**Impact of Announcements on Capital Market Performance in Emerging Markets: A Parametric and Non-Parametric Analysis**

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**Abstract**

This study examines the potential for investors to generate excess profits in the stock market by leveraging Airbnb announcements concerning emerging markets. Using a combination of parametric and non-parametric tests, robustness checks, and regression analysis, the relationship between Airbnb announcements and stock market performance is investigated. The findings indicate that investors can benefit from adapting their investment strategies to take advantage of the opportunities presented on the announcement day, resulting in the generation of cumulative abnormal returns. Additionally, the analysis reveals a positive influence of fluctuations in inbound tourism and GDP growth on the capital markets of emerging countries, suggesting that changes in these factors significantly impact stock market performance. Moreover, the study finds that announcements related to emerging countries as a whole have a stronger impact on the stock index compared to announcements specific to cities within those countries. This implies that investors should pay closer attention to broad market trends rather than focusing solely on localized announcements. Overall, this research highlights the potential for investors to leverage Airbnb announcements in emerging markets to achieve excess profits in the stock market. The findings underscore the importance of adapting investment strategies to capitalize on emerging opportunities and understanding the broader macroeconomic factors influencing the performance of emerging countries' capital markets.

Keywords: Airbnb announcements, Stock market performance, Emerging markets, Investment strategies, Event studies approach

**JEL Classifications:** G14, G15, O16, F36

**Introduction**

The emergence of the peer-to-peer economy has transformed traditional business models and impacted various aspects of people's lives, including work, travel, and living arrangements. However, limited knowledge exists regarding the penetration and adoption of this economy in non-Western countries, particularly in emerging markets that have been projected to benefit the most from the improved economic situation of citizens (Mhlanga, 2019; Quattrone et al., 2022).

The peer-to-peer economy owes a significant portion of its growth to Airbnb, a hosting provider that enables users to rent accommodations online from others. As a result, this growth has created competition with more conventional business models, such as hotels, motels, and bed and breakfasts, affecting the flow of tourists and visitors to the region (Hall et al., 2022).

Airbnb was established in 2008 by Brian Chesky, Joe Gebbia, and Nathan Blecharczyk as a means for travelers to rent homes from local hosts. The platform has experienced explosive growth, boasting over 4 million listings in over 220 countries and territories globally. The uniqueness of Airbnb's business model, which enables hosts to earn supplementary income by renting out their homes while simultaneously offering travelers a comfortable and distinctive lodging alternative, has been cited as a key factor in its remarkable success.

Adamiak (2022) conducted a study on the global utilization of Airbnb, which revealed that the platform is commonly employed for the rental of entire apartments by various hosts. Furthermore, it was observed that the presence of Airbnb listings in different countries is contingent upon the level of economic development and the volume of inbound tourism. Additionally, it was noted that the majority of Airbnb's inventory, comprising two-thirds, is concentrated in urban centers and coastal areas, and the growth of apartment listings is most pronounced in newly emerging markets of the platform.

Airbnb has had a significant impact on emerging economies by disrupting the traditional hotel industry and changing the way people travel and experience destinations. The platform's unique business model offers cheaper and personalized lodging options, which has attracted more travelers to visit and explore less-touristed destinations (Guttentag, 2015; Lorde & Joseph, 2019).

Mhlanga (2019) conducted a study to investigate the impact of Airbnb on hotels performance in South Africa. The findings suggest that Airbnb had an adverse effect on the occupancy rates of hotels. However, there was no discernible impact on the prices of accommodation offered by hotels. The results of the study are consistent with those of Benítez-Aurioles (2022), who investigated the impact of Airbnb's expansion on hotels in Barcelona and found a comparable outcome.

However, some studies suggest that Airbnb does not harm the conventional hospitality industry. For example, Shrestha & Fissha (2017) investigated whether Airbnb affected hotel performance in Helsinki and found that despite the growth of Airbnb in the area, hotel performance was not affected. A similar conclusion was drawn when examining the impact of Airbnb on the Norwegian hotel market by Strømmen-Bakhtiar & Vinogradov (2019).

