3/5 score, Joshua mentioned the party as something other hosts should explicitly ask about:

[Some guests] smoked weed, and put footprints on the wall. But didn't break anything. They didn't like, steal anything and then smash anything. The apartment was like, still able to be revitalized ... I left him a three-star review. Not like a one-star. I was just like, I was like, 'look, like, they threw a party at the apartment. I would've probably let them throw a party at the apartment, if they would've told me they were going to throw a party at the apartment.' I wish they wouldn't have let their cake melt and get all over the floor. So my cleaning person scraped melted chocolate off the floor. But on the other hand, they didn't do anything that terrible. I would just say, 'Look, if you're going to host these people, just ask them if they're throwing a party. They weren't bad guests, they just had a party.'

Joshua's comments further highlights the use of reviews as providing "shared meanings" between hosts. A bad guest is one who destroys an apartment or results in damages or theft. A party or a bit of a mess – while not ideal – is not entirely unexpected. By warning fellow hosts to ask about party plans, even as he notes that the guests were "not bad," Joshua demonstrates that he understands

the norms of the community, the need to share information, and that other hosts will consult the reviews as a way to reduce their sense of the unknown.

In order to further clarify shared meanings in regards to the exchanges, some hosts also reach out to guests privately to let them know that certain behavior isn't acceptable. This allows the host to feel as though they are fulfilling their obligations to other potential hosts, while still avoiding the potential fall-out of a public chastisement in a guests' review. Jessica, 30, usually won't rent to two men, but makes an exception for gay couples, who she believes to be cleaner than other guests. One particular couple left "trash everywhere" to the point that her cleaner messaged to note that she "would be pissed" if she saw the condition of the apartment. Jessica found the situation to be particularly bizarre because the same guests had broken and then replaced several wine glasses.

I had to believe again that they are inherently good people, they actually just like didn't understand the protocol of Airbnb community I think. They treated it like a hotel room when it's a home. And so I actually, I left them a positive review because like I think I would host them again but then I sent them private feedback and I was like 'hey, you guys like actually left the place really messy and like that's not typically my expectation and you will find on Airbnb that other hosts expect the same.'

Jessica's use of "community" to describe Airbnb, along with her comments to the guests about what other hosts "expect," further supports the idea of the hosts being used as a reference point for maintaining social norms. It's important to note that James, Josh, and Jessica have never met. They do not attend any Airbnb hosting events. They have not sought out other hosts to develop relationships. And yet, as hosts who are all engaged in illegal full-apartment hosting, they identify with each other as part of a community. Although hosts do not take action en masse, their dissatisfaction with a particular hosting experience and guest, can lead to actions that are "complementary" to the existing formal review structure and serves as form of institutional work that helps to continue Airbnb by policing the meanings and accounting applied to stays (Gollnhofer and Kuruoglu 2018).

Hosts exhibit shared meanings in terms of what is acceptable behavior (some messiness is allowed, although neatness is best; asking permission before hosting a party) in their reviews, with guests given generally positive reviews. Aware that negative reviews can affect a guest's ability to rent in the future, hosts relied on measured terms, such as "disappointment" in their reviews or reach out to guests privately when guests exhibit behavior that is unacceptable within the social circuitry. The feedback given to guests, whether privately or through reviews, results in "mutual monitoring" (Zelizer 2010, 307) but also helps to maintain the social circuitry through semi-formal sanctions and serves as a form of institutional work for hosts.

(3) *Adherence to platform boundaries.*

Membership in the circuit is set by company controls and also through site norms. For instance, Airbnb requires prospective users to register on the site – one cannot book a room, provide space to rent or even contact a host without first signing up for an account. While Airbnb generally embraces Web 2.0 user-generated content, the company makes an exception when it comes to payment and contact between consumers and producers. To reduce the risk that users will contact each other outside the platform, Airbnb's security settings prevent phone numbers and email addresses from being shared until payment has been secured by the company.

