Exploratory study of consumer issues in online peer-to-peer platform markets

Task 4 – Case study report: Wimdu

EUROPEAN COMMISSION

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1 Introduction

1.1 Platform overview

Wimdu is an online accommodation platform that connects peer consumers and peer providers worldwide.[1] As of 2016, the company has an inventory of more than 300,000 listings of rental properties in 150 countries all over the world.[2]

There are 44 different national versions of the website, available in 15 languages. In the EU, the platform is available in 17 Member States, as shown by Table 1 below.[3] The Wimdu platform is also available via mobile app.

In 2015, Wimdu's most important markets were all EU countries: Spain, Italy, Germany, France, and the UK. Its rising markets were all located in Europe: Austria, Switzerland, the Netherlands, Croatia and Portugal.[4] In addition to Europe, the platform is active in Asia, as well as North and South America.[5]

Table 1: Wimdu's availability in the EU

Country	Country presence
Austria	✓
Belgium	✓
Bulgaria	
Croatia	
Cyprus	
Czech Republic	✓
Denmark	✓
Estonia	
Finland	✓
France	✓
Germany	✓
Greece	✓
Hungary	✓
Ireland	✓
Italy	✓
Latvia	
Lithuania	
Luxembourg	
Malta	
Netherlands	✓
Poland	✓
Portugal	✓
Romania	
Slovakia	
Slovenia	
Spain	✓
Sweden	✓
United Kingdom	✓

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[1] Within the scope of this case study, desk research and the mystery shopping exercise were carried up until December 2016. Some minor clarifications regarding the core research results were sought until February 2017.
[2] Information available at: http://www.wimdu.co.uk/aboutus#about-us-about-us, accessed on 09/02/2017.
[3] Mystery shopping, 13/07/2016.
[4] Information available at: http://rckt.pr.co/101422-apartment-rental-platform-wimdu-on-the-attack-revenues-up-34-percent-in-first-quarter-of-2015, accessed on 09/02/2017.
[5] Information available at : http://www.wimdu.co.uk/aboutus#about-us-about-us, accessed on 09/02/2017.

Wimdu ranks behind AirBnB, Idealista.es (Spain), Imoti (Bulgaria), and HomeAway (US, worldwide) in terms of users among the respondents in the Task 2 survey sample in 10 EU countries as shown in Table 1.

Table 2: Web survey responses regarding the use of accommodation sharing online platforms in 10 EU countries[6]

Platform	Respondents as	
	Consumers	Providers
AirBnB	465	271
Idealista	76	77
Imoti	62	74
HomeAway	53	31
Wimdu	42	24

Source: GfK, Task 2 consumer survey (sample size of 10,019 respondents in 10 EU countries)

Wimdu facilitates the **matching** of the supply of peer providers and the demand of peer consumers through the services it provides. These include search functions, price setting advice and mechanisms, and an online messaging system for peers, from booking request until check-out.

Statistics available on the platform's website indicate that Wimdu currently has 1 million registered users[7] and that its peer providers can earn on average EUR 900 per month from bookings.[8] Wimdu's parent company Rocket Internet's Annual report assesses the gross transaction volume of Wimdu as worth EUR 92.5 million in 2014.[9]

However, the platform currently faces important financial difficulties and it is undergoing restructuring (section **Error! Reference source not found.**).[10] In October 2016, Wimdu merged with the German Sharing/Renting Accommodation platform 9flats, probably in response to those difficulties.[11]

The representatives of Wimdu were contacted several times within the scope of this case study, but to date no answer was received. Therefore, it is important to note that the content of this case study has not been confirmed by the platform.

1.2   User experience

There are two types of user experiences on the platform:

- Peer providers who list their accommodation (rooms, apartments or other); and
- Peer consumers who search for rentals.

Users who are active as peer providers and as peer consumers do not need to have two separate accounts for listing and renting.

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6 Bulgaria, Denmark, France, Germany, Italy, the Netherlands, Poland, Slovenia, Spain, UK.
[7] Information available at: http://www.wimdu.co.uk/aboutus#about-us-about-us, accessed on 09/02/2017.
[8] Information available at: http://www.wimdu.com/howitworks-hosts, accessed on 09/02/2017.
[9] Information available at: https://www.rocket-internet.com/sites/default/files/investors/Rocket%20Annual%20Report%202014.pdf
[10] http://www.gruenderszene.de/allgemein/wimdu-kuerzungen, accessed on 09/02/2017.
[11] Information available at: https://techcrunch.com/2016/10/10/airbnb-rivals-wimdu-and-9flats-consolidate/, accessed on 09/02/2017.

To list or book an accommodation, peer users must first create a personal online profile. This requires a valid email address and name, or, alternatively, a log-in with a Facebook or Google account. Registration implies acceptance of the General Terms and Conditions. No verification of identity is done by Wimdu upon registration[12] (although other mechanisms for identity verification apply – see section 2.5.2).

Figure 1 shows these two options on the desktop version.

Figure 1: Registration options on Wimdu (desktop version)

Once logged in, peers can see their recent activity, including recent searches and recently viewed places or accommodation options, as Figure 2 below shows.

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[12] Information available at: http://www.wimdu.co.uk/terms, accessed on 09/02/2017.

Figure 2: Wimdu home screen after log-in (desktop version)
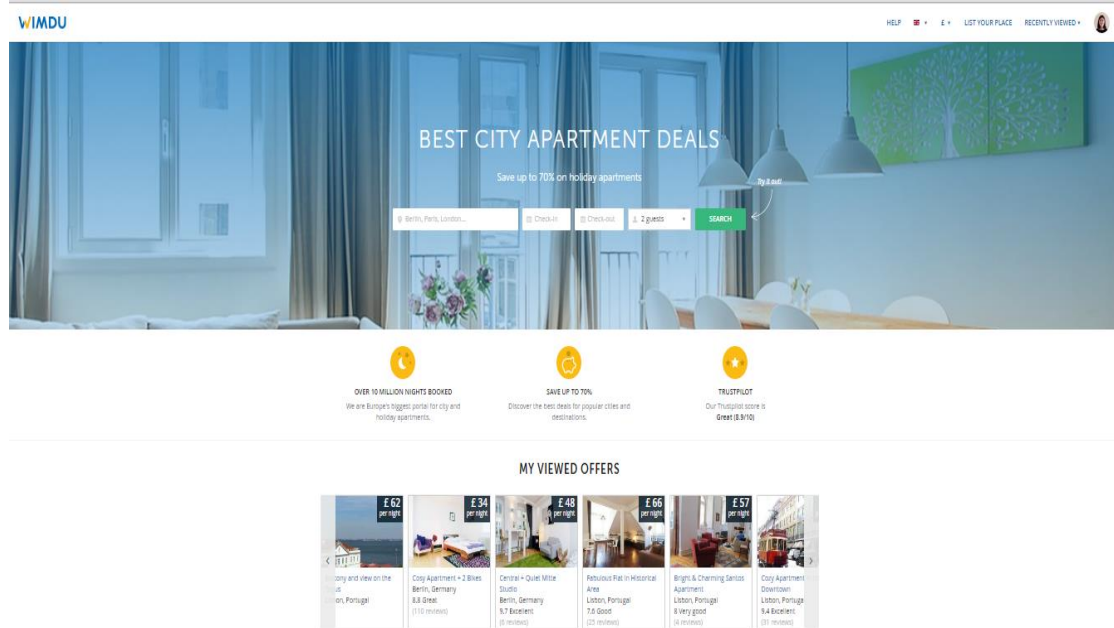
On the top right of the screen, peer users can check their personal profile. The menu includes a dashboard where users can see their notifications, an online messaging (inbox) system, a tab to write or check reviews, as well as profile settings. Peer providers can manage their listings and reservations, while peer consumers can access the history of previously booked accommodations and manage their bookings.

Figure 3: User dashboard on Wimdu (desktop version)
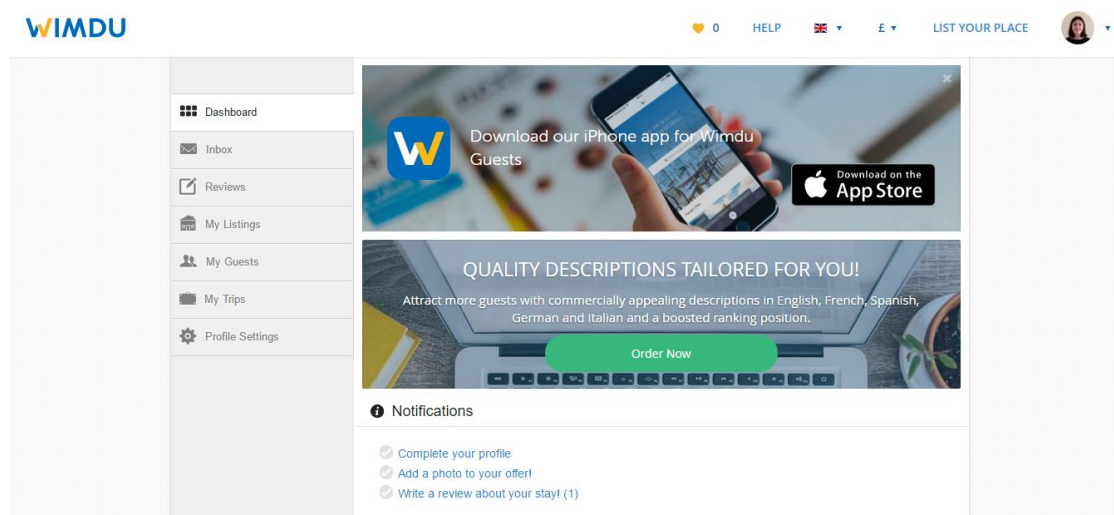
On the website both peers use the same online platform, but Wimdu has developed two separate mobile apps: one for peer providers and one for peer consumers. As of 2017, the app is only available on iOS and Android.[13]

1.2.1 Peer consumers

Peer consumers can benefit from all the functionalities of the website on the app. They can search for rentals without registration, but they need to create an account to book.

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[13] Information available at: https://www.tripping.com/industry/rental-companies/airbnb-vs-wimdu, accessed on 09/02/2017.

