

# bed & breakfast

Book 1

## Marketing Your Bed & Breakfast

### A Simple Guide

## 1 WHAT IS MARKETING?

There are many academic definitions of marketing, but one of the most straightforward is that marketing is identifying, anticipating and satisfying consumer demands.

This means that marketing activities include anything that involves knowing and providing what the consumer wants. So when you provide a guest with a pleasant holiday, you're marketing your Bed & Breakfast. Or when you invest in new furniture for guest bedrooms, you're also marketing – although at a basic level.

Marketing covers everything from customer service and hospitality, to keeping visitor records or networking; from joining marketing groups, to putting up an Internet page and producing flyers or business cards.

In other words, even if you have no marketing training, you're already involved in marketing your Bed & Breakfast. On the other hand, if you have gone through many courses on brochure production and Internet, maybe it's time you had a fresh look at the broader elements of marketing such as customer service and hospitality.

## 2 WHY GET INVOLVED IN MARKETING YOUR B&B?

The most basic reasons for becoming actively involved in marketing your B&B are to increase your business or to maintain a high level of business (if you're fortunate enough to be satisfied with the amount of business you currently have).

Most B&B owners find they have specific issues that they would like addressed. Premises in the South-East may find they have a high level of passing trade and one-night stays. This means having to turn rooms around each day and also not being able to plan ahead due to a lack of pre-booked business. On the other hand, premises in the North-West frequently experience a very short season – July-September – which may be insufficient to allow re-investment in new furnishings etc. Becoming more active in marketing your product will help to address these issues.

Sometimes it can be a 'chicken and egg' situation. Lack of business can put owners off investing in marketing – without a profit, how can you afford it?  
But without marketing, how will you increase your profits?

How much you spend on marketing really depends on how new you are to the business, what level of repeat business you have and where you're located. The reality is that more remote premises with a low level of repeat business may have to be willing to invest more than others. But the good news is that the most appropriate methods of marketing your B&B are reasonably cost-effective.

**3 FIRST STEPS**

Looking at current business – Looking at your product – How do they match? – Identifying segments.

**3(A) LOOKING AT CURRENT BUSINESS**

The first stage in marketing is having a clear understanding of what customers expect and want, and of the level and patterns of your current business. This is fairly straightforward, and will be all the easier if you already keep good customer records.

You need to be able to answer the following questions:

- How do my customers hear about me?
- How do they make their bookings?
- Where do they come from?
- What age are they (approximately)?
- What type of groups do they travel in? (E.g. couples, families, singles, etc.)
- Why are they in Ireland? (E.g. sightseeing holiday, golfing trip, business, etc.)
- When do they stay with me? (what days/months/seasons)
- How long do they stay?
- What do they like/dislike about my product?
- What else do they want?

**A**

**VISITOR INFORMATION RECORD**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Nationality: \_\_\_\_\_

A sample layout for recording visitor information, 'A', (in other words, a template for a 'database') is included in this folder. If you have a computer, the layout can be adapted for use on the computer. It is only an example, and you may have a better idea yourself.

**B**

**MONTHLY RECORD SHEET**

**Directions for use**

Please fill in the number of people staying with you each night under their country of nationality. The totals to the right will give you the number staying with you each night, and the totals at the bottom will give you the number who've stayed with you each month from different countries. The bottom right square will give you the overall total for the month.

If you want to calculate your occupancy rate, you simply take the total number of visitors as a percentage of the maximum number of visitors you could take, e.g. (6 visitors divided by 8) x 100 = 75% occupancy. For monthly occupancy you firstly need to know the maximum number you could take in a month (e.g. 8 each night x 31 nights = 248), then follow the formula

Also included is a simple monthly record sheet, 'B', which can be used to calculate your occupancy rates on an ongoing basis.

**C**

**Dear Guest,**

We would appreciate if you would take a few moments before you depart to complete this **confidential** questionnaire. Your responses will help us continue to improve our home for guests like you.

