

An Impact on the Hospitality Industry with Rare Resource and Sharing Economy Platform: Case of Airbnb and Kozaza

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Abstract An analysis of Airbnb and Kozaza will show how valuable and rare resource can have an impact on company performances. Airbnb applied the sharing economy platform, and this business model had disrupted the hospitality industry. Thus, this paper will investigate a Korean company called Kozaza which had benchmarked Airbnb. Furthermore, it will apply the theory of VRIO framework, which consists of how valuable, rare, costly to imitate (imitability), and organization (exploited by the organization) to find competitiveness of Kozaza in the hospitality industry. Thus, it will attempt to show that Kozaza's business model of utilizing the unused resource of Hanok (traditional Korean house) and partnerships with Hanokstay, Seoul Metropolitan Government and Soul Tourism Organization and others have enhanced their resource and capability to strengthen their business model. Furthermore, this research will explore how Kozaza can competitively be successful in the future.

Key Words : Airbnb, Kozaza, Sharing Economy, Resources and Capabilities, Online to Offline, Millennial

1. Introduction

The hospitality industry was disrupted in October 2007, when two unemployed art school students in San Francisco created a company called Airbnb. They were living in a three-bedroom apartment and needed money to pay their rent. They had a brilliant idea to rent out some air mattresses in their apartment during a design conference. This

simple idea changed the hospitality industry and effectively utilized the concept of online-to-offline (O2O) commerce and the sharing economy.

In South Korea, Kozaza has benchmarked the business model of Airbnb. However, Kozaza focused primarily on the hanok, a traditional Korean house which considered a valuable and rare resource, but many of which are currently unused and are merely tourist attractions. Hanoks first appeared in the 14th century during the Joseon Dynasty. Kim[11] stated that hanoks reflect the Korean lifestyle and sentiment. Furthermore, Lee et al.[13] describe a hanok as a structure built using

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traditional Korean technology and in an ancient style. Hanoks are unique in that they are not associated with modern construction techniques. There are only a few clusters of these buildings left in Korea, and they are largely unoccupied.

This paper will explore Kozaza's O2O business strategy how they have entered the hospitality industry by exploiting the rare and valuable resource of hanoks. A VRIO framework will be applied to assess the competitiveness of Kozaza in the hospitality industry.

2. Online to Offline and Sharing Economy

In the past, customers and firms utilized three primary methods of e-commerce: business to business (B2B), business to consumer (B2C), and consumer to consumer (C2C) to gain various advantages. However, customers are nowadays increasingly aware of the new model of online-to-offline (O2O) commerce, which refers to offline services being offered via an online website or smartphone. This is a new e-business concept and model that has changed purchasing methods[20, 10]. Traditional B2C and C2C utilize online purchasing and payment methods. Although O2O is based on online payments, goods and services are primarily enjoyed offline and is concentrated on consumption of services such beauty, tourism, and catering[21]. Moreover, the use of the Internet and smartphones can build competitive advantage both for customers and firms[27].

Since 2010, collaborative consumption, also known as the sharing economy (SE), has received significant attention[8]. Currently, peer-to-peer sharing of various unused resources is being utilized and accessed all over the world. The Organization for Economic Co-operation and

Development[16] stated that the sharing economy is innovatively transforming the business model and how companies strategically innovate to challenge the industry norm. The advent of the shared economy has enabled tourists and residents to share unutilized resources such as homes, cars, and outside spaces. As a result, Airbnb (sharing homes) and Kozaza (sharing traditional Korean houses) have emerged and strategically innovated and challenged the existing hospitality industry.

The number of sharing economy platforms has increased, especially in the tourism and hospitality industries[17]. Botsman and Rogers[3] stated that a new type of peer-to-peer (P2P) commerce platform has emerged, the sharing economy, which is associated with the supply of services. They also described the 21st century as a broad shift from hyper-consumption (driven by credit, advertising, and ownership) to collaborative consumption (driven by reputation, community, and shared access). Sundararajan[24] describes the sharing economy as an economic system with five characteristics: largely market-based (enabling exchange of goods and new services), high-impact capital (various assets and skills can be used to their full capacity), existence of crowd-based networks (supply of capital and labor is decentralized), and the line between fully employed and casual labor or independent and dependent employment is blurred (traditional full-time jobs replaced by entrepreneurship). Furthermore, Stephanny[22] describes the sharing economy as using under-utilized assets and making them accessible. He outlines five categories to explain the sharing economy in more detail: value, under-utilized assets, online accessibility, community, and reduced need for ownership. Various companies have emerged in different industries. Table 1 shows the sharing economy platform across particular industries. Since 2011, the sharing economy had received wide spread public attention because of Airbnb[14].

