



Digital platforms like Airbnb stimulate the local economy in rural areas of France for the year 2023

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Abstract:

The research paper examines the economic impact of short-term rentals in rural France via platforms like Airbnb in 2023. Through the analysis of available statistics, it was found that these platforms have contributed to the flourishing of rural areas in France due to their effective strategies and support and funding programs that have benefited French rural regions, leading to positive economic growth for French rural communities.

Key words: Platforms , Airbnb, Short-Term Rentals, Rural regions.

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Introduction:

Platforms for renting accommodations have significantly changed travelers' habits, an increasing number of people are choosing to stay in furnished tourist accommodations and rooms with locals, known as short-term rentals, in 2023 over a third of French people had booked a short-term rental.

There are approximately one million accommodations available, most of which 92% are offered intermittently throughout France. These accommodations contribute to achieving the goal of attracting 100 million international tourists by 2024, encourage the distribution of travelers outside major urban centers, and also allow hosting French or foreign travelers in areas where hotel options are limited, in France 2023, nearly 80% of cities with short-term rentals do not have hotels.

The local economy directly benefits from the presence of these travelers, part of their spending is done close to their accommodation like restaurants, tourist guides, transportation ..and this spending has a ripple effect on the economy :suppliers, suppliers of suppliers, whether at the local, departmental, or national level.

In the first part of our study, we introduced Airbnb as one of the most popular digital booking platforms in France, explored its activity and prevalence in the country, and provided statistics on the impacts of short-term rental platforms at the national level, with a focus on their effects in rural or less urbanized areas.

- General problematic and partial problematic:

Based on the information presented, the following questions arise:

- How has the use of platforms like Airbnb stimulate economic growth in France rural area in 2023?
- What strategies and programs have platforms like Airbnb adopted to support and develop rural tourism in France?

-How have these strategies and programs contributed to improving the economic situation of French rural communities?

-Objectives:

The objective of this study is to quantify the positive economic impacts of furnished tourist accommodations and rooms with locals through platforms, by highlighting the effects on less urbanized departments.

-Significance:

The research paper reviews the positive impact of short-term stays via platforms such as Airbnb on France's rural economy in 2023, highlighting their benefits through support and financing strategies. Compared to previous research that focused on negative impacts such as congestion and rental market pressure, this study provides an integrated view of the positive impacts, promoting a deeper understanding of the full impact of the expansion of these platforms

-Methodology:

We have identified the main objectives of the study, which include analyzing the economic impact of short-term stays in rural areas via platforms such as Airbnb in France, assessing the economic benefits to rural communities in 2023, collecting data, and analyzing statistics and data available from economic reports and documents from the platforms, Like Airbnb.

1. The Nature of Airbnb and Its Global Expansion

Airbnb has been defined in various ways, and we have selected the most pertinent definitions as follows:

1.1. Definition of Airbnb:

Airbnb is more than just a cost-effective travel option; its goal is to enable travelers to connect with local residents and feel at home. It acts as an intermediary between parties seeking affordable accommodation and provides host protection insurance, along with a rating and review system. This platform builds trust within its user community and reduces transaction costs, focusing on fulfilling user needs and fostering a sense of belonging (Valsamidis, Vasilios Ioannis Zoumpoulidi, & Athanasios A. Mandilas, 2022, p. 7), Airbnb is an online platform where individuals can list their homes as tourist accommodations. These homes typically include either a "whole place" (such as a house or apartment) or a "private room" within a residence where the host is also present. The diverse Airbnb listings also feature some unique accommodations (e.g., castles, ice igloos, treehouses) and range from very modest to extremely luxurious options. The booking process may require some personal interaction with the "host." For hosts who own and/or manage Airbnb listings, the platform provides the ability to become tourism accommodation providers with minimal hassle by posting information and photos of their properties, communicating with potential guests, and accepting bookings and payments from around the world (Guttentag, 2019, p. 02) additionally, Airbnb is known as a community marketplace that allows people to list, discover, and book unique accommodations around the world online or via mobile. Airbnb offers more than 3.5 million property listings (including many homes or private apartments) across over 91,000 cities globally (2017). This offering provides unique experiences and access to amenities that may not be available in hotel-type properties, such as full kitchens, garages, washing/drying facilities, extended cable TV offerings, and properties located in suburban areas (What is Airbnb?, s.d.) therefore, Airbnb is recognized as one of the largest global markets for renting unique and original accommodations and offering a variety of tourism activities, all provided by local hosts distributed worldwide, as an engine of economic empowerment, it relies on the latest technological tools,

websites, and mobile apps to connect consumers with suppliers, earning a share of the profits while managing programs and payments, and resolving issues from screening and vetting to ensuring mutual trust among users.

