

MANAGING A BUSINESS IN THE UK

Is there a market for a new bed & breakfast in Yorkshire?

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Abstract Bed and breakfast accommodation has become a true symbol for tourism in England, and can be considered as a typical accommodation for this part of the world. The object of this thesis is to find out what to consider when starting and managing a traditional bed & breakfast in Yorkshire, UK. The final goal is to get to know the competition in Yorkshire, the main customer base of bed & breakfasts, the main marketing methods that should be used to effectively reach the customers and how regular customers are acquired and kept. Is there a market for a new bed & breakfast in Yorkshire? The study was implemented by means of qualitative research methods. Data was collected mainly through interviews via e-mails, only the first interview was made face-to-face. The themes were used as an analyzing method to present the data in a simpler form and to facilitate the analyzing. Although the number of interviewees was fairly small with only five replies, some generalizations could be made based on the results. All the interviewees' experiences of the researched issues were mostly quite similar and in coherence with the theoretical framework. The results of the study show that even though there is a lot of competition in the Yorkshire area, the bed & breakfast businesses are able to differentiate themselves through individual and friendly service as well as beautiful surroundings and homely atmosphere. The Internet is the main marketing method used, and holiday makers the largest customer segment. Customer retention is relatively easy for B&B's because the owners get to form closer relationships with the customers. Business people tend to be the largest regular customer segment.		
Keywords Bed & Breakfast, accommodation, starting a business, marketing		
Miscellaneous		



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Työn nimi YRITYKSEN JOHTAMISTA ISO-BRITANNIASSA Bed & Breakfast-tyylisen majoitustoiminnan markkinanäkymät Yorkshiressa		
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Tiivistelmä Bed & Breakfast on yksi tyypillisimmistä majoitusmuodoista Englannissa, tarjoten majoitusta aina edullisista huoneista luksukseen. Sen tyypillisimpiä piirteitä ovat mukavat ja kodikkaat tilat sekä yksilöllinen palvelu. Opinnäytetyön tavoitteena on ottaa selvää mitä tulisi ottaa huomioon perustaessa bed & breakfast- yritystä Englantiin. Lopullinen päämäärä on oppia tuntemaan kilpailutilanne Yorkshiressa, tärkein asiakas-segmentti, mitä markkinointi metodia tulisi käyttää sekä kuinka luoda vakinaisia asiakkaita. Onko Yorkshiressa tilaa uudelle bed & breakfast- yritykselle? Tutkimus toteutettiin kvalitatiivisella tutkimusotteella. Aineiston keruumenetelmänä oli pääosin haastattelu sähköpostin välityksellä. Aineiston analyysissä käytettiin apuna teemoja, jotta haastattelut saatiin purettua yksinkertaisempaan muotoon ja toteutettua analysointi helpommin. Vaikkakin haastattelujen määrä oli suhteellisen pieni, joitakin johtopäätöksiä pystyttiin tekemään vastauksien perusteella. Kaikkien haastateltavien näkökannat olivat jokseenkin samantapaisia ja linjassa teoreettisen tutkimuspohjan kanssa. Tutkimuksessa ilmeni, että vaikkakin Yorkshiressa on paljon kilpailua, alueen bed & breakfast – yritykset pitävät hyvin pintansa yksilöllisellä ja ystävällisellä palvelullaan sekä kodikkaalla ilmapiirillään. Internettiä käytetään suurimpana markkinointi metodina ja suurin asiakas-segmentti on lomailijat. Vakioasiakkaiden ylläpito on suhteellisen helppoa B&B-yrityksien omistajille, sillä he pääsevät luomaan läheisemmän suhteen asiakkaidensa kanssa jokapäiväisien keskusteluiden yhteydessä. Suurin vakioasiakas- ryhmä ovat yritysasiakkaat.		
Avainsanat (asiasanat) Majoitus, yritys, markkinointi		
Muut tiedot		

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1 INTRODUCTION

“The bed & Breakfast industry has got a long history in the UK and even the term “bed & breakfast” has been forged there. The first bed & breakfasts were opened after World War II when numerous foreigners needed a place to stay and the local people opened their homes for them and served breakfast for those who stayed overnight.” (Bed and Breakfast World. 2013)

Since then: the industry has been growing and blooming. Bed and breakfast accommodation has become a true symbol for tourism in England, and can be considered as a typical accommodation for this part of the world. There are countless bed & breakfasts across the UK offering accommodation from inexpensive rooms to luxury accommodations with high levels of comfort, service, and luxury.

The object of this research is to find out what to consider when starting and managing a traditional bed & breakfast in Yorkshire, England. The final goal is to get to know the competition in Yorkshire, the main customer base of bed & breakfasts, the main marketing methods that should be used to effectively reach the customers and how regular customers are made and kept. Is there really a market for a new bed & breakfast in Yorkshire?

The subject is of interest to the author, because she recently moved to South Yorkshire, England and became fascinated with the bed & breakfast culture. It

is something that is distinctive to England and cannot be found in many places in Europe.

2 ENGLAND AS A TOURIST DESTINATION

Tourism has a significant role in the economy of England. It is the third largest export earner after the chemical industry and financial services and rates seventh in the world for visitor numbers and visitor spend.