Table 1 Sharing Economy Platforms Across Industries in 2015

Industry	Company
Banking	KIVA, LendingClub, Funding Circle, Prosper
Food	Farmigo, La Ruche Qui Dit Oui!, Feastly, EatWith, VizEat
Hotel	Airbnb, Kozaza, Love Home Swap, Couchsurfing, Onefinestay
Retail	Eetsy, Rent the Runway Eleven James, ThredUp, Style Lend
Healthcare	Pager, Heal, Care.com, Cohealo
Transportation	Uber, OLA, Hail Grabtaxi, Bla Bla Car, Gett, Lyft
Car Rental	Getaround, Turo, Flightcar, SnappCar, Drivy, Car2go, DriveNow
Risk Capital Intermediary	Kickstarter, AngelList, CircleUp, Indiegogo, Traity

Gansky[7] shows why the future of business is about sharing. The sharing economy framework is called “The Mesh.” She claims that classical mesh companies have unique and valuable resources that are easily shared. These kinds of companies bring together the key factors of social, mobile, and physical goods. Furthermore, Botsman and Rogers[3] proposed a collaborative economy which deals with four different sites of economic activity: collaborative production (deals with design, production, and distribution of goods through collaborative networks), collaborative consumption (maximize assets through shared redistribution), collaborative finance (transactions without a traditional third-party), and collaborative education (peer-to-peer models for understanding knowledge. Most importantly, a sharing economy platform can be operated effectively when the resources of the business includes resources which

are valuable (Do a firm’s resource and capabilities add value?), rare (Is a resource currently controlled by few competing firms?), inimitable (Does firms without a resource face a cost disadvantage in developing the resource?), and when organization (Is a firm organized to exploit the full competitive potential of its resources and capabilities?) is present in the business model[1].

3. The Hospitality Industry

The original concept of hospitality was between a renter and a user. A renter markets their utility (hotel bedroom) while the user or the customer rents out the vacant or available room. Thus, the renter markets various methods to attract the customers to stay in one of the lodging industry for profit. Currently, the lodging industry is comprised of 8 segments: deluxe hotels, upscale hotels, mid-scale hotels (with or without food and beverage), economy hotels, budget hotels, extended-stay hotels (upper-tier), extended-stay hotels (lower-tier), and casinos[5]. The customers choose these listed lodging industry based on a night for comfort, fun, service and more. Thus, to be successful, firms need to be successful in their operational effectiveness by delivering more value (competitive effectiveness) to the customer and lower the cost of the value (operational efficiency)[18].

A renter markets their utility (spare bedroom) while the user or customer rents the vacant or available room and renters can use various methods to attract customers. Currently, the hotel industry is comprised of 8 segments: deluxe hotels, upscale hotels, mid-scale hotels (with or without food and beverage), economy hotels, budget hotels, extended-stay hotels (upper-tier), extended-stay hotels (lower-tier), and casinos [5]. Customers choose where they wish to stay based on a number of

factors including comfort, entertainment, service, and value. Therefore, firms need to be successful in their operational effectiveness by delivering more value (competitive effectiveness) to the customer and lower the cost of the value (operational efficiency)[18].

The view of commercial hospitality takes two basic approaches, declarative and judgmental. The declarative approach shows the common roots of commercial hospitality. According to Rutes and Penner[19], there are four fundamental roots to this. First, commercial hotels expedited trade and mail and provided accommodation to pilgrims and travelling diplomats. Second, there were Greek and Roman spas were based on resorts and entertainment. Third, there were condos and bed and breakfasts developed from rental housing. Lastly, luxury hotels were used from royal courts. Some scholars have different interpretations of the history of commercial hospitality. Lattin[12] argues that lodging dates back 12,000 years. Medlik and Ingram[15] state that hotel industry began around 200 years ago. The judgmental approach states that commercial hospitality is an impersonal financial exchange rather than hosts providing food and accommodation to people in need[26]. Thus, there is no consensus regarding the beginning of the hospitality industry.

The hospitality industry has grown to become a global phenomenon. The hospitality industry began to change when Airbnb entered the industry and began to grow. Before Airbnb, annual growth rates for hotel chains was 4.7 percent in 2010. In 2011, it was at 7.4 percent. However, in 2012, the annual growth in global hotel rates for hotel chains fell by 1.5 percent. The primary reason for this that in 2011 Airbnb received \$112 million in funding to support their business in Fig. 1.

