

Factors Affecting Millennials Preference Towards Airbnb Accommodation in Klang Valley, Malaysia

Mohd Sabri Sudin* and Noraihan Mohamad

School of Hospitality and Creative Arts, Management and Science University, University Drive, Off Persiaran Olahraga, Section 13, 40100 Shah Alam, Selangor, Malaysia

ABSTRACT

Airbnb is an online marketplace that allows individuals to rent out their homes and other properties to travellers seeking accommodation. Over the past few years, the Airbnb has experienced rapid growth, with demand consistently increasing. Despite this, research on Airbnb preferences remains relatively new, as previous studies primarily focus on various motivational factors for choosing Airbnb. This study aims to identify the impact of economic benefits, social benefits, functional attributes, and experiences on Millennials' preferences towards the Airbnb. Using a cross-sectional research design, a purposive sampling technique was employed to target respondents. A self-administered survey was distributed among groups of Millennials in Klang Valley who have experience staying at the Airbnb. Responses from 237 participants were analysed using the Multiple Regression analysis in SPSS. The research findings indicated that economic benefits, social benefits, functional attributes, and experiences significantly impact the Millennial preferences towards the Airbnb. By identifying the impact of these factors, this research provides better understanding to the Airbnb's marketers to tailor their offerings to better meet the needs of this demographic segment. In conclusion, the study highlights the importance of economic and social benefits, functional attributes, and unique experiences in shaping the Millennials' preferences for the Airbnb. These insights can be utilised to enhance customer satisfaction and loyalty, ultimately supporting the continued growth and success of the Airbnb in the competitive accommodation market.

Keywords: Airbnb preference, economic benefits, functional attributes, millennials, social benefits

ARTICLE INFO

Article history:

Received: 13 June 2025

Published: 13 August 2025

DOI: <https://doi.org/10.47836/pp.1.4.023>

E-mail addresses:

mohd_sabri@msu.edu.my (Mohd Sabri Sudin)

noraihan_mohamad@msu.edu.my (Noraihan Mohamad)

* Corresponding author

INTRODUCTION

Accommodation has typically been the largest and fastest-growing tourism subsector (Kuhzady et al., 2020). Accommodation, attractions, accessibility, and facilities are

essential to tourism. As one of the facilities, lodging is crucial to tourism. Business lodging includes hotels, resorts, inns, condos, Airbnb, etc. (Primadewi et al., 2021).

The Airbnb and other sharing economy and online marketplace accommodations are now competing with conventional lodging (Kuhzady et al., 2020). The Airbnb is a recognised online marketplace for listing, discovering, and booking unique accommodations worldwide (Zervas et al., 2021). The Airbnb makes internet housing rentals easy and affordable. The Airbnb offers single rooms, shared rooms, houses, and apartments. The host may or may not live with the guests. The “bed and breakfast” theme remains (Guttentag, 2016). The Airbnb website (www.airbnb.com) is simple and resembles traditional accommodation booking websites like Expedia: one searches based on destination, travel dates, and party size; the website returns a list of available spaces that can be refined by price, neighbourhood, and amenities; and then individual listings can be selected for more detail, with a description, photos, and guest reviews.

As the Airbnb becomes more popular in Malaysia, this study explores what makes the Millennials choose the Airbnb over other lodgings and whether there is a correlation between issues and the Airbnb as their first choice. Thus, this study may help explain how social benefits, experiences, economic benefits, and functional features affect the millennials’ Airbnb vacation housing preferences.

PROBLEM STATEMENT

The sharing economy, particularly platforms like the Airbnb, has significantly impacted the travel and lodging industries. The Millennials, with their unique purchasing habits and technological prowess, are driving this shift. The Airbnb, a digital marketplace for accommodations, connects hosts with guests in exchange for monetary transactions. With over 7 million locations and 220 countries, it offers lower prices than traditional hotels. As the leading operator of short-term rentals, the Airbnb has gained significant attention and debate globally (Hati et al., 2021). Understanding the factors driving millennials to choose the Airbnb over traditional hotels is crucial for hospitality businesses to adapt and improve their services.

The Airbnb, despite its success, has faced criticism for its negative effects on property prices, traditional accommodation, and revenue generation.

This study highlights the impact of perceived value on the Airbnb accommodations selection, suggesting future research should focus on specific dimensions of value in different markets. It also emphasises the importance of assessing reduced value on consumer motivation and understanding how features like ease and ambiance influence purchase intentions. The study aims to investigate factors influencing the millennials’ preferences for the Airbnb in Klang Valley, Malaysia.

RESEARCH QUESTIONS

To further this study’s objective, we provide the following research questions:

- 1. What is the significant effect of economic benefit on preference for choosing the Airbnb among the millennials in Klang Valley?
- 2. What is the significant effect of functional attributes on preference for choosing the Airbnb among the millennials in Klang Valley?
- 3. What is the significant effect of social benefits on preference for choosing the Airbnb among the millennials in Klang Valley?
- 4. What is the significant effect of experiences on preference for choosing the Airbnb among the millennials in Klang Valley?

Table 1 below shows the result for the reliability test analysis. The analysis indicates that all variable are reliable due to the Cronbach Alpha are valued above 0.7.