“One in twelve jobs in the UK is currently supported by tourism and the number of jobs that tourism supports is forecast to grow by over 250,000 between 2010 and 2020, from 2.645 million to 2.899 million.” (UKInbound. 2008)

VisitEngland is the national tourist board for England, responsible for marketing England to domestic and established overseas markets and for improving England's tourism product. According to their websites, in 2011 the trips to visit friends or relatives account for the largest share with 39 per cent, thanks to the fact that these trips involve a longer than average length of stay. Second largest share were inbound holiday visits with 37 per cents, while 24 per cent of the inbound visits were business visits. (VisitEngland. 2010)

Headline Trends in Inbound Tourism to the UK (2001-2011)					
Year	Number of Visits	Spend	Average Spend per Visit	Average Nights per Visit	International Balance of Payments
	<i>(millions)</i>	<i>(£ billions)</i>			<i>(£ billions)</i>
2001	22.835	£11.306	£489	8.3	-£14.026
2002	24.180	£11.737	£481	8.2	-£15.225
2003	24.715	£11.855	£475	8.2	-£16.695
2004	27.755	£13.047	£466	8.2	-£17.238
2005	29.971	£14.248	£471	8.3	-£17.906
2006	32.713	£16.002	£486	8.4	-£18.409
2007	32.778	£15.960	£487	7.7	-£19.053
2008	31.888	£16.323	£511	7.7	-£20.515
2009	29.889	£16.592	£554	7.7	-£15.102
2010	29.803	£16.899	£563	7.6	-£14.921
2011	30.798	£17.998	£584	7.6	-£13.703

Figure 1. Headline Trends in Inbound Tourism to the UK (VisitBritain, 2010)

According to the National Statistics International Passenger Survey, the long-term trend is for the average length of time each inbound visitor stays in the UK to decline. However: the figure has been fairly stable for the past five years, as shown by the figure 1 above. (VisitBritain, 2010).

Figure 2 shows the monthly inbound update of the past 12 months from March 2012 to February 2013. At 12 million holiday visits in the last 12 months were just 1% below the previous 12 months. Visits for relatives, business visits and miscellaneous visits have all gone slightly up in the past 12

months. Most visits to the UK were made by EU citizens with 17,740 visits between March 2012 and February 2013. The European visitor sector is by far the biggest and can be explained by Europe being in close proximity to England making England a quick and easy holiday destination. With many flight operators offering cheap flight to London and many other airports in England, it is also a cheaper option compared to many other destinations. The second biggest visitor segment was Americans with 2,790 visits. (VisitBritain 2013, 4)

ROLLING 12 MONTHS (MAR 2012 - FEB 2013)		
	Visits (000)	% change vs. Mar '11 - Feb '12
By journey purpose		
Holiday	12,000	-1%
VFR	9,100	2%
Business	7,450	3%
Miscellaneous	2,810	4%
By world region		
EU15	17,740	0%
A12	2,790	4%
Rest of Europe	2,258	7%
North America	3,660	2%
Rest of World	4,930	3%
ALL VISITS	31,370	1%
Spend (£ million)	18,930	4%

Figure 2. Monthly inbound update (VisitBritain 2013, 4)

What makes England a popular destination for tourists is especially its long history and well preserved culture with plenty of attractions as well as its beautiful countryside. England also has an excellent global connectivity. It is within the reach of over 100 countries with direct air connections (in 2011).

“London is the key destination for travelers and is in fact one of the worlds most visited destination in terms of international visitors attracting 15, 5 million international visitors in the year 2011. The rest of England attracted about 13 million visitors that year.” (VisitBritain. 2010).

2.1 Domestic tourism in England

The busiest period for domestic travel in the UK is during bank holidays and the summer months, with August being most hectic. There is a long history in the UK of travel to coastal resorts such as Blackpool, Lancashire and Swansea, Wales. The domestic tourism is influenced by the crisis: the pound gaining value, the British tend to travel further since their strong currency gives them additional buying power compared to, for instance, the tourists from euro countries. For the moment the British might travel to destinations like Spain or Cyprus.

“In 2011 UK residents took:

- 58.4 million holidays of one night or more spending £13.0 billion
- 18.6 million overnight business trips spending £4.4 billion

- 45.7 million overnight trips to friends and relatives spending £4.7 billion." (VisitEngland.2010)

2.2 Tourism in Yorkshire

"Yorkshire is a historic county of Northern England and the largest in the United Kingdom. Within the borders of Yorkshire are areas which are widely considered to be among the greenest in England, due to the vast stretches of unspoiled countryside in the Yorkshire Dales and North York Moors and to the open aspect of some of the major cities." (Wikipedia, Yorkshire. 2013)

There is a choice of almost 4,800 hotels, guest houses, self-catering establishments and campsites in Yorkshire. Although the accommodation is spread around unevenly, the greatest number of beds can be found in the northern Yorkshire in places like: Yorkshire Moors, Yorkshire Dales and around Harrogate. (Wikipedia, Tourism in Yorkshire, 2013)

Spend in Yorkshire is somewhat in line with the England average, although on holiday people tend to spend more than people on business trips. In 2009, there were 10, 6 million domestic overnight trips to Yorkshire, generating a total spend of 1, 5 billion pounds. The same year there was also 1, 1 million people from outside UK visiting the region, together accounting for 0, 46 billion pounds. (VisitEngland 2009, 1)

Regional Occupancy Rates

Room Occupancy – Year to Date (Jan - Feb 2013)