1.2. Global Expansion of Airbnb:

Airbnb has achieved extensive global reach, as illustrated by the following table:

Table01: Global Expansion of Airbnb

Year	Number of Bookings on Airbnb	Net Value of Bookings
2015	72 million	\$8 billion
2016	126 million	\$14 billion
2017	186 million	\$21 billion
2018	250 million	\$29 billion
2019	327 million	\$38 billion
2020	193 million	\$24 billion
2021	301 million	\$47 billion

Source : : (Gaudiaut, Airbnb ressort plus fort de la pandémie, 2022)

The table indicates that after experiencing a decline in bookings due to the pandemic in 2020, with 193 million bookings compared to 327 million in 2019, Airbnb saw a significant recovery in 2021. Despite the ongoing impact of COVID-19 on international tourism, the leading vacation rental platform recorded a substantial increase, achieving 301 million bookings in 2021. This resurgence can be attributed to many hosts raising their prices to compensate for the losses incurred in 2020.

2. The Expansion of Airbnb in France:

2.1. about Airbnb France:

was established on March 24, 2012, which makes it 12 years old. It operates as a limited liability company (LLC) without any further designation. Its area of activity

includes advertising agency services. In 2021, Airbnb France was classified as a small or medium-sized enterprise, with a workforce of 20 to 49 employees (Société AIRBNB FRANCE à 75002 PARIS - SIREN 750 885 410, s.d.)

- Table02: Statistics on the financial situation of Airbnb in France between 2018-2022 :

Year	Revenue	Net Profit	Effectiveness
2018	€9,949,744	€354,841	33
2019	€12,648,113	€457,765	40
2020	€16,017,122	€546,761	38
2021	€34,950,664	€534,617	33
2022	€49,941,775	€9,251,002	37

Source : (AIRBNB FRANCE, s.d.)

The table above provides an overview of Airbnb's activities in France from 2018 to 2022. Key observations include: the company's revenue grew rapidly from €9,949,744 in 2018 to €49,941,775 in 2022, representing a more than fivefold increase over this period. Net profit rose from €354,841 in 2018 to €9,251,002 in 2022, due to price increases implemented to offset losses from the COVID-19 pandemic. Additionally, the company's effectiveness remained stable between 33 and 40, reflecting ongoing operational efficiency.

2.2 French investment attractions for AIRBNB:

Investing in Airbnb in France makes perfect sense for several reasons, France is a top tourist attraction, attracting millions of visitors every year – approximately 3.4 million visitors alone in March 2024, according to Statista, this means there is always high demand for rentals short-term, France is also one of the first countries that attract tourists globally, which is shown in the following table:

Table03: France's ranking in terms of the total number of tourists for the year 2024

Rank	Country	Total Number of Tourists (Year)
1	France	72.4 million
2	Spain	70.8 million
3	Turkey	45.5 million
4	United States	41.8 million
5	Greece	27.5 million
6	Thailand	27.3 million
7	Italy	25.9 million
8	Japan	20.7 million
9	Germany	19.8 million
10	Austria	16.5 million

Source : (Hinton, 2024)

From the table, it is evident that France leads globally in tourist arrivals for the year 2024, with a total of 72.4 million visitors, this impressive figure surpasses Spain, which welcomed 70.8 million tourists, and Turkey, with 45.5 million visitors. The table also highlights other countries' tourism figures, including Austria, which saw 16.5 million tourists in 2024, additional Factors Enhancing Airbnb Investment in France:

Several factors enhance Airbnb investment in France, starting with the increased demand for longer stays due to the rise of remote work. This is complemented by the diversity of locations, from major cities to rural and coastal areas, ensuring high demand for short-term rentals. France offers high rental yields in its prominent tourist destinations, supported by a stable economy and government backing that includes tax incentives and grants. These factors collectively make France an attractive and suitable environment for investing in Airbnb properties. (The Best 10 Airbnb Markets in France for Investment, s.d.) :

2.3. The most popular Platform for tourist reservations in France:

The French tourist market is rich in many options for booking, Airbnb, Trivago and other platforms that seek to meet the desire of tourists to provide the best accommodation at affordable prices with speedy delivery.

Table03: The most popular Platform for tourist reservations in France

Rank	Platform	Market Share (%)
1	Booking	56%
2	Airbnb	38%
3	SNCF Connect	13%
4	Hotels.com	12%
5	AccorHotels	12%
6	Tripadvisor	8%
7	Trivago	8%
8	KAYAK	8%

Source :: (Fourreau, 2024)

Booking leads the market with a substantial share of 56%, reflecting its dominant position in the booking industry. Airbnb follows in second place with a 38% share, indicating its strong presence in the short-term rental market. SNCF Connect comes next with a 13% share, focusing on travel and transportation bookings. Platforms such as Hotels.com, AccorHotels, and Tripadvisor have similar shares ranging from 12% to 8%. Meanwhile, Trivago and KAYAK each hold an 8% share, highlighting their specialized yet impactful roles in the booking market.

