

## case study

# A Case Study of the Training Needs of Bed and Breakfast Operators

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## Introduction

An estimated 17,000 Bed and Breakfast (B&B) lodging operations operated in the United States (U.S.) in 2011, according to the Professional Association of Innkeepers International (PAII, 2011), a global organization of approximately 3,000 bed and breakfast operators. While the majority of B&B operators are entrepreneurs, not much attention has been given to the training needs and desires of bed and breakfast operators in the literature. Therefore, this case study investigates the literature that does exist, provides findings of an exploratory look at training needs among this group, and finally offers discussion on resources and options for B&B operators. Through this brief case study, the need for training for B&B operators was identified through an electronic survey and questions are raised about avenues for meeting these needs within the unique B&B sector of the lodging industry, which has its own distinctive challenges.

## Teaching Objectives of the Case

The teaching objectives of the case are to:

1. Offer opportunities to understand and thereby explain training needs of B&B operators.
2. Provide current information about a variety of training needs, using a survey of U.S. B&B operators as an example.
3. Demonstrate an understanding of current training practices by identifying them in the case study and by providing further examples of their own.
4. Stimulate discussion over the application of training for B&B operators in a variety of settings.
5. Share definitions and describe applications of training for B&B operators in a variety of settings.
6. Identify themes in training for B&B operators.
7. Recommend ways and means to provide training for B&B operators.

## Background

Operators calling their lodging businesses B&Bs generally rent out between 4 and 11 guest rooms, with 6 on average (PAII, 2011) ..

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Often, B&Bs are thought of as small inns located in country settings, but they are, in reality, situated in a variety of locales, including 43% in village venues, 29% in rural locations, 23% in urban areas, and 5% in suburban locales (PAII, 2011). Although the definition of a B&B can be somewhat difficult to establish because the businesses range from small inns to someone renting out a single room and calling it a B&B (Gusman, 2010), B&Bs in the U.S. have been clearly defined by one state in the following way:

- **Bed and Breakfast:** This can be defined as formerly a single family dwelling usually with 2-5 rooms for rent; this owner-occupied establishment has an equally mixed use as a home and lodging establishment with lodging often superseding its use as a home.
- **Bed and Breakfast Inn:** This usually describes a small, owner occupied inn. The building's primary use is as a lodging operation with 4-20 rooms for rent. Breakfast is the only meal served and it is served only to overnight guests. The inn may host events such as weddings, small business meetings, etc.
- **Country Inn or Bed and Breakfast Hotel:** These establishments provide overnight lodging and meals, the owner or manager is actively involved in daily operations, is on site 24-hours a day, and the number of rooms ranges from 6 to 30. These inns usually serve at least one meal in addition to breakfast, and operate "restaurants" as well as overnight lodging accommodations. (Oregon Bed and Breakfast Guild, 2011).

While owning and operating a B&B seems to have a romantic sound to it, as some B&B operators wisely noted, "Hosting is a job" (Murphy, M.W., 1994, p.4). Unlike many other types of lodging properties, a high percentage of B&B owners live on site (79%), many operators hold outside jobs (58%), and the occupancy is lower than other types of accommodations, with an the average occupancy rate of 43.7%. Common mistakes made by B&B operators include not having enough capital, investing too much in the business to make it profitable, failing to market actively, and not providing quality services and products (PAII, 2011). In addition, like all segments of the lodging industry, B&Bs are influenced by economic, technological, social, and political factors. During the recent recession in the U.S., bed and breakfast operations saw a downturn in their occupancy and profits, as did other segments of the lodging industry; however, due to the fact that vacationers have been staying closer to home and therefore,

might be more likely to find a B&B a desirable place to stay, the risks involved in owning and operating a B&B during this difficult economy have not been as great as might be expected (Gusman, 2010). In addition, this niche of the lodging sector has gained in popularity since the summer of 2008 (Cavanaugh, 2011).