Once logged in, peer consumers can book accommodation, add rentals in their list of favourites, see their bookings, check destination suggestions and access their inbox.

Figure 4: Wimdu mobile app version for peer consumers
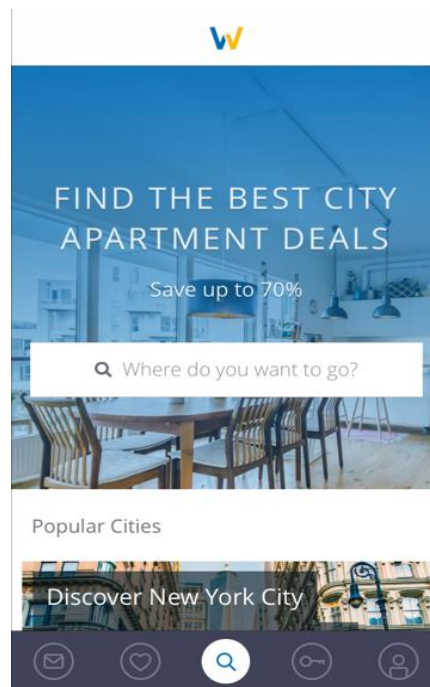
Peer consumers can search for properties using Wimdu's search engine. Various filters allow narrowing the search according to type of property, price per night, number of bedrooms, and amenities such as Internet, TV, air conditioning etc. The process of finding and booking a room is illustrated in Figure 5 below.

Figure 5: Process of booking accommodation on Wimdu (iOS version)
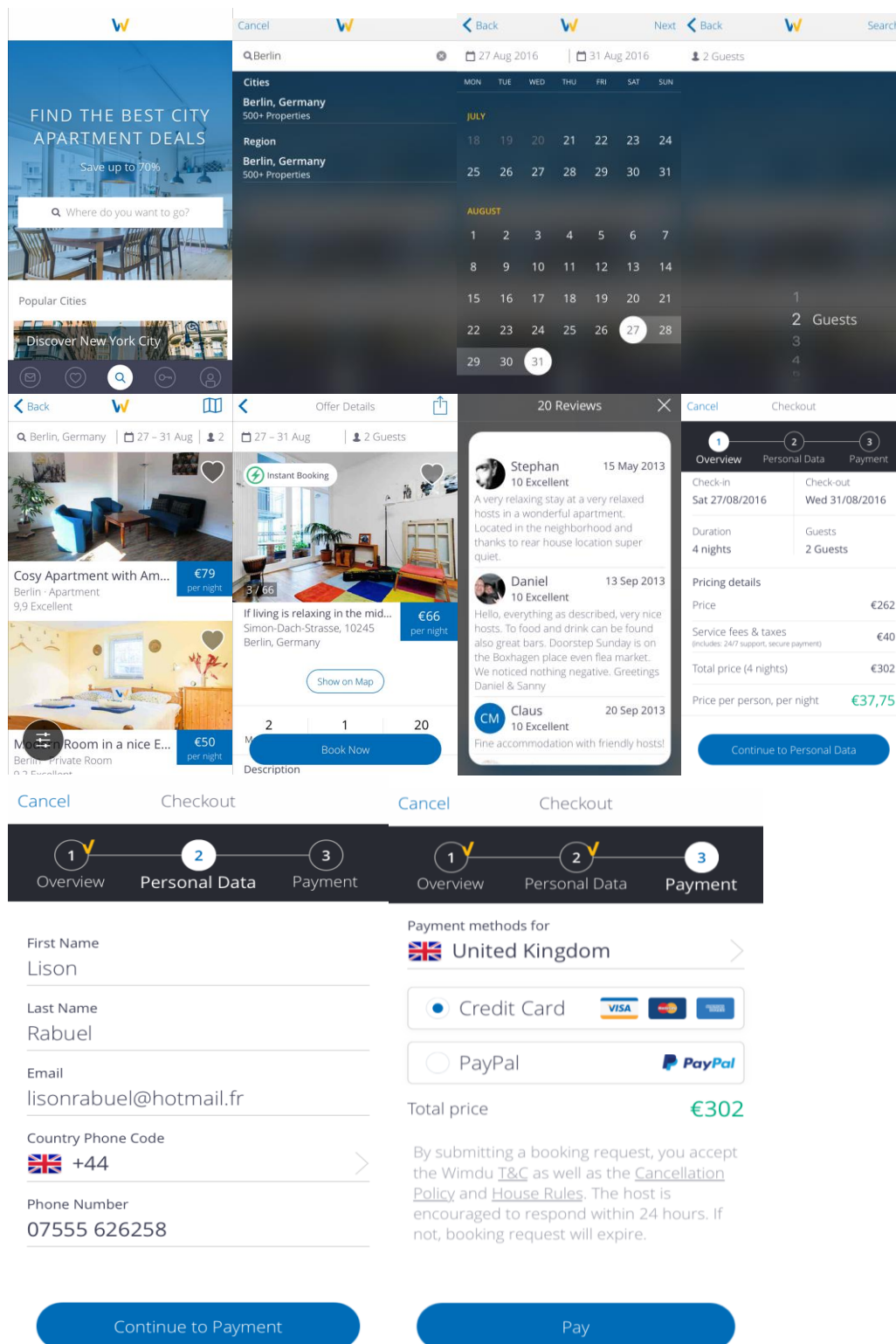
There are two kinds of booking procedure: "booking subject to confirmation" and "instant booking".

Under "booking subject to confirmation", peer consumers must fill in personal information and payment method, and wait for the peer provider to confirm. Peer providers have 24 hours to reply by either accepting or refusing the request. An online messaging system allows peers to exchange information before and after the booking.

Under "instant booking", the booking is confirmed automatically once the peer consumer pays.

Peer providers have to request Wimdu to activate instant booking for their listings through their personal account. However, to be eligible for the instant booking option, the peer provider must have completed three consecutive bookings and the listing must have all sections filled with high quality pictures.[14]

Peer providers are encouraged by Wimdu to choose this option for their listing.[15] Listings with "instant booking" are boosted to appear higher in the search results, which improves visibility and increases the likelihood of obtaining bookings. In addition, listings with "instant booking" are marked with a thunderbolt, as Figure 6 shows.

Figure 6: Instant booking as it appears on listings (iOS version)
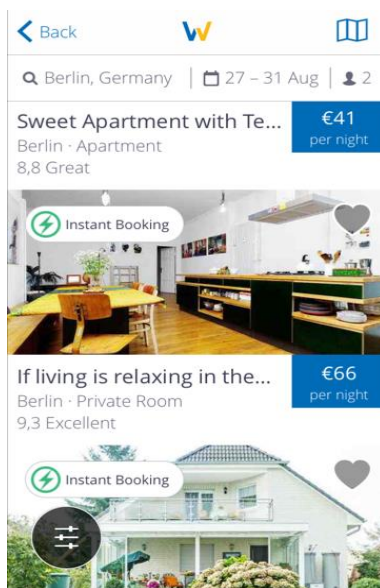
1.2.2   Peer providers

The **peer provider** app allows the user to manage their bookings and access their inbox, but they cannot add a listing through the app. They must be registered on the website prior to using the app.

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[14] Email received from Wimdu, Mystery shopping 24/08/2016.
[15] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204312103-What-are-the-benefits-of-Instant-Booking-, accessed on 09/02/2017.

Figure 7: Wimdu mobile app version for peer providers (iOS version)
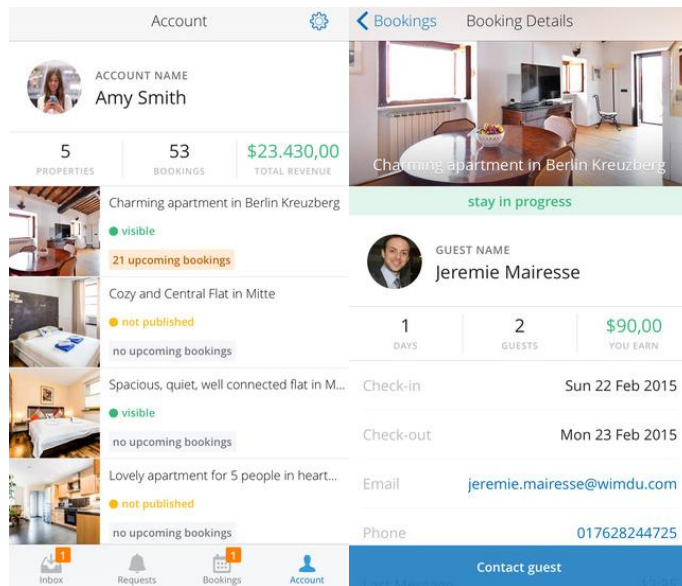
Peer providers can add a listing in 6 steps:

1. Description and title;
2. Contact details and at least 3 amenities;
3. Full address of the property;
4. Pricing and terms of the property;
5. Photos;
6. Calendar.

The platform gives guidance to peer providers throughout the process in the form of small notes, as shown in Figure 8.

Figure 8: Listing accommodation – example of instruction to peer providers (in grey) (desktop version)
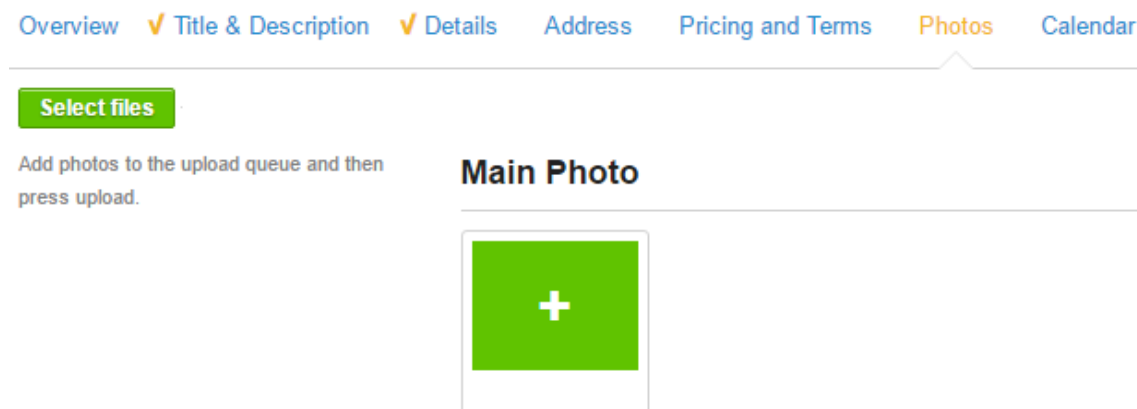
Advice on how to make the listing more appealing is provided in the first step of listing the accommodation – Description and title. This includes advice on the format (structure) and the content (the type of information that should be included). Figure 9 below shows how this advice appears on the website.

