

Economic Importance and Trends of the Minnesota Bed and Breakfast Industry



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BACKGROUND

- This study provides a snapshot of the economic importance, marketing strategies, and customer characteristics of Minnesota Bed and Breakfasts

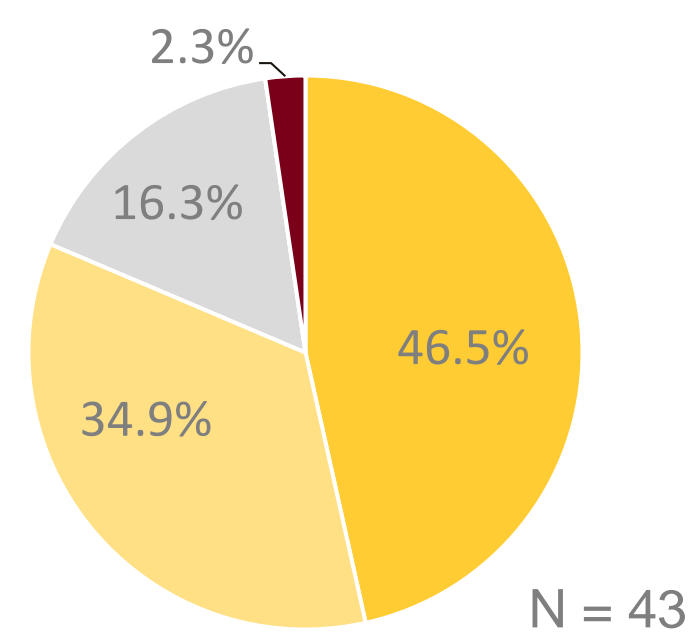
METHODOLOGY

- Sampling:** 49 responses from online survey emailed to 161 Minnesota B&B owners/operators.
- Data collection:** an online survey distributed to Explore Minnesota Tourism and Minnesota B&B Association email contacts; survey open for 35 days



