

HOW WILL THE COVID-19 CRISIS AFFECT THE SHARING ECONOMY?

The Covid-19 crisis has taken a heavy toll on every-day life and the tourism industry has been one of the most affected sectors. Many companies are in critical situations and have been forced to adapt to the “new normalcy” to stay in business.

However, there is one part of the industry that is having a tougher time than any other: the sharing economy. Expert Erik Gordon from the University of Michigan’s Ross School of Business spoke about the effects of the crisis on the sharing economy.

Hotels to Recover the Lost Ground

According to the expert, before the Coronavirus outbreak, there was a preference of companies like Airbnb or other sharing platforms in the accommodation context. The trend was moving further away from hotels and big chains, but now the situation will inevitably change.

The main reason for this is the consumer-provider relationship and the overall trust between the two. **Tourists will be much more careful in their choice of accommodation and will take into account the health factors more than ever before.** In this context, the trust in hotels is much higher due to their reputation and the obligation to protect a certain image.

Meanwhile, the problem of the sharing model is the lack of control, especially when it comes to accommodation services. While hotels operate on an employer-employee basis and are subject to many inspections and controls, Airbnb, in this sense, has a much freer model and thus cannot offer the same guarantees.

Shift Towards Car Purchase

In the context of transportation, the situation promises to be similar, though not as critical. The trend will be moving towards purchasing a private car, rather than renting one without the knowledge of how and by whom it was used before.

Moreover, with the increased digitalization and home office opportunities, the demand for shared transportation, like Uber or taxi companies, will inevitably fall. This can also be said about public transportation and people will likely avoid trains and buses much more.

The future? The sharing economy and its companies will have to change. They are now facing troubling times and will need to be capable to offer more safety and health guarantees towards the future. Inevitably this also means more investments to convince the average customer that they can offer the

same (or better) conditions as the “traditional” model.

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