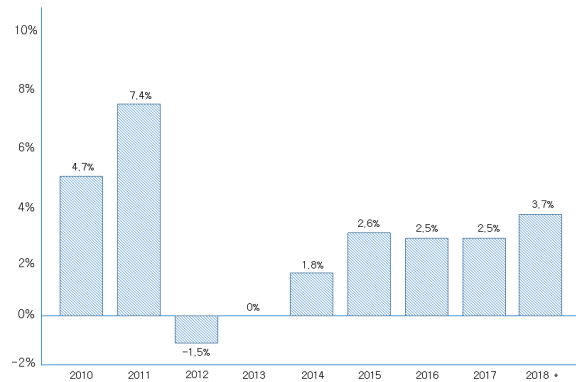


Fig. 1 Annual Growth Rates for Global Hotel Chains.

*: Expected
Source: Statista

Fig. 2 shows that the market value of the hotel industry in the United States has significantly changed since the emergence of Airbnb. From 2007 to 2009, the market value of the United States hotel industry dropped sharply to -30.71 percent due to the impact of Airbnb’s innovative approach to accommodation. Since 2010 this figure has begun to increase.

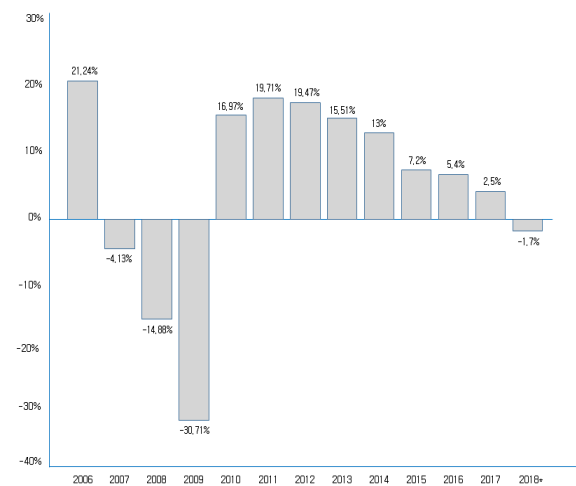


Fig. 2 Change in Market Value of the United States Hotel Industry from 2006 to 2018.

*: Expected
Source: HVS Global Hospitality Services; STR

South Korea has experienced rapid economic development with gross domestic product (GDP) rising since the Korean war. The GDP has increased by tremendously, since 1953 and the economy is the fourth largest in Asia and the 11th largest in the world. Furthermore, Fig. 3 shows that the contribution of travel and tourism to GDP in South Korea is increasing. The travel and tourism industries are forecast to be worth approximately 145.34 trillion won by 2027. The Fig. 4 shows the online shopping has also steadily increased because South Korean consumers have excellent access to free WiFi. The volume of online shopping transactions has increased as younger Koreans prefer to utilize social networks to make purchases and prefer to spend their money now rather than saving for the future[9]. A website can bring comfort, information loyalty and quality for tourism to enhance the tourist industry[4].

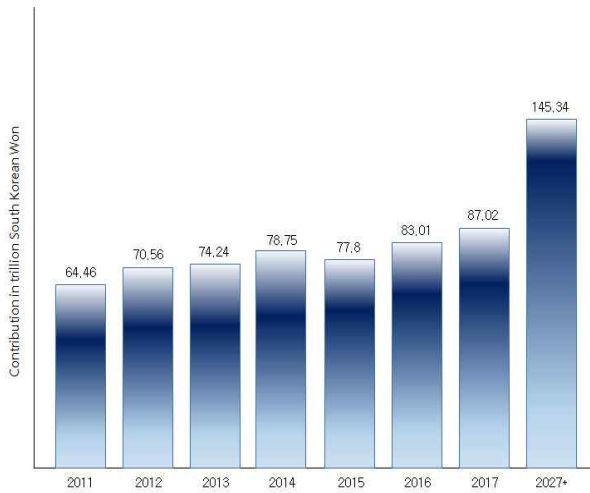


Fig. 3 Total Contribution of Travel and Tourism to GDP in South Korea from 2011 to 2027.

*: Expected
Source: WTTC

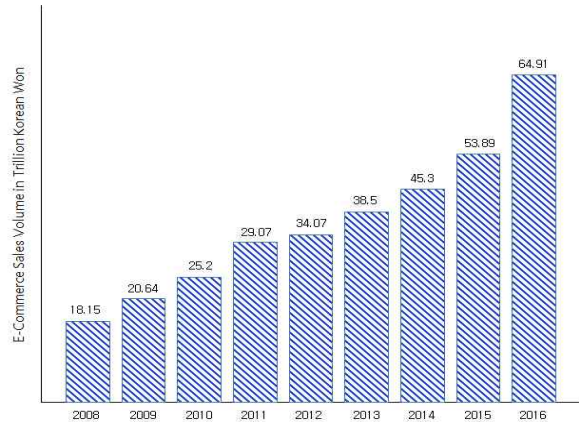


Fig. 4 Volume of Online Shopping Transactions in South Korea from 2008 to 2016.