### ***Owning a B&B can be the most challenging experience an entrepreneur ever undertakes.***

As one trainer of B&B operators, observed, "Most people enter the trade without proper knowledge of it and many then fail miserably as a result. Over the years we've found about 95% of all trainees had no previous knowledge and had never been self employed before," (English Retreats, 2012). As a former president of Bed & Breakfast, USA, Ltd. (now defunct) noted, "Success depends on good organization, substantial capital, publicity, pro motion, advertising, and the ability to manage a staff, maintain buildings, and run a restaurant (Notarius & Brewer, p. 11). So just how would an aspiring innkeeper learn how to operate a B&B or put together a business plan? He or she could attend the annual meeting of PAII. At the 2011 Innkeepers Conference, held by PAII in Charleston, South Carolina, participants could attend a variety of sessions directed at assisting B&B operators with the challenges faced by their unique businesses. The track on management and operations included everything from risk management to building a culture of service to how to eradicate bed bugs, while the food presentations covered topics such as beer, wine, and pastry. Meanwhile the track on marketing focused on evaluating one's own marketing efforts and learning about social media (PAII, 2011). This four day conference provided attendees with numerous opportunities to learn about basic and more advanced topics related to their inn keeping activities, but cost \$489 just for registration for the four day event (PAII, 2011).

While a price of under \$500 may sound very reasonable, one of the issues for B&B operators is often related to making money from their innkeeping businesses. As noted by one innkeeper, "Most of us have another income source (i.e., one partner or spouse working outside the B&B)..." (Arneson, 2011) and making a good living off of a B&B has been said to be challenging unless the operator has no mortgage and health benefits are already taken care of through retirement. Another challenge associated with attending a conference or training session like the PAII conference is the time the operator must spend away from the business. When the B&B owner is also the operator, time away from the inn can create lost business and lost revenue. Cost and time away from the inn are two barriers to professional development and training that exist for B&B operators.

## **Literature**

With the increase in popularity of this segment of the lodging industry, the number of research studies concentrating on this group of operators has grown, with a number of the studies focusing on

human resources issues (Harris, McIntosh, & Lewis, 2007; Hsieh, 2010; Domenico & Lynch, 2007; Vallen & Rande, 2002;) and a few addressing marketing strategies used by B&B owners and operators (Kline, Morrison, & St. John, 2004; Lee, Reynolds, & Kennon, 2003).

The psychological challenges facing B&B operators have been studied and researchers have found that while the operators felt personally rewarded, they also experienced a moderate amount of emotional exhaustion (Vallen and Rande, 2002). Work-life balance is of great importance to B&B operators in that B&Bs are unique as they are homes as well as businesses (Harris, McIntosh, & Lewis, 2007). B&Bs have been found to embody the idea of the "commercial home" with guest rooms that are more home like than those of a hotel and that the interplay between public and private areas in B&Bs makes for a complicated relationship between host and guest and public and private (Domenico & Lynch, 2007). However, while there are constant interactions between their personal and professional lives, most B&B operators seem to find that these fuzzy boundaries between work and one's private life are enhancements to life rather than intrusions (Hsieh, 2010).

As sustainability receives increased attention in the lodging industry, it is of interest in the bed and breakfast sector as well. In their study, Van Haastert and de Grosbois (2010) emphasized the lack of understanding of sustainability terminology and the very low awareness of the impacts of the business activity on the environment by the owners of the bed and breakfast operations. While sustainability practices appear to be of some interest to B&B operators, marketing seems to be a more important focus. Current marketing strategies for B&B operators include brochures, newspaper advertisements, guidebooks, directories, and reservation services (Lee, Reynolds, & Kennon, 2003). Although many different types of media are used by B&B operators, the most effective strategy appears to be word-of-mouth advertising (Lee, Reynolds, & Kennon, 2003; Lubetkin, 1999). In addition, e-marketing has become an important strategy, particularly as websites have become easier to develop (Kline, Morrison, & St. John, 2004). Attention has been paid to customer satisfaction with B&B websites and assessment of the overall quality of B&B websites has been the focus of some research (Jeong, 2004; Kline, Morrison, & St. John, 2005). One researcher, in particular, has mentioned the need for an effective website (Jeong, 2004) and others have noted the need for improved marketing effectiveness with regard to B&B websites (Kline, Morrison, & St. John, 2005). However, other researchers have indicated that although B&B operators use the internet as a low-cost marketing tool that they believe offers good exposure for their properties, they are concerned about the security of the internet (Hudson & Gilbert, 2007).