In addition to disrupting the traditional hotel industry, Airbnb also offers unique and authentic experiences that cannot be replicated in traditional hotels. Akarsu et al. (2020) examined how Airbnb affects users' experience and authenticity on the platform in Istanbul and found that Airbnb contributes significantly to hospitality in the area by improving the attractiveness of the service, the authenticity, and the perceived experience of the guests. Similar studies have been conducted in China and South Africa, confirming Airbnb's impact on offering unique and authentic experiences to its users (Qiu et al., 2020; Visser et al., 2017).

The platform has also contributed to the growth of tourism in areas previously ignored by the traditional hotel industry. This is evidenced by Airbnb's internal research, which highlights the platform's positive impact on tourism revenue distribution, allowing more people and communities to benefit from the tourism industry (Airbnb, n.d.).

Moreover, Airbnb has facilitated the distribution of tourism revenue, promoting equity and benefiting local economies by generating revenue for small businesses and communities. This equitable distribution contrasts with traditional forms of tourism, such as hotels, which tend to concentrate tourism revenue in a few large companies and destinations.

The tourism industry has been significantly impacted by Airbnb; however, it has also encountered some challenges. Over-tourism in popular destinations, resulting in overcrowding, straining local infrastructure, and displacing local residents from their homes, has been attributed to Airbnb (Celata & Romano, 2022; Gurran et al., 2018; Richards et al., 2020; Wachsmuth & Weisler, 2018). Furthermore, Airbnb's noncompliance with local laws and regulations has been a subject of criticism, particularly in developing countries, where the tourism sector is strictly controlled, and hotel and other forms of accommodation are subjected to strict regulations (Adamiak, 2022; Visser et al., 2017). Airbnb's decentralized approach makes it difficult to enforce compliance with these regulations, resulting in negative outcomes for both hosts and guests. Hosts may face penalties or legal action for violating local rules (Leshinsky & Schatz, 2018), while guests may be exposed to health and safety hazards (Lorde & Joseph, 2019).

Based on the aforementioned empirical evidence, the following hypotheses are proposed:

H1: The stock indices will be influenced by announcements pertaining to emerging countries on Airbnb.

H2: The performance of stock indices is anticipated to be influenced by a range of macroeconomic and financial variables.

**Data and Empirical Strategy**

***Data***

To investigate the impact of Airbnb announcements on emerging countries' capital markets, the present study undertook a comprehensive data collection effort. Specifically, all announcements related to emerging countries posted on Airbnb from January 2016 to January 2023 were collected, with a sample of these announcements presented in Table 1. The dataset comprises 112 announcements, with 71 announcements pertaining to emerging countries and 41 announcements pertaining to cities within these countries. The initial announcement appeared on July 11, 2016, and the final announcement on November 31, 2022.

To quantify the impact of Airbnb announcements on emerging countries' capital markets, this study used two local indices, Dow Jones Emerging Markets (DJEM) and MSCI Emerging Markets (MSCIEM), and two global indices, FTSE World (FTSEW) and MSCI World (MSCIW). For each announcement, daily returns of these indices were obtained from Investing.com for a total of 231 days, comprising a period of 215 days prior to the announcement and 15 days following it.

This data collection approach enabled to conduct an extensive analysis of the relationship between Airbnb announcements and emerging countries' capital markets. By gathering a diverse set of announcements over a significant period and utilizing established indices, the present study provides a rigorous and insightful examination of the potential impact of Airbnb on emerging countries' capital markets.