Figure 9: Listing accommodation – title and description (desktop version)

Title & Description

Please add a title and description in your language

We strongly recommend you add a description in English for our international guests.

English (US)

Title *

Charming room in Central London

Write a title that highlights the best features of your property.

9 of 40 characters left.

Description *

Write about your apartment

Describe your property including information about the property type, style, number of rooms, amenities, features, etc. Ideally your description should be structured into 4-5 short paragraphs.

5000 of 5000 characters left.

The platform also recommends a price based on the various characteristics of the property (see further details in section 2.2.1). However, this option is only available if prices are set in Euros.

Some of the options for terms of the property rental are pre-set, notably for the cancellation policy, minimum stay, maximum nights, check-in and check-out can be set freely or according to pre-set options. These options are shown in Figure 10 below.

Figure 10: Listing accommodation – terms and conditions (desktop version)

Terms & Conditions

Cancellation Policy	Flexible ▾ Learn more
Minimum stay	no restriction ▾
Maximum Nights	no restriction ▾
Check-in After	On arrangement ▾
Check-in before	On arrangement ▾
Check-out Before	On arrangement ▾

Peer providers can choose between three pre-set policies that will apply to cancellations by peer consumers: flexible, moderate or strict.

In addition to those pre-set terms, the peer provider can set up "House Rules" and include other information about the rental, for instance, the need to pay a security deposit or late check-in fees, or airport transfer, cleaning or breakfast options.

1.2.3 Add-on services

Finally, Wimdu offers **add-on services** for **peer consumers**, such as city guidebooks that include things to do in the city, addresses for eating and drinking, travel plans to get around**Error! Reference source not found.**. The platform also provides suggestions for destinations under the headings "Top destinations", "Popular cities" and "Popular Holidays Destination"**Error! Reference source not found.**. Both guidebooks and suggestions are free and can be seen on the platform's main page without registration. In Spain and Germany, Wimdu offers travel insurance for a fee, as will be explained in section 2.6.3.

For peer **providers**, the platform works with professional photographers in a number of cities who can photograph properties at a discounted price. Peer providers must first send an email to Wimdu (photo@wimdu.com) in order to get information on pricing and availability in their area. Once confirmed, Wimdu sends the details to the selected photographer who contacts the peer provider. When the photos are ready, Wimdu automatically publishes them and sends them to the peer provider, who can use them again. The search and publication service provided by the platform is optional and free of charge, but peer providers must pay photographers themselves (without going through the platform).[16]

The Wimdu "Hospitality standards" guide includes tips on how to improve property pictures, title and description, and a guide to updating the peer providers' calendar and to ticking the right amenities. In addition, the "Hospitality standards" contain a section on how to prepare the property and how to communicate with peer consumers.[17]

Other add-on services to peer providers are **against payment**, for instance the possibility to have property descriptions translated from English into French, German, Italian and/or Spanish.[18]

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[16] Information available at: http://www.wimdu.co.uk/blog/wimdu-hospitality/the-premium-photoshoot-service/, accessed on 09/02/2017.
[17] See: http://www.wimdu.co.uk/hospitality/wimdu_hospitality_standards_en.pdf, accessed on 09/02/2017.
[18] Information available at: https://www.wimdu.co.uk/optimized_content, accessed on 09/02/2017.

2 Assessment of the platform

2.1 Evolution of the platform business model

2.1.1 Development of the platform

Wimdu was founded in Berlin in March 2011 by Arne Bleckwenn and Hinrich Dreiling, also founders of the virtual currency platform for online games GratisPay. Airizu, the Chinese version of Wimdu, was also set up in 2011. Shortly after its establishment, in June 2011, the company received funding of EUR 82 million, which was at the time the largest investment ever given to a European start-up.[19]

This investment mainly came from the German Internet company Rocket Internet, now Wimdu's principal shareholder, known for its offensive market strategies consisting in replicating successful business models (Airbnb with Wimdu, eBay with Alando, and Groupon with CityDeals).[20]

After a rapid initial expansion, Wimdu had to change its growth strategy to reduce its costs. At the end of 2011, 50 of its 400 staff members were dismissed.[21] Activities of the international offices[22] were reduced, and some employees moved back to the Berlin headquarters. Wimdu closed its China subsidiary Airizu, and continued its business activity in Asia under the Wimdu brand.

At the end of 2012 Wimdu was considered to be a serious competitor to Airbnb.[23] In 2013, Airbnb even considered acquiring Wimdu when designing its strategy for the European market, but decided not to pursue this project.[24]

In 2015, Wimdu tried to expand again via a partnership with the Italian media conglomerate Mediaset which developed and ran a TV campaign in Southern European countries in return for shares in the company. The deal was worth several million euros – exact number is not known – and allowed Wimdu to expand its advertising activities in Italy, Spain and other Southern European countries.[25]

2.1.2 Wimdu today

Despite the marketing and restructuring efforts described above, and the relatively well-developed set of services available to peers, Wimdu today continues to face economic difficulties. Wimdu has reached neither the geographical scope, nor the number of bookings of its main competitor Airbnb. In 2015, the number of Airbnb listings was seven times that of Wimdu[26]; Wimdu is currently present in 150 countries, and AirBnB in 191 countries[27].

In October 2016, Wimdu merged with another German Sharing/Renting Accommodation platform, 9flats. According to the specialised website TechCruch, this is a way for both platforms to scale up and reach more markets, and also to address uncertainty over the regulatory environment in the Sharing/Renting Accommodation sector (see section 3.3).[28]

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[19] Information available at: http://blogs.faz.net/netzwirtschaft-blog/2011/06/15/wohnungsvermittler-wimdu-erhaelt-90-millionen-euro-finanzspritze-2630/, accessed on 09/02/2017.
[20] Information available at: http://thehustle.co/rocket-internet-oliver-samwer, accessed on 09/02/2017.
[21] Information available at: http://theheureka.com/rocket-internet-struggles-to-sell-wimdu, accessed on 09/02/2017.
[22] Several sources mention the former existence and closing of international offices of Wimdu. See for instance: http://thehustle.co/rocket-internet-oliver-samwer. However, the exact number and location could not be found. As of 2017, Wimdu has offices in Berlin and in Lisbon.
[23] Information available at: http://theheureka.com/wimdu-confirms-restructure-berlin, accessed on 09/02/2017.
[24] Airbnb management was uncomfortable with the "culture" and "tactics" of the German company. See http://www.wsj.com/articles/SB10001424127887323394504578608192000978414
[25] http://www.gruenderszene.de/allgemein/wimdu-berlusconi-mediaset
[26] EC, op. cit., p. 20.
[27] Information available at: https://www.airbnb.co.uk/about/about-us, accessed on 09/02/2017.
[28] Information available at: https://techcrunch.com/2016/10/10/airbnb-rivals-wimdu-and-9flats-consolidate/, accessed on 09/02/2017.

2.2 Current business model

2.2.1 Business model and pricing

The **business model canvas** of Wimdu (Table 3) graphically captures the current strategic landscape of the company.

Table 3: Canvas Business Model

Key Partners	Key activities	Value proposition	Customer relationship	Customer segments
- Community - Investors	- Product development/ management - Network building - Payment/ insurance - Customer service	- Generating trust among peer users - Affordability - Resource optimisation - Setting terms of P2P transactions	- Co-creation (reviews and ratings) - Automated services	- Mass market - Multi-sided platform (targeting both providers and consumers)
	Key resources - *Community* - *Technology*		*Channels* - Web - Mobile app (iOS only)	

Cost structure	Revenue streams
- Technological setup - Fixed costs: insurance, lobbying, advertising/PR, salaries - Variable costs	- Transaction fee for peer providers (3%) - Booking fee for peer consumers (12%) - Investors - Insurance - Add-on services fees (translation) - Data reuse/sale

Wimdu has a similar business model than its largest competitor Airbnb and the platform has been accused by the press – and Airbnb itself[29] – of being a "clone" of the US platform.[30]

Like Airbnb - but contrary to the traditional market for accommodation (i.e. hotels) - Wimdu has **no ownership of the rentals** listed on the platform.[31] Wimdu enables peer providers and peer consumers to directly transact with one another. The main **costs** of the platform therefore consist in the technological setup (including software development and maintenance), fixed costs such as staff salaries, insurance, lobbying and advertising, and variable costs for promotions/discounts, settling legal disputes and the like. Capital investment is low, marginal costs (i.e. the cost of producing one additional transaction)

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[29] In June 2011, Airbnb warned its users about the "impostor" websites. See: https://techcrunch.com/2011/06/09/airbnb/
[30] Information available at: http, accessed on 09/02/2017.
[31] EC, op.cit., p. 7.

are close to zero, contrary to hotels where fixed costs are much higher due to construction and upkeep of buildings.[32]

Today, Wimdu's business model has common characteristics of the **second type of business model (active management of transactions) and** the **third type of business models (platform governed peer transactions.** The platform creates value by facilitating matches through search tools, a messaging system etc. and by fostering **trust among peers**. This aims to generate "network effects": as more peers sign up, the attractiveness of the platform increases and attracts further users.[33]

Wimdu aims to build trust firstly through **peer reviews and ratings**. Secondly, Wimdu performs checks **of listings and the identity of peer providers** to foster trust (see also section **Error! Reference source not found.**). The platform also gives pricing **guidance**. Wimdu suggests prices to peer providers based on those of similar listings in the neighbourhood.

Wimdu's business model also displays characteristics of **the third type of business model of platform governed transactions**. These include pre-setting terms and conditions for the transaction, managing payments and use of an escrow systems to control performance of the transaction (see section 2.2.2), and providing refunds, redress and insurance mechanisms (see section 2.6). These features allow the platform to have control over the performance and the conditions under which the transaction takes place.

