



# Hosting a Bed & Breakfast

## Factsheet Series #14: Marketing Your Bed & Breakfast

One could spend hours, even days discussing marketing and its strategies. However, our main purpose now is to share some basic marketing information to get you started thinking in terms of what you will need to do to market your bed and breakfast.

Just because you think you want to open a bed and breakfast, or may already have done so, doesn't necessarily mean it will be successful. I hope you will give much thought and research BEFORE you actually decide whether or not to open a bed and breakfast. It should not be a decision you take lightly.

### What is Marketing?

If I were to ask you "what is marketing?" What would you say? ( Take some time to jot down a few of your ideas.) Yes, marketing is probably all the things you have mentioned. But if we get right down to the very basics of marketing hospitality and tourism-----

**Marketing is satisfying your customers (guests) needs and wants.**

**Needs: Gaps between what the customers have and what they would like to have.**

**Wants: Needs of which your customers are aware.**

The inability to understand your customer's (guests) needs and wants can be a serious threat to your business. As B & B operators, we are here to serve the customer (guest). Their needs are priority #1!

Now, none of us was born with a marketing degree, so this is something we need to learn and then polish through practice. Remember also, the marketing of hospitality and tourism is viewed a little differently than the marketing of a specific product. Let's take a brief look at the differences.

### Product vs. Services Marketing

**Differences between Product Marketing and Services Marketing**

Product	Services
Tangible	Intangible
Able to store	Perishable
Made ahead	Immediately available
Sold once	Repeatedly sold
Easier to cost	Depends on demand
Wide channel distribution	Short channel (me to you)

Keep this in mind: An empty room is like water down the drain, it cannot be saved. If it is not sold one day, that sale for the day can never be regained.

## Why Market a B & B?

- Change occurs rapidly in the hospitality and tourism industry and marketing plays a key role in a business's ability to cope with the changes. The "build it and they will come" philosophy just doesn't work!. You have to have a reason and a plan in order for guests to buy your service (stay at your bed and breakfast.)
- Competition is also greater today. Now that can depend on your location and the number of other lodging choices available where you are and if they are needed. Competition is not all bad. Many B & B owners form associations and work very cooperatively together locally as well as state and nationally.
- Pooling resources is economical for everyone as far as advertising etc. Referrals are also shared.
- Next consider to whom you will target your marketing efforts. The economy, social, cultural and lifestyle issues all play a role in market segmentation. You cannot cater to everyone. You must aim for a specific group for the majority of your marketing efforts.
- Travelers are much more sophisticated these days. They have a lot of travel experience and expect much more than in years gone by. A lot more than a room with a bed is expected. To get these kinds of people requires you provide better quality service which requires more sophisticated marketing

## The Seven Principles of Marketing

**1. Marketing Concept:** This means you are acting on the belief that customer (guest) satisfaction is your top priority. You continually want to put your resources and efforts towards satisfying your customers

**2. Customer Orientation:** You accept and act according to the marketing concept. The customer (guest) is always #1! (For example: Mr. Marriott took time to read evaluations from all of his hotel guests daily and personally took interest in them.)

**3. Satisfy the Customer:** Is the only way to ensure your long-term survival. Success comes from knowing what your customer (guests) want and giving it to them. Never just make assumptions.

**4. Target Market:** All customers (guests) are not alike. You need to pick out and focus on those you want to attract. This is sometimes known as the "rifle vs shotgun approach.) Single bullet hits target rather than shot spreading all over.

**5. Value/Exchange:** Customers (guests) want value for their money. This is often hard for many to actually define. Some people equate value with the price of something while others do not. We must provide the experiences which guests find valuable in return for that they pay us money, make reservations and hopefully will return again.

**6. Product Life Cycle:** All products and services go through a life cycle: introduction, growth, maturity and decline. If we deal in services, we don't want to end up in decline, but do whatever it takes to continue to grow.

**7. Marketing Mix:** Are the controllable factors which are used to satisfy customer needs.

## Marketing Mix

Whole courses are built upon just these principles of the marketing mix but for our purposes, we will just highlight each and you can relate what they might mean to you in the bed and breakfast business. The traditional 4 "P's" of marketing are:

- 1. Product:** What it is that you have to offer or sell or service to provide.
- 2. Place:** Your location, where the product or service will be sold. Considering distribution channels to help you sell. Who else can you work with?
- 3. Promotion:** the different techniques you will use to sell your service. ie: ads,coupons,special events
- 4. Price:** How much will you charge? You must consider what your costs are and if your pricing will cover them. You may not make a living from the income from a small B & B, but you certainly don't want to go in the hole.

Now you must also consider the other 4 "P's" of the hospitality industry.

- 5. People:** The hospitality/travel/lodging industry is a people industry. People are the reason why they exist--to satisfy their needs and wants. Your customer( guest) is part of the experienced purchase.
- 6. Packaging:** Being customer oriented. find out what the customer wants and needs and then supply it satisfactorily.
- 7. Programming:** Also is customer oriented. These are the special things you can provide for guest to give extra added appeal to their stay. May also use to induce extra spending. ( Cook books, craft articles, special weekend packages) All of these things can help alter the demand for your product/service.
- 8. Partnership:** Cooperative efforts among other B& B's or other hospitality/tourism organizations. There is a great value in cooperation. Since we are all in the same boat, if we row together, we'll get the customer (guest) where he wants to be. Resulting in a satisfied customer (guest) and will more likely a return one.