Source: Statistics Korea

4. Airbnb

4.1 The Beginning

The story of Airbnb actually started in Rhode Island, 2004. Airbnb was cofounded by Brian Chesky and Joe Gebbia, who were in their final year in college. After repeatedly failing to get jobs they considered starting a company of their own. Their very first idea was to create bed-and-breakfast in their apartment for people attending the Industrial Design/Industrial Designers Society of America (ICSID/IDSA) conference. They created a website called Airbed and Breakfast. Their idea was much better than they had expected; three guests booked into their apartment. However, they would need another person to help to run the company and asked Nathan Blecharczyk who was an expert in the field of engineer and also a previous roommate of Gebbia.

As these three cofounders started their journey, there were many failures. They were on the verge of financial ruin as potential investors were reluctant to invest. However, these three founders did not quit and continued to refine their ideas.

They started by improving their payment system by continually innovating and reviewing the system. Furthermore, they used micro blogs to market their idea. Eventually, their idea was reviewed in the Denver Post, and the New York Times, among others. They finally received \$20,000 in seed funding from Y Combinator's in return for a six percent stake of their company. Chesky was in charge of the payment system, Gebbia was responsible for customer service calls, and Blecharczyk was in charge of the website. In 2009 they received \$615,000 in investment from Sequoia (\$585,000) and Youniversity (\$30,000) with company valued at \$2.4 million. After receiving funding from several other sources, in 2011, Airbnb received \$112 million at a valuation of \$1.2 billion dollars and became a unicorn company, a private company valued at \$1 billion or more.

4.2 Business Model and Strategy

The confounders unanimously believed in a strong mission and core values. They created ten core values relating to Airbnb and building family spirit, these core values were later changed to people, places, love, and Airbnb. Their business model connects buyers and sellers and takes a commission fee to help run the company. The bookers' fees range from six to twelve percent, and a hosts' fees three percent. The hosts can receive payment via PayPal or prepaid debit card. Fundamentally, the Airbnb business model serves two markets, one is that of potential travelers, and other is that of people who rent out their available space or homes. Moreover, the business model is about leveraging a net work effect. When more people list on Airbnb, it attracts more people who want to travel at a fair price for a short period. More importantly, Airbnb is not a hotel because listings can change on any given day. It depends on home renters' schedules and frequency preferences.

Airbnb lists over 4.5 million homes across the world which are affordable and suitable for any occasion. Anyone who is registered with Airbnb can also book tables at popular restaurants because of its database reviews from past guests. Furthermore, Airbnb ensures effective and secure communication and coordinates efficient interactions with the hosts, with support teams are available 24 hours a day, seven days a week.

A consumer can be part of the Airbnb community by simply registering their email address and phone number. Since Airbnb is based on trust and respect, before joining, all applicants have to accept the term of service which is to agree to treat everyone equally regardless of their background. Fig. 5 shows the terms a new applicant has to accept before joining Airbnb.

An individual can also become a host by sharing the extra space (room or whole house) with travelers from all over the world. In so doing, the host can save money and fund future trips. Most importantly, the host has total control of the availability, prices, house rules, and how the host can interact with the guests. There are three steps to becoming a host.

First create a listing, second, welcome guests, and third, get paid.

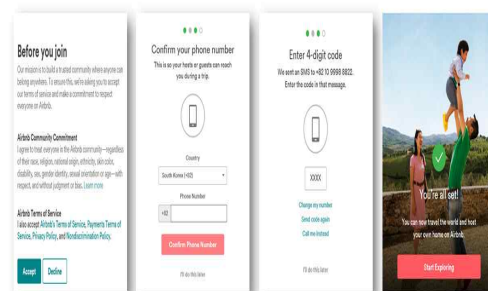


Fig. 5 Before you join
Source: Airbnb

It is free, easy, and simple for a host to create a new listing. The simple platform came from the three-click rule used by Steve Jobs. The founders wanted the users to be no more than three clicks away from using their booking platform. All the host has to do is describe the available space, how many guests can be accommodated, and upload photos. Again, the price is solely up to the host. By using the Airbnb platform, the host has the opportunity to get to know guests before arrival. Furthermore, the host can greet the guests in person to hand over the keys or by sending the guests the door code, if appropriate. Lastly, the secure payment system means the host does not have to deal with money directly. The guests have to pay before arrival, and the host is paid automatically. Airbnb charges a three percent service fee. The payment to the host can be through PayPal, direct deposit, or by international wire. The Airbnb guarantee can provide up to \$1,000,000 cover for property damage and up to \$1,000,000 for liability.

