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Neighborhood Trip. How do guests' neighborhood preferences shape the touristification process?

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Abstract

Urban tourists experience neighborhoods in a Peer-to-Peer context. However, literature overlooked the neighborhood concept in guests' accommodation location decisions, emphasizing the centrality (for a given quality) as the primary driver of urban touristification. This paper assesses how guests' preferences for neighborhoods could disrupt tourists' preferences for centrality. We discuss the exogeneity of the neighborhood tourism concept, verify its significance, and explore the relationship between neighborhoods and centrality in the urban touristification process. By extracting latent dimensions of 2,186 neighborhoods in 31 French cities and using a two-step hedonic approach (GW/2SLS regressions) on 45,600 Airbnb listings, we identify significant guests' preferences for neighborhood dimensions independently of embedded accommodation characteristics. Findings indicate that guests' preference for touristy neighborhoods reinforces touristification but non-linearly (concavity), suggesting a touristification maximum threshold. With threshold effects, the other neighborhood dimensions (youthful-hub, popular, well-off) shape the touristification overflow, suggesting new regulations of the accommodations gathering.

Introduction

This article investigates the urban tourists' preferences for neighborhoods concerning their accommodation location decision in the Peer-to-Peer (P2P) context. P2P accommodation refers to online networking platforms that enable individuals (*hosts*) to rent out available spaces for short-term use to *guests* (Belk, 2014). This phenomenon has experienced dramatic growth in many cities since the launch of Airbnb in 2008, leading to bubble expansion that reshaped urban occupancy. The tourism literature has examined the touristification concept to describe the concentration effect of tourists' accommodation on neighborhood housing, public spaces, and retail (Cocola-Gant, 2018). Such an approach contains an implicit location decision model: for a given quality, tourists' preference for centrality leads to accommodation concentration in the neighborhoods concerned and their overflow to adjacent neighborhoods. However, tourist location remains an under-explored field (Sainaghi, 2020), although numerous

hedonic studies empirically estimated the tourists' willingness to pay for centrality and quality (see Arvanitidis, Economou, Grigoriou, & Kollias, 2022).

While urban residents' location patterns have been extensively studied (Fujita, 1989; Brueckner, Thisse, & Zenou, 1999; Schelling, 1971), considering the neighborhood an exogenous driver, tourism literature disregards the neighborhood characteristics for a short-term stay. Nevertheless, neighborhoods as partially isolated interaction arenas (Graham, 2018) could be of interest to guests in a P2P context, enabling social interaction (Dolnicar, 2019). Whether few hedonic papers have explored some neighborhood characteristics (Deboosere, Kerrigan, Wachsmuth, & El-Genedy, 2019; Faye, 2021; Jiao & Bai, 2020; Perez-Sanchez, Serrano-Estrada, Marti, & Mora-Garcia, 2018), we must examine the relevance of the neighborhood concept in tourists' location models alongside the centrality and quality concepts.

UHWTO (2018) recommended "promoting the dispersal of visitors within the city" for sustainable tourism. On the supply side, regulation policies can constrain hosts' offers, but on the demand side, we ignore the effect of guests' neighborhood preferences on the short-term rental spatial structure. This paper aims to assess the extent to which tourists' preferences for centrality and quality, underpinning the touristification process, could be disrupted by tourists' preferences for neighborhoods.

Our research program encompasses three primary points. After discussing the exogeneity of the neighborhood concept, our first point focuses on constructing its exploratory scale measurement. Our second point evaluates the significance of tourists' willingness to pay for neighborhood dimensions and examines whether their valuation is independent of centrality and housing quality. The third point investigates the contribution of tourists' neighborhood preferences to the underlying centrality-based location model within the touristification literature.

We adapt our methodologies to each point. First, we use a factorial analysis to identify the latent dimensions of an extensive neighborhood data set. Second, we develop a two-step hedonic method (Rosen, 1974). In the hedonic first step, the heteroskedasticity-corrected geographically weighted method (Lu, Harris, Charlton, & Brunsdon, 2014) estimates the tourists' willingness to pay for each neighborhood dimension; in the second hedonic step, we examine the influence of accommodation characteristics (centrality and housing quality) on the neighborhoods' implicit prices using an instrumental two-stage. The hedonic approach enables the assessment of the geographical robustness of results based on cities' size and tourism attractiveness, while a quantile regression (Koenker & Hallock, 2001) assesses their social robustness across price levels. Finally, we analyze how neighborhood preferences can linearly reinforce centrality-based locations and influence their spatial overflow.

Our cross-sectional data are from an open data website (*Observatoire Airbnb*), enabling a representative French national study. France ranks first globally for P2P rentals per capita (Faye, 2023). We analyzed 45,600 Airbnb listings in the 31 most populated French cities (excluding Paris) collected on the same date (October–November 2016). On this date only, the number of cities is the maximum, with the most attributes. Therefore, we cannot observe the data over time without losing attributes or cities. Neighborhoods are delimited using the smallest spatial block (IRIS), for which the National Statistics Institute (INSEE) provides broad statistical information. 2186 IRISs are concerned by the listings of our cities' samples.