Airbnb staff also actively monitor listings to ensure that rental transactions meet their expectations. For instance, a listing for an igloo, posted during New York's 2016 blizzard, was deleted within a few hours due to its lack of running water and electricity (Hathaway 2016). Other extreme listings, such as sleeping in parking lot (Oakley 2016), sleeping in the back of a Tesla (Biddle 2015) and a 22-bed, two-bathroom hostel-like listing (Biddle 2014) have also been removed for violating site standards. In 2015, as part of a data release to demonstrate that most Airbnb hosts were small-time renters, Airbnb reportedly deleted more than 1000 listings from the site in an effort to "define membership" as small-time hosts as opposed to the Corporate hosts previously identified by the New York State Attorney General (*Airbnb in the City* 2014).

One of the boundary-creating services offered by Airbnb is for users to be “verified.” This verification involves linking the Airbnb profile with other online social networking accounts such as LinkedIn or Facebook or uploading off-line identification such as a passport. Verification further defines membership in the circuit: individuals who are not verified can be prevented from renting or hosting on the site, further strengthening the boundaries. Hosts often mention that they will only rent to verified users and generally prefer people with reviews:

So like if they are not verified they cannot rent with or book with me. (Jessica, 30)

If someone doesn’t really have many reviews, I don’t feel as comfortable. (Samantha, 23)

The information requested in the creation of a profile, such as city and state, is also used by hosts to reduce their sense of risk. New York hosts often mentioned a reluctance to rent to fellow New Yorkers, suggesting that locals should not need to rent on Airbnb since they presumably had their own homes. A rental request from a local was often seen as possible trap set by a landlord or management company and often denied as a form of risk management.

The circuit also regulates the type of communication between users by controlling the transactions that could cross the boundary. Researchers who have used Airbnb to study discrimination by setting up audit study test accounts have had their accounts suspended, ostensibly because they maintained multiple accounts simultaneously. In this way, the circuit boundaries control the communication that can occur: actual rental requests are allowed, those sent for research purposes can be shut down.

The boundaries within Airbnb are both real and symbolic. Airbnb controls listings and communication between hosts and potential guests, and the use of verified listings creates electronic boundaries that define membership within the circuitry. The only way to participate in Airbnb is by entering the site and communicating within its messaging and payment system. Individuals who violate Airbnb’s rules can be removed or deactivated from the “community.” Additionally, the content and presence of reviews creates a boundary between individuals who have earned the approval of fellow circuitry members and those who are new to the site and may not understand the circuitry norms. User reviews are integrally “involved in the constant negotiation and maintenance of relations” (Zelizer 2010, 307) as hosts create and utilize the reviews in the process of deciding who to accept as guests.

The adherence to boundaries with Airbnb hosting also extends to the stay itself. Hosts believe that guests should remain within the boundary of their stay and they prefer guests who leave a home spotless. Great guests were often described as those who left the home so neat that the host couldn’t tell that they had been there, and hosts gave especially positive reviews of guests who left the apartment cleaner than it was when the hosting began. When guests violate this boundary, the reminder that a stranger was in their home – along with the implications of such behavior – can be jarring.

- Gabriele: People just don’t clean out the trash, it’s something I always tell them. I’m like ‘Guys, if I come back – especially if I come back way after them – please take trash out with you’ ... I came back and this family had left their Pampers in the trash and when I got back there was this entire – this trail of little snails going into the trash and it was horrible. I nearly fainted when I saw that. It was so gross and that’s the kind of stuff I get upset about because it’s just not ... When I go stay at somebody’s place I take my trash, I take the sheet off, and I fold them together ...
- Interviewer: Snails? Like complete with shells ... ?
- Gabriele: No, no I don’t know how to call them in English; they are like tiny white ones.
- Interviewer: Maggots?
- Gabriele: Yes, yeah, oh not snails.
- Interviewer: On the ground?
- Gabriele: You know the baby ones? Yeah ... Hundreds ... It was so gross, oh my God ...