Thank you very much

(Signed) \_\_\_\_\_

**1. Why did you choose to stay with us? (please tick)**

Finally, a sample visitor questionnaire, 'C', is also included. While you may have a good 'feel' for what visitors like and dislike about staying with you, it is well-known that people will rarely give totally honest feedback verbally. Questionnaires can be used sensitively in B&Bs without appearing too formal or unsuitable. For example, you could ask the visitors in each room on rotating nights if they'd mind taking time to give you their comments so that you can improve what you provide in the future (i.e. room 1 on

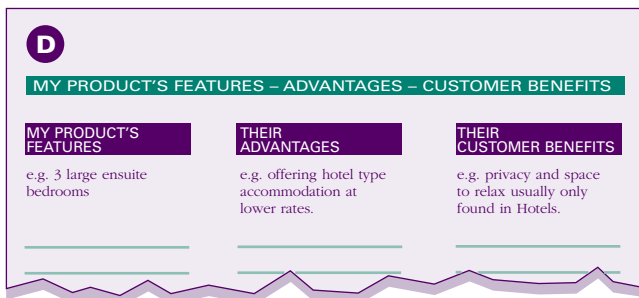
Monday, room 2 on Tuesday, etc.). Again, the sample included is only an example – you may find that there is information you’d like to know which isn’t covered in the questions being asked.

Other sources can also be used to provide additional information on what types of visitors use B&B accommodation and what they think of them. Included is a publication containing the most recent research assembled by Bord Fáilte, which can be used to compare to your own records and which gives a general picture of the sector as a whole.

It is also important to keep an eye on changing trends. Keeping regular records over several years will allow you to spot changes from month to month and season to season – which gives you a chance to chase new business if you find some of your sources are decreasing. Once you have gathered as much information as possible, you should have a clear picture of your business – and what issues need to be addressed. Are you particularly reliant on one particular country or type of business? If so, a weakness in this area could seriously damage your business. For example, if a high level of your business is Germany, a downturn in the German economy could result in a decline in German visitors to Ireland – and to your premises. Is your business mainly aged 55+? What happens in 10-15 years time, if you still want to be in business – or want to sell the house as an active business? Are your customers mainly one-nighters? Wouldn’t you like longer staying guests?

### 3(B) LOOKING AT YOUR PRODUCT

The next step is to look at what you are offering guests. Your ‘product’ is a lot more than just a house and a bed. Guest questionnaires should provide some real feedback on what people like and don’t like about their stay with you



mattress itself that would attract guests, but rather the benefit of a restful night’s sleep.

A useful exercise at this stage is the ‘product benefits’ profile, ‘D’, which will help you focus on what exactly you have to offer. Because you’re not offering a physical product such as a vacuum cleaner, it’s important to be aware of (and to communicate) what benefits guests gain by staying with you. For example, you might decide that one thing you offer guests is a good orthopaedic mattress. It isn’t the

- What benefits do competitors offer that you don’t? Competitors can be other B&Bs, other forms of accommodation, or even other products altogether.
- What benefits do your customers actually want?
- How does what you offer compare with the types of guests you get? (i.e. are you offering what that type of guest wants?)
- What else do they want? What do you think they’ll be wanting more of, and less of, in the future?

**3(b) Looking at your Product (continued)**

It is also useful to widen this exercise out beyond just your own premises, to looking at what the area in general can offer visitors. Perhaps one of the problems is not enough tourism generally in the area rather than just to your house. Are there sufficient reasons for visitors to come to, and stay in, the area? If so, then perhaps you'll need to network with other businesses to make the area generally better known to visitors coming to the country.

If there are only a few attractions in the area (e.g. historical sights, restaurants, golf courses, cycling tours, etc.), then perhaps you should consider becoming involved in a local development group.

Sometimes getting visitors to stay longer can be as simple as spending half an hour with them telling them about what attractions there are in the area. Your Regional Tourism Authority (RTA) is the best source of information on all a visitor can do and see in the region. The RTA can also provide information leaflets and brochures so that you can develop a reference pack for visitors.

**3(C) HOW DOES MY PRODUCT SUIT MY TYPE OF GUESTS?**

This step should be relatively simple, but does involve trying to be as objective as possible. If your product doesn't suit the type of guests you're currently getting then the likelihood is that you won't get much repeat business and you're not fulfilling the potential of your premises. You have two main choices in this case – either change the product or target another type of customer.

If the product changes required are not too drastic and/or the customers are rewarding ones, then changing your product is a viable option. This may also be required if you want to develop new business from a particular segment (see below). One example would be providing a drying room and secure lock-up for cyclists if that is a segment you're interested in and can cater for. But other inexpensive product changes can be introduced in response to customer feedback, which can heighten guests' enjoyment and encourage repeat business. Have a look at sheet 'E' in the folder, which is a simple exercise allowing you to come up with some creative ideas for enhancing your product inexpensively.