Airbnb is based on trust because the business model is primarily composed of random hosts and guests. Yang et al.[28] stated that vendor trustworthiness has a more significant influence on the success of brand extension. All Airbnb hosts must submit a profile picture, phone number, and an email address. host can also request to see valid identification. Lastly, all guests and hosts publish reviews after check-out for accountability.

Airbnb needed to have a perfect booking system, which is shown in Fig. 6. It created and built an end-to-end payment system because unlike hotels, Airbnb has to handle payments and 97 percent of the money is returned to the hosts. Furthermore, it created a robust customer-service mechanism that creates a great customer experience when using their service. They have created a 24/7 customer-service platform on their website (just like

the front desk in a hotel). Moreover, it does not utilize expensive servers to hold their data; instead, it uses cloud computing to save costs. Customers who use the Airbnb platform are millennial travelers who are confident, conventional, achieving and have other characteristics that are different from the generation who prefer the hotel experience [23]. Airbnb gives travelers the opportunity to stay outside of the central hotel and tourist districts and experience as destination as a local. On average, guests are in their thirties, and hosts are usually in their forties. However, millennials are their core customer as both guests and hosts.

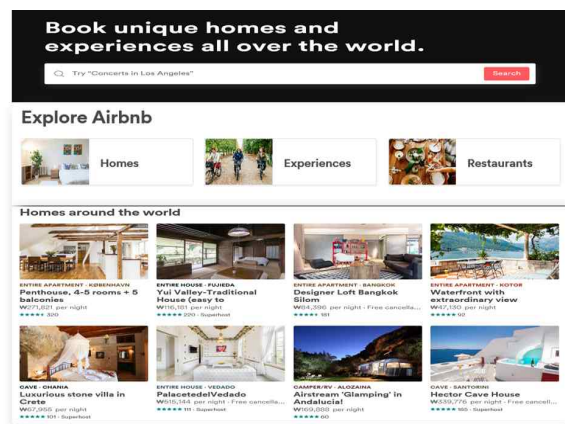


Fig. 6 A Selection of Homes Available on Airbnb
Source: Airbnb

At first, hotels did not consider Airbnb a competitor. However, as Airbnb began to grow rapidly, hotel companies began to worry. It was too late to acknowledge the Airbnb strategy. Hotels began to discuss how Airbnb was an illegal hotel and that there should be a level playing field by making sure hosts abide by hotel industry standards (fire safety, disease prevention, compliance with Americans with Disabilities Act, taxes, and more)[6]. Despite these criticisms and concerns, Airbnb continued to expand at a rapid rate. Their robust marketing platform reached billions of people globally. Some hotels believe that the Airbnb platform can be utilized to attract future

guests. Furthermore, Chesky believes that opening Airbnb traffic to other businesses will allow them to work together.

5. Kozaza

5.1 The Beginning

The founder and current CEO of Kozaza is San Ku Jo. His first job was at the Lawrence Berkeley National Lab (LBNL) working on future Internet architecture and grid computing. In 2010 he had an opportunity to work for the LG new business development and open innovation team. Finally, in 2012, he left the corporate world and started his own company, Kozaza, located in Seoul. The current profit is estimated to be around \$500,000 with just under twenty employees.

5.2 Business Model and Strategy

The mission and vision of Kozaza is to create a company much like Airbnb in South Korea. The primary difference between the two companies is that, unlike any other sharing economy platform companies, Kozaza utilizes hanoks, which are an unused and unique resource. It is a venture company that has received government funding. It shares its database of five hundred available hanoks via the Naver search engine. Furthermore, Kozaza is negotiating with an online search engine for vacation rentals via a company called Tripping. Its website has over 10 million listings in more than 150,000 cities worldwide. Furthermore, it is also in the process of negotiating with Tujia, which is a travel agency based in Beijing, China. The company targets the Chinese travel market and is known as China's Airbnb. It is very similar to Airbnb but owners cannot post listings in the same way. Instead, listings have to first be processed by property agents and managers. It also has over 150

destinations in China.