In the first point, the factorial analysis returns four main dimensions (touristy, well-off, popular, and youthful hub), capturing almost 70% of the neighborhoods' structure. Airbnb accommodations fit into various hybrid neighborhoods. However, neighborhoods lose their other dimensions when they become touristy, supporting the touristification theory. In our second point, the hedonic estimates do not reject the significant guests' preferences for neighborhood dimensions (hedonic first-step) independently of accommodations' characteristics embedded in neighborhoods (hedonic second-step). Findings show that guests' preference for touristy neighborhoods reinforces the guests' preference for centrality in the touristification process, whatever the type of city and the price level. However, the non-linearity (concavity) in preferences for touristy neighborhoods suggests an overload point of touristification. The negative impact of popular, even youthful-hub neighborhoods on guests' willingness to pay may disrupt the overflow

from touristy neighborhoods. Conversely, the overall positive impact of well-off neighborhoods may favor it. Nevertheless, the neighborhoods' implicit price distributions indicate that price thresholds must be reached to disrupt the overflow effect.

This paper comprehends and measures the neighborhood as a tourism concept and examines the role of guests' neighborhood preferences in urban touristification. Therefore, we contribute to the literature in the fields of peer-to-peer and touristification. Moreover, identical specifications (including neighborhood concepts) of residents' and tourists' location models open the way to a global theoretical approach to location decisions and simulation models of conflict areas. From a practical standpoint, guests' neighborhood preferences imply location premium (discount) for hosts, location costs for guests, and more granular local governance of Airbnbisation.

The following section introduces the literature and our research questions. The next sections present the methodological backgrounds, the data used, and the results. The final sections discuss the theoretical and practical implications and conclude on research limitations.

Section snippets

Literature review and research agenda

We first present an overview of the touristification concept and highlight the role of guests' location decisions in the tourist accommodations concentration. Next, we outline the absence of neighborhood considerations in the centrality-quality trade-off model of tourist location. Finally, we show that the literature only partially addresses the neighborhood concept's exogeneity, significance, and measurement. We grounded our research program on these issues to explore how neighborhood...

The econometrical framework

This section outlines the econometric foundations of our research program. Referring to Brueckner et al. (1999), the underlying model may argue that the location choice depends on the comparison between the marginal cost (in time or money) of transportation $t'(d)$ and the optimal level of accommodation quality (A) at a distance d from the center that achieves a u utility level ($q(d,u)$) for each income group. The level of tourist amenities (points of tourist interest) decreasing with distance...

Data

Regarding Airbnb data collection, scholars use their listing scrapping tools (Teubner, Hawlitschek, & Dann, 2017) or data scrapped on the Airbnb website (e.g., *Inside Airbnb*). Data implemented in P, A, D, and R matrixes are from Airbnb listings scrapped by the French Airbnb Observatory in October and November 2, 016.² Table 1 displays the sample's large and medium cities with the number of...

Results and comments

Our first point concerns the neighborhood measurement (Q1). The second point concerns the relevance of the neighborhood concept. The first hedonic step discusses the significance of the tourists' willingness to pay for neighborhood dimensions (Q2a), and the second step its specificity (Q2b). Finally, according to previous results, we discuss the ability of neighborhood dimensions preferences to disrupt the tourists' preferences for centrality (Q3)...

Theoretical and practical contributions

This paper aligns with Wegmann and Jiao's (2017) second principle, suggesting a limitation of the concentration of P2P accommodations within specific neighborhoods and the dispersal of visitors within the city. While spatial distribution and regulation of accommodation offers have been discussed in the literature, the guest neighborhood preferences remain underscored on the demand side of the issue.

Examining the neighborhood as a concept of interest, we contribute to its measurement (Q1). Our...

Conclusion: summary and limitations

We first (Q1) propose a multidimensional measurement of the neighborhood concept at a national level, using an exploratory factorial analysis to identify neighborhood dimensions and their hybridization from an extensive descriptors dataset. Touristic, well-off, popular, and youthful-hub neighborhood dimensions reconstitute almost 70% of the spatial bases' initial inertia, and hybridization of tourist dimension occurs with each other dimension. Then (Q2), a two-step hedonic method shows evidence...

Impact statement

Numerous cities must deal with bubble expansions of tourist accommodations in a Peer-to-Peer context, leading to neighborhood touristification. Beyond local policies on hosting regulation, we question the ability of guests' neighborhood preferences to shape the spatial structure of accommodation locations. Using extended accurate data (45,600 Airbnb listings in 2186 neighborhoods across the 31 most populated French cities), our findings reveal specific guest preferences for touristy,...

CRedit authorship contribution statement

Benoit Faye: Conceptualization, Data curation, Formal analysis, Investigation, Methodology, Project administration, Resources, Software, Supervision, Validation, Visualization, Writing - original draft, Writing - review & editing....

Benoit Faye is Full Professor at INSEEC Grande Ecole. He holds a Habilitation for Supervising Doctoral Research in Economics from the University of Bordeaux, where he is an associate researcher. His main research field concerns urban economics. He has notably published in *Annals of Tourism Research*, *Urban Studies*, *Annals of Operations Research*, and *Applied Economics*. He is a member of the European Scientific Committee (EuAWE) and is co-director of the Wine Economics Chair in Bordeaux....

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