**E**

**ENHANCING YOUR PRODUCT!**

Identify 20 ways of enhancing/adding benefits to your product, that do not necessarily cost a lot of money!  
 Score each idea from 1 to 5 in terms of newness (N), appeal (A), and feasibility (F).  
 Then add up the scores. The highest scores will indicate the idea(s) most worth pursuing.

But if high-investment product changes would be needed to meet the requirements of the customers (e.g. expanding the size of bedrooms), and you don't consider the return to be worth the additional investment, then perhaps targeting a different type of customer is a better choice.

### 3(D) IDENTIFYING AND TARGETING SEGMENTS

As mentioned above, targeting different segments may be necessary if you find the product you offer doesn't really suit the type of customers you currently get. Targeting different segments will also help you to develop a balance of business, which can address some of the problems you may be experiencing such as short-stays, seasonal business, etc. A segment is basically just a group of people which shares the same needs (e.g. walkers, anglers, families on holiday, etc.).

What you are looking for is a group of people that has a different pattern to that of your current business. Visitors with specific activity interests can be more inclined to travel outside of the main summer months than general holidaymakers. Have a look at the area around you – does it offer good fishing, or walking routes? Does someone in the house have an interest in either? If so, by providing some basic facilities you could be in a position to target anglers and/or walkers.

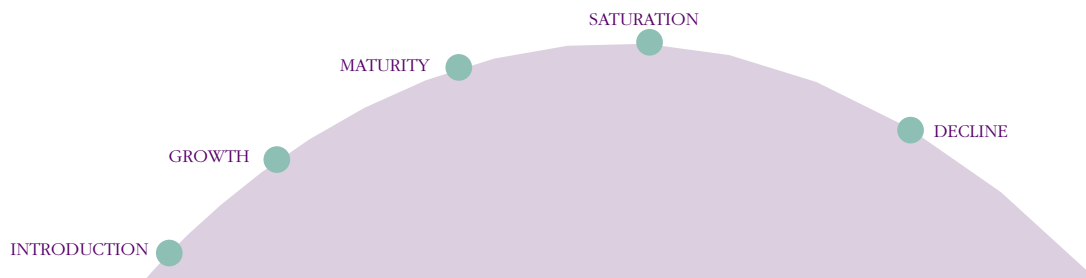
Other activity segments include golfers, cyclists, people tracing their ancestors, painters, bird-watchers, etc.

But remember that you must provide what these people need in terms of support and advice, so it is wise to only target segments who will be happy with what you can offer. The most important thing in marketing your business is a satisfied customer who spreads good news about your B&B!

## 4 THE PRODUCT LIFE-CYCLE

The last stage before discussing the various methods you can use to attract more business, is to look briefly at what is called the 'product life cycle'. This will also have a bearing on what methods you use to attract customers. Generally, it is accepted that every product (whether it's a horse-drawn caravan or a child's toy) goes through a 'life cycle'.

Normally, the life cycle spans five stages, as shown below:



Depending on what stage the product is at, different methods of communication and different messages are needed for customers.

- At the introduction section, customers need to be educated about the product as it will be new to them – so building awareness of the product is important.
- At the growth stage, the product should be growing rapidly.
- When the product reaches maturity, there will be no further significant growth, and the emphasis needs to be on differentiating the product and increasing market share. At this stage, advertising is important but the emphasis needs to be on making your product stand out from all the other similar products that exist.
- At the saturation level, there is no room for further growth of the product. At this stage price becomes very important, but there is a danger that by cutting costs to attract business, you can end up in a downward spiral where low profit means low investment in the product, and the quality deteriorates leading to long-term loss of business.
- Finally, at the decline stage, sales and profits drop as new products emerge on the market.

It could be argued that the general B&B product (without a 'theme') is at the saturation stage. There is a need, therefore, to be wary of getting caught in price wars. The emphasis needs to be on focusing on what makes your product unique, on differentiating through quality, design, style, 'personality', reliability, price, etc. If your B&B has a unique character, or something out of the ordinary to recommend it, then you are in a stronger position. Otherwise, you may need to focus on how to offer something over and above 'bed and breakfast' or look at what you can add to give you an advantage over your competitor.

## 5 THE MARKETING MIX

Finally come the decisions on how to spend the little you can afford on marketing. Where you decide to spend your marketing budget will depend largely on your analysis at previous stages. As mentioned in the first section, marketing covers a wealth of different elements, but the following outlines the main headings under which you can start your plan of action.