**Table 1**

Sample announcements related to Airbnb by emerging countries

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Country | Index | Date | Event | Description |
| Brazil | Bovespa  | 28/02/2019 | 6 | To inspire: meet some of our hosts and learn more about Experiences in Brazil |
| Mexico | FTSE BIVA | 02/06/2021 | 17 | New Mexico and Airbnb launch new campaign to support travel across state |
| China | Shanghai  | 08/12/2017 | 20 | Investing in Our Future: Quality, Customer Service and Partnerships in China |
| Philippines | PSEi Composite | 29/11/2021 | 24 | New form of ‘conscious travel’ emerges in the Philippines |
| Thailand | SET  | 31/03/2022 | 39 | Planning a trip to Thailand? Airbnb is launching the ultimate designer getaway in Phuket’s iconic heritage mansion |
| Malaysia | FTSE Malaysia | 29/04/2020 | 41 | Airbnb Launches Initiative to Support Malaysian Frontline Responders |
| South Korea | KOSPI  | 17/01/2021 | 42 | Airbnb Launches 'Inside K-Pop', Celebrating the World of Korean Pop Music |
| South Africa | South Africa Top 40 | 21/09/2021 | 54 | Supporting a diverse and inclusive tourism economy in South Africa |
| Russia | MOEX  | 18/12/2017 | 56 | Take a Russian Sports Holiday with Airbnb |
| Ukraine | PFTS  | 31/08/2022 | 58 | 100,000 people fleeing Ukraine have found stays through Airbnb.org |
| Czech Republic | PX  | 21/04/2020 | 71 | Czech Hosts Provide Housing to Frontline Medical Staff |

Note: The table presents a selection of announcements from the dataset of 112 publications related to Airbnb by 11 emerging countries. Each country's primary stock index is provided alongside the date of the announcement, the number of the announcement within the sample, and a brief description of the announcement. This selection of announcements serves to illustrate the scope and nature of the data collection effort in the present study, providing insight into the types of announcements made by emerging countries related to Airbnb.

Figure 1 illustrates the chronological distribution of Airbnb announcements released by emerging countries included in this study. It is apparent from the figure that some countries, such as Thailand and South Africa, exhibited a persistent pattern of continuous publication throughout the observed time frame. In contrast, certain countries demonstrated a more sporadic trend, with announcements concentrated in particular periods rather than being consistently published throughout the entire duration of the study. For instance, there were significant spikes in the number of Airbnb announcements released by China during the years 2017 and 2018, by Ukraine during the years 2021 and 2022 amidst the war with Russia, and by the Philippines during the period spanning 2020 to 2022.

**Figure 1**

Analysis of Airbnb's announcement distribution in emerging countries



Note: The dissemination of Airbnb announcements across 11 emerging countries within the designated sample period ranging from July 11, 2016, to November 31, 2022. The visual representation depicts each country with a unique shape or symbol.

***Empirical strategy***

*Event study* *methodology*

The present study employed the event study methodology, a commonly employed technique in the financial literature, to investigate the impact of Airbnb website announcements on emerging countries' capital markets. This approach was first introduced in seminal works investigating the effect of stock splits (Ball & Brown, 1968; Fama et al., 1969). Grounded in the efficient market hypothesis, the event study methodology assumes that stock prices reflect all available information, and that any new information is instantaneously incorporated into stock prices (Fama, 1970). However, subsequent research has revealed anomalies that permit investors to earn excess returns if they can forecast stock prices. As a result, this approach has gained widespread use among investors and scholars alike.

This technique has since expanded and is currently employed in numerous domains, including accounting (Duso et al., 2010), economics (Palatnik et al., 2019; Tavor, 2023), tourism (Teitler-Regev & Tavor, 2023), and healthcare (Alam et al., 2020).

The present research employed abnormal returns (AR) and cumulative abnormal returns (CAR) to examine the reactions of capital markets in emerging countries to Airbnb's announcements. A market model was constructed to illustrate the association between the returns of emerging countries' indices, DJEM and MSCIEM, and the market returns on the day of the event i at time t (*Rit*) under normal market conditions (*Rmt*), i.e., in the absence of unexpected events. The global indices FTSEW and MSCIW were employed to represent the market returns.

1. *, t* [-215,-16], *i* = 1, 2, …., 112

The returns (*Rit*) are composed of an expected value E[*Rit*] = μi, Var[*Rit*] = and Cov[*Rit, Rih*] = 0 of asset i for time period t, when t ≠ h.