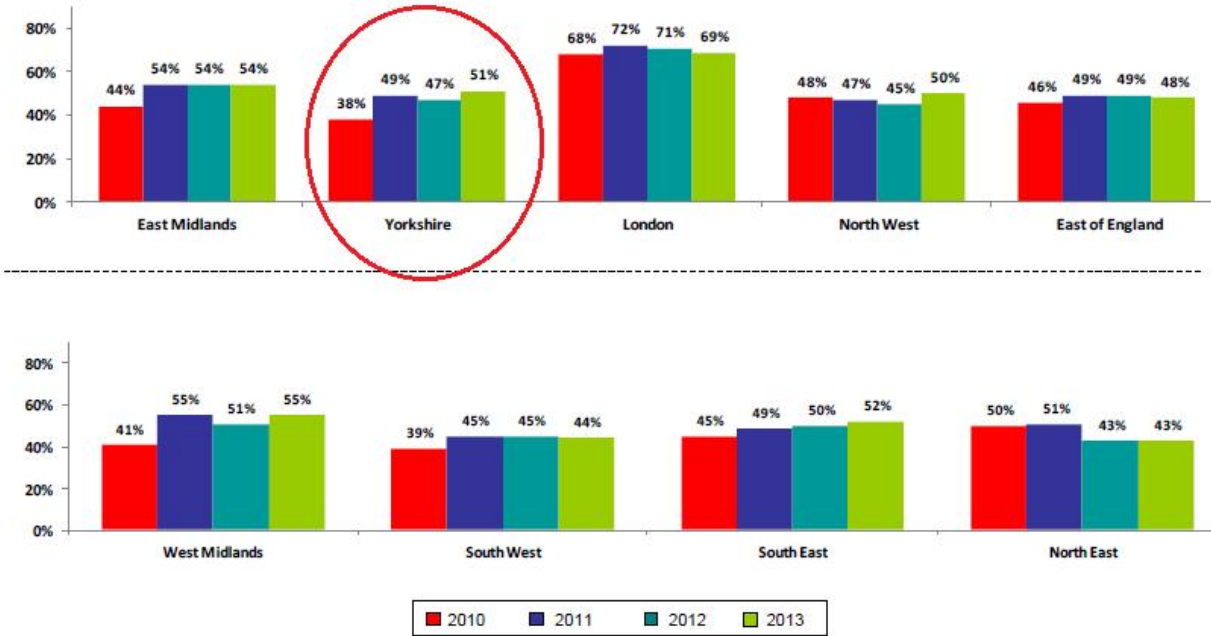


Figure 3. Room Occupancy Rates (VisitEngland 2013,5)

Regional Occupancy Rates

Bedspace Occupancy – Year to date (Jan - Feb 2013)



Figure 4. Bedspace Occupancy Rates (VisitEngland 2013, 6)

The regional occupancy rates figures 3 and 4 shows the room occupancy and bed space occupancy from January 2010 to February 2013. The Yorkshire region is marked with the red circle. Examining the Yorkshire figures, it can be seen that both figures have been gradually rising since 2010, except in the year 2012 the room occupancy rate went down 2 per cent and bed space occupancy rate stayed the same. This year both figures have gone up, but compared to the capital city, London, they are still far behind.

2.3 Accommodation

There are many thousands of bed & breakfasts and guest houses in the UK, mainly small-scale and owner-managed businesses based in the entrepreneurs' own homes. These are very important to the UK's tourism industry and to the visitor experience. (BandBAssociation, 2011). England can host over 2.2 million people overnight in quality assessed accommodation. (VisitEngland, 2010). In contrast to many other countries, there is no compulsory registration scheme for accommodation establishments in the UK, making it difficult to size this sector with complete accuracy.

According to the UK Occupancy survey:

“The average room occupancy for all serviced accommodation throughout the UK was 64 per cent in 2011 (up 3 per cent from 2010).” (VisitEngland, 2010).

Figures from TRI Hospitality Consulting confirm that one of the biggest changes in the UK accommodation stock in the past two decades has been the increasing number of branded budget hotel rooms.

“In 1993 there were 10,555 such rooms whereas at the end of 2010 there were 114,974. (VisitBritain. 2010).

Even with the increasing number of budget hotels coming in the market, the B&B sector still holds up being 28 per cent bigger than the low-cost hotel sector, and 35 per cent of the size of the UK hotel sector, with profit over 2 billion pounds per year. (Smarta: How to start a bed and breakfast. n. d.)

3 THE MEANING OF BED & BREAKFAST

A bed & breakfast or B&B is typically a private home offering overnight accommodation and breakfast. It usually does not offer any other meals and has fewer than 10 bedrooms available for commercial use. The owners live on-site and interact with travellers as if they were invited guests rather than anonymous temporary room numbers. (How to start a bed and breakfast. 2013).

“Bed and breakfasts have a long history but the term itself has been forged in the UK after World War II. At that time: numerous foreigners needed a place to stay so local people have opened their homes and started serving breakfast to those overnight

guests. Hence, a bed and breakfast is accommodation offered in someone's private home." (Bed and Breakfast World, 2013).

Seaside towns, such as Blackpool, England, have got concentrations of bed & breakfasts where historically the working classes holidayed. (Wikipedia: Bed and Breakfast, 2013)

Every bed and breakfast is different, and there is no single accepted definition. Innkeepers, travellers, B&B associations and others all tend to have different ideas. Even the breakfast part is not 100 per cent certain. Some B&B's offer only a continental breakfast, and some inns which would otherwise be considered a bed and breakfast offer no morning meal at all. (Arneson, 2013)

Bed & breakfasts are considered as a homely and inexpensive alternative for accommodation. For young couples it can be a short romantic getaway in a luxurious and private environment. People that travel for business may regard it as nice break from the commercial chain hotels. For elder travellers: B&B's can offer a warm and welcoming atmosphere and personalized service.

Bed and breakfasts are generally associated with shorter holidays of 3-4 nights that do not involve children. (Bed & breakfast tourism. 2003). Bed & Breakfasts provide mutual benefits for both the visitor and the operator. Visitors have the opportunity for a relaxing break in a homely environment. Operators have the opportunity to develop a profitable business, make new friends and contacts, understand the cultures and lifestyles of others, and to educate guests about their way of life. This is why for entrepreneurs a

business in the B&B sector is more than a job: it is a lifestyle. New entrepreneurs should keep in mind that they will invite tourists in their homes, and be able to cope with different problems and requests their guests might have

Bed & Breakfast accommodation can be perceived as a destination in itself or a place to stay while visiting an area and its attractions. Self-contained cottages are more likely to be perceived as a destination as such, while traditional bed & breakfasts are more likely to be perceived as a temporary stop or place to stay while visiting an area and its attractions. The perception of “destination” vs “place to stay” is also influenced by the popularity of the location (tourist location or non-tourist location) and the purpose of the trip or holiday.