Guests who left behind reminders of their stay – such as a smell, mess, or evidence of rifling through personal possessions – were judged negatively for violating community norms and host expectations regarding the invisibility of their presence, and reviewed accordingly. In addition, although the stay

itself and communication within Airbnb falls within boundaries, hosts feel comfortable taking advantage of digitalization to go beyond the boundaries of Airbnb to get information about potential guests. After her maggot experience, Gabriele began to screen her potential guests much more by engaging in online “stalking.”

After that I really started using the social network and stalking them a bit ... I look what kind of job they have; I try to find their social profile on Facebook. There's always something available, it's kind of scary actually ... Yeah, there's always something that you can find ... Seeing the picture and seeing how they live and who they hang with gives me some feeling of reassurance that I know something about these people that I am letting into my private space.

Hosts rarely mention going outside the boundaries of the platform for information until they experience a guest who violations the boundaries of a stay by leaving reminders of their presence. But after a boundary violation, such as leaving behind maggots, or hosting a party, hosts feel justified in “online stalking” in their effort to manage their future risk.

Money helps to make the match

In my interviews with respondents, I found that the promise of payment was integral to the hosting experience. Within the social circuitry, the desire for an economic relationship is the impetus for the creation of a temporary facsimile of a personal relationship. As noted in Ravenelle (2017), Airbnb hosts are not sharing so much as they are temporarily selling space in their homes. Whereas Schor et al.'s (2016) food swap participants inhibited the formation of matches and undermined the development of robust circuits of exchange through displays of distinction, among the Airbnb hosts, money can sometimes override distinction. For instance, Andrew tries to position his apartment as a “luxury share.” He identifies himself as “trying to appeal to travelers who are slightly better-heeled, but also willing and wanting to pay for a nicer experience because of all the luxury bed linens from Bloomingdale's.” He describes his target demographic as valuing design and quality.

An appreciation for really good food, perhaps seeking out more local authentic experiences and less mass market. I think those values are pretty important. I can immediately tell whether or not my guest subscribes to those values by whether or not they visit Woodbury Commons. A fair number of them do visit Woodbury Commons and that's not something that I would advocate to any. That's definitely not the demographic that I would choose to have to stay with me but it's also you can only be so choosy right now.

Although Woodbury Commons is an outlet mall, it is often described as a “premium outlet” and features such stores as Chanel, Gucci, Versace, Prada, Yves Saint Laurent, Tory Burch, Kate Spade, Chloe, DVF and Michael Kors. If these guests were shopping at the flagship stores on Fifth Avenue, Andrew would likely applaud their luxury taste but the shopping center carries the stigma of being a discount center. Still, he rents to these individuals because he needs the money and “can only be so choosy right now.” While Andrew would prefer to exhibit a high level of distinction and only rent to individuals who value “local authentic experiences ... less mass market,” who he considered to be a good match, the need for funds leads to the development of a social relationships. As noted by Bandelj, Wherry, and Zelizer (2017, 3), “money possesses extraordinary powers to shape social life by reducing it to an economic calculations,” and the promise of money “creat[es] bonds between an individual and the collective” (Moor 2018).

Money also leads to a shared system for accounting and shared meanings in regards to the exchanges. Even though Airbnb is often described as a descendant of the free service Couchsurfing.com, few of my respondents had participated in Couchsurfing, either as hosts or guests. While one of the criticisms of money is that it “contains an inexorable capacity to reduce all transactions, relations and moralities into objects of the market” (Bandelj, Wherry, and Zelizer 2017, 15), turning a stay into an “object of the market” was crucial to encouraging hosts to open their homes. Hosts described the exchange of money as clarifying expectations and leading to shared meanings and accountings and strengthening the idea that the relationship is strictly a business obligation. Several respondents

mentioned that staying or hosting without money could suggest that payment via sexual services might be expected. For instance, Joshua who has a self-described “Airbnb syndicate” of ten listings, set up a Couchsurfing profile, but was quickly overwhelmed by requests for free housing and removed his listing. However, he has a friend who considers the quantity to be part of the appeal.

I have a friend who does CouchSurfing all the time to meet women ... They come and stay and yeah ... I suggested ‘why don’t you get on Airbnb?’ He’s like, ‘yeah, I don’t need the money. I prefer the sex.’