Wimdu generates **revenue** by charging transaction fees to peer consumers and providers based on the price of the listing. On Wimdu, fees are:

- 3% **transaction or "processing" fees** of the price of the listing charged to peer providers, withheld from the payment peer providers receive for each booking;
- 12% transaction or "**booking" fees** charged to peer consumers, added to the price of the listing when the peer consumer makes the booking and payment.[34]

Wimdu also charges a **cancellation fee** to peers who cancel a booking. This is explained in the Cancellation Policy section of the Terms and Conditions (further explained in sub-section 2.6.2).

Peer providers can ask for **additional charges (e.g. cleaning costs) or a security deposit** for their listing.[35] Also, providers can charge for other on-site costs based on consumption and use, for instance electricity, water, heating, but only if the information was included in the description of the listing available to the peer consumer prior to the booking.[36] Both the additional fees and the deposit (if applicable) are paid directly to the host without involvement of the platform.

The following table summarises the different price components for peer consumers when they book a property on Wimdu and the split of revenue between peer provider and platform.

Table 4: Price components on Wimdu

Price element	Revenue for peer provider	Revenue for platform
Listing price	Listing price minus 3%	12% booking fee from peer consumer and 3% from peer provider
Additional charges	Deposit, cleaning, on-site (electricity, water, heating)	
Cancellation	variable depending on the	

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[32] EC, op. cit., p. 5.
[33] EC, op. cit, pp. 4 and 11.
[34] Information available at: https://www.tripping.com/industry/rental-companies/airbnb-vs-wimdu, accessed on 09/02/2017.
[35] Information available at: http://www.wimdu.co.uk/terms, accessed on 09/02/2017.
[36] Information available at: http://contact.wimdu.com/hc/en-gb/articles/203781216-How-can-I-pay-for-my-booking-, accessed on 09/02/2017.

	selected cancellation policy	15 or 50% of the booking price from peer consumer

To conclude, Wimdu fits into the "**platform governed transaction**" business model identified in Task 1, and also has characteristics of the "**active management**" model. The platform imposes terms and conditions on the P2P transaction through its T&Cs, such as cancellation rules, its payment and escrow services and its refund and insurance mechanisms. Wimdu collects revenues through transaction fees, from the peer provider and peer consumer. The platform also provides services typical of the "actively-managed transactions" business model, such as trust-generating tools, pricing suggestions or active matching of demand and supply.

2.2.2 Payment

Wimdu handles the payments of bookings and supports different **payment methods**, including credit card, direct debit, wire transfer and PayPal. The payment is securely processed through encrypted connections.[37]

It is not possible for the peer consumer to pay upon arrival. The only transaction that can be made directly between the provider and the consumer is the payment of additional charges by the peer consumer, such as a deposit or cleaning fees, as mentioned above.[38]

When requesting a booking, peer consumers have to submit their payment details. The amount to be paid by the peer consumer is immediately reserved from their bank/PayPal account and **retained in escrow** for 24 hours until the peer provider responds. The amount is debited from the peer consumer's account as soon as the peer provider accepts the request.[39] Wimdu holds the payment in escrow and transfers the part of the payment due to the peer provider only 24 hours after the start of the peer consumer's stay in the rented accommodation.[40] Payment via bank transfer takes usually between 2 and 5 working days to appear in the peer provider's account, payment via PayPal is instantly.

This escrow system is a characteristic element of the "platform governed" transactions business model. The platform does not release the payment until the completion of the transaction is confirmed by the peer consumer, and thus implicitly takes on a level of responsibility for the performance of the transaction. As explained by a Wimdu spokesperson in an article from *The Guardian*, this mechanism allows securing the peer consumer's payment in case of a fraudulent listing, or any other issue with the accommodation or the peer provider.[41]

Further information about the escrow system, such as whether it is internal to Wimdu or held by a third-party, or whether it generates interest, could not be gathered during desk research.

2.3 Consumer experiences

2.3.1 Satisfaction with overall experience and likelihood to use the platform again in the future

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[37] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204077113-Is-my-payment-securely-processed-, accessed on 09/02/2017.
[38] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204032863-Is-it-possible-to-pay-upon-arrival-, accessed on 09/02/2017.
[39] Information available at: http://contact.wimdu.com/hc/en-gb/articles/203781256, accessed on 09/02/2017.
[40] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204417883-When-will-I-receive-the-payment-for-a-booking-, accessed on 09/02/2017.
[41] The article further states that this element is a key safety point of Sharing/Renting Accommodation platforms. See https://www.theguardian.com/money/2014/oct/11/airbnb-wimdu-avoid-being-conned

Overall, most peer consumers and peer providers are satisfied with their overall experience on the Wimdu platform. According to the online survey included in Task 2 of this study, 78.6% of peer consumers and 65.2% of peer providers were either satisfied or very satisfied with their overall experience (see Figure 11).

On the other hand, 9.5% of peer consumers are not satisfied or not satisfied at all with their overall experience, which is twice as much as peer providers (4.3%). Nearly one third of peer providers are neutral (30.4%).

In addition, 78.5% of peer consumers say they are likely or very likely to use the platform again, compared with 69.6% of peer providers. Similar percentages of peer consumers and providers say they are not likely (9.5% and 8.7%) to make future use of the platform.

Figure 11: Satisfaction with overall experience and likelihood to use the Wimdu platform again
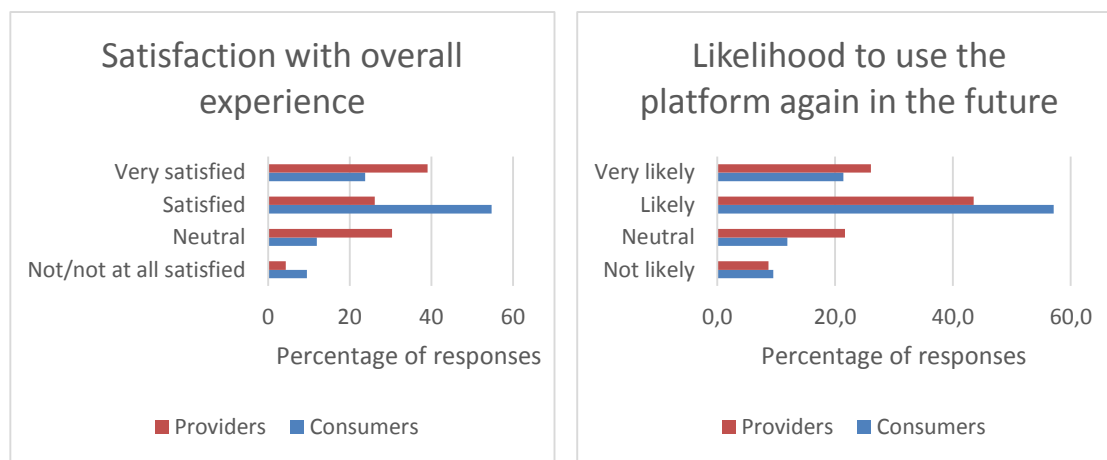
Source: GfK Survey, Task 2 (sample of 65 respondents, of which 23 peer providers and 42 peer consumers)

It should be noted that the satisfaction level on Wimdu is lower than the average on Sharing/Renting Accommodation platforms which is 82.8% for peer consumers and 72.7% for peer providers.

2.3.2 Frequency of problems encountered on the platform

Task 2 survey asked users of Wimdu whether they had experienced problems when using the platform, and, if so, what kind of problems (ranging from technical problems in using the platform, cancellations, safety issues and data leaks to problems with price, the quality of the accommodation or the accommodation not fitting the description in the listing.

Up to 26.2% of users on Wimdu had experienced one or more of these problems at least once. This is less than the average for the sharing/renting accommodation sector (47.9%), and less than the average for all P2P platforms (55%). The small size of the sample (42 respondents) should however be taken into account.

The problems peer consumers most commonly encountered when using the Wimdu platform are illustrated in Figure 12: 16.7% of them report cancellation of the reservation; 19% unexpected price changes; 26.2% report the accommodation was not as described and 21.4% report poor quality. 14.3% report their personal data was given, resold or leaked to others, and 19% experienced safety issues.

The incidence of problems on Wimdu is slightly higher than the average on
sharing/renting accommodation platforms, where 21.2% of peer consumers encountered
problems related to the poor quality of the accommodation, 25.8% found the
accommodation was not as described and 13.6% had price issues.

**Figure 12: Problems experienced on Wimdu – Frequency breakdown (Peer
consumers)**

Problems experienced - Frequency breakdown
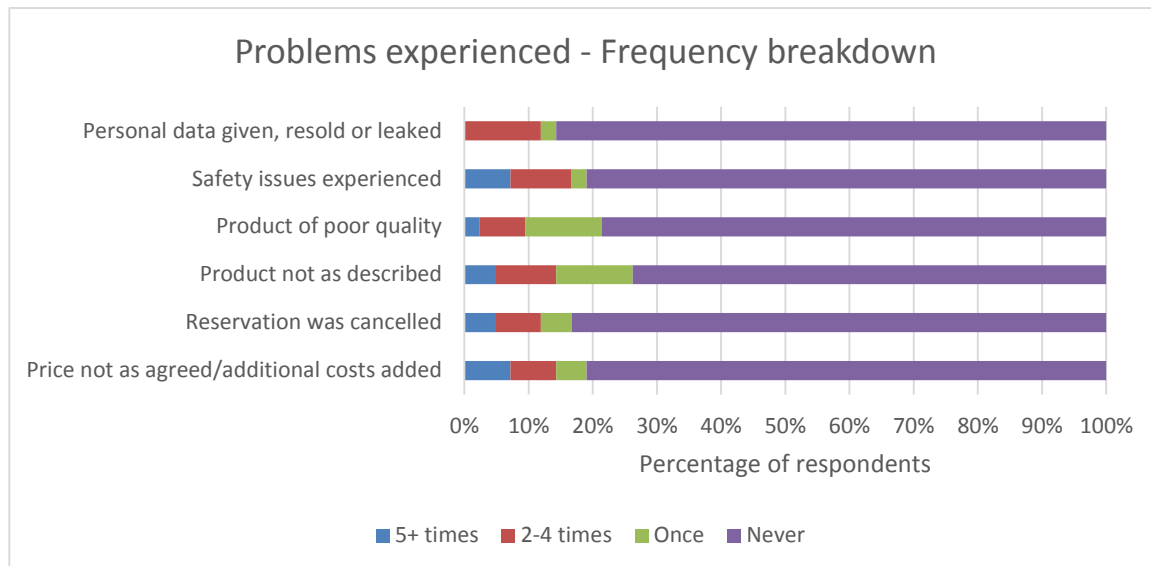
Source: GfK Survey, Task 2 (sample of 42 peer consumers)

Wimdu's lower satisfaction results compared to other P2P platforms may originate in its
inability to prevent and solve these issues.