The expected value of the return, *E(rit|It),* under normal conditions given information I on day t, is obtained through the use of ordinary least squares (OLS) regression. The estimates for the intercept and the slope coefficient are used to compute the expected return.

1. ,  *t* [-215,-16], *i*= 1, 2, …., 112

Subsequently, the abnormal return (*ARit*,) was computed as the difference between the realized return and the expected return for event i on day t.

1. ,  *t* [-215,-16], *i*= 1, 2, …., 112

The cumulative abnormal return for a given event i on a specific day t (*CARit*) is a metric that assesses the aggregate impact of said event over a defined time interval, *t*[t1,t2].

1. , *t* [t1,t2]

Furthermore, the cumulative average abnormal returns (CAAR) over the event window were computed and denoted by .

1.

Upon computing the abnormal returns and cumulative abnormal returns, the statistical significance of their values was tested through the utilization of a combination of three parametric and two non-parametric tests, as presented in Table 2. Parametric tests are grounded on certain assumptions regarding the data distribution within an event study framework. Conversely, non-parametric tests, commonly referred to as distribution-free tests, are statistical techniques that do not rely on any presumptions concerning the data distribution, and rather evaluate the significance based on rankings.

**Table 2**

The statistical analyses employed in the study

|  |  |
| --- | --- |
| Statistical Test  | Assumptions |
| Parametric tests  |
| ORDIN | *Ordinary t-test* - The test, which is predicated on the t-distribution, requires the assumption of normal distribution and independence of observations. References such as Brown and Warner (1985) and Campbell et al. (1997) provide further information on this statistical test. |
| PATELL | *The standardized residual test*  - The test exhibits robustness against the weakness of the Ordinary t-test in the context of event-induced volatility, as noted by Patell (1976). |
| BMP | *The Standardized Cross-Sectional Approach -* The test exhibits robustness against the weakness of the Ordinary t-test in the context of event-induced variance, as noted by Boehmer et al., (1991) |
| Non-parametric tests |
| RANK | *The Rank Test* - The test does not rely on any distributional assumptions, Instead, the test involves comparing the ranks during the event period with the expected rank, as noted by Corrado (1989). |
| WSRT | *The Wilcoxon Signed-Ranks Test* - The test does not make any distributional assumptions. Moreover, the test takes into account the sign and power of the parameter, thereby highlighting its importance, as noted by Wilcoxon (1945). |

Note: The study utilized five statistical analyses, comprising three parametric tests, namely ORDIN, PATELL, and BMP, and two non-parametric tests, namely RANK and WRST.

*Regression*

The conduct of investors within the capital market represents a fundamental aspect that significantly impacts the pricing of financial indices. As such, it is crucial to conduct an in-depth examination of investor behavior in relation to supplementary variables. In pursuit of this objective, this study endeavors to assess the impact of financial and macroeconomic variables on cumulative abnormal returns through the application of the regression analysis as follow:

In the given equation, the variable "i" denotes the event number, ranging from 1 to 112. The independent variables used in the regression analysis include GDP growth (represented as GDPG), market index returns (Return), Human Development Index (HDI), number of incoming tourists in millions (Tourism), and the population size of countries in millions (Population). These data were obtained from The World Bank (2023). Additionally, a categorical variable named "Location" is incorporated in the regression model, which takes the value of 1 for announcements pertaining to cities in emerging countries and 2 for announcements relating to emerging countries.

**Empirical results**

The present study endeavors to investigate two pertinent research inquiries. Firstly, the investigation seeks to discern the potential for investors to capitalize on the information provided by Airbnb's website concerning emerging economies and consequently yield abnormal profits following the release of such announcements. Secondly, the study endeavors to scrutinize whether additional variables may exert influence on the cumulative abnormal returns within emerging economies during the period proximal to the announcement's release.

