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## NEW TENDENCIES IN TOURISM: THE SHARING ECONOMY

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**Abstract:** *The sharing economy is a phenomenon that has emerged in the recent years as a response to the technology development, the changing of the peoples' consumption habits, and environmental changes in terms of sustainability. This new economy model has had a rapid rise and has all the chances of becoming the economy that prevails on the market in the coming years. The new economic model has a market orientation and generates new business, new jobs, and growth in economy and income sources. The collaborative economy has also made its mark on the tourism. If the tourist services have been only traditionally provided a few years ago, there has recently been a new tendency in this area, namely to share goods/services. It is important to remember that this type of economy creates values such as trust, transparency, authenticity, and mutual help. This article attempts to highlight how the collaborative economy has put its footprint on the tourism, what are the challenges, benefits and impediments to such an economy.*

**Keywords:** sharing economy; tourism; competitiveness; regulations; challenge.

**JEL classification:** O35

### 1. Introduction

In the recent years, the world economy has been undergoing profound changes. The 2008 economic crisis has prompted consumers to be more careful about how they plan their spending. The peoples' concerns, the development of the Internet and the easier access of the population to it, have created the right moment to create and develop online platforms that are needed to link those who own goods they are willing to share and consumers wishing to use the goods (Cheng, 2015). This is how the concept of collaborative economy has been born, which is in a continuous rise today. This type of economy can create great opportunities for consumers, businesses and citizens and can also create new jobs, growth, and income sources. Being flexible and focused on the individual, the collaborative economy can lead to the development of creativity and will bring revenue in specific ways and intentions. Martin (2017), member of the World Economic Forum Governing Board, underlined that addressing a collaborative economy marks a significant change from our traditional consumption methods. Choosing transportation based on the recommendations made by previous passengers, borrowing tools instead of purchasing them, are just a few of the ways in which the collaborative practices evolve in certain cities.

Tourism is a sector full of opportunities and access to this market is relatively easy due to the low entry barriers (Badulescu & Badulescu, 2012). This opportunity also extends to the collaborative economy. In addition to the positive impact that this type of economy has on the economy and society, there are also some negative aspects that could hinder its development. A negative aspect would be that there is no clear regulation in the field, and this can lead to lower consumer confidence and a lower

level of people's trust in these services than the traditional ones. Another negative aspect may be that the traditional business is threatened by new business models. Reducing the safety regarding the travel and the city congestion is another shortfall in this type of economy (Kerstin & Del Mar, 2017).

## **2. The sharing economy and the tourism**

Starting from the fact that the collaborative economy makes its presence felt more and more in the economy, we ask ourselves how this type of economy manifests itself on the tourism and what are the challenges, the benefits and the impediments that come with the collaborative economy. Just as the changes in the economy, as well as the behavior of the consumers who are in a continuous movement, the tourism industry has also a strong dynamic lately. The behavior of tourists takes on a new trend, and the collaborative economy model fits very well in this context, changing the traditional tourism, giving tourists new opportunities in terms of where to stay or what to do.

In the field of tourism, the collaborative economy has made its mark especially in the hotel (accommodation) and the transport area. Thus, reducing the cost of accommodation has the effect of increasing the frequency of trips or planning the tourists' stay over a longer period of time (Tussyadiah & Pesonen, 2015).

Talking about accommodation, platforms such as Airbnb, Homeaway, these offer people a place to stay more affordable than the hotel prices, especially if it's in the big cities of the world. In some situations, the accommodation conditions are even better than those found at an average hotel. Especially after the last economic crisis, the consumers of tourist services are much more careful when planning a holiday, which is why they want to find good accommodation conditions at affordable prices. But "The price is not the only reason: the common dwelling is also rated because it allows access to single accommodation units or has a more authentic experience; In the collaborative transport, the comfort in travel is also a reason for participation" (Mohlmann, 2015). The collaborative platforms, in particular, enable consumers to easily compare prices between different vendors, find out more about the product or service offered, analyze the opinions of other users, and in many cases communicate directly with the product or service provider (Roser, 2018).

The challenges of the collaborative economy are many. "First, renting could have severe disadvantages, creating new class divisions and more inequality. Second, Internet platforms are not necessarily egalitarian; they are themselves giant corporations which undercut gig workers' benefits. Third, the long term sustainability benefits of the sharing economy are unclear. Fourth, there are security and trust concerns with respect to the sharing economy" (Ganapati & Reddick, 2018).