2.3.3   Knowledge of rights and responsibilities

Task 2 survey shows that about half of peer consumers and peer providers on Wimdu are
not confident about their knowledge of rights and responsibilities on the platform (see
Figure 13 below). This may be because the information is not available, not clear or not
easy to understand, or because peers do not read it.

About half of peer consumers do not know or are not sure if they know their rights for
compensation/reimbursement (50%), what is the platform's responsibility in case of a
problem with a provider (47.6%) or what are their rights when something goes wrong
(50%).

Figure 13: Knowledge of rights and responsibilities on Wimdu
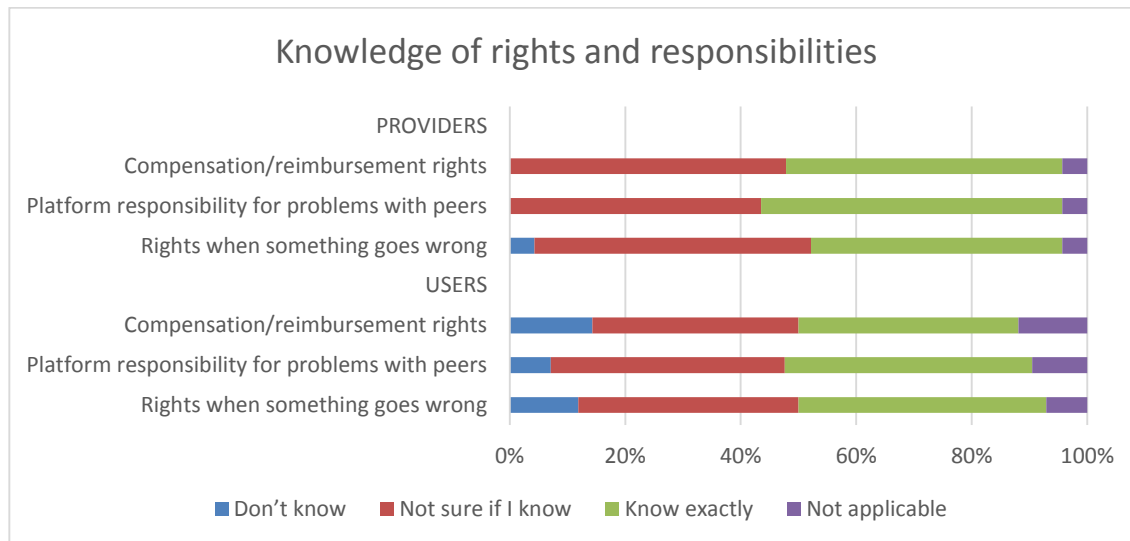
Source: GfK Survey, Task 2 (sample of 65 respondents, of which 23 peer providers and 42 peer consumers)

However, the level of knowledge among Wimdu peer consumers is higher than the average of sharing/renting accommodation platforms. The overall level of knowledge of peer consumers on Wimdu is also higher than for its competitor Airbnb, where two-thirds of peer consumers and 60% of peer providers are unaware or uncertain of their rights and responsibilities.

2.4 Transparency aspects

2.4.1 Information to platform users (clarity, accessibility)

Wimdu's allows both private and commercial or professional peer providers to operate on the platform. It's Terms and Conditions do not differentiate between **private and commercial peer providers**, but the platform does categorize peer providers according to their legal status as private or commercial.

A FAQ section entitled "What is my business status?" indicates that Wimdu peer providers are presumed to "hold a 'private business status', unless they match the criteria that apply to commercial business status". Commercial business status is given to hosts who have a "sustainable interest in getting bookings".[42] Wimdu classifies peer providers as a commercial business if **at least one** of the following criteria is met:

- the peer provider has confirmed to regularly rent its property in order to earn a regular income,
- the peer provider has received at least 10 bookings with Wimdu during the last 12 months,
- the peer provider has at least 2 offers online on Wimdu,
- a valid VAT number is available.[43]

However, the status of the peer provider does not appear on the listing page. As a result, peer consumers do not know if they deal with a private or a professional provider. Also, the platform does not explain whether this difference has an impact on the rights of peer consumers.

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[42] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204338893-What-is-my-business-status-, accessed on 09/02/2017.
[43] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204040316, accessed on 09/02/2017.

Information on applicable **tax obligations for peers** can be found on the Wimdu website, under the FAQ section.[44] The platform gives clear VAT tax information to consumers and providers, but the Terms and Conditions specify that providers are *"solely responsible"* for complying with tax law obligations.[45] **Peer consumers** pay VAT dependent on the laws of the peer provider's country of residence. The VAT rate is based on the total price of the booking.[46] It is included in the total price the peer consumer pays, and deducted from the peer provider pay-out.[47] **Private peer providers** can find their VAT invoice on the dashboard, and can download it each month.[48] For commercial peer providers, a reverse charge mechanism applies: they have to pay VAT themselves and the invoice sent by Wimdu to them does not include VAT.[49]

Information on **fees and pricing mechanisms** can be found on the FAQ section under the folder "Support for Peer consumer".[50] The transaction fees are explained as a *"small amount charged on each booking to secure the transfer of your money and provide you with quality customer support"*.[51] The pricing feature is only available for prices in Euro. Wimdu indicates that recommended prices are not mandatory and peer providers are free to choose the price they want for their property.[52] The pricing mechanism generates a suggested price for a listing taking overall demand in the neighbourhood into account. It raises or lowers the price according to the market equilibrium price observed on the platform. For instance, the suggested price for listings located in a big city will be higher than for listings in a low density/demand area.[53] The exact algorithm for determining the suggested price for listings is not disclosed. Peer providers are - in any event - free to choose a different price for their listing.

The **total price shown to the consumer** when viewing a specific listing and at the time of booking includes the price of the accommodation and (separately) the booking or transaction fee; it does not comprise *additional charges* and does not show the amount of eventual cancellation fees. However, in the search results the service fee is not included in the listing price. Information to help peer providers improve the **ranking of listings in search results** is available and clarifies at least part of the factors that influence ranking. This includes correspondence of price with average rental price in the area and the condition and amenities of the accommodation; quality and quantity of photographs; instant booking option, and acceptance rate and speed of booking requests, and avoiding cancellation of bookings.

When peer providers cancel the booking, the platform explains the cancellation policy applicable and details the cancellation fee (15% or 50% of the total price, as explained in the business model and pricing section 2.2.1) in the Terms and Conditions page.

When the peer provider cancels the booking, the cancellation fee due to Wimdu amounts to:
- 15% of the total price if the booking is cancelled by the peer provider 8 days or more before check-in;
- 50% of the total price if the booking is cancelled by the peer provider less than 8 days before check-in.

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[44] Mystery shopping, 13/07/2016.
[45] Information available at: http://www.wimdu.co.uk/terms, accessed on 09/02/2017.
[46] Information available at: https://www.tripping.com/industry/rental-companies/airbnb-vs-wimdu, accessed on 09/02/2017.
[47] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204040396-How-will-I-be-affected-if-my-business-status-is-private-, accessed on 09/02/2017.
[48] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204338373-Where-can-I-find-my-VAT-invoice-, accessed on 09/02/2017.
[49] Information available at: http
[50] Mystery shopping, 13/07/2016.
[51] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204032843-How-much-will-my-total-booking-cost-be-, accessed on 09/02/2017.
[52] Ibid.
[53] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204312073-How-much-should-I-charge-for-my-property-, accessed on 09/02/2017.

When the peer consumer cancels the booking, the amount of the cancellation fee due to Wimdu varies depending on the listing price. There is no information about how the cancellation fee for peer consumers is calculated.

In case peer consumers cancel the booking, the FAQ section explains the different refund options associated to the three types of cancellation policies as chosen by the peer provider when creating the listing. There is no information about how the cancellation fee charged to peer consumers is calculated by the platform, but the exact amount of the refund the peer consumer will be entitled to in case they cancel is shown before check-out, as Figure 14 illustrates.

Figure 14: Wimdu's cancellation policy explained at check-out
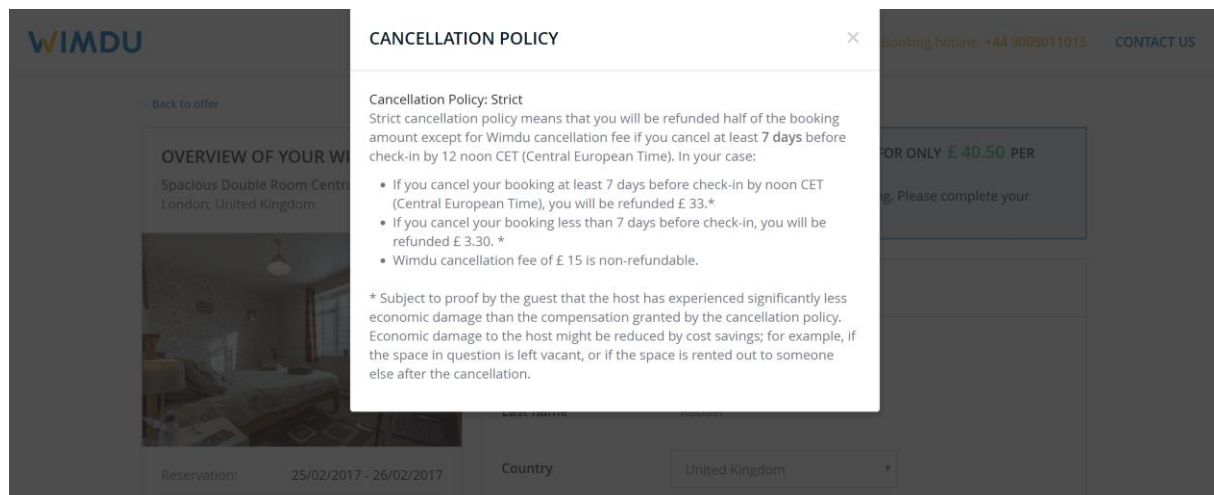
Information about Wimdu insurance as included in the service fee for peer providers in case of property damage is available in the FAQ section[54] in five languages (English, Italian, German, Spanish and French). It explains it is a subsidiary liability insurance for rental damages, the coverage, the obligations of peer providers, and free of charge.