KEY FINDINGS

Figure 1) How Respondents Feel about their Business Success



■ Very optimistic ■ Optimistic ■ Neutral ■ Very Pessimistic

Figure 2) Average Seasonal Occupancy by Region

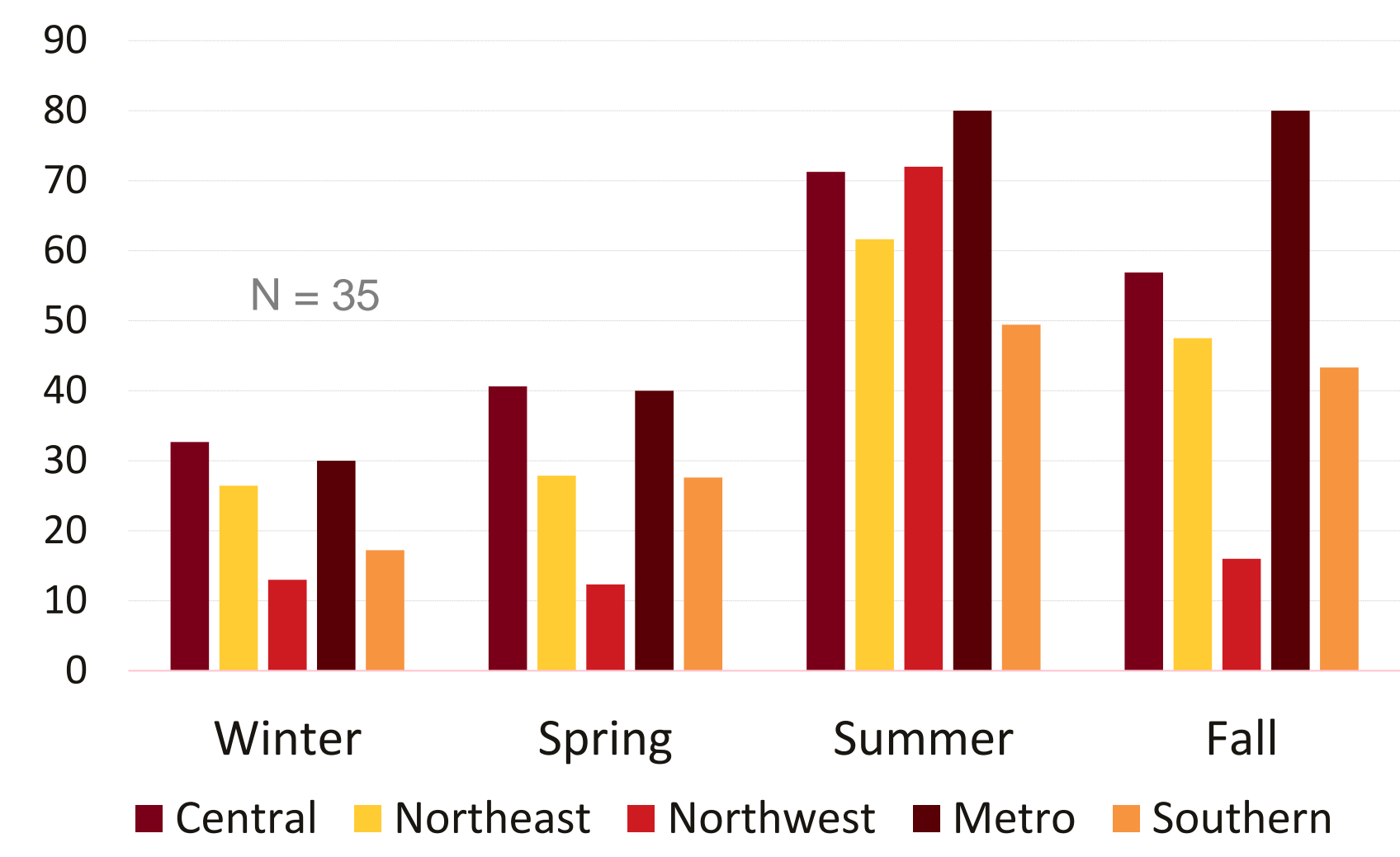


Figure 3) Percentage of customers who are returning guests

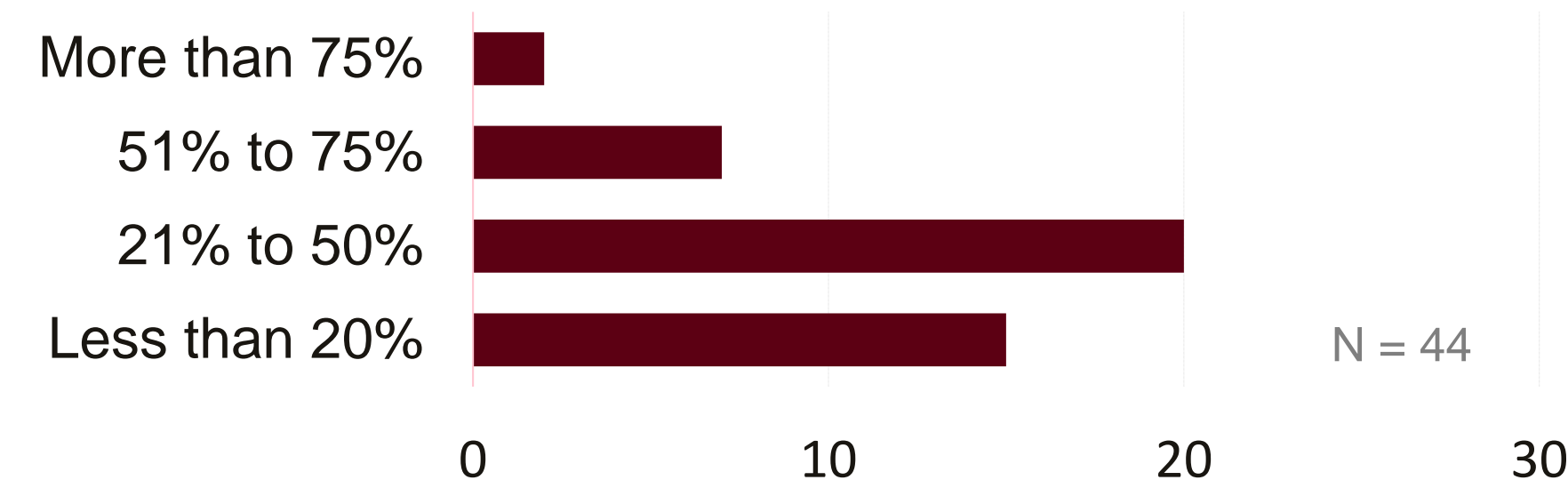


Figure 4) Challenges and Benefits of Operation

Challenges Themes	# of responses
Marketing	16
Online Marketing*	5
Increasing costs to operate	6
Access to Financing	6
Staffing	6
Regulation/ Taxes	5
AirBnB/ VRBO	4