2.4. Types of Accommodations: A Look at Market Preferences:

This data provides a comprehensive overview of accommodation preferences in the market, focusing on various types such as hotels, short-term stays, camping, and other

collective accommodations. The provided figures will analyze the distribution among these options and highlight current demand patterns and trends in the accommodation industry.

-Table04: Number of nights booked in 2023 on short-term rental platforms:

SHORT-TERM ACCOMMODATION	176M
hotel	213M
Camping	142M
Other collective accommodations	95M

Source: (Contribution économique des hébergements de courte durée loués par le biais de plateformes en France, 2024, p. 7)

Hotels account for the largest number of nights booked, indicating a strong preference for this type of accommodation, Short-term stays come in second place, indicating a growing demand for these stays thanks to their flexibility, Camping has a notable following, reflecting a preference for natural adventures and economical experiences, other group stays, although smaller, remain an important part of the accommodation options, reflecting the diversity of market options

2.5. support programs implemented by the Airbnb platform to promote rural areas in France:

Airbnb, main sponsor of the "Local Heritage and Tourism" program:

Airbnb has donated €5.6 million to become the main sponsor of the "Heritage" and "Local Tourism" programs at the Heritage Foundation, the program will support up to 200 restoration projects for public and private buildings in rural France. With over 4,000 heritage homes listed on the platform in France, Airbnb has helped many people renovate or preserve heritage, this initiative contributes to an unprecedented renewal of the rural

world, where residents benefit from tourism that they were previously deprived of. (LE PATRIMOINESUR AIRBNB EN FRANCE, 2022, p. 7).

-Nate Blecharczyk, co-founder and Chief Strategy Officer of Airbnb, stated that the company aims to set a model for sustainable travel that strengthens local communities through its new commitment, with over 20,000 heritage sites listed on its platform in France, Airbnb has become a key partner for site owners in renovating and maintaining heritage. In addition to supporting the renovation of endangered heritage buildings, Airbnb will continue to invest in revitalizing French heritage through marketing campaigns and new features to better highlight unique heritage listings. (Airbnb boosts heritage tourism in rural France, 2021).

- To encourage the rural travel revolution and boost awareness of France's diverse heritage destinations, Airbnb has decided to develop a comprehensive plan to help property owners make the most of the Airbnb platform to fund the renovation of their heritage homes:

-Leveraging Innovative Technologies to Enhance Booking: Airbnb will utilize advanced platform technologies to make it easier for travelers to find and book heritage homes, while also developing creative content strategies to attract more guests.

-Developing a Three-Year Marketing Plan: Airbnb will create a three-year marketing and communications plan to promote French heritage tourism to both national and international audiences.

-Launching a Rural Heritage Listing Training Program: A training program will be launched in collaboration with the Rural Mayors Association to educate property owners on how to leverage Airbnb listings to support their renovation projects. (Airbnb, 2021)

3. Economic Impact of Short-Term Rentals in Rural France via Platforms Like Airbnb in 2023:

In 2023, the spending of travelers staying in short-term rentals booked through online platforms generated revenue within rural departments:

3.3. in rural departments the economic impact is estimated at 4.7 billion euros:

This impact results from an average expenditure per traveler of 90 euros per day and a total of 42 million nights reserved in the rural departments in 2023, or 4.7 billion euros, Accommodation: 35% of expenses, which amounts to €31 per day Restaurants: 22% of expenses, which amounts to €20 per day, Food supplies: 12% of expenses, which amounts to €11 per day. Non-food supplies/shopping: 12% of expenses, which amounts to €11 per day, Transport: 6% of expenses, which amounts to €5 per day, Food items: 12% of expenses, which amounts to €11 per day, other expenses: 6% of expenses, which amounts to €5 per day, Hobbies 8% of expenses, which amounts to €7 per day.

Table05: Consumption by category in 2023 in rural departments (in billions of euros)

Others	0.3
Transportation	0.3
Hobbies	0.4
Food classes	05
Food classes	0.6
Restaurants	1
Accommodation	1.6
Total	4.7

Source: (Contribution économique des hébergements de courte durée loués par le biais de plateformes en France, 2024, p. 27)

3.4. These travelers generated €7.7 billion in revenue in 2023:

In rural departments, the 4.7 billion euros spent by travelers staying in "short-term rentals" generated 7.7 billion euros in revenue in 2023 (direct impact and ripple effects).