Wimdu gives users advice on **safety issues**, in the FAQ section[55] . For example, advice on how to keep accounts safe states:

- "Log out of the account when not using the platform,
- Create a strong password and change it often,
- Use a secure network,
- No reply to suspicious e-mails,
- Report e-mails requesting personal information,
- Carry out all payment transactions and communication within the platform."

The FAQ section encourages peer consumers to verify the profile and ratings of peer providers, thoroughly read the offers, always use the Wimdu platform to communicate and for payments, and to buy additional travel insurance (in Spain and Germany).[56]

Information on redress options (cancellation and relocation possibilities) can be found in the Terms and Conditions[57], in the FAQ section[58], and through the booking process.

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[54] Exploration available at : http://contact.wimdu.com/hc/en-gb/articles/204312133-How-can-I-protect-myself-against-possible-damage-to-my-property-and-its-contents-, accessed on 09/02/2017.
[55] Information available at : http://contact.wimdu.com/hc/en-gb/articles/218071957-What-online-safety-measures-can-help-me-keep-my-Wimdu-account-safe-, accessed on 09/02/2017.
[56] Information available at: http://contact.wimdu.com/hc/en-gb/articles/217984007-Which-safety-precautions-should-I-keep-in-mind-when-making-a-booking-, accessed on 09/02/2017.
[57] Information available at : http://www.wimdu.co.uk/terms, accessed on 09/02/2017.
[58] Information available at : http://contact.wimdu.com/hc/en-gb/articles/204446133-What-if-I-need-to-cancel-a-booking-after-I-have-already-accepted-it-, accessed on 09/02/2017.

In case something goes wrong, the FAQ section offers peer consumers several ways to contact the Customer service: online form, live chat, and a phone number[59]. It should be noted that although Wimdu offers a good range of ways to reach customer service, the mystery shopping experience showed that the platform may take considerable time to answer requests (more than one month for one request).[60]

To sum up, information for users can be either found in the platform's Terms and Conditions or in its FAQ section. Some information is only available in the FAQ section, on issues such as the private or commercial status of peer providers, taxes, pricing mechanism or safety. Other information is only in the Terms and Conditions, such as provisions regarding the platform's liability and privacy policies. This fragmentation of information may impact ease of access to peer users, who may struggle to find the answer to their question.

Overall, information is available and clear regarding:

- Criteria for determining the status of the peer provider;
- Criteria that influence ranking of listings in search results
- Applicable VAT;
- Fees charged to peers;
- Insurance
- Safety advice;
- Who to contact in case something goes wrong.

However, transparency and clarity is limited because:

- the service fee is not included in the listing price in the search results;
- the status of the peer provider is not shown to peer consumers;
- the way suggested prices for listings or the amount of the cancellation fee are calculated by algorithm is not clear;
- liability of the platform in case something goes wrong is only stated in the Terms and Conditions, and not explained in the FAQ section;
- Providers are responsible for complying with national tax regimes and local regulation but there is no information about this except on VAT.

2.4.2 Terms and conditions

Wimdu's **Terms and Conditions** are 38 pages long and available in several languages. They are structured into numbered paragraphs in the following way:

1. Scope, amendment of General Terms and Conditions
2. Performance by Wimdu, performance by providers
3. Registration, realisation of the user agreement, contractual declarations
4. User obligation, user account, system integrity
5. Handling of content and rights
6. Availability and amendment of the website
7. Liability for third-party sites
8. Booking process, payment, invoicing
9. Security deposit
10. Review system
11. Duration, termination
12. Measures in the event of illegal conduct and/or conduct in breach of contract by the user

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[59] Mystery shopping, 13/07/2016.
[60] Mystery shopping, email sent by the research team on 23/08/2016 and answer received from Wimdu on 24/10/2016.

13. Wimdu's liability
14. Closing provisions

On the same page as the T&Cs, peers can also find information about refunds under the Cancellation Policy section, and about data protection under the Privacy section.[61]

Terms and Conditions state the nature of the platform, specifying that Wimdu facilitates the matching between peer providers and consumers: *"Wimdu itself does not offer any accommodation; it merely acts as an intermediary for the conclusion of agreements between users"* (paragraph 2).

Wimdu rejects liability for issues arising from P2P transactions: *"As Wimdu does not participate in the contractual relationship between the tenant and the provider, Wimdu accepts no liability for contracts for accommodation."* Also, it is stated that: *"Leases are concluded exclusively between the user providing the accommodation ("provider") and the user renting the accommodation ("tenant")"* and that they are *"themselves responsible for satisfying their own contractual obligations."* In case of a problem, this must be negotiated between them. Peer providers and consumers are also said to be responsible for their adherence to the provisions governed by public law, including city regulations regarding property rental (paragraph 2).

Section 12.4. of the T&Cs specifies that **Wimdu reserves the right to block a user** when:

- the user has repeatedly received negative reviews in the review system as per section 10 and must be blocked to protect the interests of other market participants;
- the user has provided incorrect contact information in his user account, in particular an incorrect or invalid email address;
- a user account is transferred to another party;
- the user significantly harms other users, in particular if their accommodations and/or furnishings are damaged, destroyed, stolen, etc.;
- there is just cause due to similar risk and responsibility of the user.

There is no information in the T&Cs or anywhere on the platform about how users are monitored in practice.

The platform accepts liability for platform use – *"damages caused with intent or through gross negligence by the company, its employees or agents, for fraudulent concealment of defects, if a guarantee was expressly assumed and for damages arising from injury to life, body and health"* (paragraph 13).

The Terms and Conditions use technical legal language and may be difficult to understand for peers without a legal background. The results of the Task 2 survey, showed that half of the peers using Wimdu do not know their rights and responsibilities, but that knowledge of Wimdu peers is higher than the average for platforms in the Sharing/Renting Accommodation sector (see Figure 13 in section 2.3.3).

To sum up the platform's T&C emphasize its role as an intermediary. They reject liability for issues arising from transactions between peers and decline any responsibility in case of conflicts between peers. At the same time, it reserves the right to exclude users.

2.4.3 Data protection

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[61] Mystery shopping, 13/07/2016.

Wimdu's Privacy Policy is available on the same page as the Terms and Conditions, under a separate heading.[62] This helps peers looking for this specific information. The privacy policy is structured with numbered paragraphs, like the T&Cs, and 6 pages long. Again, the technical nature of the vocabulary may be an obstacle to understanding.

Regarding **data protection**, the Privacy Policy specifies that users must not use addresses, contact data or email addresses that they obtain by using the website for any purpose other than for contractual communication. It also indicates that data must not be forwarded to unauthorised persons or used for advertising, unless the user in question has expressly granted consent in advance. However, Wimdu is authorised to transfer data to third parties under certain conditions.

The Privacy Policy explains when and how personal data is collected (e.g. through cookies, web tracking, Facebook and social network accounts, contact form), and what the data is used for. Data collection allows to access and use the platform, to better customize services, and to fight against fraud.

Data transfers are subject to certain rules. Personal information is disclosed to:

- Other peers (name, contact details, payment details, preferences specified, name of other guests travelling).
- Service providers such as data processors in order to facilitate reservation, payment, sending of marketing material or analytical support service.
- Business partners.
- Law enforcement or other governmental authorities if it is required by law or the authorities, or strictly necessary for the prevention, detection, or prosecution or criminal acts.[63]

2.4.4 The platform does not identify **which third parties' information is shared kind of information is shared, and if data is sold**. It does not mention either peer users are told about these data transfers when they occur. Personal data given, resold or leaked to others is a problem encountered on the platform, with third of peer consumers having experienced this over the past 12 months (seeFrequency of problems encountered on the platform

Task 2 survey asked users of Wimdu whether they had experienced problems when using the platform, and, if so, what kind of problems (ranging from technical problems in using the platform, cancellations, safety issues and data leaks to problems with price, the quality of the accommodation or the accommodation not fitting the description in the listing.

Up to 26.2% of users on Wimdu had experienced one or more of these problems at least once. This is less than the average for the sharing/renting accommodation sector (47.9%), and less than the average for all P2P platforms (55%). The small size of the sample (42 respondents) should however be taken into account.

The problems peer consumers most commonly encountered when using the Wimdu platform are illustrated in Figure 12: 16.7% of them report cancellation of the reservation; 19% unexpected price changes; 26.2% report the accommodation was not as described and 21.4% report poor quality. 14.3% report their personal data was given, resold or leaked to others, and 19% experienced safety issues.

The incidence of problems on Wimdu is slightly higher than the average on sharing/renting accommodation platforms, where 21.2% of peer consumers encountered

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[62] Information available at: http://www.wimdu.co.uk/terms, accessed on 09/02/2017.
[63] Information available at: http://www.wimdu.co.uk/terms, accessed on 09/02/2017.

problems related to the poor quality of the accommodation, 25.8% found the accommodation was not as described and 13.6% had price issues.

Figure 12: Problems experienced on Wimdu – Frequency breakdown (Peer consumers)

To conclude, information about data protection overall is extensive and available to peers. However, information about data transfers, especially to third parties, is not fully transparent and clear. Similar to the observation about the T&Cs, the technical nature of the language is likely to be an obstacle to peer understanding.

2.5 Trust building and verification of information

2.5.1 Peer reviews and ratings

Peer reviews and ratings are a key element for building trust in the platform and reputations of users. After the completion of a transaction, peers are invited to submit a review and to rate each other. These systems aim to increase the reliability of the description and the quality of the accommodation service, and encourage peer consumers to use the platform. Written reviews can be posted on a listing by peer consumers after their stay. Peer providers can also leave reviews on peer consumers' profiles. However, leaving a review is not mandatory.

