# Developing an Aggregator Platform for B&B Units

**By**

**Tanvi Dhupkar - 10508427**

**Nikhil Aasnikar - 10360623**

# 1. Abstract

The assignment proposes the creation of an online review and query platform for the traditional Irish Bed and Breakfast enterprises. The application allows registered users to review and comment on the listed B&B businesses and also allows users to send queries directly to BB business owners via email.

# 2. Introduction

## 2.1 Industry background and potential

The Irish Bed and Breakfast business is one of the most important secondary sources of income for Irish citizens. With overnight stays at Irish BBs clocking as high as an estimated eight million in 1999 (The Irish Times, 2019), the Irish B&B business has the potential to contribute and play a major role in Irish tourism GDP. Furthermore, the reports from Central Statistics Office, Ireland, shows a constant and steady rise in non-resident tourists with 4.3 million trips in 2016, 4.7 million in 2017 and 5.2 million in 2018, with an average length of stay of 6.4 nights (Central Statistics Office, 2019). A comparative study in non-resident tourists footfall in Ireland for the first Quarter shows a rise in 5.5%, as compared with Q1 of 2018 (Central Statistics Office, 2019). Kate Burns, the chairperson of the Town Country Homes Association, a marketing group for B&B owners, in an interview with Irish Times stated that the majority of North American and European visitors to Ireland choose B&B (The Irish Times, 2019). This is a clear indicator of the contribution potential a traditional B&B business can have.

Figure 1 Tourist behavioural pattern

## 2.2 Present market scenario

Despite the potential of Irish BB industry, the Irish BB business is failing and falling-off at a very high rate, exceeding 200 per year closure. The fall out rate is quite evident from the statistical report published by the Irish Times, which reported an estimated fall in BB occupancy by 2 million within a span of 10 years from 1999 – 2007 (The Irish Times, 2019).

Fáilte Ireland, the National Tourism Development Authority of Ireland, in 2018, published an accommodation capacity report, having statistical analysis, class of hospitality and type of properties. The report states that 35% of accommodation properties in Ireland are B&B, but constitute only 5% of bed spaces, whereas hotels occupy 28% of properties accounting 65% bed space (Fáilte Ireland, 2018). The method of marketing followed by B&B business in the current market scenario is through portals marketed and maintained by different B&B owners associations. The pricing strategy adopted by the B&B business matches with standard hotel accommodation rates, with average rates in B&B is €32-38 per person sharing for 12-hour span (Ireland, 2019), and average hotel rates at €101 for double occupancy with 24-hour checkout span (Budget Your Trip, 2019).

The uniform pricing strategy adopted by the hoteliers, better known as the “Amazon Effect”, which is the ongoing evolution and disruption of the retail market (Investopedia, 2019); which, in this specific case adapted to the tourism hospitality industry, disrupts the occupancy rates in traditional B&B. The existence of multiple B&B associations and their individual marketing strategies also affect the occupancy rates, as a customer then requires browsing through multiple portals for researching the best accommodation option for them. To add up to the problems, unregistered B&Bs, and self-catering units also negatively affect the reputation, as these units do not have any legal and safety screening that can potentially cause bad experiences for the tourists. Irish Times reported an estimated 15,000 unapproved B&B units and self-catering units in Ireland (The Irish Times, 2019)**.**

## 2.3 Problem Question

How to improve footfall in traditional B&B enterprises to support and sustain the local economy generation?

# 3. Related business case studies

Family Homes of Ireland, BandB Ireland, and B&B owners association are three major B&B business associations that provided booking options of all of Ireland B&Bs and played a major part in Ireland tourism industry until the Great Recession of 2007 (HISTORY, 2019). However, a sharp decline in the closure of B&B enterprises followed the Great Recession as revenue dropped. Many of the B&Bs that retained business lost up to 50% of their margin as OTAs began dominating the market (Association, 2019). By 2012 BandB Ireland and B&B Owners Association adapted to the market, by making use of collective marketing and low-cost online bookings by removing middlemen. Creation of this common platform having access and details to association enrolled B&B properties, increased the revenue. However significant progress was not made, because of lack in high user interaction and footfall creation.

