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## A SUMMARY OF THE 1987 BED & BREAKFAST LODGING INDUSTRY IN NEW YORK STATE

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### INTRODUCTION

Throughout New York State, the number of Bed and Breakfast operations has been increasing dramatically over the last five years. The concept of opening up a private home as an alternative lodging is European in origin but many enterprising individuals have adopted this approach in New York State. Generally, a Bed and Breakfast (B&B) is a private home or renovated historic home that has been modified to provide overnight accommodations and a morning meal for several people.

The friendly hospitality of a B&B may be found in a large country farmhouse or historic urban mansion. Furnishings range from a simple modern bed to Early American or Victorian antiques and bedroom furniture. Breakfast may be either continental-style or a full homemade meal.

The personal expression of each host makes each B&B house unique. This concept of hosts providing a few guests with a friendly and interesting atmosphere is the reason for the success of these businesses across the state. The chance to become acquainted with a new area and different people via a B&B house is a good compliment to conventional lodging businesses and provides an additional local tourist attraction.

### METHODS

During May to August, 1987 a mailing listing of New York State B&B's was com-

pleted from a wide variety of sources: B&B Guidebooks, B&B Associations, B&B Reservation Service Organizations, State and County Tourism Promotion Agencies, and other published sources. Contacts were made with 12 B&B Reservation Service Organizations (RSO's) that had exclusive B&B listings that were only accessible through the RSO. In June through August, questionnaires were mailed to the 603 independent B&B's located in the state. Additionally, another 409 questionnaires were sent to RSO's for distribution to their exclusive B&B listings (not included in the 603 independent B&B list). Two reminder letters were sent to non-respondents.

Of the 1,012 B&B's sent a survey, 339 completed questionnaires were returned for a response rate of 33 percent. The response rate for the 603 independent B&B's was 49 percent and for the 409 RSO related B&B's was 10 percent. Thus, these results are more representative of independent upstate B&B's than the RSO related B&B's that are predominantly located in the NY City Metropolitan area and on Long Island.

### SURVEY RESULTS

#### Physical Characteristics

The majority (87%) of the B&B's opened in 1982-1987, with an average of 4.4 years of operation by the current owners. Seventy-two percent of the B&B's had four rooms or less, eighteen percent had 5 to 9 rooms and 10 percent had 10 or more rooms. The average was 4.7 rooms per B&B.

Half (50%) of the B&B's had private bathrooms for some guest rooms. Sixty-seven percent had bathrooms that were shared with some other guests. Only 18 percent of the B&B's had bathrooms that were shared between guests and the B&B family.

Most B&B's (84%) have a domestic kitchen and 16 percent have a licensed food service kitchen facility. The extra facilities and services located at B&B's include sitting room/porch/patio (89%), fireplace (58%), trails (35%), fishing (30%), beach/ boating (17%), and swimming pool (13%).

B&B's are most often located in areas zoned for residential uses (52%) with others located in agricultural areas (13%), business/industrial zones (9%), or other types of areas (26%). Twenty-one percent of the B&B's had to have the zoning classification for their property changed to legally operate their B&B. Nine percent of the B&B's are listed on the National Register of Historic Places and an equal number are currently in the application process.

**B&B Management Characteristics**

The reasons most often cited by B&B owners for starting a B&B business were: to provide supplemental income (70%), to meet people (58%), for the tax advantages (30%), to help finance their home (24%), and to restore an old or historic building (22%).

The average room rental price was \$47 per night for a double occupied B&B room in 1987. The majority (76%) of the rental prices ranged from \$30 to \$59 per night (Table 1). A full breakfast was included with 70 percent of the B&B rental rates while 30 percent served continental breakfasts. Reservations are required by 58 percent of the B&B's.

**Table 1. Average Per Night Room Rental Price of Double Occupied B & B Rooms.**

<u>Room Price</u>	<u>Percent</u>
Less than \$20	1
\$20 - 29	4
\$30 - 39	24
\$40 - 49	30
\$50 - 59	22
\$60 - 69	10
\$70 or more	9
	—
<b>TOTAL</b>	<b>100</b>

Eighty-five percent of the B&B's encouraged or accepted children as guests. Only 21 percent would accommodate a guests' pet at the B&B.

Nearly all B&B's (96%) are open in the summer and fall seasons. Ninety-one percent are open in the spring and 84 percent during winter months.

Approximately one-quarter (28%) of the B&B's employed full-time or part-time employees from outside their household in 1986 to help with the operation of the B&B business.

B&B operators cited several special management problems that they faced: insurance concerns (25%), marketing/advertising concerns (14%), NYS Fire & Bldg. Code (7%), the need to increase off-season and mid-week business (6%), and staffing concerns (5%).

**Guest Characteristics**

Half of the B&B guests (50%) in 1986 stayed only one night. Thirty-six percent stayed two nights. Only 8 percent stayed 3 nights and 6 percent stayed 4 or more nights.

The most frequently mentioned reasons why guests stayed at a particular B&B were: location/geographic area, B&B hospitality and service, and the guests enjoyed the B&B experience (Table 2).

**Table 2. Leading Reasons Why Operators Feel Guests Stay at B & B's.**

<u>Guests Reasons</u>	<u>Percent B&amp;B Operators</u>
Location/Geographic Area	50
Hospitality/Service	41
Enjoy B & B Experience/Concept	36
Meals	21
Referrals	17
Lodging Needed in Area	16
Price/Value	15
Effective Advertising	10
Local Attractions	10
Special Interest B & B (e.g., historic)	9
Wanted to Try Alternate Lodging	6
Return Visit	4

The sources of information regarding B&B stays most frequently mentioned by guests were: word of mouth, B&B brochures, and B&B guidebooks (Table 3).