*Descriptive statistics*

Table 3 presents a comprehensive summary of the descriptive statistics obtained from the study. Panel A of the table provides detailed information on the four indices collected for the event study approach, where the DJEM and FTSEW indices refer to the stock index and market index, respectively, for the regular test. Conversely, the MSCIEM and MSCIW indices represent the stock index and market index, respectively, for the robustness check. Panel B of the table displays the results gathered for the six macroeconomic and financial variables that were utilized in the regressions: GDPG, Return, HDI, Tourism, Population, and Location.

**Table 3**

Summary of descriptive statistics for indices and regression variable

|  |
| --- |
| Panel A: Market model |
| Variables | N | Mean | Std. Dev | Min | Median | Max |
| Stock indices |
| DJEM | 2192 | 0.008 | 0.968 | -7.010 | 0.040 | 5.560 |
| MSCIEM | 2167 | 0.007 | 1.031 | -6.710 | 0.050 | 5.730 |
| Market indices |
| FTSEW | 2244 | 0.026 | 0.949 | -9.760 | 0.030 | 8.610 |
| MSCIW | 2166 | 0.028 | 0.989 | -9.910 | 0.050 | 8.770 |
| Panel B: Regression |
| Variables | N | Mean | Std. Dev | Min | Median | Max |
| GDPG | 112 | 3.314 | 2.732 | -10.000 | 3.400 | 8.197 |
| Return | 112 | 1.848 | 13.461 | -25.748 | 1.841 | 38.932 |
| HDI | 112 | 0.770 | 0.056 | 0.699 | 0.758 | 0.925 |
| Tourism | 112 | 44.065 | 47.905 | 0.000 | 22.176 | 158.606 |
| Population | 112 | 217.129 | 399.094 | 10.495 | 71.600 | 1412.400 |
| Location | 112 | 1.634 | 0.484 | 1.000 | 2.000 | 2.000 |

Note: In Panel A of the table, the statistical descriptors for the mean, standard deviation, minimum, median, and maximum values are expressed as percentages. Notably, the DJEM and FTSEW indices denote the stock index and the market index, respectively, for the regular test. Conversely, the MSCIEM and MSCIW indices represent the stock index and market index, respectively, for the robustness check. In Panel B, the Return and GDPR variables are presented as percentages, while the Tourism and Population variables are expressed in millions.

Based on the results presented in Panel A, it can be observed that the average returns and standard deviations in both stock indices are comparable. Moreover, the market indices also demonstrate comparable average returns and standard deviations. Nonetheless, a notable distinction in average return is noticeable between the two categories of indices, as the market indices exhibit a significantly higher average return (0.027%) than the stock indices (0.0075%).

As panel B indicates, the average annual GDP growth rate of the emerging countries included in the analysis is 3.314%. The lowest annual growth rate was registered in Malaysia in 2020 (-10%), while the highest occurred in Russia in 2017 (8.197%). Furthermore, the average annual yield of the countries is 1.848%, with a considerable range spanning from -25.748% to 38.912%.

Additionally, the study reports an average Human Development Index (HDI) of 0.77 with a standard deviation of 0.056, indicating that the emerging countries have an overall moderate level of human development. Moreover, the average annual number of tourists entering the countries is 44.065 million, with China being the country with the highest tourist arrivals. The average population size of the countries is 217.129 million, with China having the largest population (1,412.4 million) and the Czech Republic being the smallest country (10.495 million).

Furthermore, the location variable has an average value of 1.634, implying that 63.4% of the announcements in the sample pertain to emerging countries. These findings provide valuable insights into the macroeconomic and financial characteristics of the emerging countries in the study, facilitating a better understanding of their economic landscape.

***The impact of announcements on the performance of emerging countries' indices***

Figure 2 depicts the behavior of the cumulative average abnormal return (CAAR-15,+15) across a 31-day event window surrounding the announcement day, ranging from 15 days prior to the announcement to 15 days following it. The study also presents Table 4, which provides the cumulative abnormal returns along with parametric and non-parametric tests conducted on 112 announcements by Airbnb regarding emerging economies.

