

# OPERATIONAL RISKS AND RESPONSES OF MICRO-ENTREPRENEURS IN THE AIRBNB ACCOMMODATION PLATFORM IN SRI LANKA WITH SPECIAL REFERENCE TO GALLE DISTRICT

Dananjalee, H.D.T.\* and Gnanapala, W.K.A.C.

*Department of Tourism Management, Faculty of Management Studies,  
Sabaragamuwa University of Sri Lanka, Belihuloya, Sri Lanka.*

*\*[hdtddananjalee@std.mgt.sab.ac.lk](mailto:hdtddananjalee@std.mgt.sab.ac.lk)*

## 1. Introduction

Airbnb is a platform on which individuals can post, browse, and book lodgings and guests who can connect with the hosts and the local community, resulting in a more authentic local experience at a lower cost (Mody et al., 2017). This Airbnb has been introduced in Sri Lanka's accommodations in the recent past. Although the policies and regulations are fewer than others, the host faces many risks in the Airbnb sector. Moreover, Munasinghe et al. (2022) also stated that P2P accommodation service providers will face many risks while dealing with their guests.

## 2. Research Methodology

The research used a qualitative and inductive approach, focusing on Airbnb micro-entrepreneurs' operational risks and responses. Data was collected through semi-structured interviews using purposive and snowball sampling methods. Thematic analysis revealed 46 codes under ten categories, aiming to interpret the socially constructed world.

## 3. Results and Discussion

Allowing strangers to stay at home and opening the door to them can be quite risky and mentally challenging. These are potential constraints for micro-entrepreneurs in the Airbnb accommodation services sector. This study identifies two categories of operational risks faced by Airbnb micro-entrepreneurs: directly affected operational risks and indirectly affected operational risks. Directly affected operational risks include guest-related, business-related, and platform-related risks. Indirectly affected operational risks include social-related and weather-related risks. The researcher divided responses for directly affected operational risks into three subcategories: guests-related, business-related, and platform-related risks. Responses for social-related and weather-related operational risks were divided as responses for indirectly affected operational risks. The study highlights the potential risks and responses faced by Airbnb entrepreneurs.

## 4. Conclusion and Implications

The study examines Airbnb's supply side from the perspective of Sri Lankan micro-entrepreneurs, revealing that many hosts are not professionals but essential for the platform's growth and guest experience, providing valuable insights for platform providers, companies, policymakers, and potential hosts.

**Keywords:** Airbnb, Micro-entrepreneur, Operational Risks, P2P accommodation.