

B&B's UNBOUND – The State of B&B's in the U.S. – January 2018

The new face of the B&B Traveler as the B&B Industry exceeds \$4 billion annually

While bed and breakfasts are among the oldest lodging options in the USA, this sector of the lodging industry is often overlooked, favoring hotels or the newer concept of short-term vacation rentals. To garner an up-to-date view of the B&B industry and a clear picture of today's B&B traveler, the [Association of Independent Hospitality Professionals](#) (AIHP), [BedandBreakfast.com](#), the world's largest B&B travel site and parent-company, [Homeaway.com](#) worked with [Phocuswright](#), the leading travel industry research authority in the USA, to undertake a major research project to study the U.S. B&B market. A four-pronged approach guided the study including a B&B operator survey, a consumer survey of B&B guests and non-guests, market sizing and industry interviews. The primary objective was to map the size, scope and opportunities for the B&B industry in an extensive research project.

While the research revealed extensive findings about the idiosyncrasies of the unique B&B industry, the predominant finding disclosed that the industry is growing. Despite an influx of new accommodation options like short-term vacation rentals, the U.S. B&B market reached \$4.1 billion in 2016 and is on track to grow an average 4% over the next four years, adding \$700 million in value, according to the Phocuswright study. The online B&B market is projected to grow at an even faster pace with an average annual growth rate of 6%. By 2020, the online B&B gross bookings will reach \$3.7 billion, or over three-quarters of the total market and the total revenues from B&B bookings are forecasted to near \$5 billion annually. Half of the survey respondents project that ADR, occupancy and overall business will grow over the next few years, according to the Phocuswright survey. This is encouraging news for the B&B industry, which represents only a small portion of the lodging market in the USA.

In 2015, [LittleHotelier.com reported](#) that The B&B Industry had an estimated worth of \$3.4 billion. Today, the new BedandBreakfast.com-sponsored study shows that in just two years, the industry has grown to \$4.1 billion and is on schedule to top \$5 million by 2020. Average occupancy for B&Bs and inns today has gone 43.7% in 2015 to 50% in 2017. The average daily rate has grown from \$150 in 2015 to \$173 in 2017. Clearly the B&B industry is on a growth spurt and poised for continued strength through 2020 as traveler sentiment remains strong.

Booking a B&B

Additionally, the study set out to create a profile of booking habits by B&B and non-B&B travelers alike. Here's what was learned:

- Increasingly B&B travelers are booking online. In fact, by 2020, the B&B study shows that three-quarters of B&B reservations will be made online. In 2017, seven in ten B&B bookings were made online and 42% of online bookings were made on desktops or laptops with 20% were made on smartphones. This method is shifting, however, with mobile bookings growing each year. In fact, from 2016 to 2017 innkeepers report that mobile bookings have grown from 25% to 30% of total bookings.
- B&Bs are slowly seeing growth in OTA bookings, and growth is expected to continue into 2020.

The face of the new B&B goer

The study offered an opportunity to provide a profile for today's B&B traveler.

- More than half of B&B goers are 35 to 50 years old.

- Two thirds of B&B goers travel as a couple.
- Two thirds of B&B trips are three nights or less.
- B&B goers travel more often, spend more on travel, and are more likely to book additional travel components than average leisure travelers. In fact, four out of five B&B travelers took three or more leisure trips this year and 30% of B&B-going survey respondents reported taking more than 6 trips in the previous 12 months.
- More than a quarter of B&B travelers spend more than \$6000 per year on leisure travel.
- B&B travelers spend more on lodging each year than non-B&B travelers with 42% spending more than \$1500 on lodging over the previous 12 months vs. 32% of non-B&B goers reporting spending that much.
- The largest percentage of last B&Bs stays was in the south (37%) with 33% in Western B&Bs, 18% in the Northeast and 11% in the Midwest.
- B&B guests are diverse travelers and big into local culture and relaxation, whereas non-B&Bers are much more into adventure.
- “Desire to take a break & get away” was the largest motivator for trips, stated by all ages of B&B goers responding to the survey. Other top motivators included “spending time with friends and family”, and “I found this great B&B and wanted to stay there” were stated as important motivators.

Methods: B&B Consumer Survey

Phocuswright fielded an online survey August 18-27, 2017, through SSI, targeting the U.S. adult population who has Internet access and travels for leisure. Qualified respondents were U.S. adults who have traveled in the past year and stayed in paid overnight accommodations at least 75 miles from home. Respondents also must have played an active role in their trip planning. Phocuswright received 984 qualified respondents – 478 B&B guests and 506 non-B&B guests. Phocuswright sources qualified consumer respondents through SSI, an independent consumer panel company

This overview only glances the surface of the results from the groundbreaking B&B industry study. For a complete copy of the survey results, contact Rob Fulton at AIHP via email at rob@independent-innkeeping.org or Janice Hurley at BedandBreakfast.com via email at jhurley@homeaway.com.

Association of Independent Hospitality Professionals

AIHP is a member-driven, non-profit organization. We focus on issues important to our industry. We’re not just an education-focused association. We’re a collaborative and passionate community where members learn best practices, share firsthand experiences, and together, work towards solving the complex challenges of being an innkeeper in a changing traveler world.

For more information contact Rob Fulton at rob@independent-innkeeping.org or www.independent-innkeeping.org