Figure 15 below shows an example of these reviews for a Berlin property.

Figure 15: Reviews of a listing on Wimdu (desktop version)

REVIEWS OF THIS PROPERTY

JIAYING
6
March 2016

Good location. Close to S bahn and Netto markt. Kitchen is well equipped. The photos of the apartment look much nicer than reality. The bed and floor are so bad that every single movement will make big noise. It is annoying and disturb others in the room from sleeping. I didn't sleep very well for that 2 nights.

GILDAS
10 Excellent
July 2015

Very clean and neat apartment. Exactly as shown on the listing online.
Renata was very convivial and generally very diligent in making sure our stay was the best it could be.

SARA
8 Very good
November 2014

So Nice hostess, Renata. The apartment is situated in a very Quiet area, and only a few minutes away from the s-bahn, which Will lead you to all the popular attractions in 10 minutes.
The apartment is tidy and has what you'll need.

Wimdu also uses **a peer rating system**. Peer consumers rate their overall experience on a 1-10 scale, and the average score is displayed in the top left hand corner of each listing, as shown in Figure 16.

Figure 16: Average score in the top left hand corner of a property (desktop version)
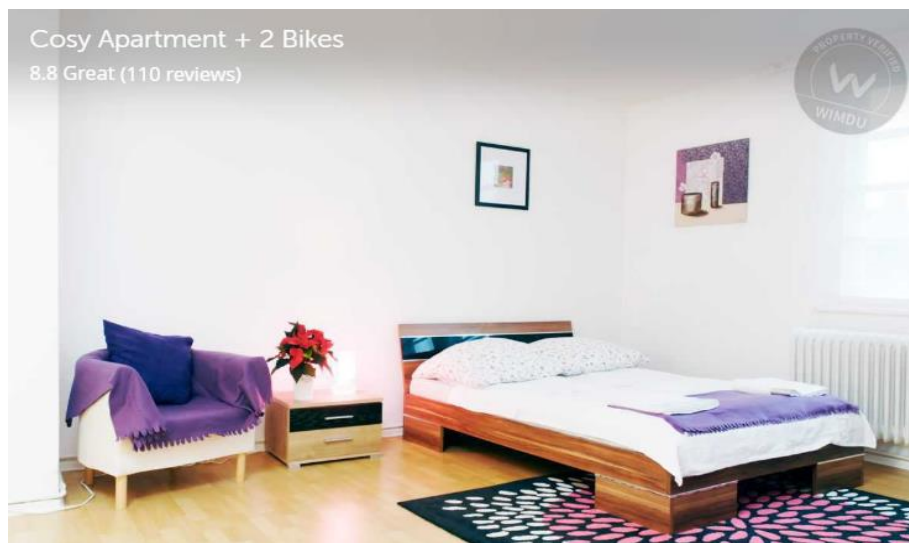
Peer ratings and reviews are part of Wimdu's Triple Quality Check of properties (see section 2.5.2).

Wimdu manages and monitors the rating and review systems, which is a characteristic of the active management business model. The Terms and Conditions state that any use of the review system contrary to the purpose of the review system is prohibited. For instance, users should not issue reviews about themselves, disclose irrelevant information, or write defamatory remarks. However, Wimdu is not supposed to intervene in the review system, except in the following conditions:

- "There is an enforceable court ruling against those who issued the review;
- The comment contains vulgar, obscene, racist, not suitable for minors, or criminally offensive remarks;
- The review contains another member's personal information;
- The review contains unauthorised scripts, etc."

In any of the cases above, Wimdu can remove the review or add elements to the review if it is useful for clarification and better understanding.[64] Users can report reviews they would like to be modified using a dedicated email address[65] but it remains unclear whether the platform also intervenes without notification from peer users. It was not possible to obtain information about the number of interventions by the platform or the number of reviews reported by peer users to the platform.

To sum up, rules for the use of Wimdu's review and rating system are clearly explained in the Terms and Conditions, but it is unclear if the monitoring is done by the platform itself or only following notifications from users.

2.5.2   Verification of peer information by platform

Wimdu checks user information by asking them to confirm their email address or link to a social media account at the time of registration.

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[64] Information available at: http://www.wimdu.co.uk/terms, accessed on 09/02/2017.
[65] Information available at: http://contact.wimdu.com/hc/en-gb/articles/218071497-How-do-I-report-phishing-scams-, accessed on 09/02/2017.

The platform checks the information **peer providers** give when adding a listing through a phone call to the provider and through occasional visits to properties by Wimdu staff.[66] These visits are part of the Wimdu Triple Quality Check of properties: peer reviews, initial on-site visits and then follow-up checks.[67]

It should be noted that Wimdu does not verify identity documents upon registration, nor is there a criminal record check prior to or after registration.

Peer users are encouraged to **report fraudulent activity** in the form of suspicious profiles, links, listings, emails or messages to a dedicated email address.[68] Advice by the platform to help fight fraud is included in the FAQ section with safety advice. Wimdu also has a policy to fight against fraud, illegal conduct or breach of Terms and Conditions, which is in the Terms and Conditions section.[69]

Like for peer review monitoring, it is unclear whether Wimdu monitors and intervenes against suspected fraudulent activity without prior notification from peer users. This would put the responsibility for detecting suspicious activity on the peers.

Despite the precautions in place, **incidents still occur**. Bad user experiences are reported by the press: an article from *The Guardian* mentions examples of fraud on the website's payment system, or damage to property caused by peer consumers.[70] Task 2 survey results show that 19 % of peer consumers experienced safety issues at least once on Wimdu over the past year (see Figure 12).

To sum up, there is neither submission nor verification of identity documents of peers, but information of peer providers is checked through systematic phone calls and occasional on-site visits of properties. The level of verification is low for peer consumers, i.e. only the email address or social media account provided at the time of registration which increases risks for peer providers. Moreover, Wimdu appears to rely on peers to report fraud pushes responsibility for detection of fraudulent practices to the peers.

2.6 Complaints, redress and insurance

In Wimdu **FAQ section** users can search for answers to their concerns. There are separate sections for peer consumers and peer providers. The FAQ section gives contact details for the **Customer service**, either via online form, chat, or phone.[71]

2.6.1 Complaints handling and redress

A few days before the booking starts, Wimdu gives peer consumers an emergency phone number where they can reach the platform in case something goes wrong.[72] In case of problems peers can make **a complaint** to the Customer service.

2.6.2 Access to redress

Wimdu's Terms and Conditions grant both peers the possibility to cancel the transaction before check-in: *"In accordance with the cancellation policy, cancellations are considered to be withdrawals before the planned check-in."* Peer providers or peer consumers who cancel a booking must always pay a cancellation fee.

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[66] Lunn, E., October 2014, "Using Airbnb, Wimdu or another social travel site? How to avoid being conned", *The Guardian,* available at: https://www.theguardian.com/money/2014/oct/11/airbnb-wimdu-avoid-being-conned, accessed on 09/02/2017.
[67] Information available at: http://www.wimdu.co.uk/howitworks-peer consumers, accessed on 09/02/2017.
[68] Information available at: http://contact.wimdu.com/hc/en-gb/articles/218071497-How-do-I-report-phishing-scams-, accessed on 09/02/2017.
[69] Information available at: http://www.wimdu.co.uk/terms, accessed on 09/02/2017.
[70] Lunn, E., October 2014, op. cit.
[71] Mystery shopping, 13/07/2016.
[72] Information available at: http://contact.wimdu.com/hc/en-gb/articles/203781436-What-should-I-do-if-I-am-not-satisfied-with-the-property-, accessed on 09/02/2017.

If the peer provider cancels the booking, Wimdu fully reimburses the peer consumer or provides assistance with making a new booking; this is explained in the FAQ section.[73]

If the peer consumer cancels the booking, the right to a refund is determined by which of the three cancellation policies set by the platform the per provider has chosen. **Error! Reference source not found.** summarises the elements of these three options.

Table 5: Wimdu options for cancellation policy

Cancellation policy	Characteristics
Flexible	Refund of the total price minus cancellation fee for the platform if the booking is cancelled **at least 2 days** before check-in Refund of 5% of the total price minus cancellation fee if the booking is cancelled less than 2 days before check-in
Moderate	Refund of the total price minus cancellation fee for the platform if the booking is cancelled **at least 4 days** before check-in Refund of 5% of the total price minus cancellation fee if the booking is cancelled less than 4 days before check-in
Strict	Refund of the total price minus cancellation fee for the platform if the booking is cancelled **at least 7 days** before check-in Refund of 5% of the total price minus cancellation fee if the booking is cancelled less than 7 days before check-in

If the property is not as described on the listing page[74], or if the peer provider is not reachable for check in[75], or if the peer provider is not able to provide the peer consumer with the property booked[76], the FAQ section mentions that Wimdu will relocate peer consumers to an alternative property similar to the one originally booked. The Terms and Conditions do not mention that possibility, which indicates that these decisions are made at platform's discretion. The entitlement of peer consumers to relocation or a refund if the listing is inaccurately described, or if it is not available, clean or safe, is therefore not clear.

2.6.3 Access to Insurance

Wimdu's peer providers are automatically covered by Wimdu subsidiary liability **insurance**. The insurance covers claims in case of damage caused by peer consumers who do not have liability insurance, or whose insurance does not cover the damages.[77] The policy applies worldwide, except for within the USA and Canada. Rentals are insured up to EUR 500,000. The type of damages covered includes damages to the peer provider's property caused by peer consumers, damages to household effects and fire.[78] Claims below EUR 150 should be settled between peer providers and peer consumers. This is why Wimdu advises peer providers to ask peer consumers for a deposit for this amount.[79]

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[73] Information available at: http://contact.wimdu.com/hc/en-gb/articles/203770836-What-do-I-do-if-my-host-cancels-the-booking-, accessed on 15/02/2017.
[74] Information available at : http://contact.wimdu.com/hc/en-gb/articles/203781436-What-should-I-do-if-I-am-not-satisfied-with-the-property-, accessed on 09/02/2017.
[75] Exploration available at : http://contact.wimdu.com/hc/en-gb/articles/203781426-What-should-I-do-if-my-host-is-not-reachable-for-check-in-, accessed on 09/02/2017.
[76] Information available at : http://contact.wimdu.com/hc/en-gb/articles/204077303-What-if-my-host-cannot-offer-me-the-property-that-I-have-booked-, accessed on 09/02/2017.
[77] Information available at : http://contact.wimdu.com/hc/en-gb/articles/204312133-How-can-I-protect-myself-against-possible-damage-to-my-property-and-its-contents, accessed on 09/02/2017.
[78] Ibid.
[79] Information available at: http://contact.wimdu.com/hc/en-gb/articles/204312133-How-can-I-protect-myself-against-possible-damage-to-my-property-and-its-contents-, accessed on 09/02/2017.