Generally: bed& breakfasts need to be located in an appealing destination, preferably one that is in close proximity to other attractions. (Bed & breakfast tourism. 2003)

So what do people usually look for in a bed & breakfast? The key needs to be met are to differentiate the B&B from an ordinary hotel. These elements include:

- An attractive location and facilities
- Privacy
- Personalised service and pampering
- Preferably a nice garden or a view
- Homely atmosphere
- Home style meals
- Area for conversing with other guests

Some of the activities undertaken on bed and breakfast holidays include:

- Visiting local attractions
- Leisure walks
- Reading
- Fishing
- Relaxing
- Meeting new people

4 THE OBJECT AND IMPLEMENTATION OF THE RESEARCH

The object of this research is to find out what to consider when starting and managing a traditional bed & breakfast in Yorkshire, UK.

In order to support the main research question the following sub-questions were formulated:

- What is the competition like in the Yorkshire area
- What is the customer base that uses the traditional bed & breakfasts
- What kind of marketing methods should be used in order to reach the customers effectively
- How are regular customers made and kept

The final goal is to get to know the competition in Yorkshire, the main customer base of bed & breakfasts, the main marketing methods that should be used to effectively reach the customers and how regular customers are made and kept. Finally, find out is there really a market for a new bed & breakfast in Yorkshire.

The implementation is conducted through using the Internet sources, literature and articles about tourism industry in the area as well as conducting a small interview. The interview is mainly about the customer base, marketing and competition of bed & breakfasts in the Yorkshire area and is done via e-mail to bed & breakfast business owners in the Yorkshire area.

5 STARTING A BUSINESS

There are no secret tricks to being successful in business. Success will only come through hard work and through always offering something that the consumer wants, at the right price, in the right place, and in the right quantity.

Before even considering starting your own business, you need to think whether you have the right reasons for wanting to run a business in the first place. It is important to see your own business as an opportunity to do something that you really want to. Depending on your personal situation the following may be some of the advantages to owning and operating a bed & breakfast: being your own boss, integrating family and work responsibility, starting a business in your own home with relatively low expenses, reducing personal living costs, eliminating transportation costs and time to get to work, possibly having tax advantages, enjoying a variety of daily tasks and a casual way of life, and having leisure time. Some of the disadvantages may include: working undesirable working hours, often doing menial tasks, having to do most of the work yourself, concern about privacy and quality family time, growing competition with chain hotels, motels and other B&Bs, as well as possible local resentment toward tourists. (Buchanan, R & Espeseth, R n.d, 8)

Starting a business from scratch is a risky business, but also very rewarding. It is essential to undertake substantial research into the market so you get a thorough picture of what is needed to be a successful business. By talking to potential customers and studying competitors you will identify whether there is a market for a bed & breakfast in the area and how much demand there will be for it. You also will get to know who your competitors are. By doing a market research you will also find out your target customers in terms of age, gender, location, profession, income and how you will reach them. A good starting point is to read local newspapers, market reports, trade magazines, surfing the internet and interviewing your potential customers and business owners in your market. (The prince's trust guide to starting your own business 2011, 15).

When starting a traditional bed & breakfast, first you need to think of the location. As mentioned before it is profitable to position this business in appealing destination, close proximity to other attractions. Secondly, are you going to buy an established business, purchase and customize a new building, or renovate your existing home? Buying an established business is usually the most hassle free option, since it already has a client base so need little to spend on marketing or renovation. In starting a B&B remember that most guests expect a private bathroom, so you'll need to buy somewhere with multiple en-suites, or get these installed in whatever property you're using. Also make sure you have sufficient parking spaces nearby. (Smarta: How to start a bed and breakfast. n. d.)

