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Sharing Economy Regulations: Understanding the Public's View

2018 FLC Research Symposium

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How many people use these services?

- Nationwide, about 25% of people report using sharing economy services.
 - 40% of people under 30
 - 17% of people 50 and older
- 95% of people have heard of these services.



Friend or Foe?

- Do sharing economy services create benefits or problems for your residents?
- For most cities, it is not either or, but BOTH.
- Wide variety of regulations have been explored by cities and towns.



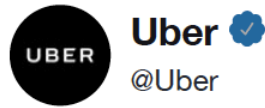
Most recently, NYC announced:

- One-year cap on number of FHV's to study the industry



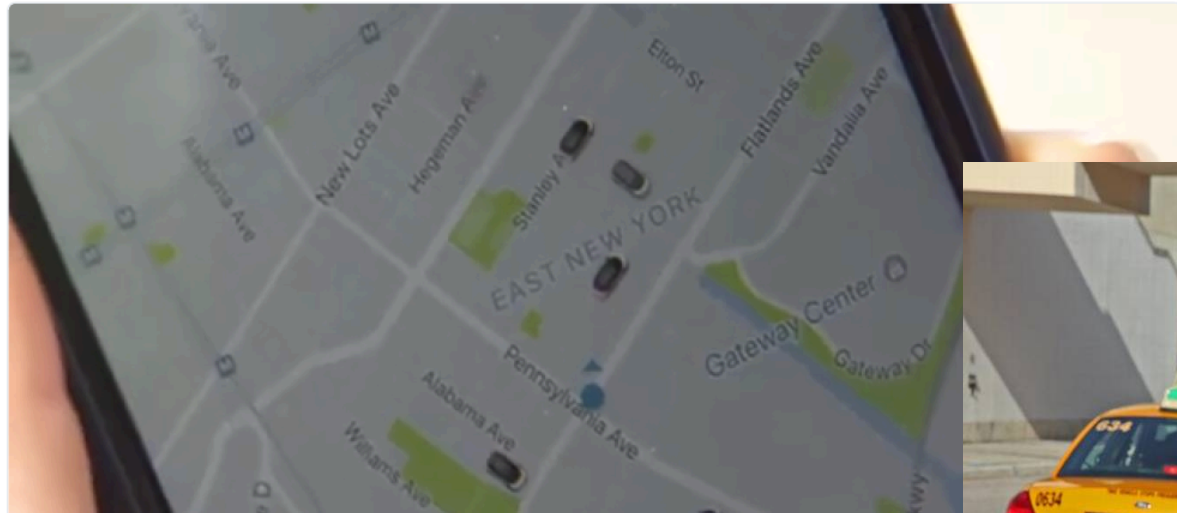
“This action will stop the influx of cars contributing to the congestion grinding our streets to a halt.”

- NYC Mayor Bill de Blasio



Follow

The NYC Council wants to pass new regulations that could make your Uber less reliable and more expensive. Tell the Council: #DontStrandNYC



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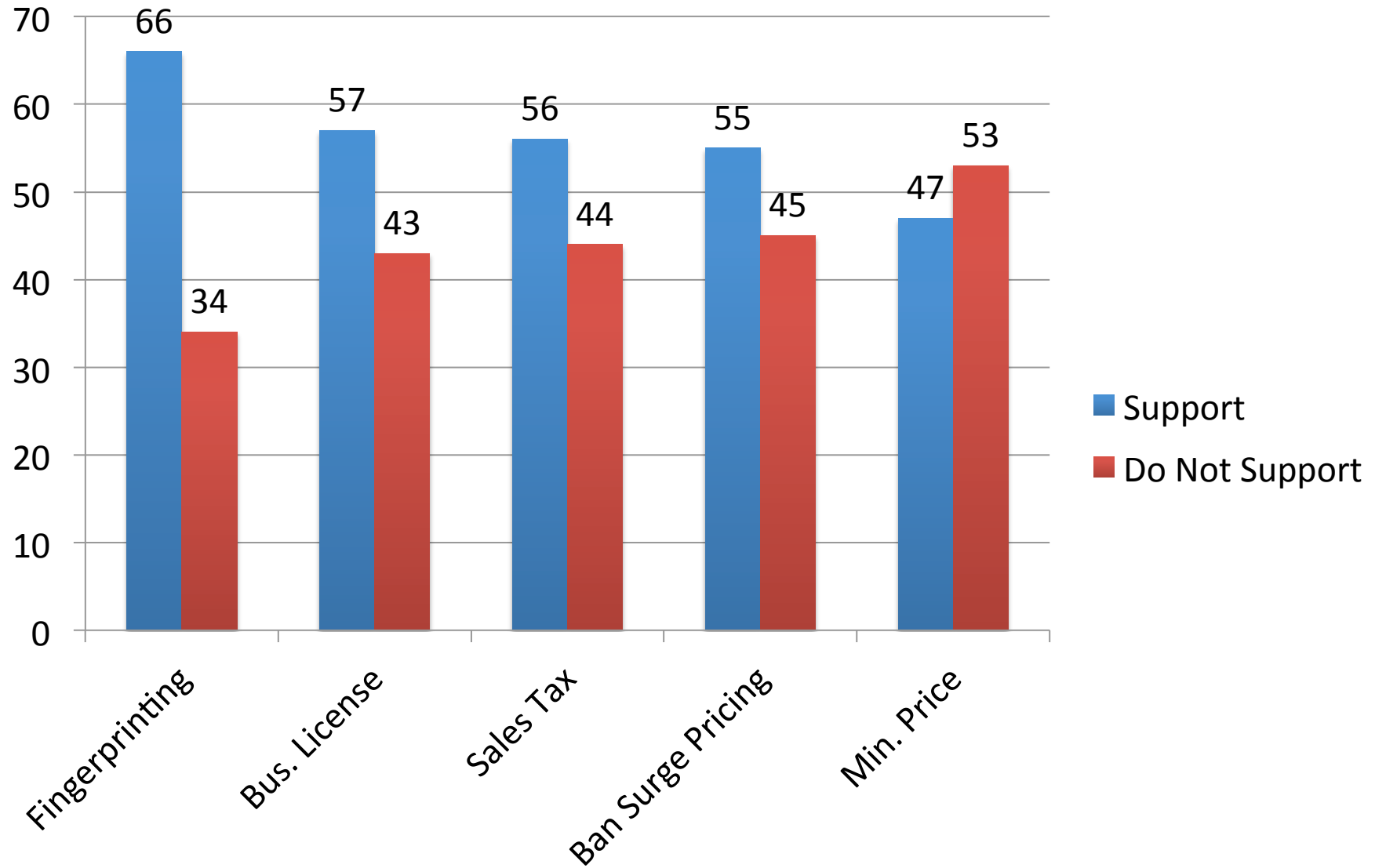
What do average residents think?