The results are demonstrated in two categories of event windows. The first category consists of three windows, namely [-1,+1], [-2,+2], and [-5,+5], signifying different time intervals surrounding the announcement day. The second type includes an additional seven windows, namely [-7,-1], [-5,-1], [-3,-1], [0,0], [0,+1], [0,+3], and [0,+5], representing the impact before, during, and after the announcement event. Column 2 of Table 4 reports the results of for each window, while columns 3-5 exhibit the outcomes of three parametric tests (ORDIN, PATELL, and BMP), and columns 6-7 display the results of two non-parametric tests (RANK and WSRT).

**Table 4**

Analysis of cumulative abnormal returns (CAR) in emerging market indices

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   |   | Parametric tests  |   | Non-parametric tests |
| Daily time | CAR(%) | ORDIN | PATELL | BMP |   | RANK | WSRT |
| Event window surrounding the event day |
| CAR[-1,+1] | 0.239 | 1.621 | 1.390 | 1.128 |  | -1.849\* | 0.914 |
| CAR[-2,+2] | 0.106 | 0.556 | -0.125 | -0.106 |  | -2.969\*\*\* | 0.793 |
| CAR[-5,+5] | -0.278 | -0.986 | -2.154\*\* | -1.723\* |  | -1.469 | -0.607 |
| Pre-event and post-event window |
| CAR[-7,-1] | -0.607 | -2.696\*\*\* | -3.524\*\*\* | -2.578\*\*\* |  | 0.329 | -1.385 |
| CAR[-5,-1] | -0.472 | -2.483\*\* | -3.410\*\*\* | -2.620\*\*\* |  | 2.061\*\* | -1.629 |
| CAR[-3,-1] | -0.512 | -3.476\*\*\* | -4.268\*\*\* | -3.596\*\*\* |  | 4.431\*\*\* | -2.552\*\* |
| CAR[0,0] | 0.181 | 2.123\*\* | 2.015\*\* | 1.601 |  | -1.372 | 2.012\* |
| CAR[0,+1] | 0.343 | 2.850\*\*\* | 2.808\*\*\* | 2.315\*\* |  | -3.070\*\*\* | 2.241\*\* |
| CAR[0,+3] | 0.323 | 1.900\* | 1.556 | 1.249 |  | -3.873\*\*\* | 1.826\* |
| CAR[0,+5] | 0.194 | 0.932 | 0.196 | 0.154 |   | -3.077\*\*\* | 0.981 |

Note: This table presents the cumulative abnormal returns (CAR) for ten different test windows around the day of the event. The table reports parametric tests, including t-statistics (presented as ORDIN), Patell test results (presented as PATELL), and standardized cross-sectional approach outcomes (presented as BMP), in columns 3-5. Non-parametric tests, such as Corrado rank test results (presented as RANK) and Wilcoxon signed-rank test outcomes (presented as WSRT), are displayed in columns 6-7. Statistical significance is indicated by p-values, with asterisks (\*) denoting significance at the 10% level, double asterisks (\*\*) indicating significance at the 5% level, and triple asterisks (\*\*\*) signifying significance at the 1% level.

**Figure 2**

Analysis of the cumulative average abnormal return (CAAR) in emerging country indices across a 31-day event window



Note: The horizontal axis of the figure displays the time period relative to the event day t = 0, while the 95% confidence intervals are illustrated using the dashed lines. The CAAR-15,+15, representing the cumulative average abnormal return in emerging country indices, is denoted by the black lines.

Figure 2 demonstrates that the trend in cumulative abnormal returns (CAAR) was negative during the period preceding the announcement's publication. This observation suggests the presence of investors who possess the announcement information before it becomes publicly available on Airbnb's website and subsequently engage in short selling of the index. However, upon the announcement's release on Airbnb's website, the CAAR trend undergoes a reversal and turns positive for a duration of two days. During this interval, investors exposed to the announcement acquire the stock index on the day of its announcement and liquidate their position after two days. These findings align with earlier investigations by Teitler-Regev and Tavor (2023), who documented the influence of Airbnb website announcements on capital markets.