The slogan of Kozaza is "Experience Seoul Like a Local." It has partnered with the Seoul Metropolitan government, the Seoul Tourism Organization, Incheon International relations Foundation, Sharing City Seoul, Seoul Business Agency, Hanok Korea, Vist Korea Committee, Loc & All, Google maps and Business View to provide many more available resources of Seoul guesthouses. Kozaza's partnership with these companies increased their resources and brought further opportunity for growth in their business. By partnering with these companies, they have expanded their resources not only in hanok, but in other areas such as apartments, houses, bed and breakfasts, guesthouses, villas, temple stays, cars, and boats. Their unique accommodation is divided into Koreastay (guest houses authorized by the government with 5,000 rooms available all over South Korea), Hanokstay (traditional Korean houses, about 500 hanok in Bukchon, Jeonju, Andong, and Gyeongju), and Finestay (premium accommodation, luxury hanok hotels, and deluxe house). This kind of approach towards hospitality has shown them to be the first mover on the O2O platform and has helped them to grow rapidly in the hospitality industry in South Korea.

Kozaza has benchmarked the business model from Airbnb and therefore, it has a very similar O2O sharing economy platform. Fig. 7 shows how consumers can explore the website for various pricing and booking options. The website can be interchangeable between Korean, English, Japanese, and Chinese. The website also provides prices in different currencies to allow users to see preferable rooms rates. Users can log in using either Facebook or their email address.

Consumers can search the for available rooms online. Users must first specify a location and check-in and check-out dates, followed by the

number of guests. The search can be narrowed further using different categories, as shown in Table 2.

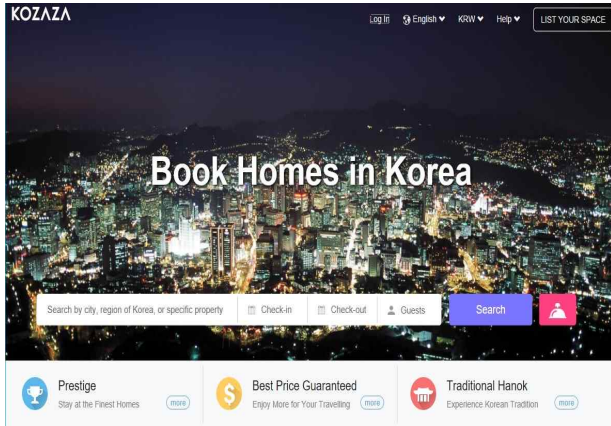


Fig. 7 Kozaza Website
Source : Kozaza

Table 2 Kozaza Accommodation and Pricing

Type	Room Type	Entire home/apt, private and shared room
	Property Type	Apartment, house, bed & breakfast, guesthouse, villa, templestay, car, boat, and hanokstay
Price	From \$100-\$400 dollars	
Amenities	Amenities	Breakfast provided, TV, Internet/WiFi, kitchen, air conditioning, lockable room, parking available
	General	Smoking allowed, pets allowed, suitable for events, Info desk, doorman, handicap accessible, elevator in building
	Bathing & Washing	Sauna, Towels provided, washer, dryer, hot tub, hair dryer, dishwasher, first aid kit, shower, bathtub
	Facilities	Electronic fan, heating, indoor-fireplace, barbeque grill, pool, balcony/terrace, yard/garden, gym, fire extinguisher

Source: Kozaza

Search criteria can also be narrowed down by selecting a specific area of interest in South Korea, as shown in Fig. 8. Examples of prices for rooms are shown in Fig. 9. When the guests check-out, they can leave a review for future guests in a similar manner to Airbnb.



Fig. 8 Areas Covered by Hanokstay
Source: Kozaza

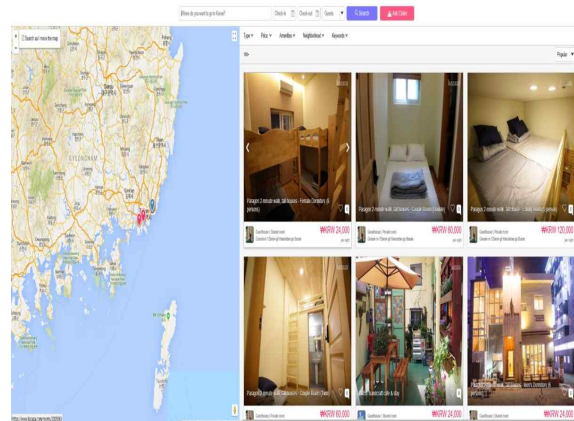


Fig. 9 Prices for available rooms in South Korea
Source: Kozaza

Fig. 10 shows the process of listing the available space. The host has to log in via Facebook or with an email account. The host can manage the listing by using the different categories: overview (Title & Description), pricing (Currency, Per night, Weekend pricing, Additional guest fee, Security deposit, Cleaning fee, and Long term prices),