Who Did We Survey?

- 1,000 adults in the United States
- Selected through matched random sampling
- Survey conducted online in Fall 2016
- Included 60 Florida residents



Ride-Sharing Regulations



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Support for Ride-Sharing Regulations

- 89% support at least one ride-sharing regulation
- 23% support all five regulations

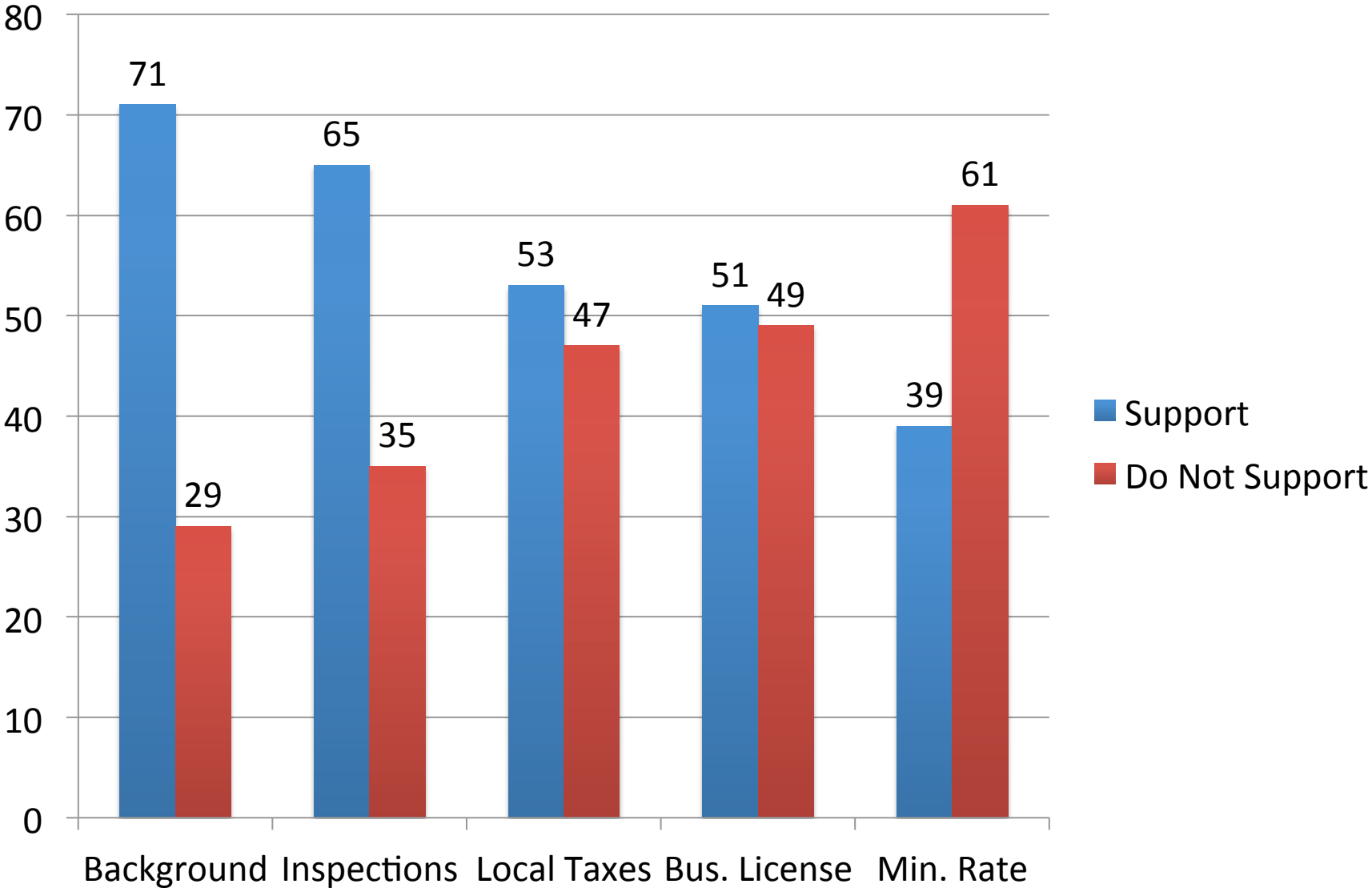


Who Supports Ride-Sharing Regulations?

- Older residents
- More liberal
- Women
- Less Educated



Home-Sharing Regulations



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Support for Home-Sharing Regulations

- 87% support at least one home-sharing regulation
- 22% support all five regulations



Who Supports Home-Sharing Regulations?

- Older residents
- More liberal (v. conservative)
- Women
- Less Educated
- Renters



What are the Implications?

- U.S. adults support some, but not all, sharing economy regulations.
- Price controls are the least popular regulation.
- Safety regulations are the most popular.
- Home-owners are less likely to support home-sharing regulations than renters.



How Do Regulations Impact Tourism?

- Tourism revenue is significant for many cities.
- Sharing economy is upending traditional tourism industry.
- How do regulations that may benefit residents impact tourism?



Two Experiments

- When presented with a scenario, how likely are potential tourists to want to visit a fictitious city?
- One experiment for Ride-Sharing
- One experiment for Home-Sharing



Ride-Sharing Experiment

Imagine you are planning a vacation with your friends or family, and you research city A as a potential destination. After researching city A, you find that city A has numerous tourist amenities, including nice museums and art galleries, beautiful beaches and parks, and a lively restaurant scene. The city **does allow ride-sharing companies** such as Uber and Lyft to operate in the city limits, and the city **has a lot of public transportation options**. Using the slider below, indicate how likely you are to want to go to city A for vacation.



Ride-Sharing Response Options

- Very unlikely
- Somewhat unlikely
- Neither likely nor unlikely
- Somewhat likely
- Very likely



Ride-Sharing Results

Percent of respondents somewhat or very likely to visit...

	DOES ALLOW UBER/LYFT	DOES NOT ALLOW UBER/LYFT