Figure 1 demonstrates the relationship between economic benefits, functional attributes, social benefits, and experiences toward the millennials’ preferences for the Airbnb in Klang Valley, Malaysia.

Table 1
Reliability test analysis

Variable	Cronbach Alpha (α)	Decision
Millennials Preferences	0.948	Reliable
Economic Benefits	0.931	Reliable
Functional Attributes	0.935	Reliable
Social Benefits	0.913	Reliable
Experiences	0.931	Reliable

Source: So et al. (2021)

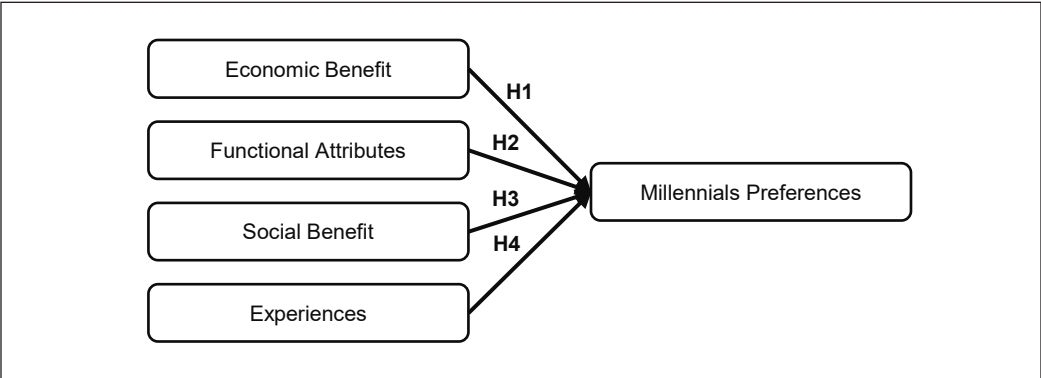


Figure 1. Conceptual framework adapted from Tran and Filimonau (2020)

CONCLUSION

Using the multiple regression analysis, the study indicates that economic benefits, social benefits, functional attributes, and experience strongly influence the millennials' Airbnb preferences. In particular, this data helps explain how young travellers acquire the Airbnb trips online. Its findings can assist the Airbnb researchers and administrators make better decisions and tactics. This chapter also contributes to travel research by emphasising the importance of unique accommodations and variation in the Airbnb accommodation, helping us understand why the Airbnb is so popular. This study exclusively included the millennials, which is crucial because younger people are more likely to use the sharing economy (Tussyadiah & Pesonen, 2016). Tussyadiah and Pesonen (2016) found no significant age disparities between the Airbnb users and nonusers, however it would be interesting to study the demographic characteristics like the Airbnb accommodation users' ages. Further research could examine whether different age groups use this type of lodging for different reasons. This study sheds light on the millennial visitors' Airbnb purchases, providing information for researchers and managers of P2P accommodation services. It also contributes to tourism literature by considering the Airbnb's unique and varied accommodations.

ACKNOWLEDGEMENT

The authors would like to thank the Department of Hospitality & Tourism (SCHA) and Management and Science University for creating a positive learning environment and providing different financial support. Additionally, they are grateful to the Yayasan MSU for their financial support, allowing the authors to focus on their Master's degree studies.

REFERENCES

- Guttentag, D. (2016). *Why tourists choose Airbnb: A motivation-based segmentation study underpinned by innovation concepts* [Unpublished doctoral thesis]. University of Waterloo.
- Hati, S. R. H., Balqiah, T. E., Hananto, A., & Yuliati, E. (2021). A decade of systematic literature review on Airbnb: The sharing economy from a multiple stakeholder perspective. *Heliyon*, 7(10), Article e08222. <https://doi.org/10.1016/j.heliyon.2021.e08222>
- Kuhzady, S., Seyfi, S., & Béal, L. (2020). Peer-to-peer (P2P) accommodation in the sharing economy: A review. In *Current issues in tourism* (pp. 1-16). Routledge. <https://doi.org/10.1080/13683500.2020.1786505>
- Primadewi, S. P. N., Sueca, N. P., Dwijendra, N. K. A., & Siwalatri, N. K. A. (2021). Emerging architect's design method in designing tourist accommodation case study: Tourist accommodation in Ubud, Bali. *Civil Engineering and Architecture*, 9(2), 271-280. <https://doi.org/10.13189/cea.2021.090201>
- Tran, T. H., & Filimonau, V. (2020). The (de)motivation factors in choosing Airbnb amongst Vietnamese consumers. *Journal of Hospitality and Tourism Management*, 42, 130-140. <https://doi.org/10.1016/j.jhtm.2019.10.011>

- Tussyadiah, I. P., & Pesonen, J. (2016). Impacts of peer-to-peer accommodation use on travel patterns. *Journal of Travel Research*, 55(8), 1022-1040. <https://doi.org/10.1177/0047287515608505>
- Zervas, G., Proserpio, D., & Byers, J. W. (2021). A first look at online reputation on Airbnb, where every stay is above average. *Marketing Letters*, 32, 1-16. <https://doi.org/10.1007/s11002-020-09546-4>