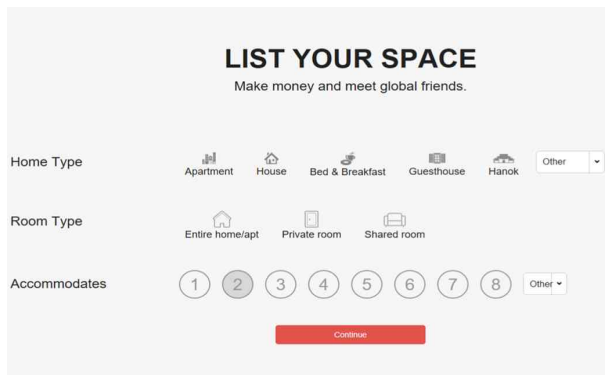


Fig. 10 List your Space
Source: Kozaza

calendar, photos (Insert photos), amenities, terms (Check-in and out, minimum and maximum stay, and cancellation policy), location (the exact address is private and only shared with guests after the reservation is confirmed) Fig. 11 shows the what the host can insert into the overview.

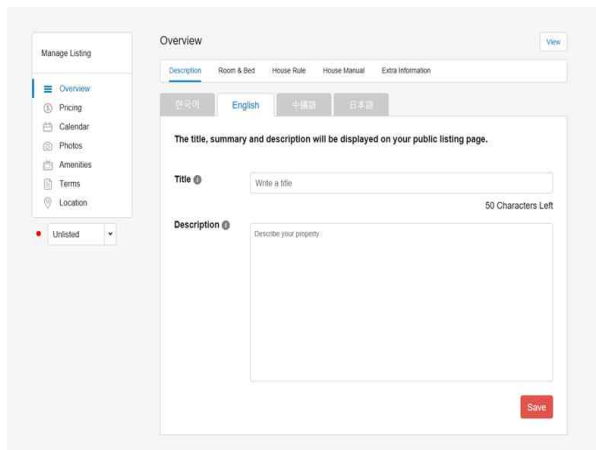


Fig. 11 Host Overview Description
Source: Kozaza

What makes Kozaza is different from Airbnb is their Hanokstory, as shown in Fig. 12. Kozaza has utilized the five hundred unused hanoks that are available as guest house accommodation. It gives consumers a taste of the past by enabling them to stay in a hanok for a reasonable price. Moreover,

unlike Airbnb guests who pay up to twelve percent commission for a service, the booking service is free of charge with a room quality guarantee. However, the fees received by the host remain the same as Airbnb. Instead of spending money on external advertising agencies, Kozaza is more focused on guest satisfaction. Table 2 shows pricing.

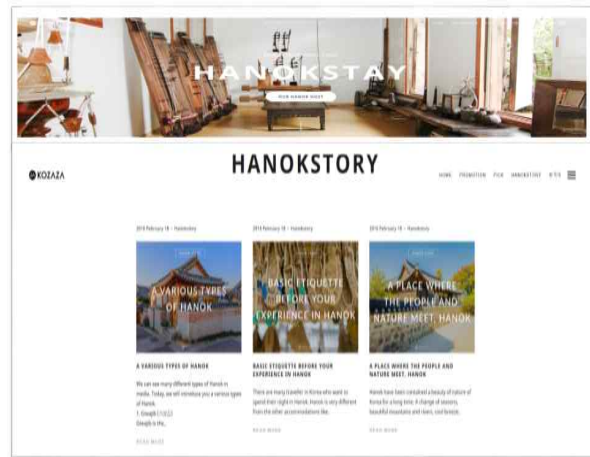


Fig. 12 Hanokstory Accommodation
Source: Kozaza

6. Implications

The VRIO framework, as shown in Table 3, was created by Jay Barney to investigate a company's competitiveness[2]. The valuable factors investigate whether a firm's resources and capabilities enable it to respond to environmental threats or opportunities. The rarity factors examine if the resource currently controlled by only a few numbers of competing firms or not. The imitability factor seeks to find whether other firms without the specific resource face a cost disadvantage in obtaining or developing the resource. Lastly, the organization factors investigate whether a firm's policies and procedures are organized to support the exploitation of its valuable, rare, and imitable resources. When a company does not have any of these types of

resource, it has a competitive disadvantage regarding profitability. However, when all the factors from VRIO framework are present, a company has a sustainable competitive advantage for sustainable profitability.

Table 3 also shows the VRIO framework for both Airbnb and Kozaza. Also, Table 4 shows the VRIO framework applied for Airbnb and Kozaza.

