

Chinese B&B Market Should Target a Younger, Male Clientele

The bed and breakfast (B&B) market in mainland China should target young middle-income men for the expansion of its overseas Chinese market, find the SHTM's Dr David Jones and Jing Jing Guan in a recently published research paper. The target customer would not necessarily have the highest levels of education and, although he could be an experienced traveller, he "would most probably not be one who had stayed in a B&B or homestay in Europe or North America". Understandably, then, the researchers provide critical information for the successful marketing and development of B&B and homestay lodging in mainland China.

The Chinese B&B Market

The past 20 years has seen a dramatic increase in the popularity of B&B accommodation around the world, especially in Europe and North America. B&Bs are entrepreneurial ventures, note the researchers, usually owned and run by couples or individuals in previously residential accommodation. Homestays are similar to B&Bs, but generally have fewer guest rooms in an "owner-occupied private home where the business of paying guests is secondary to its use as a private residence".

The B&B industry in Asia has grown considerably in the past 10 years, with the concept of the 'rural family hotel', similar to a homestay, emerging in China in the 1990s. The researchers note that the greatest expansion in the market has taken place around scenic destinations, such as Phoenix Town and Mount Heng, whereas city destinations such as Hanzhuo and Xi'an have not enjoyed the same success. This may be because B&Bs do not have a price advantage over economy hotels in cities, whereas "upmarket hotels and the 'family hotel' are the only two choices in many scenic destinations".

The researchers suggest that the B&B market offers a "great opportunity for the growth of entrepreneurship in mainland China". However, little is known about the profile of B&B customers and the development of effective marketing or management strategies "needs to include

knowledge of B&B customers/guests in order to segment the markets effectively".

In the West, B&Bs tend to appeal to travellers taking short vacations relatively close to home, with a B&B weekend representing "the perfect compromise for those people who cannot get away from the office for long periods of time". According to the researchers, these conditions are also prevalent in Hong Kong. Exploring the interest in B&B use amongst Hong Kong residents, both as a major market for the mainland Chinese tourism industry and serving as a "barometer" for potential customers elsewhere in Asia, could thus help mainland entrepreneurs to market their services more effectively.

A Survey of Hong Kong Residents

To evaluate the potential of the B&B market in mainland China, the researchers set out to "assess potential customers' willingness to utilise a B&B and/or homestay while visiting mainland China" and to "investigate the relationship between demographics and the travel characteristics of potential customers".

Using a telephone survey that formed part of an annual population survey of Hong Kong residents, the researchers asked about people's travel activity over the preceding 12 months, their travel intentions over the upcoming 12 months, and how important travel was to them. Specific questions also covered the potential customers' attitudes about staying in B&B lodging generally, and in mainland China specifically.

To ensure that the interviewees were clear about the concepts, the researchers defined a B&B inn as "a three-to-eight guest-room establishment that is also a residence for the owner-hosts" in which breakfast is served everyday and all government licensing requirements are met, a representation of a Western style B&B. They defined a homestay as "an owner-occupied private home with three rooms or less being rented out" in which breakfast is the only meal available and government licensing requirements

may or may not be met, which is more in line with a Chinese style “rural family hotel”.

Potential Customer Profile

Of the 1,466 interviewees, more than half were female, and just under half were aged between 36 and 55. Around 60% had an income over HK\$20,000, and 65% had a college education. Almost half (46%) claimed to have above average experience as tourists.

The researchers found that these interviewees did not generally express strong intentions to stay in B&B accommodation, and were less likely to do so in mainland China specifically. They were also less likely to stay in homestay accommodation than in a B&B, regardless of the location. However, there were differences in responses in terms of age, gender, income and travel experience.

The older interviewees were much less willing to stay in any type of homestay or B&B than the younger interviewees, which suggests that “the senior generation, at least today, prefers more traditional hotel accommodation when travelling to mainland China or elsewhere”. Unlike in Western countries, the younger men showed a stronger desire to stay in a B&B or homestay than the women of all ages, particularly in mainland China. The researchers thus suggest that “perhaps a marketing campaign would need to be focused on the male as the key to attracting this market, at least in Hong Kong”.

In terms of education, those interviewees with higher education levels were most willing to stay in a B&B or homestay generally, but not in mainland China specifically. Those with an income of between HK\$20,000 and HK\$49,999 were more likely to show an interest in B&Bs and homestays, whereas those with higher incomes were very unlikely to want to stay in this type of accommodation. As the higher income group does not seem to represent a good potential market, argue the researchers, it would “call into question the ability to develop high-end, luxury-type commercial home lodging in mainland China”.

Less than a quarter of the interviewees had previously stayed in a B&B or homestay in Europe or North America. Surprisingly, however, those that had stayed in such accommodation were less likely to want to stay in a B&B or homestay in mainland China. The researchers

posit that this stance may arise because those with previous experience realise that “they would be unlikely to find the same type of commercial home lodging establishment in mainland China as they had found in Europe and North America”.

Effective Marketing Strategies and Development Needed

The overall profile of potential customers for B&B and homestay accommodation in mainland China differs from that in the West. According to the researchers, there are broader implications to be drawn from the study than “just developing market segmentation and targeting the right customer”. Their findings provide important information on the type of establishment that should be developed.

Because there is little evidence that higher-income, higher-educated and more experienced travellers would stay in B&B or homestay accommodation in mainland China, “the European or North American style B&B may not be the right type of establishment to develop there”. Rather, it is likely that establishments catering to middle income travellers have the most potential for development.

Points to Note

- The Chinese B&B market needs to target specific customers for expansion of the overseas Chinese market.
- In contrast to the markets in Western countries, younger men should be the target customers in China.
- Targeting older, more affluent and more educated travellers would not be an effective marketing strategy.
- The Western model of high-priced B&B accommodation is not appropriate for mainland China; rather, the potential lies with the Chinese ‘rural family hotel’.

Jones, David C. and Guan, Jing Jing. (2011) “Bed and Breakfast Lodging Development in Mainland China: Who is the Potential Customer?” *Asia Pacific Journal of Tourism Research*, Vol. 16, No. 5, pp. 527-536.