The idea that sex may be part of the equation in sleeping in a strangers’ house was also why Samantha, 23, signed up for a Couchsurfing account but opted against using it.

The paid nature of Airbnb makes you feel they’re not trying to get something out of me, whereas as a single female traveler I would probably not feel comfortable sleeping on some guy’s couch, just hoping it’s in the goodness of his heart that he’s willing to let me stay there ... So, if you paid for it, you feel it’s an obvious economic incentive for them to be doing this. It’s not some risky situation.

As Samantha’s quote illustrates, the financial component of Airbnb ensures that host and guest have clear-cut expectations about the meaning of the exchange as being about financial, as opposed to sexual, obligations. Rather than money and morality standing in opposite corners, (Sandel 2013), money actually allows for strangers to stay without the suggestion of sex, heightening a morality of purity and sanctity. While Singh (2017) finds that money serves as a tool of intimacy and expression of care, strengthening connections through familiar remittances, in the case of Airbnb hosts, money both makes a connection between guest and host possible and ensures that it remains impersonal.

Airbnb’s access to guests’ credit cards and a damage deposit is also seen as an asset for hosts and as a system to ensure shared meaning in regards to potentially problematic issues such as damages. After a bad experience with a family member, Andrew, who is attempting to attract wealthier, design-conscious guests, prefers to go through Airbnb when guests stay with him.

Andrew: I generally prefer people to go through on Airbnb for the insurance factor and security deposit ... it’s just nice to have, especially the security deposit because accidents happen.

Interviewer: Have you had accidents?

Andrew: Yeah. My uncle, who’s kind of large, broke one of the [vintage] chairs in the bedroom ... so that’s a big fiasco.

As a family member, Andrew’s uncle stayed for free, outside Airbnb and the company’s damage deposit. As a result, the need to “haggle about how much he’s going to pay me to fix it” and the process of finding a repair service was seen as an ordeal that could have been easily avoided by using Airbnb. Circuits have been viewed as a response to the trust problems that arise when transactions move from interactions between kin into the larger economic sphere. Yet, for Andrew, the social circuitry offered by Airbnb – with defined meanings and security deposits – is seen as stronger than, and preferable to, relying on a familial relationship where obligations are less clear-cut. When using Airbnb, the relationship between host and guest “define[s] the appropriateness of one sort of a payment or another” (Zelizer 2000, 818). Drawing from Zelizer (1996; 1994), the rules and norms of Airbnb make it possible for Andrew to demand funds for the broken chair under the distinction of compensation, which implies an equal exchange of values (money for chair) and a certain distance, bargaining and accountability between the host and the chair-breaker. By comparison, when his uncle stays outside the Airbnb boundary, the familial bonds reduce the uncle’s obligation to pay for the stay, and blurs the boundaries of payment for the broken chair, leading to relational work (Zelizer 2012). As a result, the relationship between uncle and nephew leads them to “establish a set of distinctive understandings that operate within that boundary, designate certain sorts of economic transactions as appropriate for the relation, [and] bar other transactions as inappropriate” (Zelizer 2012, 145). Without the boundary clarification of Airbnb, Andrew and his uncle must clarify what is expected by way of obligation and payment, if any at all.

Finally, the cost associated with Airbnb was also viewed as a boundary for defining membership in the circuit. The price of the rental, while less than a New York City hotel, was also seen as a crime-deterrence mechanism. Guests who could afford to rent the space were seen as financially well-off, thereby less likely to steal from the host. In this way, “price itself [is] valued as a cultural signal” (Beckert and Aspers 2011, 10) that can be utilized to segment the market. As Brittany, 24, explained,

I know there are good people out there that aren’t going rob me every time they come into my house. Also they are paying a lot of money to stay there. So it’s unfortunate that money factor has to be such a factor.

While Brittany starts her discussion of theft as noting that there “are good people,” much more of her sense of security comes from the financial component undergirding the temporary relationship. In this way, the price of an Airbnb rental is seen as a “monetized apparatus for the pricing and distribution of risk” (O’Malley 2011, 547).