Another challenge is the change in the behavior of tourists, but also the expectations they have from holidays. Lately, more and more tourists are increasingly attracted to the idea of organizing their own holidays or trips. They can live and experience new things, they also have the opportunity to discuss, eat or share information with the inhabitants. This makes the trip an authentic one. The peer to peer accommodation offers the opportunity to live for a short period in the local neighborhoods which are usually not accessible to tourists (Tussyadiah & Pesonen, 2015).

The benefits of such an economy cannot be disputed, even if there are opinions that come to contradict this. In the first place, it creates competitiveness that leads to the improvement of the services in the field, new jobs that generate sources of arise the incomes. Secondly, people are looking for much more information about where they want to go, so they are enhancing their knowledge and become more interested. Moreover, they have the opportunity to socialize and develop their creativity. Another

benefit is that people manage their own resources and the resources from the environment more efficiently. Transparencies, authenticity, trust, mutual help are values that are created by this system. Those able to anticipate and control the collaborative economy can reap economic, social, environmental benefits by providing wider access to products, services, talent and experience than what can be done when everyone is a unique possessor. In the recent years, a number of organizations have been emerging that seek to promote and boost the collaborative economy, but also to connect the participants to facilitate the transactions.

According to a report presented at the World Economic Forum entitled "Collaborative Economy in Cities," "the fast-growing collaborative economy platforms and companies behind them now have a total market share of \$ 4.3 trillion, employing directly 1.3 million people "(World Economic Forum, 2017). The opinions against the sharing economy say that it has developed very quickly because the regulations in the field are weak. Since the negative impact of the collaborative economy on communities and the market is in full swing, the government agencies must find solutions to the negative consequences that may arise. In this context, the researchers from government agencies or IT must expand the scope of the survey beyond the internal process or external use of platforms (Ganapati & Reddick, 2018).

The impediments related to the manifestation of the phenomenon of sharing economy on the tourism sector come mainly on the accommodation and transport side. There are a lot of companies that are active in the field of tourism and transport and who see their businesses in danger due to the emergence and accelerated development of the collaborative tourism. The tourists are attracted to these online platforms, which give them greater freedom to choose the right package and also come to respond more personally to the needs of tourists.

The criticisms of this economy also refer to the trust and security systems generated by the online platforms. The trust is based on peer reviews (Ganapati & Reddick, 2018). Dambrine, Jerome, and Ambrose (2015) show that the various mechanisms used by the platform lead to these reviews and means to establish a reputation. Taking these into account, there have been several studies that highlight the issues without evaluation, feedback. (Ganapati & Reddick, 2018). For example, 95% of Airbnb offers have approximately maximum ratings; only 1% of Uber drivers have lower than average ratings (Stemler, 2017). These qualifications could be manipulated by forgery, reviews posted by the vendor or the customer (Mayzlin, Dover & Chevalier, 2014). In the feedback systems, some users refrain from posting negative comments for fear of retaliation (Ganapati & Reddick, 2018).

The European Union is trying to facilitate the legislation in the field of the collaborative economy in tourism, whether it refers to accommodation units or means of transport. Taking into account that platforms such as Airbnb, Uber, BlaBlaCar have seen a strong rise, they are trying to regulate the aspect of these platforms at a European level.

### **3. Conclusions**

Concluding, it can be said that the emergence and the accelerated development of the sharing economy, respectively of the new business that arose with this phenomenon, led to the modification of the way tourists see, use and relate to the traditional tourist services. They have become very receptive, especially since these new types of services bring added value to the touristic packages. The collaborative economy brings with it competitiveness in the tourism sector and comes to complement the traditional offer which, until the appearance of this phenomenon was the only one that was important. "The competitiveness of tourism more and more relies on its sustainability,

on the quality of the natural and cultural environment of destinations and their integration into a local community” (Badulescu & Badulescu, 2012; Leslie, 2012).

The regulations in the field are still a challenge, given that the great speed with which this economy has developed and there have been a number of activities related to this phenomenon that are not yet regulated. Consequently, adapting the legal framework to respond to these new trends is essential.

Some authors asserted that in the long run the sharing economy will be the predominant economic force that contributes to the economic revolution raising the productivity and catalyzing individual innovations through the called collaborative value creation movement (Kerstin & Del Mar, 2017). In order to be able to talk about an adequate coexistence between the activities taking place in the area of the collaborative economy and the ones in the traditional area, there must be clear regulations that won't affect neither the traditional economy nor the sharing economy (Rodríguez, et al., 2016).

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