The impact of €7.7 billion is divided as follows:

- Direct impact, estimated at €4.7 billion;
- Indirect effects, estimated at €3 billion (38% of the total impact)

Table06: Distribution of the €7.7 billion revenue impact by sector affected (in billions of euros)

Accommodation and dining	2.8%
Other commercial activities	1.6%
Retail and commerce	1.5%
Transport, storage, and communication	0.6%
Agri-food	0.3%
Rest of the economy	0.9%

Source: (Contribution économique des hébergements de courte durée loués par le biais de plateformes en France, 2024, p. 29)

3.5. Support for 68,000 FTE Jobs from Short-Term Rental Spending

In 2023, 68,000 full-time equivalents (FTEs) were supported in rural departments, accounting for 0.8% of the jobs in these areas. Three sectors account for over 85% of the supported jobs: accommodation and dining, retail, and other commercial activities. The majority of jobs in the accommodation and dining sector are directly dependent on traveler spending. Specifically, within the accommodation sub-sector, the created jobs are related to the management of furnished accommodation

Table07: Sectorial distribution of the 68,000 FTEs in 2023

Accommodation and dining	37 000
Other commercial activities	13 000
Retail and commerce	9 000
Transport, storage, and communication	3 000
Non-commercial services	2 000
Rest of the economy	4 000

Source: (Contribution économique des hébergements de courte durée loués par le biais de plateformes en France, 2024, p. 30)

3.6. 0.9 Billion Euros in Net Tax Revenue Generated by Rural Travelers :

In rural departments, the stays, expenditures, and the economic activity generated by travelers in 2023 produced €0.9 billion in net tax revenue (Contribution économique des hébergements de courte durée loués par le biais de plateformes en France, 2024, p. 31)

4. Conclusion:

This study concludes that short-term rental platforms, particularly Airbnb, are increasingly important in boosting local economic growth, specifically due to their wide reach in France. Their ability to support the development of rural areas and balance the distribution of tourist traffic highlights their positive impact on the job market and tax revenues. Therefore, promoting and supporting these new accommodation patterns represents a strategic step towards achieving sustainable and inclusive economic development.

5. Result:

These conclusions highlight the positive impact of short-term rentals on the local economy, labor market, and tax revenues, underscoring the importance of this sector in supporting sustainable economic development in rural areas.

-Airbnb as a Platform: Airbnb is a platform that allows individuals to rent and lease accommodation. It offers an alternative to traditional hospitality models, enabling tourists to live with locals rather than staying in hotels.

-Rapid Expansion in France: Airbnb has experienced rapid growth in France, which it views as one of its most significant and attractive markets for investment.

-Effective Utilization in France: France has successfully leveraged the phenomenon of Airbnb, or "Airbanisation," to enhance its tourism sector.

-Tax Revenues: Short-term rentals contribute significantly to tourism tax revenues and other taxes that support local budgets and the national economy.

-Impact in rural areas: Short-term rentals extend the benefits of tourism to traditionally non-tourist areas, boosting the local economy and creating jobs.

-Local spending: Points out the importance of temporary residencies in stimulating spending in local companies, which supports economic sustainability and promotes the development of various sectors.

Increased Demand for Short-Term Rentals: The study reveals that over a third of French people opted for short-term rentals in 2023, indicating a growing demand for this accommodation type.

6. Recommendations :

These recommendations aim to enhance the impact of short-term rentals on the local economy and achieve sustainable development in rural areas, while improving traveler experiences and promoting environmental sustainability.

-Encourage Investment in Tourism Infrastructure: Promote investment in improving tourism infrastructure in rural areas, such as enhancing public transportation and developing recreational facilities.

-Strengthen Partnerships with Digital Platforms: Develop strategic partnerships with platforms like Airbnb to support innovation in short-term rentals and enhance collaboration with local stakeholders.

-Develop Clear and Fair Tax Policies: Work on creating transparent and fair tax policies for hosts, including streamlining procedures and providing incentives for compliance.

-Support and Train Local Service Providers: Offer training and support programs for local providers of furnished accommodations and rooms.

-Encourage Research and Development in Rural Tourism: Support research and development projects focused on rural tourism growth strategies and innovations in short-term rentals, such research will aid in understanding new trends and identifying future opportunities.

-Promote Rural Destinations: Implement promotional campaigns to raise awareness about rural destinations and inform travelers about the unique offerings and advantages of these areas.

-Achieve a Balance Between Sustainable Development and Environmental Protection: Establish policies aimed at achieving tourism development in a sustainable manner, with a focus on environmental protection and the conservation of natural resources in rural areas.

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