The present table examines the impact of Airbnb website announcements on stock indices of emerging countries, using a two-window event study methodology. The analysis of the first window type, which investigates the effect around the announcement day, suggests that, except for some statistical tests, there is no significant effect on the stock index of the emerging countries. This lack of effect is mainly attributed to the reversal of the cumulative abnormal return, which becomes positive from the day of the announcement, after a period of decline prior to the announcement. However, the analysis of the second window type, which separates the cumulative abnormal return between the periods before and after the announcement, reveals a considerable effect of Airbnb website announcements on the stock indices of the emerging countries in both periods. The results of the PATELL parametric test and the RANK non-parametric test are particularly noteworthy.

The analysis of the first window type reveals that the cumulative abnormal return (CAR) is significantly negative during the period preceding the announcement in all test windows, except for individual tests. The most notable effect is observed during the three days leading up to the announcement day, [-3,-1], when the CAR-3,-1 equals -0.512% and the Mean Absolute Value Test (MAVT) equals 3.664. Subsequently, following the announcement, the trend reverses, and the CAR becomes positive in all test windows, peaking on the day after the announcement, [0,+1], when the CAR0,+1 equals 0.343% (MAVT = 2.657).

The findings in this window type provide empirical support for Hypothesis 1 and indicate that the primary impact of the announcement occurs during the five days surrounding the announcement day, [-3,+1], accompanied by two main investment positions. The first investment position takes place in the period before the announcement is publicly available, where investors who possess prior knowledge of the announcement sell short the stock index of the emerging countries three days before the announcement day and close the position the day before the announcement, thereby gaining an excess profit of 0.512%. The second investment position takes place immediately after the announcement becomes public, as the remaining investors purchase the stock index of the emerging countries and close the position on the day after the announcement, resulting in an excess profit of 0.343%.

***Robustness Check***

In order to reinforce the empirical results, this section conducted three robustness tests, as presented in Table 5. The first test incorporated an alternative emerging market stock index and a distinct global market index. The subsequent two tests focused on shorter event windows, namely [-5,+5] and [-10,+10], to discern the effects of the event more closely.

The outcomes are presented in two categories of event windows. The first category encompasses three distinct windows: [-1,+1], [-2,+2], and [-5,+5], which represent various time intervals surrounding the announcement day. The second category consists of an additional seven windows: [-7,-1], [-5,-1], [-3,-1], [0,0], [0,+1], [0,+3], and [0,+5], signifying the impact before, during, and after the announcement event. Within each panel, the initial three columns indicate the , the proportion of announcements with positive CAR, and the findings of the ORDIN test.

INSERT TABLE 5 HERE

This section presents the results of three robustness tests, as displayed in Table 5, to validate and fortify the empirical findings previously reported. The analysis of the first window type indicates that, except for some statistical tests, there is no significant effect of Airbnb website announcements on the stock index of emerging countries across all panels. However, the analysis of the second window type reveals a substantial effect of these announcements on the stock indices of emerging countries during both pre- and post-announcement periods.

More specifically, the analysis of the first window type shows that the cumulative abnormal return (CAR) during the pre-announcement period is significantly negative across all test windows, except for individual tests. The most significant impact is observed in the three days leading up to the announcement day, [-3,-1]. Specifically, in panel A, the CAR-3,-1 is -0.391% (ORDIN = -3.076), in panel B it is -0.507% (ORDIN = -3.470), and in panel C, it is -0.505% (ORDIN = -3.456). Additionally, on average, 45.238% of the announcements have a positive CAR during this time period.

In contrast, following the announcement, the trend changes, and the CAR becomes positive in all test windows, with the highest effect observed on the day after the announcement, [0,+1]. In panel A, the CAR0,+1 is 0.318% (ORDIN = 3.066), in panel B, it is 0.340% (ORDIN = 2.848), and in panel C, it is 0.336% (ORDIN = 2.817). Furthermore, on average, 59.226% of the announcements have a positive CAR during this period. Overall, these findings support the conclusion that Airbnb website announcements have a considerable impact on the stock indices of emerging countries.