A LOT OF PUBLIC TRANSPORTATION OPTIONS	66.26%	45.78%
NOT A LOT OF PUBLIC TRANSPORTATION OPTIONS	55.92%	42.41%



What Are The Implications?

- Restricting Uber/Lyft, by itself, does not have a dramatic impact, but restricting Uber/Lyft in a city that also has poor public transportation options has a noticeable and negative impact.
- In absence of outright ban, relatively strict regulations may have similar impact.



Home-Sharing Experiment

Imagine you are planning a vacation with your friends and family and you research city B as a potential destination. After researching city B, you find that city B has numerous tourist amenities, including nice museums and art galleries, beautiful beaches and parks, and a lively restaurant scene. The city **does not allow home-sharing companies** such as Airbnb and HomeAway to operate in the city limits, and **the city has relatively high hotel prices**. Using the slider below, indicate how likely you are to want to go to city B for vacation.



Home-Sharing Response Options

- Very unlikely
- Somewhat unlikely
- Neither likely nor unlikely
- Somewhat likely
- Very likely



Home-Sharing Results

Percent of respondents somewhat or very likely to visit...

	DOES ALLOW AIRBNB & HOMEAWAY	DOES NOT ALLOW AIRBNB & HOMEAWAY
RELATIVELY LOW HOTEL PRICES	62.25%	59.60%
RELATIVELY HIGH HOTEL PRICES	39.22%	33.33%

What Are The Implications?

- Restricting Airbnb/HomeAway alone has a smaller impact on tourism intentions than restricting Airbnb/HomeAway operations within a city that has relatively high hotel prices.
- Price and home-sharing may work in tandem in impacting consumer preferences for vacation destinations.



What Are The Implications?

- Analysis assumes attractions and desirability of cities are equal, but we know each city has a unique draw for tourists.
- Tourists who perceive that it is difficult or expensive to use sharing economy companies may be less likely to want to visit.



Final Thoughts

- No two cities are exactly alike.
- Public support for restrictions varies by demographic characteristics.
- Could vary based on location/region.



Final Thoughts

- How to balance wishes of residents and tourists?
- Cities and towns considering strict regulations may want to consider how to improve public transportation options or hotel options.



For More Info or Questions

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