### 5(A) PRODUCT

The first element in your marketing mix is the product you offer, and this was covered to some degree above under 3(B) and (C). No matter what you do in terms of customer service, price and promotion, if the product doesn't fit what consumers want then you are unlikely to be able to sustain an adequate level of business. So before proceeding on to the following elements of the marketing mix, have another look back at the sections on Product – taking note particularly of the need to look beyond just the 'bed and breakfast'.

### 5(B) CUSTOMER SERVICE

It is difficult to balance hospitality with the practical elements of running a business. But the welcome is one of the main reasons people choose to come to Ireland, and one of the main reasons they choose to stay in a B&B. So keep them happy by giving them what they expect – and more! The cheapest way of promoting your business is word of mouth publicity from satisfied guests. Perhaps all you need to do to get more guests, and guests who stay longer, is to spend time with them, and to pamper them. (See the separate publication included in this folder which provides some guidelines on customer care.)

### 5(C) PRICE

#### SETTING PRICES

When setting prices you need to take the following into account:

- The level of service and facilities your customers expect. The more you provide, the more you can charge (generally speaking).
- How much customers are willing to pay (this will fluctuate depending on the season, etc.).
- The season. Normally when demand is high (e.g. during July and August), prices can be higher than at other times of the year when you may need to offer lower rates and/or special offers.
- What level of profit you need to cover your costs.
- Prices set by competitors.
- If selling through third parties (e.g. tour operators), prices need to be lower as they need to be able to build in a commission when selling to their customers. Generally, large tour operators don't deal directly with individual small businesses but will organise their contracts through the marketing associations. But it is worth being aware that commissions can sometimes be as high as 40 per cent.

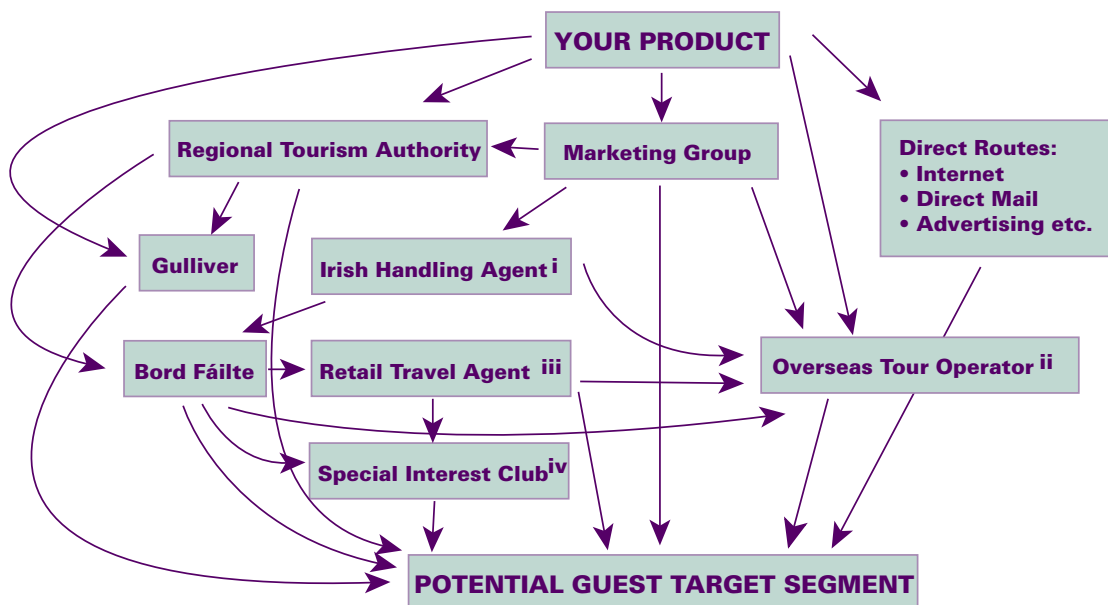
**PRICE AS A MARKETING TOOL**

Price can also be used as a marketing tool. This does not mean undercutting or underpricing which can only lead eventually to the deterioration of your product and its reputation. But price can be adapted to suit different circumstances. Maybe you could offer past customers a special deal if they came and stayed off-season, when you have little business? Or if you have guests in October who might stay an additional night given some encouragement, why not offer a discount if they stay longer? If your profit per person per night is £4, then you could allow a £2 discount per person and still make an additional £2 profit per person rather than have an empty room.