Flow Chart

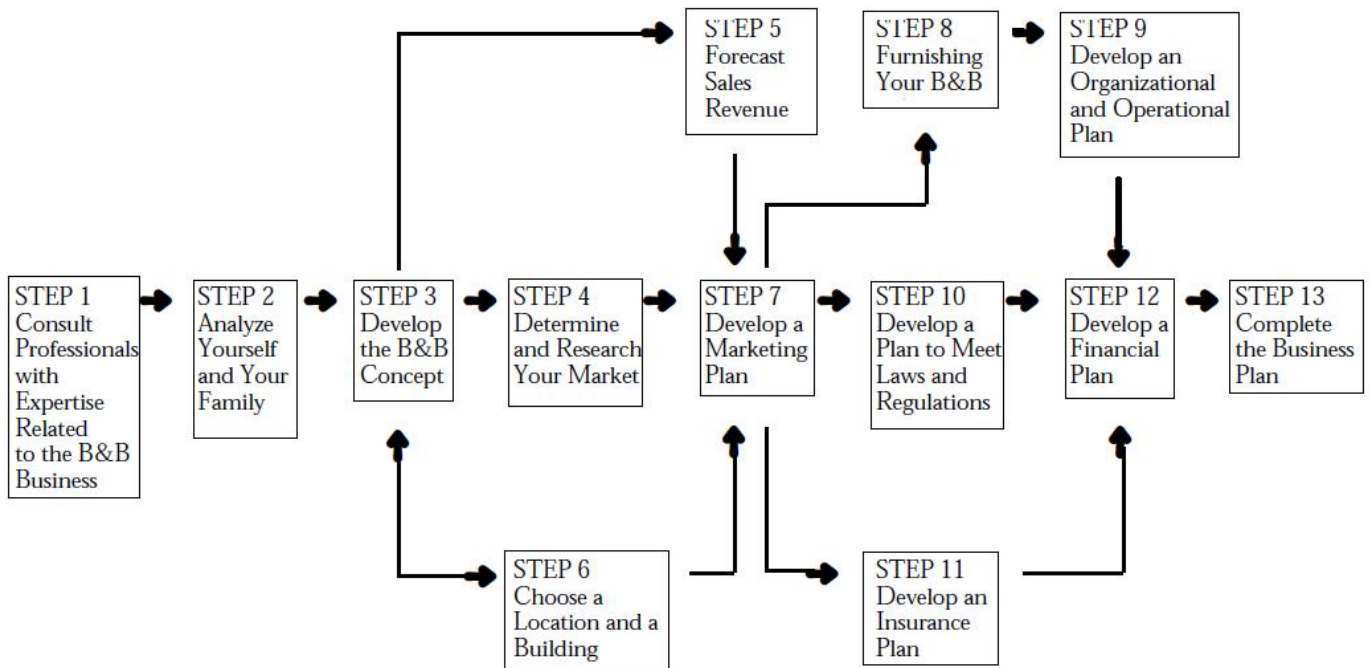


Figure 5. Flow Chart (Buchanan & Espeseth n.d, 6)

The flow chart represents the steps that are needed to take when starting a bed & breakfast.

5.1 Marketing

Marketing is one of the key factors to get the customers roll in. Even the greatest business idea will not succeed unless the people know about it.

“Marketing is defined as a managerial and social process in which the group and individuals obtain their needs and wants through

creating and exchanging products and values with others. The marketing concept means achieving organizational goals by determining the needs and wants of target a market which should bring the desired satisfaction more efficiently and effectively than the competitors do." (Armstong, Kotler, Saunders & Wong 2005, 6-7, 16.)

The marketing mix is a business tool used in marketing and is made up of the "four Ps":

- Product (or service)
- Place (location)
- Price
- Promotion

These four elements all need to be right for your business to succeed. Success comes as a result of striking the right balance between these four factors; concentrating on just one will get you only part of the way. (Hingston, P 2001, 12)

Once you have chosen the target market, it is easier to channel the advertising to them and choose the right marketing methods to catch their attention.

A group of consumers can be divided into market segments, or specific groups of people with similar needs and wants; such as travellers for pleasure, business, special occasions or events, visits to friends or family, specialty market (such as school teachers, foreign travellers), and weekend or weekday market segments. By doing a market research, you will learn who your

competition is, you can establish your market segment and develop the strengths of your B&B so that your market will notice and want it. The marketing research also helps you to do the pricing right and tell your market that it is available. Marketing research is customer and prospective customer oriented and should answer the following questions:

- Why do customers come to my B&B?
- Why don't they come?
- What is my customer segment (age, sex, education, income, occupation, purpose of travel, etc.)?
- How does my bed & breakfast differentiate itself from the competition?

(Buchanan, R & Espeseth, R n.d, 15)

“Advertising is a branded piece of promotion for your business, which you will usually pay to place in a variety of different places, such as magazines and newspapers, online, TV, radio, cinema, or billboards.” (Becket, M 2003, 8-10).

Advertising a bed & breakfast it might be an effective and cheap way to use straight marketing to the local community. Magazines and newspapers offer lots of different advertising packages. TV is also a very powerful marketing medium, but in this case probably expensive to use. Radio advertising can be a cheaper but effective alternative. The downside is that a radio ad cannot be cut out and kept like a printed advert that leaves a visual image on the listener.

If you want to cut the middleman out, use direct marketing. It is a form of advertising where the business can reach its audience without using the normal channels like radio and newspapers, but instead using direct mail, brochures, SMS texting, the internet and so on. Well-planned direct marketing can be measured easily by counting the answers received from the customers.

By keeping the customers happy and exceeding their expectations by just little things, like a chocolate on the pillow, can go a long way. That way they want to come back the next time and hopefully tell others about their good experience in your bed & breakfast. Word of mouth is a powerful marketing method and can either build you up or break you down. (Becket, M 2003, 9-12) Also make yourself known to the local tourist offices and websites listing bed & breakfasts in your area.

By working the media right you can maximize exposure and boost sales. In addition to your own website: you might want to consider other Internet marketing outlets. There are social networking sites designed specifically to help small businesses develop an online presence, network and share information. With sites like LinkedIn and, of course Facebook, it is very easy to make contacts and build an online community that will benefit the business. (Parks, S 2005, 18) The social media, like Facebook, have enhanced marketing for small businesses. For a very small cost, a B&B can gain in visibility, and a good B&B will be rapidly shared in the social community by satisfied visitors. Today it is crucial for new businesses to be visible on Facebook so that people may recommend it by "liking" or "sharing" its news

and events. Businesses may attain hundreds and thousands of people in a very short time.

In addition to the presence in the social media, creating your own website for the business is crucial especially in the tourism industry. A professional online presence attracts more customers, increases the awareness of your business, encourages feedback and makes it easier for the potential customers to find you and learn more from the area. A good website provides clear instructions on how to find you on all main modes of transportation and give a number the guests can call if they have any questions. Also show as many rooms, as much of the surrounding and tell as much as you can about the things to do and see in the area, as that will give people a straightforward picture of your business. Make sure your website is geared up with all the search engine optimizers (SEO) you need to get found online - this is where the vast majority of guests start their search for accommodation. (Parks, S 2005, 15-18) With the recent technical evolutions, it is also strongly recommended to optimize the website for cell phones and tablet computers.