***Regression results***

Finally, in order to evaluate the effects of Airbnb's announcements on emerging countries, I employed multivariate regressions incorporating macroeconomic and financial indicators to analyze the six consecutive intervals of cumulative abnormal returns surrounding the announcement day. The outcomes of these analyses are presented in Table 6.

INSERT TABLE 6 HERE

Based on the empirical findings presented in the table, it can be concluded that the results partially support Hypothesis 2. The analysis reveals that the majority of variables examined do not demonstrate a significant influence on the intervals of cumulative abnormal returns (CAR). However, at the extremes of the interval, namely [-7,-1] and [0,+3], several variables appear to exert an effect on CAR. Specifically, during the [-7,-1] interval, the CAR is positively influenced by the return of the stock indices of the countries and the movement of inbound tourism. This suggests that higher returns or greater inbound tourism of countries mentioned in the announcement leads to a larger abnormal return of the emerging market stock index in the period prior to the announcement.

In contrast, during the interval of [0,+3], different variables are found to be relevant. The GDP growth of the countries mentioned in the announcement has a positive impact on CAR. This implies that greater GDP growth of countries mentioned in the announcement leads to a larger abnormal return of the emerging market stock index in the period after the announcement. Additionally, it is observed that announcements about emerging countries have a stronger impact on the stock index when compared to announcements about cities belonging to emerging countries.

**Conclusion and Policy Implications**

*Conclusion*

In conclusion, this research has shed light on the influence of Airbnb announcements on capital markets in emerging countries. Through a rigorous data collection process, all relevant announcements on the Airbnb platform were collected and analyzed. The study employed parametric and non-parametric tests, along with robustness tests and regression analysis, to examine the statistical significance and validity of the findings.

The results indicate that investors should adapt their investment strategies to leverage the opportunities presented on the announcement day and generate cumulative abnormal returns. Prior to the public release of the announcement, investors with privileged information engage in short selling of the stock index of emerging countries in the three days leading up to the announcement, closing their positions the day before. On the other hand, following the public disclosure of the announcement, other investors have the opportunity to purchase the stock index of emerging countries and close their positions the day after.

The robustness tests conducted using alternative indices and event windows further support the findings of the research. Additionally, the regression analysis reveals significant associations. Before the announcement day, the cumulative abnormal returns are influenced positively by the returns of the stock indices of the relevant countries and fluctuations in inbound tourism. However, after the announcement day, the GDP growth of the mentioned countries has a positive impact on the cumulative abnormal returns. Furthermore, the study finds that announcements related to emerging countries have a stronger impact on the stock index compared to announcements specific to cities within those countries.

*Policy Implications*

The findings of this study have important policy implications for investors and policymakers in emerging countries. Firstly, investors should be aware of the potential impact of Airbnb announcements on the capital markets and adjust their investment strategies accordingly. By considering the announcement day as a key event, investors can capitalize on the opportunities presented by the market reactions.

Moreover, policymakers should recognize the significance of announcements related to emerging countries and their potential influence on the stock market. By monitoring and analyzing these announcements, policymakers can gain insights into the market dynamics and take appropriate measures to ensure market stability and investor confidence.

Furthermore, policymakers should also pay attention to the macroeconomic variables identified in this study. The positive association between cumulative abnormal returns and GDP growth suggests that policies aimed at fostering economic growth can have a positive impact on the stock market. Policies that promote tourism and attract foreign investment can also contribute to favorable market conditions.

While this study provides valuable insights, it is important to acknowledge its limitations. The focus on announcements exclusively from the Airbnb website may overlook alternative sources of information. Future research should consider expanding the sample size and incorporating additional sources to enhance the robustness and generalizability of the findings.

Overall, this research contributes to the existing literature by investigating the impact of Airbnb announcements on capital markets in emerging countries. The findings and policy implications provide guidance for investors and policymakers seeking to navigate the dynamic relationship between online announcements, stock markets, and macroeconomic factors in emerging economies.

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