Few researchers have focused specifically on the training needs of this segment of the lodging industry. In one study of 41 B&B operators in Edinburgh, Scotland, conducted almost twenty years ago with

the assumption that B&B operators did not believe in the relevance of training and development programs, the researcher concluded that these small business owners and operators felt that running their businesses was a “hands-on”, learning by doing, experience and yet, they could use assistance with training in bookkeeping, marketing, customer care, and food costing (Lynch, 1994). In a study involving interviews with 44 South African B&B operators, the researcher found that the B&B operators believed that they lacked knowledge about marketing and the tourism industry in general (Rogerson, 2004). Current literature regarding the training needs of B&B operators is very limited and therefore, this case study sought to assess current training needs.

### Current B&B Training Needs

Information about the training needs of B&B operators was gathered via a survey in the spring of 2011, following Lynch’s (1994) work. Participants in this case study included B&B operators associated with a quality assurance association specific to Inns and Bed and Breakfast establishments in the United States. The association has close to 400 members. Of these 400 members 54 completed a survey focused on their needs for training, providing a response rate of approximately 13.5%. In addition, four items identified demographic factors, such as location, number of employees at the establishment, and position held at the establishment. The researchers realize this falls below the acceptable range of 15 to 37% as identified by Couper (2001). Although this is below the acceptable range, the information gained did support previous findings within the B&B literature and posed important questions regarding access and available opportunities.

The B&B operators who provided feedback about their training needs ran businesses all over the continental U.S., from Oregon to Vermont, to North Carolina, to Florida and identified their jobs in the B&B sector as varied and all encompassing. Representative descriptions of their job responsibilities in their B&Bs included:

I do everything associated with running the bed and breakfast: taking reservations, sending confirmations, marketing, social networking, cooking breakfast. My husband does outside work and most maintenance.

I own and operate a 13 room Inn, I do a bit of everything however, my responsibilities include bookkeeping, gues(t) satisfaction and culinary.

I am responsible for day to day operations of the Inn: serving breakfast, interfacing with the front desk staff, checking rooms after they are cleaned, helping the housekeepers, helping with checking in guests, as well as the hiring and training of all staff except for the breakfast and dinner chefs, scheduling all special events, bookkeeping, ordering supplies.

Owner/innkeeper/chef -- All cooking & baking for breakfasts some laundry, computer work, manage reservations

Current training sessions offered to these B&B operators are presented in Table 1. Answers were varied, with no one item receiving a large number of responses. Mentoring (with 11 responses) and service delivery (with 9 responses) received the most attention, with the other category, including training for internships also receiving consideration. Table 2 identifies the training programs needed by those who operate B&Bs and again, the answers were varied, with marketing and management receiving the most responses. Very few operators (12) indicated that they used outside training sources, one noting that few certificates and programs were available, while others said that they attended workshops or sessions perhaps once a year.

Interestingly, the results of this survey confirm the limited previous research regarding training needs of B&B operators. Due to this confirmation, it is apparent that this is a need that has, to date, not been met. This begs the question, how will B&B operators, with their unique challenges, receive the training they need to their business performance?

**Table 1**  
**Training programs currently offered**

	Answer	Response%
Mentoring	11	19%
Career development	2	4%
Service delivery	9	16%
Management	3	5%
Leadership	2	4%
Marketing	3	5%
Sales	6	11%
Green practices	3	5%
Revenue management	3	5%
Other, please list below*	15	26%
<b>Total</b>	<b>57</b>	<b>100%</b>

\*operations, etiquette and protocol, guest service, internship, all of the above, none, Hilton Worldwide training, and housekeeping

### The Future of Training for B&B Operators

Access to effective, inexpensive, available, credible, relevant training opportunities continues to be a challenge. In addition, the topic of training raises questions about the need of training at all. For instance, it is possible that the need for training may not be clearly understood by some operators? And is it possible that some operators of B&Bs are not interested in training because they do not think it is worthwhile for their businesses? Training can cost a lot of money and given that B&Bs frequently have low profit margins, especially if they have few rooms and relatively low rates of occupancy, is training then perhaps seen as a luxury item that is not worth the time and money it involves? Therefore, current issues that may influence the future of training for those involved in this unique segment of the lodging industry include not only economic, environmental, and social challenges facing the