5.2 Customer retention

Customer retention is an important part when marketing your hospitality business. This means you spend less time looking for new customers and more time looking after the ones you already have, so they will grow into bigger customers. That way the satisfied customer becomes an asset and a powerful tool for mouth-to-mouth advertising. To retain customers, it is vital

to focus on what people want and need, rather than on what we want to sell them. Usually customers are satisfied when:

- The service is designed with the customers real needs in mind
- The service exceeds the customers' expectations in some way
- When the customer is treated as individuals, not as just the next customer in the line
- The customers complaints are dealt with efficiently and sympathetically (Smith, J 2000, 6-13)

Once the customers are getting what they want, they can relax because they know they can rely on a consistent level of quality service and remain with the service provider who understands their needs and their preferences. If you succeed in creating good long-term partnerships with customers, you stand a good chance of building up trust and breaking down the barriers between you. (Smith, J 2000, 6-13)

6 RESEARCH METHODS AND RESULTS

Qualitative research method was chosen due to its ability to unveil people's perspectives and to uncover prevalent trends in thought and opinion. The practice of asking about the everyday has a long established routine in qualitative research and is based on the idea that the way people make sense

of the social is grounded in their everyday – even routine – experiences.

(Mason, J 2002, 226)

According to Ten Have (2004):

“To elaborate the core characteristics of qualitative research, one can put it in contrast with quantitative research. While the results of a quantitative research can be presented in a numerical form, those of qualitative research require verbal expressions, and often quite extensive ones at that.” (Ten Have, P 2004, 4-5)

6.1 Research questions and data collecting

The main method of collecting data in this bachelor's thesis is an interview directed to bed & breakfast owners in the Yorkshire area. The questions were chosen to be open questions, since this method usually lets the respondent answer in their own words and will also show the knowledge of the respondent on the subject in question.

The data collection method to be used is mainly interviews conducted via e-mail, the first interview was made face-to-face. The criteria of which people was chosen to the interview was simply that they had to be traditional bed & breakfast owners in the Yorkshire area. The interview was sent to 20 chosen bed & breakfast owners. The response rate was 25 per cent with 5 out of the ideal 20 responding to the interview. The low level of respondents can be explained by the lack of time and interest for independent business owners.

The main research questions were:

- What is the competition like in the Yorkshire area
- What is the customer base that uses the traditional bed & breakfasts
- What kind of marketing methods should be used in order to reach the customers effectively
- How are regular customers made and kept

The goal of the interview was clear since the beginning and the elements of what was needed and wanted was determined. It was ensured that the interview questions are consistent to the concepts that have been analyzed in the theoretical framework. Two first questions were to identify the bed & breakfast in question.

Interviewees answered the questions with professionalism and knowledge on the area. All the answers were well structured and easy to analyze.

6.2 Research results

The research results are based on the interviewees' answers. The interviews were analyzed one-by-one, and the answers were compared to the research questions. The results of the interviews were divided into different themes based on the sub questions that were formulated in order to support the main research question. These themes were also guiding the actual interview questions and the results are presented under the themes they fit in. Since there were so few participants in the interview, the author could not make any

definitive conclusions, but can detect some of the trends that are in line with the findings in the theory part.

6.3 Competition in Yorkshire

There is an endless variety of bed & breakfasts, inns, guesthouses and hotels in the Yorkshire area. Yorkshire accommodation caters for everyone's needs with everything from a backpacker's barns to top-class accommodation, offering five-star service and facilities. Altogether: there are almost 4,800 hotels, guest houses, self-catering establishments and campsites in Yorkshire. The area also features over 800 attractions, from World Heritage Sites to mining museums, ruined castles and abbeys, to hands on museums. (WelcometoYorkshire.2012).

“Two well established B&B’s in the village, two pubs offering B&B, although one is closed currently, it is being sold and will be operational soon, plus several other B&B’s which have opened in the last few years. Two are also cafes and a 'hotel' - all in the village”

“There is 1 pub with accommodation, 2 other B&B’s in Gargrave and the Premiere Inn.”

“There is two other bed & breakfasts in the area, a public house and a bigger hotel called Ramada Inn”

With such a large variety of accommodation available in relatively small area: the competition is tough. There are several small villages in close proximity to each other in Yorkshire, all of them full of accommodation options to choose from. Starting a bed & breakfast business in your own home at relatively low cost and the opportunity of being your own boss with being able to deal with different people and situations daily, draws more and more people to start a bed & breakfast of their own

“Quite a lot of competition in a small area”

“In total nine places offering B&B in the area and accommodation in each surrounding village is offered too!”

“All together six bed & breakfasts in the area, camping sites, a couple of inns and a hotel. Everyone tries to help each other and work together.”

Even though the competition is tense, it seems that the businesses are trying to work together and help one another. During peak periods, the bed & breakfasts that are full will offer another B&B in the area to the customer. Also pubs and tourism info's are more than happy to guide the customers to the nearby bed & breakfasts.

6.4 How to differentiate from the rest

With such a large range of accommodation for customer to choose from and a lot of competition in the area, it is favorable to differentiate your business from the competition.

“With personal service and homely atmosphere; the rooms are quite cozy and private, but still they are part of the house. Good parking facilities and a variety of breakfast to choose from”

“Breakfast that caters for all diets and the use of local ingredients”

“On site stables are available for the customers to stay with their horse and we have an outside ménage and an overnight secure storage for cycles”

It seems that the B&B's around the Yorkshire area differentiate themselves especially with the beautiful location and surrounding they are situated in as well as homely atmosphere and facilities. Friendly and individual service is also said to be good selling points. Three of the interviewees highlighted especially their breakfast menu that caters for all diets and uses locally produced items. One of the owners said they have stables and an outside ménage for customers with horses, which is an excellent way to differentiate from the rest. With the Yorkshire being one of the greenest areas in England with unspoiled countryside, a lot of people like to go there to enjoy the nature.

Whether it is just walking, cycling or even riding, the bed & breakfasts in the area have recognized this and are offering facilities accordingly.

“Our B&B is a farm/ country house residence, and has lots of outdoor space around it. It is a listed building so is of interest in that respect. Our rooms are very spacious. We have personal welcome providing homemade tea/cakes on arrival.”

