

Learn about trends in the **Bed and Breakfast business** and where to find more info about **how to open a Bed and Breakfast**. Don't forget you can receive free or low-cost training and **free professional business advice**, from [your local Small Business Development Center](#)!

View our related **business reports** here: [RV Park & Campground Business](#) and [Travel & Tourism Industry Research](#).

[Get a free Bed and Breakfast Business plan template](#) on our [Business Plans page](#).

Hospitality Industry COVID-19 Resources

In response to the global COVID-19 pandemic, shelter-in-place orders and physical distancing measures have affected many businesses. The [Leisure and Hospitality industry](#) is among the industries most negatively impacted by COVID-19. As a result, 2020 is projected to be the worst year globally for the travel and lodging industry in decades. Hotels have lost a total of \$33 billion in room revenue, for instance. [Travel Bans and canceled flights](#) continue to affect the lodging industry through reduced tourism.

- [SBDCNet COVID-19 Small Business Resources](#)
- [AHLA COVID-19 RESOURCE CENTER](#)
- [Association of Lodging Professionals - COVID Resources](#)
- [COVID-19 - Survival Guide for the Hospitality Industry](#)
- [CDC - Cleaning and Disinfecting Your Facility](#)
- [Critical COVID-19 Guidance Standards for Hospitality Reopening](#)

Bed and Breakfast Business Overview & Trends

NAICS Code: 721191, SIC Code: 7011

Bed & Breakfasts are an important segment of the lodging industry with a significant impact on the U.S. economy.

The [Association of Lodging Professionals](#) further describes the size and impact of the industry:

- The Bed and Breakfast industry is worth approximately \$3.4 billion dollars

- It includes more than 17,000 inns across the US
- The properties tend to be much more unique than standard hotels, including buildings with historic designations, live-in owners, and smaller footprints usually around 5,700 square feet

This **Bed and breakfast industry summary** is from [First Research](#) which also sells a full version of this report.

- “Companies in this industry provide short-term lodging in private homes or small buildings converted to hotels; full breakfast is included in the room rate. No major companies operate in the industry. The global lodging industry, which includes bed and breakfast inns, generates about \$500 billion in revenue per year, according to Euromonitor International. Increasing travel to emerging nations in the Asia/Pacific region and Latin America is driving global growth. Europe is the world’s top market for international tourism spending, followed by Asia/Pacific, the Americas, and the Middle East. The US bed and breakfast (B&B) industry includes about 17,000 establishments (single-location companies or units of multi-location companies), most of which are family-owned and operated. About 3,000 B&Bs in the US have paid employees on staff; those establishments generate combined annual revenue of about \$1 billion.
- **COMPETITIVE LANDSCAPE:** Demand is driven by personal disposable income. The profitability of individual establishments depends on occupancy rate and operational efficiency. Larger B&Bs may have advantages in providing a range of offerings and prices to suit a variety of traveler budgets. Small establishments can compete effectively by offering superior customer service to target markets. The industry in the US is highly fragmented: the 50 largest companies account for about 15% of revenue. B&Bs compete for overnight accommodations with other hospitality establishments such as hotels, motels, extended-stay inns, country inns, RV parks, campgrounds, and youth hostels.”

The bed and breakfast market is interconnected with the travel and tourism industry in the United States. Find high quality market research resources and trending topics on that related industry [here](#).

Bed and Breakfast Customer Demographics

Major customer segments for **bed and breakfasts** are reported by IBISWorld, which offers a full version of the report for purchase [here](#)

IBISWorld estimates industry revenue is \$2.8 billion for 2020. Of that total revenue, market segmentation is defined primarily by method of booking.

- Direct booking on the property's website comprises approximately 48% of industry revenue. Older travelers tend to prefer getting their information from and booking directly with the property.
- Online Travel Agencies are approximately 26.7% of booking. Younger travelers — who tend to be less brand-loyal and view multiple properties in one sitting — prefer these third-party companies.
- Direct phone bookings comprise 22.9% of revenue, primarily from older customers more familiar with an individual property and less likely to be active online.
- Lastly, travel agencies generate 2.4% of revenue, as the travel agency industry continues to shrink.

Bed and Breakfast Business Startup Costs

According to an article by [Entrepreneur](#), the costs to **start a bed and breakfast** include a variety of variables that must be taken into account, making it difficult to state a definitive cost. Despite this variability, “a good rule of thumb is \$35,000 to \$50,000 per guest room for larger properties and \$20,000 to \$40,000 for very small or low-cost operations”

Find additional **bed and breakfast startup costs** through the following resources:

- [The Cost of Operating a Bed and Breakfast In 2019](#)
- [Cost of Running a Bed and Breakfast](#)

Bed and Breakfast Business Plans

- [B&B Business Plan](#)
- [Sample Bed and Breakfast Business Plan Template](#)
- [Coach House Business Plan Template](#)
- [How to Write a Business Plan for a Bed & Breakfast](#)

Bed and Breakfast Business Associations

Trade associations often are excellent sources of information on an industry. Here are some relevant industry associations:

- [Association of Lodging Professionals](#)
- [American Bed and Breakfast Associations](#)

- [State and Regional Associations](#)
- [American Hotel & Lodging Association](#)

Bed and Breakfast Business Publications

- [Lodging Magazine](#)
- [Hotel Business](#)
- [Today's Hotelier Magazine](#)
- [Bed & Breakfast Magazine](#)
- [Travel + Leisure](#)

Lodging Business Employment Trends

Keeping track of labor costs is crucial for running a profitable business. Although many owners manage the property and live on site themselves, information on [Lodging Managers](#) will be helpful for those who do not.

Quick Facts: Lodging Managers	
2019 Median Pay	\$54,430 per year \$26.17 per hour
Typical Entry-Level Education	High school diploma or equivalent
Work Experience in a Related Occupation	Less than 5 years
On-the-job Training	None
Number of Jobs, 2018	52,600
Job Outlook, 2018-28	1% (Little or no change)
Employment Change, 2018-28	600

- “Work Environment: Because hotels are open 24 hours a day, evening and weekend work is common. Most lodging managers work full time and are often on call. The work can be pressure filled and stressful.
- Job Outlook: Employment of lodging managers is projected to show little or no change from 2018 to 2028. Applicants with a bachelor’s degree in hotel or hospitality management are expected to have the best job opportunities. Applicants can expect strong competition for most jobs.”

Additional Small Business Resources

Already in business or thinking about starting your own small business? Check out our various small business resources:

- View more business reports here: [Small Business Snapshots](#)
- View small business help topics here: [Small Business Information Center](#)
- View industry-specific research here: [Market Research Links](#)
- View business plans samples here: [Sample Business Plans](#)

Remember, you can also receive **free professional business advice** and free or low-cost business training from your [local Small Business Development Center](#)!

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