Conclusion

As in many other realms, such as retail shopping, marketing, and work, digitalization has transformed the market, creating markets and new expectations for markets. Within the sharing economy especially, digitalization has given rise to novel market forms and reduced classic obstacles, even as it contributes to an outsourcing of risk to individuals (Ravenelle 2017; Hacker 2012; 2006). The sharing economy, and Airbnb in particular, has turned ordinary individuals into hoteliers and led to the development of the “cheap chic hotel brand trend” as a new competitor (Glusac 2018). As a result, Airbnb is an ideal setting for examining how digitalization and the sharing economy lead to the hybridization of standard economic concepts such as markets and circuits.

In this paper, I argue that digitalization and the rise of the sharing economy leads to the hybridization of previously pure economic concepts such as markets, circuits of commerce and institutional work. Within the sharing economy – itself a hybridized term – the outsourcing of risk from corporations to workers leads to the development of a social circuitry as a protective strategy. Much like participants in the underground economy studied by Venkatesh (2006), Airbnb hosts are engaged in “informal economic activities [that] bypass the existing laws and regulatory agencies of the state” (Portes 1994, 431). Unlike Zelizer’s economic circuits, where personal relationships pave the way for economic connections, within the social circuitry it is the desire for economic relationships that leads to the creation of a temporary facsimile of a personal relationship. The social circuitry also includes an obligation to meanings and accountings that are being shared with the larger community and an adherence to platform boundaries.

Given that the impetus for developing the social circuitry is the desire for funds, this paper also addresses the role of money within Airbnb. In Airbnb, the promise of funds are integral to the development of matches and provides the impetus for developing a facsimile of a personal relationship. The promise of funds can override distinction, thereby reshaping social life by moving the focus to economic calculations. Additionally, the funds involved in an Airbnb further leads to a shared system for accounting by turning the stay into an object of the market and clarifying the relationship between host and guest as a business arrangement. This clarification further defines the appropriateness of payments in the case of damage and is used to define membership within the circuit as both a cultural signal and tool for market segmentation.

This paper contributes to the larger body of work on circuits and a growing discussion about peer-to-peer networks and marketplace and how they fit into the more traditional economic structure. The research also adds to knowledge on the social impact of digitalization and how digitalization can lead to the hybridization of previously pure concepts such as markets and circuits. This article further contributes to research on informal markets and how users of such markets seek to protect themselves from potential risk through social circuitry, a novel form of institutional work that it is a hybridization of Zelizer’s (2010) circuits of commerce. Although hosts rarely interact with each other – or their guests – the larger community of hosts is utilized as a reference point for maintaining

community norms. Through social circuitry, hosts seek to protect themselves from problematic guests, or detection by the city or a landlord by seeking guests who are a “good match” and by developing a sense of community with other hosts.

As a result, this paper supports the premise that the sharing economy, as a new economic movement, is not only creating market change by establishing new markets and marketplaces but can also give rise to social circuitry that changes existing economic practices. This work further contributes to the study of the societal impact of digitalization and contributes to the literature on informal markets and the utilization of such markets by upper-middle and middle-class workers.

While outside the scope of this paper, additional research could examine the role of trust services in potentially reducing the need for hosts to engage in screening or internet stalking of guests. Although Airbnb does not appear to use any of the “trust market” services that have arisen in recent years, such as Traity or TrustCloud (platforms that promise to collect “digital exhaust” and measure reputations based on social media interactions), such services could further contribute to the digitalization of these markets and quantify trustworthiness. If hosts could rely on an actual trust rating for potential guests, it could reduce their desire or perceived need to screen guests in their effort to find appropriate matches. These services might also reduce the reliance on money as a tool for boundary maintenance or shared meanings.

Digitalization has made the sharing economy possible and continues to have a growing impact on social life. However, as with any novel market form, numerous questions and concerns remain and need to be addressed. While the peer-to-peer marketplace has reduced some of the classical barriers to strangers participating in economic exchange, it has also given birth to an increased outsourcing of risk and the need for workers to protect themselves from the dangers or risks that could be associated with strangers in one’s home.

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