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**Table 2****Training programs needed**

	Answer	Response%
Mentoring	2	4%
Diversity	1	2%
Career development	3	6%
Service delivery	1	2%
Human resources	3	6%
Technology	1	2%
Management	7	13%
Leadership	3	6%
Marketing	8	15%
Communications	5	9%
Product development	1	2%
Sales	6	11%
Green practices	4	7%
Revenue management	2	4%
Other, please list below*	7	13%
<b>Total</b>	<b>54</b>	<b>100%</b>

\*none were listed

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U.S. and the globe, but also the beliefs and priorities of the B&B operators themselves. Therefore, there is potential for an increase in barriers to operators regarding applicable training, as identified via the survey discussed in the case study. However, continued focus on raising the awareness of the need for training and on how to offer effective training can benefit B&B operators and the hospitality and tourism industry in general, by increasing the knowledge and skills of these entrepreneurs.

**Discussion Points and Exercises**

1. What are the major training needs expressed by the B&B operators in this case study?
2. Is there any additional information that you would like to have to further understand the needs of the B & B operators and if so, what is it and why do you want to know more about it?
3. Compare and contrast the needs of these B&B operators with those found in your own community, other states or provinces, and other countries around the world.
4. Select one of the topics concerning training for the B&B operators presented in the case and interview someone who operates a B&B in your community who has knowledge of the topic/issue to find out where he or she believes this topic/issue is at the current time in your community and where it is headed in the future.
5. Discuss the major factors that you believe will influence the future of training for B&B operators and explain why you believe these factors are important..
6. Discuss the major factors that you believe will influence the future of marketing for B&B operators and explain why you believe these factors are important..
7. Do you think that the awareness of the need for training needs to be increased among B&B operators and if so, how do you think that one can raise the awareness of the need for training, particularly in small and medium B&B business?
8. Is training essential for B&B operator/owners? Why or why not and if so, how can we help B&B owners to realize that it is essential for them to include training in their business practice?
9. Do you think that training is essential for B&B operators and if so, what evidence exists to show that training is beneficial to B&B businesses?
10. Develop a strategy for training for B&B operators that offers a cost-effective and yet worthwhile approach to providing much needed information in a variety of areas. To complete this exercise, research possible organizations and opportunities already available to B&B operators, explain the areas of training that you will focus, develop your own strategies, and justify your choices.
11. Develop a strategy for B&B operators that offers a cost-effective and yet worthwhile approach to providing much needed assistance with marketing. To complete this exercise, research possible organizations and opportunities already available to B&B operators, develop your own strategies for marketing that they may use, and justify your choices.
12. Conduct a SWOT analysis (an analysis of strengths, weaknesses, opportunities, and threats) of the strategy or strategies you developed in #7 and #8.
13. What do you see as possible advantages and disadvantages of the strategies developed in # 7 and #8 and why?
14. How can you advise B&B operators to practice sustainability so that B&B operators can further reduce their carbon footprint?
15. What kinds of training products and services do you feel would be compatible with the sustainability efforts you developed in #11 and why?
16. What barriers to implementing sustainable training and marketing practices might need to be overcome to make the efforts more feasible in other locations?
17. Research a specific B&B of your choice. Interview its operators and find out about their particular needs for training, including concerns they have about their marketing efforts and profitability.
18. Create a business plan for a B&B operation of your own choosing.
19. Design a training program for B&B operators to address at least one topic discussed in the case study.
20. As a future B&B operator what would be your strategy for obtaining the training you and your staff need for success when funds and access are limited?

21. Examine your state-wide B&B association. Develop a cost effective means for developing and delivering training to its members.
22. What other lodging setting(s) might have some of the same challenges as B&B operators in terms of access and cost of training and professional development?
23. How would you collect information needed for making decisions regarding training? What specific information would you need to have in order to make informed decisions regarding training?
24. In the case, information was collected using an electronic survey. The authors noted their low response rate. How would you improve upon the information collected for your business?
25. Would you use a survey to collect information for decision making? If so how would you ensure you get useable data? How would you use the data you collected?

## Related Reading

### *For further information on operating B&Bs the following may be helpful:*

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