Think of place you've been that you want to keep going back to....why is that?  
You want your customers (guests) to come away with those same feelings and thoughts of you as well.

## Marketing Plans

Marketing takes a lot of effort. It cannot be done in a hurry because by making assumptions without knowing the real facts can be catastrophic.

Plans range from the short term ( easily met ) to the long term. Just as with many other things the old saying " the best laid plans may go astray." Plans are meant to change they cannot stay static. Lets take a look at the basic steps in marketing to get you thinking as you start your planning process or make changes to ones you already have made.

## **Planning**

Here we want to ask: Where are we now? and where would we like to be? If you are to succeed you must be realistic and look at both your strengths and weaknesses. Some of the previous information sheets will help you to do that.

## **Carrying Out**

In this stage we ask ourselves How do we get there? A market plan is key. It will act as our blueprint for action. You will have to know the answers to these kinds of questions if you are going to seek a loan. These items will also be part of your business plan. Or, you can think of it as your roadmap. If you don't know where you are going any road will get you there! Use the map to make sure you get to the place you want to be.

## **Controlling**

Here we ask How do we make sure we get there? Just because you have a plan doesn't always mean you follow it or that it will succeed. There must be some checks and controls along the way. Allow time and ways to do evaluation of your plans then if a change is needed, you can plan for it and then get on with where you want to be.

## **Measuring/Evaluating**

We spend a lot of time putting our plans together but often fail to plan for any evaluation of it to measure the results we are getting. We learn from both our successes and mistakes. Evaluation/ yours and your guests will help you answer the question, How do we know if we got there? From there, the cycle can begin again until we are satisfied with our planning and the results obtained.

## **Target Market Analysis**

Before you even start planning a bed and breakfast, there are a few hard facts you need to really think about and the main one is who out there will really want to stay at your bed and breakfast? You need to do a target market analysis to see if there is even a demand for your bed and breakfast. Just exactly what is the potential?

Many people can kid themselves about the potential, but if you are investing a large amount of capital into starting your bed and breakfast, you'd better be very sure about the potential. More about this when figuring your potential room nights etc.

Honestly, a small B & B is not going to generate enough income for you to live off of, unless every room is filled every night!! And then, you'll be in for a case of burnout!!

When identifying the potential target markets, we must also know what it is we can provide for them specifically. Will enough of them buy our service? In doing a target market analysis we need to ask several key questions"

1. Who is/are the market/s we want to reach with our product?
2. What are the needs they are trying to satisfy?
3. Where do they live? Where do they buy? Where do they travel?

4. When do they buy?
5. How will they buy the product? Cash, credit etc.
6. How many of them can we attract with our product?

This may take a lot of time and research on your part. Are there others sources of secondary research you can go to? Where or who would they be? (Chamber of Commerce?, Local Businesses?, University? other? B & B Associations ?)

## Situational Analysis

This is more often done on an existing business do determine "where are we now" But a new business can benefit from this just as well. Try to think of it as the **SWOT** theory--Strengths, Weaknesses, Opportunities and Threats.

It will help you with your long term planning and in developing marketing plans. Start with the big picture and work your way down. When you know the answers to all of these points, you are better able to "position" yourself within your own "niche." Let's just take a brief look at each item.

- **Environment:** Usually uncontrollable on your part-- what is the picture right now? legislatively, economically, socially, culturally that will make your operation feasible?
- **Location/Community:** Are there any events, business openings/closings, expansion/development etc that could impact positively or negatively on your opening of a B & B?
- **Competitors:** Do you have any? What kinds of services do they provide? Can you match or better? How do they promote? Often times, B& B owners don't see it as competition, but as cooperators--but this is not always the case.
- **Market Potential:** Is there even a need for another B & B in your town? Or is there a need at all?
- **Services:** What can you provide that will make you stand out above others? Are you willing to do it?

Once you know these answers, you are in a better position to develop your strategies for marketing.

## The Buying Process

Maybe you've never really given much thought to the way you make decisions about buying certain products or services but there is a definite pattern in making these decisions.

You and your guests make all types of decisions--some are routine and require very little thought while others are extensive because they involve a great deal of money. These days guests will usually do a lot of research before choosing a place to stay especially if it is for a pleasure trip and if it will mean a great deal of money.

Of course, this process also depends on the person--how many of you can just take off on a minutes notice for a trip and be perfectly happen wherever you end up staying???? Or are you like me and have to spend months in advance planning out every step of the trip?

These are the basic steps:

- 1) a need exists
- 2) search for information
- 3) Evaluate the alternatives that are available
- 4) Making the actual reservation/purchase/stay
- 5) Post evaluation.

As the B& B owner, we want to do all we can to help reduce any "perceived risks" the guests may have about a stay with us. Your service will be evaluated based on what the customers perceptions are--not yours!

## **Market Potential**

As you think about who will stay with you in your B & B--these are some questions you will need to ask yourself. YOU must determine what your target market or niche will be. Realize, you will not be able to serve and satisfy everyone's needs. Can you answer these questions discussed above? If not, then you need to do some more planning and research BEFORE you open a Bed & Breakfast.

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