**Table 3. Leading Sources of Information on B&B's Reported to Operators from Guests.**

<u>Information Source</u>	<u>Percent B&amp;B Operators</u>
Word of Mouth	82
Brochures	62
B & B Guidebooks	50
Saw While Driving Past	34
Newspaper/Magazine Ads	23
Newspaper/Magazine Articles	20
Other	34

### Marketing Considerations

The most effective forms of promotion and advertising reported by B&B operators were: B&B brochures, B&B guidebooks, newspapers, and B&B RSO's (Table 4). Radio and television services were rarely used for B&B advertising.

The average expenditures for promotion and advertising efforts for B&B's that operated in 1986 was \$1,236. Sixty-three percent of all B&B's spent \$1 to \$500 and only 5 percent spent over \$3,000 (Table 5).

The majority of B&B's (69%) held membership in a regional, county, local tourism promotion agency or Chamber of Commerce. Fifty-one percent were members of national, regional, or local B&B Associations. Approximately one-third of the B&B's were members of an RSO and held such membership for an average of 2.1 years.

**Table 4. Most Effective Forms of Promotion/Advertising According to B & B Operators.**

<u>Promotion/Advertising Form</u>	<u>Percent B &amp; B's</u>				<u>Total</u>
	<u>Not Used</u>	<u>Not Effective</u>	<u>Fairly Effective</u>	<u>Highly Effective</u>	
Brochures	25	4	35	36	100
B & B Guidebooks	49	4	24	23	100
Newspapers	54	11	26	9	100
Reservation Service Org.	64	11	17	8	100
Direct Mail	69	5	15	11	100
Magazines	72	8	12	8	100
Radio	92	4	3	1	100
Television	96	2	1	1	100

### Lodging Occupancy

The total number of room nights occupied in 1986 (for those B&B's in operation at that time) ranged from 2 to 1,570 room nights with an average of 186 room nights. Over one-half (54%) of the B&B's had 100 room nights of occupancy or less in 1986 (Table 6).

For those B&B's that were open in both 1985 and 1986, the majority (71%) reported that business increased in 1986 over 1985. Eighteen percent reported that business remained the same in 1985 and 1986. Only 7 percent of the B&B's reported a decrease and 4 percent were undecided about the 1985-86 changes in occupancy.

Over one-half of the B&B operators estimated that weekend occupancy during the summer and fall of 1986 was 60% or above. The majority of B&B operators estimated that weekend occupancy during winter and spring seasons was at 30% or below. Weekday occupancy was below 30% for over one-half of the operators during the summer and fall seasons and below 10% for weekday occupancy during the winter and spring seasons.

**Table 5. 1986 B & B Promotion/Advertising Expenditures for those Firms in Operation in 1986.**

<u>Amount Spent</u>	<u>Percent B&amp;B's</u>
\$1 - 100	16
101 - 200	20
201 - 300	11
301 - 400	10
401 - 500	6
501 - 1000	19
1001 - 2000	11
2001 - 3000	2
\$ Over 3000	5
<b>TOTAL</b>	<b>100</b>

**Table 6. Total Number of Room Nights Occupied in 1986 by B&B Guests.**

<u>Total Number of Room Nights</u>	<u>Percent B &amp; B's</u>
1 - 50	40
51 - 100	14
101 - 150	8
151 - 200	10
201 - 250	5
251 - 500	14
501 - 1000	5
Over 1000	4
<b>TOTAL</b>	<b>100</b>

**Educational Needs**

Approximately one-half of the B&B operators expressed the need for more educational information to better manage their B&B. The most often mentioned educational topics were: advertising/ promotion, insurance/liability assessment, marketing planning, and recordkeeping/bookkeeping approaches (Table 7).

**Table 7. B & B Operators' Expressed Needs for Educational Information for Improved Business Management.**

Educational Topics	Percent				Total
	Not Needed	Somewhat Needed	Moderately Needed	Very Much Needed	
Advertising/Promotion	22	13	27	38	100
Insurance/Liability	27	19	20	34	100
Marketing Planning	38	10	22	30	100
Recordkeeping/Bookkeeping	34	20	24	22	100
Building & Fire Code	46	16	17	21	100
Financial Analysis	44	19	19	18	100
Cash Flow/Financing	46	17	19	18	100
Business Planning	45	19	19	17	100
Meeting Tax Obligations	46	19	17	18	100
Product/Service Pricing	47	17	18	18	100
Computer for Small Bus.	57	13	15	15	100
Meal Prep./Kitchen Mgt.	56	19	20	5	100
Energy Conservation	60	18	13	9	100
Zoning Restrictions	65	15	9	11	100
Labor Laws	67	15	11	7	100

**DISCUSSION**

The estimated number of rooms available at the 1,012 B&B's in New York State is approximately 4,760 rooms based on the average of 4.7 rooms reported by survey respondents. The estimated number of room nights occupied in New York State in 1987 is approximately 188,000 based on the average of 186 room nights reported for 1986 by survey respondents. These estimates are conservative since the number of B&B's has continued to increase since May 1987 and the volume of guests using B&B's has grown beyond the data reported for 1986 room night averages according to spokespersons for B&B Associations and RSO businesses.

The number of B&B businesses in New York has grown dramatically since 1981 and provides an alternative to conven-

tional hotel and motel accommodations for a limited number of travelers. Additional growth in the B&B industry in New York State is expected for the next several years, especially in rural areas where the development of hotel/motel businesses may not be feasible. The opportunity to start a B&B, or be a guest, will only appeal to a small percentage of individuals but their success furthers the hospitality and awareness needed to increase tourism. This adds to tourism diversity and the appeal of a community to a traveler.

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