The value of Airbnb is that it has over 4.5 million homes across the world that are affordable and spacious. Also Airbnb ensures effective and secure communication to coordinate interactions between hosts and support teams. Furthermore, the environmental threats within the hospitality industry can be low with Airbnb because it is different from regular hotels and motels because affordable listings can change any given day for consumers. Airbnb also has trust as a rare intangible resource. Cost disadvantage for other firms seems to be present because their profitability has fallen ever since Airbnb entered the hospitality industry. Hotels cannot imitate Airbnb’s business model because of their legacy constraints. Lastly, Airbnb has an intelligent end-to-end payment system, a robust customer service mechanism that offers a 24/7 customer service platform, and an excellent marketing platform to reach billions of people worldwide, which allows them to exploit their

resources competitively in order to have a sustainable competitive advantage.

Kozaza used its partnerships with various organizations to respond to environmental opportunities by providing various accommodations for different consumers all around the world. The primary business model of Kozaza was utilizing the unused rare resource of South Korean hanoks. Kozaza is currently the only company that can provide such accommodation. Moreover, it attracts both foreign and Korean consumers who want to have the experience of spending a night in a traditional Korean house. Cost disadvantage in obtaining or developing hanoks as a resource is low to medium because there is the potential for other firms to enter the hospitality industry in South Korea and, in the future, form partnerships with HanokKorea. The availability of hanok can be shared. Moreover, if Hanok Korea does not renew its contract, Kozaza can lose one of its rare resources to their business model. Lastly, the Kozaza website is well designed to exploit their resources. These procedures and policies can help Kozaza to exploit their resources to have a temporary competitive advantage in the hospitality industry in South Korea.

The unit of analysis for two companies is based on cultural diversity. The Airbnb contains

Table 3 VRIO Framework for Airbnb and Kozaza

	Valuable?	Rare?	Costly to Imitate?	Exploited by Organization?	Competitive Implications
VRIO Framework	No	No	No	No or Yes	Competitive disadvantage
	Yes	No	No		Competitive parity
	Yes	Yes	No		Temporary competitive advantage
	Yes	Yes	Yes		Sustained competitive advantage
Airbnb	Yes	Yes	Yes	Yes	Sustained competitive advantage
Kozaza	Yes	Yes	No	Yes	Temporary competitive advantage

diversified housing accommodations worldwide. For example, the housing accommodations are from United States, Canada, Europe, and other different countries. Furthermore, in each country, the Airbnb carries various types of accommodations and does not focus on each country's own specific culture. In contrast, Kozaza mainly focuses on the hanok accommodations which focus on South Korea's culture. Thus, Airbnb offers accommodations for various types of consumers, which includes

domestic and foreign consumers. Meanwhile, Kozaza is primarily focused on foreign consumers.

As mentioned above, if Kozaza loses partnership with HanokKorea, then Kozaza cannot maintain their business, because they lose their rare resource of hanok. Thus, based on VRIO framework, Kozaza's resource of hanok is not costly to imitate.

Table 4 VRIO Framework Applied for Airbnb & Kozaza

	Valuable?	Rare?	Costly to Imitate?	Exploited by Organization?	Competitive Implications
Airbnb	<ul style="list-style-type: none"> - 4.5 million homes across the world - Effective and secure communication & interaction - Different business model compare to hotel & motel 	<ul style="list-style-type: none"> - Trust between hosts & guests 	<ul style="list-style-type: none"> - Hotels & Motels cannot imitate Airbnb business model (legacy constraint) 	<ul style="list-style-type: none"> - An intelligent end-to-end pay system - 24/7 customer service platform - Marketing platform 	Sustained competitive advantage
Kozaza	<ul style="list-style-type: none"> - Various accommodations for different consumers in South Korea - Partnerships with Seoul Metropolitan government, Soul Tourism Organization, HanokKorea, and more 	<ul style="list-style-type: none"> - Hanok accommodation 	<ul style="list-style-type: none"> - Availability of hanok can be imitated if HanokKorea does not continuously partner with Kozaza 	<ul style="list-style-type: none"> - Intelligent website platform offered in different languages (Korean, English, Japanese, & Chinese) to attract consumers. Especially foreigners - Room rates available in different currencies 	Temporary competitive advantage

7. Conclusion

This paper explored and investigated Kozaza. It had benchmarked the company Airbnb. It partnered with various organizations to enhance competitiveness by using the sharing economy platform. Notably, Kozaza focused on utilizing hanok as accommodation, most of which were previously unused and are considered a rare resource that can be exploited via an O2O platform. Trejos[25] claimed that companies using the sharing economy approach have a different fundamental business model by serving new consumers. This research contributed to the theory of the VRIO framework by incorporating the theory of sharing economy platforms. Furthermore, managers from other companies who utilize the sharing economy platform can visualize and understand how important it is to obtain rare resources and capabilities in order to be competitive, sustainable, and successful.

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