Special price packages are frequently used in the hotel sector to encourage business at quieter times of the year, and there are ways in which the Bed & Breakfast sector can also offer price packages. All-in prices are attractive for consumers as it is clear what is being provided and it makes short breaks easy to organise. While you may not be able to compete with leisure facilities (though some operators either offer some facilities themselves or nearby), you may be able to come to an arrangement with a nearby restaurant for dinner, or green fees at a golf course, etc. The restaurant, golf course, etc., are also likely to be interested in offering special rates for off-season business.

**5(D) PROMOTION**

There are various ways of promoting to potential guests. These can be split into direct routes, in which you communicate directly to the customer yourself, and indirect routes, where you pay someone else to promote your premises for you. While the diagram below may look complicated, it will give you an indication of the complexity of the tourism industry. It is by no means a complete list of the various routes to the final consumer or target segment, but it shows some of the main methods you can use to get information about your product out into the market.



Direct routes would include you writing to potential customers, advertising, putting up your own website, or going on sales trips yourself. Advertising and sales trips are normally too expensive for smaller enterprises to undertake on their own, and are best undertaken by marketing groups, etc. For example, a half-page colour ad in a leading US travel magazine could cost in the region of £10,000 – how much business would you have to get from that ad to make it worthwhile?

The indirect routes mean availing of the services offered by a third party – such as joining the RTA and marketing associations, and being included in holiday packages put together by tour operators and distributed by travel agents.

In general, co-operative marketing is more beneficial as you can offer customers a range of products, and you can also pool financial resources giving you a greater marketing budget.

The following gives you a brief outline of the more effective means for small operators of promoting to potential customers.

## DIRECT ROUTES

1. Direct marketing is a direct communication between you and potential customers. One of the most popular forms is direct mail using customer records to promote to past customers or enquirers in a very personalised way – for example, by sending greeting cards, or by sending them special offers or updates. If you keep customer records on a computer system (your database) you can easily print labels or envelopes, or even cards, directly from the database. If you have email, you can send email letters and cards to past customers. Another side to keeping a database for marketing is being able to record guest preferences so that when visitors return, you are ready for their likes and dislikes – increasing the prospect of positive recommendations and repeat business. You can also build up a database of other contacts (e.g. local businesses) which may need to be reminded of your product every so often, or informed of changes and updates.

2. Networking is one of the cheapest and most useful tools. By getting to know other tourism providers in the area, or B&B owners in other parts of the country, you can develop a good level of referral business, which helps to keep visitors within the B&B sector. Local attractions, golf courses etc., may also be willing to stock your flyers/brochures/business cards and send business to you; and local business firms may be willing to recommend you to visiting clients if they know what you have to offer.

Networking also means you have an in-depth knowledge of what attractions exist in the area, which puts you in a stronger position to encourage visitors to stay longer with you.

3. The use of the Internet is growing phenomenally, and will continue to do so. It is particularly popular in the US and Scandinavia. The beauty of being on the Internet is that anyone worldwide can see what you have to offer – any time of the day or night. So while you're sleeping, someone in Japan could be looking to see what accommodation is available in Ireland, and can send a request for a booking. You can have a basic website put together from as little as £300. While there is no shortage of website developers in Ireland, it is wise to choose someone who has been recommended or whose work you like. The majority of marketing associations also have websites on which you'll be included if you're a member.

Once you're approved, you're also listed in the Ireland website ([www.ireland.travel.ie](http://www.ireland.travel.ie)) – and if you have email, people can send you a booking or request directly from the Ireland site. The RTAs also have their own websites. Before developing a website, you should consider the same questions as those listed under card/flyer/brochure production below.

4. The first thing a new operator generally does in terms of promotion is to have business cards/flyers/brochures printed. These are essential for distribution locally and to current and past customers, as well as providing enquirers with essential information about what you have to offer. However, as with all promotional tools, careful consideration beforehand can mean the difference between a card/flyer/brochure that is kept and read, and one that is discarded. Working through the following questions should give you a clearer focus when getting cards/flyers/brochures designed.