Wimdu also sells travel insurance as an add-on service for peer consumers resident in Germany and Spain against payment, but no further information is provided on the website.[80] More information is given to peer consumers when making a booking on the check-out page, but the research team was not able to access this part of the website.[81]

2.7 Cross-border dimension

As mentioned in Section 1, Wimdu operates in 150 countries worldwide and the platform is available in available in 12 languages[82] and peers can register on the platform as residents of 44 different countries. The platform facilitates cross-border bookings by providing an add-on translation service for peer provider listings as well as secure payment systems.

The platform's services are broadly the same across countries, but some services are only available in a limited number of countries. The subsidiary liability insurance for peer providers is not included in Canada and USA, and the add-on insurance for peer consumers is only available in Germany and Spain. The platform's pricing guidance is only available if the price of a listing is set in Euro.

The diversity of legislation applicable to Sharing/Renting Accommodation platforms across Europe[83] is a concern in cross border transactions. In many cities restrictions on P2P apartment rental apply, which brings uncertainty for peer consumers about compliance with local law when booking accommodation across-borders. As peer providers are expected to comply with local regulation, the platform appears to disclaim responsibility for this type of situation.

There are no data available about the number of cross-border transactions but they are likely to be frequent given the nature of the services offered.

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[80] Information available at: http://contact.wimdu.com/hc/en-gb/articles/217984007-Which-safety-precautions-should-I-keep-in-mind-when-making-a-booking-, accessed on 09/02/2017.
[81] Email sent by the Wimdu Customer service on 24/08/2016.
[82] Mystery shopping, 13/07/2016.
[83] Information available at: https://www.iwkoeln.de/en/studies/beitrag/vera-demary-barbara-engels-collaborative-business-models-and-efficiency-potential-efficiency-gains-in-the-european-union-286855, accessed on 15/12/2016.

3 Conclusions

3.1 Main findings

3.1.1 Contribution to the business model typology

Wimdu's business model is quite similar to that of other Sharing/Renting Accommodation platforms, especially to that of its main competitor AirBnB. It shows characteristics of the **active management** type of business model as Wimdu actively facilitates and manages the transactions between peers through:

- Active matching of demand and supply through search functions/filters and instant messaging system;
- Guidance for posting listings and Hospitality Standards;
- User information checks through email/social media;
- Checks of listing through phone calls to peer providers and occasional on-site visits;
- Management of peer review and rating systems;
- Monitoring of peer behaviour after reporting from peers and sanctions in case of breaches of T&Cs, standards and rules;
- Pricing guidance; and
- Add-on insurance coverage available to peer consumers.

Revenues mainly come from transaction fees, as well as cancellation fees and fees for add-on services, such as translation of listing descriptions.

Wimdu also displays characteristics of the **platform governed transactions** business model as the platform exercises control over peer transactions through:

- managing and controlling payments, including holding payments in escrow until performance of the service is confirmed;
- setting contractual terms for the transaction between peers, for example for cancellations and refunds;
- managing complaints, refunds, redress in case of problems in transactions between peers; and
- Managing insurance for peer providers against damages caused by peer consumers.

3.1.2 Consumer experiences

Overall, most peer consumers and peer providers are satisfied with their experience on the Wimdu platform. But user satisfaction is lower than the average of Sharing/Renting Accommodation platforms. On Wimdu 78.6% of peer consumers and 65.2% of peer providers are satisfied or very satisfied with their overall experience, compared to the average of 82.8% and 72.7% for Sharing/Renting Accommodation platforms. Similarly, 78.5% of peer consumers and 69.6% of peer providers indicated that they are likely or very likely to use Wimdu again in the future.

Up to 26.2% of Wimdu users experienced one or more problems at least once over a 12-month observation period, which is lower compared to 47.9% across the sharing/renting accommodation sector. The most frequent problems of peer consumers on Wimdu related to the accommodation not being as described (26.2 %), the poor quality of rentals (21.4%), unexpected price changes (19%) or safety issues (19%) or cancelled reservation (16.7%). This is similar compared to the average of 25.8% of rentals not being as described, 21.2% of poor quality accommodation, but higher compared to 13.6% of cancelled reservations, 16.3% price issues and 11% safety issues found across sharing/renting accommodation platforms.

Peers on Wimdu are not sufficiently aware of their rights and responsibilities, or the platform's responsibilities in case something goes wrong, but Wimdu performs above the average of the renting/sharing accommodation market in this respect: about half of the peer consumers and peer providers either do not know or are not sure what their rights on the platform are.

3.1.3   Transparency of the platform, including information provided to peers

The FAQ section of the platform is the main source for easily accessing information. The Terms and Conditions page is divided between Terms and Conditions, Privacy policy and Cancellation policy, all of which are structured in paragraphs with clear headings, which makes the information more readable for peer users.

Overall, information is available and clear about:

- Criteria assessing the status of the peer provider;
- Criteria that influence ranking of listings in search results
- Applicable VAT;
- Fees charged to peers;
- Insurance;
- Safety advice;
- Who to contact in case something goes wrong.

However, transparency and clarity is limited because:

- in the search results the service fee is not included in the listing price;
- the status of the peer provider is not shown to peer consumers;
- The way suggested prices for listings or the amount of the cancellation fee are calculated by algorithms is not clear.
- Liability of the platform in case something goes wrong is only stated in the Terms and Conditions, and not explained in the FAQ section.
- Providers are responsible for complying with national tax regimes and local regulation but there is no information about this.
- Lack of detail about data transfers (sharing and selling) to third parties.
- The length and technical nature of the T&Cs and Privacy policy.

3.1.4   Trust building and verification of information

Trust building relies mainly on Wimdu's Triple Quality Check, which consists of peer reviews and ratings, and checks of listings by Wimdu staff. Wimdu staff verifies all listings by systematically calling every peer provider, and undertake on site visits to check some of the listings. It is not clear which proportion of listings are subjects to such on site checks.

The peer review and rating systems are managed by the platform which reserves the right to delete or modify reviews. There are clear rules and guidelines for the use of the review and rating systems. But it is not clear if the platform monitors these systems itself or relies on user notifications to detect problematic practices.

There is no pre-screening or verification of identity documents, nor criminal record check by the platform, which may increase the risk of fraud and other abuse. Wimdu appears to mainly rely on peers to report suspicious profiles, listings or messages; this pushes the responsibility for detection of fraudulent practices to the peers.

3.1.5 Access to complaints, redress and insurance

There are several ways for peer users to make a complaint. Peers can make a claim to the Customer Service which is available 24/7.

If the property not as described, safe or clean, the peer provider not reachable for check-in, or the peer provider not able to provide the peer consumer with the property booked, Wimdu offers to relocate peer consumers in an alternative property. This is only specified in the Help section, and does not appear in the Terms and Conditions of the platform. It can therefore be assumed that this is only done at the discretion of the platform and that there is no entitlement of peer consumers to relocation or a refund in such cases.

Peer providers are covered by an insurance against damages by peer consumers to their rental spaces. This insurance is included in Wimdu's fee, which shows the platform's commitment to ensure quality of the transactions. The platform also offers insurance against payment to peer consumers in Spain and Germany.

3.1.6 Cross-border issues

To facilitate cross-border transactions, Wimdu provides an add-on translation service for peer provider listings and a secure cross-border system for payments. There are differences in insurance services between countries. The diversity in local regulation of P2P rental market means the lawfulness of rentals may not be clear to peer consumers, as the platform shifts responsibility for complying with such rules to peer providers.

3.2   Good practices

Wimdu sets a clear policy and criteria for establishing the private or commercial status of peer providers.

Criteria that influence ranking of listings in search results are, at least in part, explained.

The onsite visits to rental properties and (optional) photography service help ensure better quality description of listings.

The practice to hold payments for bookings by peer consumers and release such payments to peer providers only 24-hours after the start date of the accommodation rental is a useful tool enabling the platform to check and control the performance of the service by the host, and gives an opportunity to resolve peer consumer issues with the rented accommodation.

3.3   Elements of concern

Transparency about rights and responsibilities is insufficient for half of the peers. The spread of information across different sections of the website may hinder easy access and understanding. In particular, the entitlement of peer consumers to relocation or a refund in case the property not as described, safe or clean, or if the peer provider not reachable for check-in is not clear.

Although the platform holds the relevant information, the private or commercial status of the peer providers does not appear on the listing page.

In the search results the service fee is not included in the listing price. There is no information about how algorithms calculate suggested prices and cancellation fees.

The Privacy Policy does not clarify to which the third parties' data are transferred, what kind of data is transferred, or whether peers are informed or asked to consent to data transfers when they occur, or if data is sold for commercial purposes.

The platform does not pre-screen or verify identity documents or criminal background of peers. Its reliance on phone calls to check out peer providers can be questioned. Its apparent reliance on peer notifications for detecting fraudulent practices in the review and rating system and on-site in general is a further element of concern

The entitlement of peer consumers to relocation or a refund if the listing is inaccurately described, or if it is not available, clean or safe, is not clear.

Overall, there is discrepancy between the impression given about the level of involvement of platform in the transaction through its control over payments, complaint and refund management, provision of insurance against damages etc. and the exclusion of liability for the peer-to-peer transaction as stated in the T&Cs.

3.4 Future developments

It should be noted that Wimdu's recent merger with 9flats may affect the results of the present case study.

No representative of Wimdu was available for interview, and thus reports regarding the financial health of the platform, could not be investigated.