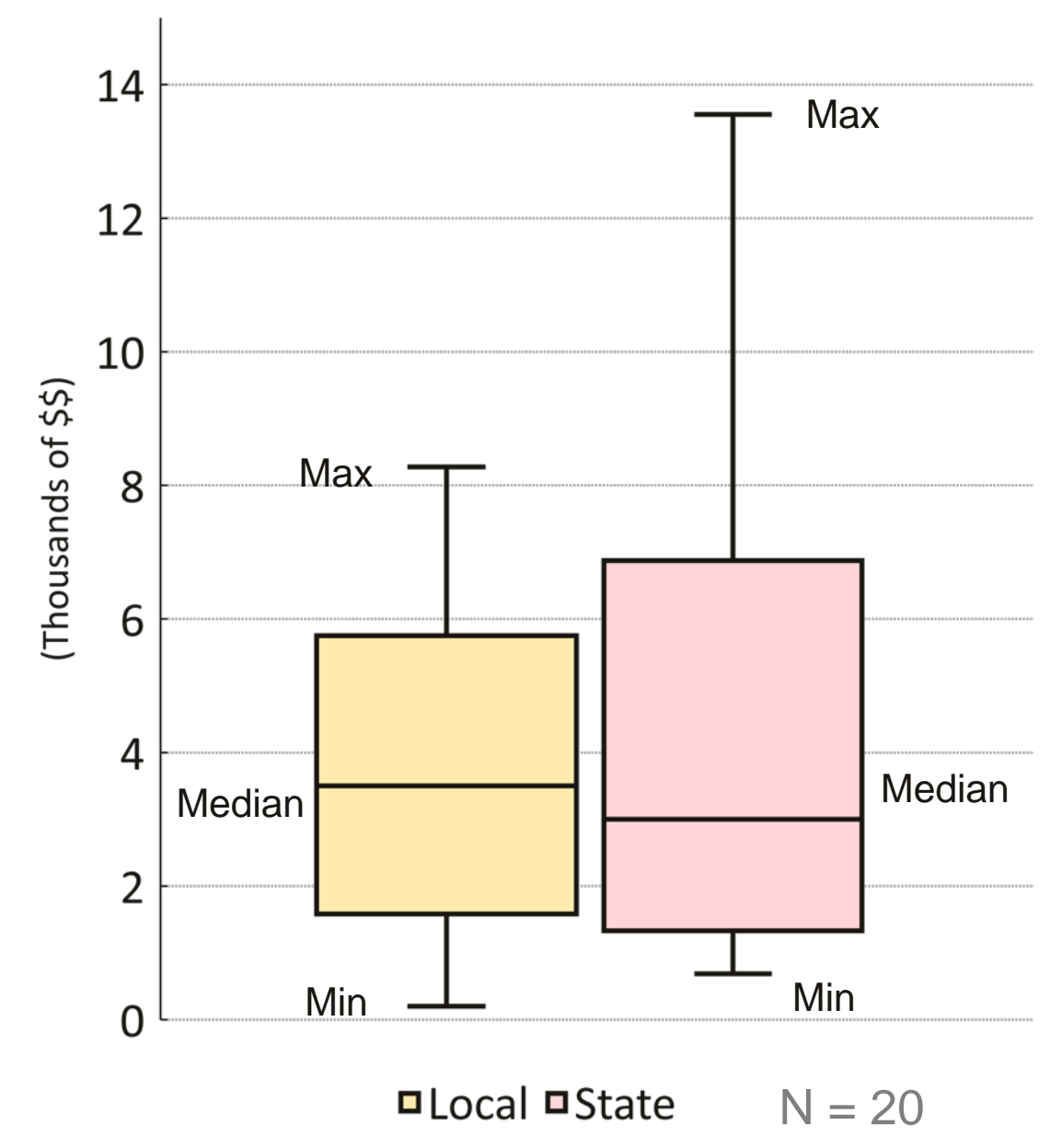
*Online marketing is a subset of marketing

N = 37

Opportunities Themes	# of responses
Good location	8
Local support	6
Guests	5
Natural beauty	5
Local amenities	4
Personal Fulfillment	3
Chamber/CVB	3

N = 36

Figure 5) 2015 State & Local Taxes**



**Box plot excludes outliers. Local tax outliers: \$28,628 & \$12,032; State tax outlier: \$45,000

DISCUSSION

- 81.4% of surveyed owners are optimistic or very optimistic about their business success.
- Respondents employed an average of 1.5 full-time and 2.4 part-time employees in 2015.
- For the tax year of 2015, respondents paid an average of \$5,674 in local taxes and \$6,222 in state taxes.
- 20% of respondents indicated that 50% or more of their customers are returning guests.
- Owners had excellent response rates from soliciting and posting customer reviews using various media. Limited or poor responses to direct marketing and print advertising.

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