- What am I going to use this card/flyer/brochure for? If it is going to be used for mailing, or shelf-display, then it may need to be a certain size and weight.
- What do I want to tell people? If the material is to be sent overseas to enquirers, you may need a good reproduction of the house (inside and out), a summary of the benefits of staying with you, the unique features of your product, etc. And remember, visitors generally stay in a B&B because of the welcome – so make sure the pictures are welcoming and not just cold images of buildings and rooms (include people!).
- How long do I want it to last? If you want to get sufficient quantities printed to last several seasons, it may be better not to include any information which may date (e.g. prices). This can either be included as a separate insert or in a letter.
- If you are approved, then mention this as it will reassure potential visitors.
- If you are a member of a large marketing association, include their logo – you are paying the association for the additional recognition and marketing which accompanies the brand, and you should use it.
- When you have a first draft ready, ask a few acquaintances to read it from the point of view of a potential visitor. Does it clearly state what the benefits are of staying with you, and does it answer the main questions customers might have? Do you need to include a map showing how to reach you, or one which shows the main attractions in the area?
- Make sure it contains all the information a visitor may need to make a booking (contact name, address, phone and fax numbers, email address, etc.).
- You may also need to consider whether translations are needed if you plan to have the cards/flyers/brochures distributed overseas.
- Finally, the quality of the card/flyer/brochure will be taken as an indication of the quality of your product – so make sure the final printed product is of high quality.

5. Advertising is generally too expensive for small operators but there may be occasions when a small ad in the classified section of the national papers, or in specific tourism publications, can be worthwhile. This is usually where there is a specific 'package' on offer, e.g. two nights B&B, with golf, and dinner in a local restaurant. In this type of situation the cost of the ad can be shared between several tourism operators (e.g. you, the restaurant and the golf club). However, the response needs to be carefully measured. What level of business do you need to get from the ad to recoup the amount it cost?

### INDIRECT ROUTES

Generally the indirect routes allow you to avail of the much greater marketing resources and specialised knowledge of groups and associations, and to be included in the overseas marketing. They include marketing associations (e.g. Irish Farmhouse Holidays, Town & Country Homes, Irish Country Holidays, Friendly Homes of Ireland, etc.), as well as other bodies involved in overseas marketing such as Bord Fáilte, the RTAs, Gulliver, Irish Handling Agents, overseas tour operators, travel agents, etc.

All these associations and bodies undertake a wide range of marketing activities such as advertising, direct marketing, Internet, publicity, trade marketing and education, brochure production and distribution, packaging, sales visits, consumer and trade fairs, long-term planning, research, etc.

See the publication entitled Marketing Associations & Other Representative Bodies (enclosed in this folder) for more information and contact details.

## GLOSSARY

### HANDLING AGENTS

A Handling Agent specialises in putting together the arrangements within Ireland for overseas operators or groups. Normally this would mean arranging tour itineraries, accommodation, transport, etc. Some handling agents specialise in particular segments such as conference business. They are also known as Incoming Tour Operators.

### OVERSEAS TOUR OPERATORS

An Overseas Tour Operator puts together packages and produces brochures. One example of a package which often includes B&Bs and farmhouses is the fly – drive package – this includes return flight, car hire and accommodation vouchers. (Vouchers are a facility offered by some marketing associations to tour operators to encourage them to use B&Bs and farmhouses.) Generally the tour operator will sell these packages through retail travel agents, but sometimes will sell directly to consumers as well. Tour Operators normally visit the country they're packaging to look at the range of products and quality that is being offered, before deciding what to include in a package. Some Operators specialise in putting together individual packages – which can be as involved as choosing specific premises for accommodation. Other Operators deal in bulk bookings and will offer a range of accommodation from associations and leave it up to consumers to choose from a guide which premises to stay in.

### RETAIL TRAVEL AGENTS

Retail Travel Agents sell directly to consumers, either through high-street outlets or, more recently, on the Internet. Generally they don't put together their own packages (though in some countries they do), but sell those packages put together by Tour Operators. Retail Travel Agents make it easy for consumers to book a holiday by offering a range of destinations, packages and services under one roof. For example, a German consumer interested in a 'green' destination could go into a local Travel Agent and choose from farmhouse holidays in Finland, Denmark, France, Ireland, etc.

### SPECIAL INTEREST CLUBS

These clubs are not really tourism distribution channels, but can be very useful if trying to reach specific segments of the market. Examples of clubs include overseas activity clubs, such as golf, walking, cycling or riding clubs, gardening groups, historical societies, retired groups, vintage car associations, etc. Each of these groups shares specific needs which may fit with what you have to offer, and promoting to them can be a cost-effective way of reaching a large number of potential customers.