“We have sensational views! Artist’s home full of paintings, ceramics...the garden is also a work of art. Owners, at their best, can be inspirational”

The majority of the bed & breakfasts interviewed are situated in rural country areas with beautiful surroundings and lots of activities available. The buildings themselves can be selling points like a listed building or home of an artist with paintings and ceramics. Things like serving tea and cakes, as pointed out by one of the interviewees, is just a perfect example of going that extra mile for the customer to feel themselves special and welcome. It does not have to be anything bigger than that and it differentiates the service from not only the other bed & breakfast in the area, but other accommodation providers like hotels as well.

6.5 Customer base that uses the traditional bed & breakfasts

The interviews revealed that the customer segment that uses the bed & breakfasts in the Yorkshire area is mostly middle aged and retired people that are on a holiday or just passing by. Three of the interviewees also said that there are many customers visiting their relatives in the area and are usually staying for a longer period than the holiday makers, the same was stated in the theory part. Four of the interviews mentioned that one of their customer segments is business people and that they also tend to be the people that stay there the longest and become regular customers.

“1/3 holiday makers, 1/3 visiting relatives, 1/3 working in the area”

“Majority of guests are walking the long distance Dales Way footpath”

“Mainly Middle aged and retired people”

The results are in coherence with the findings in the theory part; the main customer segments are the holiday makers or just people passing by. They also are mainly middle aged and retired people that are travelling without their children. The main difference in the findings was that there is a lack of younger couples using the bed & breakfasts in Yorkshire.

One of the interviewees also said that they have such large facilities that they can take party bookings and accommodate wedding guests in their bed & breakfast.

“Some people come for a wedding on site so their wedding guests stay in the B&B and cottages. We can take party bookings as we have accommodation for up to 29 people.”

The bed & breakfasts in Yorkshire are more like a place for temporary stop or place to stay while visiting an area and its attractions than a destination in itself. This can be explained by the fact that they are situated in appealing destinations and in close proximity to other attractions. It also explains why people do not spend longer periods of time in these bed & breakfasts, excluding people that work in the area.

6.6 What kind of marketing methods should be used to reach the customers effectively

The research showed that the main marketing method used is the Internet. There are many websites provided to market the bed & breakfast businesses in the Yorkshire area, like farmstay. co.uk and Bed and Breakfast nationwide. Almost all of the interviewees had their business shown in the website called “Welcome to Yorkshire”, which has a large variation of bed & breakfasts and guest accommodation listed in Yorkshire area.

“We mostly use the internet. Farmstay. uk and Bed and Breakfast nationwide. We also use the local church magazine.”

“Welcome to Yorkshire (seems to be more of a sign of being acceptable than a 'pull' for customers), village website brings approx. 40% of enquiries.”

“Leaflets with information on the rooms, food and the location”

In addition to the more widely used bigger websites, the business owners also use their own villages' websites and companies to market their bed & breakfast. Three of the interviewees also said to use brochures and leaflets with information on the services and facilities as well as how to locate the business as one of their marketing method.

“Website that is geared up with all the search engine optimizers so it will come up first when searching for accommodation”

“Our business appears on Doncaster council's website, because they did an assessment on the bed & breakfast and approved it”

Two of the interviewees said to have an own website for their bed & breakfast with a larger variety of pictures and information to be find. The fact that only two of the interviewees said to have an own website came as a surprise as it is a crucial selling point for accommodation businesses. One response said to have their bed & breakfast appearing on their local council's websites, because

the council had done an assessment on their B&B and had approved it. A great way of making the business known in the area.

What also showed in the research was the lack of using social media for marketing among the bed & breakfasts in Yorkshire. The social media, like Facebook, have enhanced marketing for small businesses. For a very small cost, a B&B can gain visibility, and could potentially be rapidly shared in the social community by satisfied visitors. By people “liking” or “sharing” its news and events, the businesses may attain hundreds and thousands of people in a very short time.

6.7 Customer retention

The research revealed that the customers of bed & breakfasts in Yorkshire are all treated as individuals and with special care. The owners thrive for everybody to feel welcome and to make them feel like home. They also tend to form closer relationships with the customers by chatting about the attractions and thing to do in the area. Also some of the facilities are created especially with the needs of the customers in mind, like for example the stables where the customer can bring their own horse or the cycle storage for customers with their own cycles.

“We get to know our customers on a personal level and provide the best service we can to each and everyone”

“Every customer is special and treated as individuals”

“The regular customers tend to be business people”

As mentioned earlier, one of the regular customer segments is business people who work in the area. The bed & breakfasts provide a more homely atmosphere and a more welcoming environment than regular hotels, which is important when staying in the same place for longer. The regular bed & breakfasts can form as sort of “home away from home” for the business people, and the owners as more like friends than just business owners.

When it comes to offering something “extra” to the regular customers, all the customers are treated with the same professionalism and passion. When a customer becomes a regular customer, it gets easier for the business owner to know what they want and can act accordingly.

“We provide a warm welcome and can provide spa treatments if booked in advance.”

A regular customer gets accustomed to the way the bed & breakfast in question works, and for example would know to book a spa treatment in advance, where as a new customer might not know. Although every customer are treated the same, a regular customer might have a special relationship with the owners and through that get more of their experience.

The results were very much in line with the sections mentioned about customer retention in the theory part. The theory says that usually customers

are satisfied when the service is designed with the customer's real needs in mind, the service exceeds the customer's expectations in some way, the customer is treated as individuals, not as just the next customer in the line and the customer's complaints are dealt with efficiently and sympathetically. All of these parts, except the last one, came up in the research as what the bed & breakfast owners in Yorkshire are doing and being proud of it.

7 DISCUSSION AND CONCLUSION

Although the number of interviewees was fairly small with only five replies, some generalizations can be made based on the results. All the interviewees' experiences of the researched issues were mostly quite similar and in coherence with the theoretical framework.

The competition in Yorkshire is tough with a variety of different accommodation providers. Starting a bed & breakfast business in your own home at a relatively low cost and the opportunity of being your own boss able to deal with different people and situations daily, makes more and more people to start a bed & breakfast of their own. The Yorkshire area being one of the greenest areas in England with unspoiled countryside and lots of attractions to choose from is a desirable area to have an accommodation business in. Even taking the competition into account, the bed & breakfasts are still unique enough to attract customers in comparison with hotels.

The main differentiation from other accommodation options seems to be the beautiful location and surrounding they are situated in as well as homely atmosphere and facilities. Friendly and individual service is also said to be one of the top priorities. Some of the bed & breakfasts have more unique selling points, like a listed building or a home of an artist with paintings and ceramics in it.

The main customer base of the bed & breakfasts in Yorkshire are mainly consists of holiday makers, the second biggest segment being business people. The customers tend to be middle aged or retired. People visiting their relatives is another segment, but the people that usually stay longer and become regulars are the ones that work in the area. The customer bases that the bed & breakfast in Yorkshire have seem to be in coherent with the findings in the theory part.

The main marketing method used is the Internet. The bed & breakfast owners mainly use different websites to market their business, rather than having their own private websites. As said in the theory: own website for an accommodation business is crucial, but after interviewing the business owners and doing some research it seems like that is not the case. The webpages listing bed & breakfasts in the Yorkshire area seem to be effective enough for the owners not having to have an own website. The use of social media for marketing purposes is also surprisingly low. Maybe the reason for the lack of social media usage is simply because the customer base for the bed & breakfasts in the area tend to be older people that might not use social media that much. Also Leaflets and local tourist offices are also used for marketing.

As it is said in the theory part: you need to have all the elements of the marketing mix in your business in order to succeed. The elements are: product (or service), place, price and promotion. In the case of bed & breakfasts in Yorkshire area, it seems like all of the elements are there, except the promotion part. The product is well known and the service is personal and good, the place is breath-taking Yorkshire, the price is competitive, but the promotion is not quite there yet. By taking in use all of the benefits the Internet have to offer, bed & breakfasts in the Yorkshire area could be even more successful.

It can be said that customer retention for bed & breakfasts is easier than hotels, because the owners get to form closer relationships with the customers through chatting about local attractions and so on. All of the customers are treated as individuals and with care. As mentioned before, the people that work in the area tend to be regular customers, although there are some regular holiday makers that come year after year to visit and say hi to the owners of the business that they have formed a close relationship to. The customer retention of Yorkshire bed & breakfasts has got all of the features that had been found in the theory: the service is designed with the customer's needs in mind, the service exceeds the customer's expectations in some way and the customers are treated as individuals.

Although there is a lot of competition in Yorkshire, the bed & breakfasts seem to hold their ground in the competition. They are unique with homely atmosphere, the service is individual and friendly and there is demand for

different accommodation options in the Yorkshire area. Why not start your own bed & breakfast there?

8 REASONING

Conducting the thesis was interesting but challenging at the same time. The topic was chosen because the author recently moved to South Yorkshire, England and became fascinated with the bed & breakfast culture that is a symbol of tourism in England. It was challenging to stay on schedule, although the thesis came together quite quickly in the end and finished in time. Living away from Jyväskylä and the school slowed the process in the beginning, because the author did not know where or how to start the thesis. However, it was beneficial to live in England and have an easy access to the bed & breakfast owners in the region.

The theory and empirical research were well combined. Interviews via e-mail were used as the main research method. The research was structured so that the themes supported the theoretical background. With five interviews it can be said that the research is not thorough on the subject, but some generalizations can be made based on the results. All the interviewees' experiences of the researched issues were mostly quite similar and in coherence with the theoretical framework.

Conducting the actual research was more time consuming than the author thought at first. Selecting a theme for the interview was crucial for the research to stay in coherence with the theoretical framework. The bed & breakfast owners were not too eager to answer the e-mail interview, which lead the author to think that, given more time, it would have been beneficial to interview the business owners face-to-face or on telephone.

Writing a thesis on bed & breakfasts in Yorkshire taught the author a lot about the process of starting a business, especially the marketing research part of it. The bed & breakfasts in Yorkshire need to differentiate themselves from the competition and focus on finding new marketing methods as well as taking advantage on Internet and the social media more in order to keep their position in the competition.

Further research proposal is to make similar kind of research using quantitative research method. If the research would be executed to a larger proportion of the bed & breakfast in the UK, the results would be more accurate. Moreover the research could try to find out if it would be beneficial to create some kind of member card that could be used in all of the B&B's in the UK and with the customers could gain benefits and bonuses.

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APPENDICES

Appendix 1. E-mail letter to the participants of the interview

Hello

I am a fifth year student in JAMK University of Applied Sciences and I am currently writing my bachelor's thesis on the topic of "Starting a traditional bed & breakfast in the Yorkshire area"

I would like to interview you as part of my research.

Your insight to this topic will be highly appreciated.

Sincerely

Henna Hytonen

Appendix 2. Interview questions

1. What is the name of your bed & breakfast?
2. Where is it situated?
3. What kind of competition is there in the area?
4. What would you say differentiates you from the other B&Bs in the area?
5. What is your customer segment (age, sex, education, income, occupation, purpose of travel, etc.)?

6. What marketing methods do you use?
7. Have you got many regular customers?
8. How do you keep the regular customers happy? (something extra?)

Thank you for your time and effort!

FIGURES

FIGURE 1. Headline Trends in Inbound Tourism to the UK

FIGURE 2. Monthly inbound update

FIGURE 3. Room Occupancy Rates

FIGURE 4. Bedspace Occupancy Rates

FIGURE 5. Flow Chart