Airbnb Inc. is a classic case study on how to improve the footfall in B&B business. Airbnb Inc. a multinational B&B facilitation portal incorporates B&B properties in their portal and allows for online booking and other management functions. The main reason for the success of the company which is worth 38 billion US Dollars according to Forbes (Forbes.com, 2019), is the QoS they offer. Unlike the traditional B&B units which function independently and has its own standards of maintenance, Airbnb has standardization requirements that every enrolled vendor needs to follow. This effectively increased the standard of enrolled B&B units increasing the footfall and booking frequency.

# 4. Methodology

By creating an online web application aggregating all B&B owners including unregistered B&B units, the platform becomes an aggregator of different business units and associations. This will allow the listing of B&B units under different associations in one platform, increasing the footfall. This increases the ease of browsing for the tourists as they have a detailed listing of all B&B services. Addition of this service intends in maximizing the user footfall.

The QoS (Quality of Service) is a very important factor and requires constant updating. Unlike Airbnb Inc. where common standardization can be enforced, the traditional B&B units have its own hospitality and maintenance standards. To help the tourists decide on the best possible B&B within budget, the platform will have reviews and comments from registered users. Preventing anonymous review posting and comments will ensure the users are genuine and hence the reviews will reflect the corresponding B&B’s QoS.

Although details of every B&B is listed under corresponding sections, the users (registered), will also be able to send queries directly to the B&B owner, making sure that the users can perform all the research they need before booking the B&B.

The proposal is to create an online review platform, aggregating maximum Bed and Breakfast providers. Registered users will be able to review and comment on the QoS of listed vendors, and they will also have provision to send queries via email to the corresponding vendor.

## 4.1 Technology to be used

The base coding of the application will be done in PHP using CodeIgniter platform, with MySQL selected as database.

PHP was considered for development because of its easier learnability and its ability to deploy in shared servers easily. Other technologies considered for base development were .Net and python. The former has the restricted ability to deploy in shared servers, as most of the shared server service and free server space has Linux instance which does not support .Net deployment. Python, however, is very stable and robust, with the ability to deploy in many instances, but the learning curve of python is higher and for this reason, the python was not selected. As for the database, most of the servers support MySQL and many also have postgre and Mongo DB services. The project, however, is data lightweight and hence MySQL was selected for its easier implementation and safe response in data non-intensive tasks.

## 4.2 Suggested Facilities

1. Google auth for sign-in, preventing anonymous review posting
2. Send queries via mail to corresponding BB owners.
3. Include provision attachment in the query segment.

## 4.3 Flow Diagrams

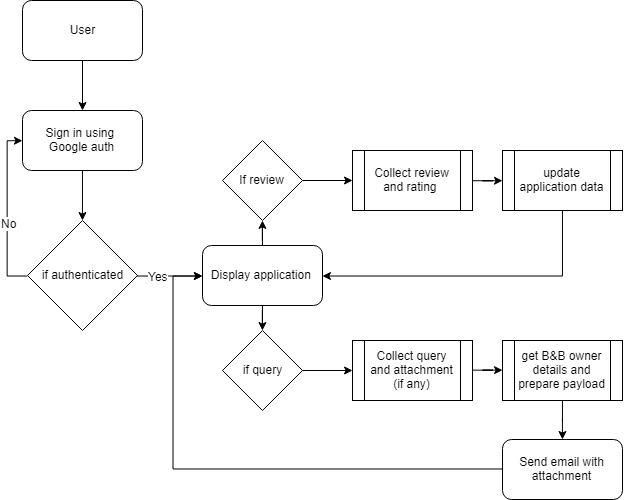


Figure 2 System Flow Diagram

# 5. Conclusion

When legacy business models and marketing strategies fail due to evolving market trends and practices, it is essential that similar changes, if not out-of-the-box ideas, may be effected in the scenario of depreciating business trends. When B&B businesses fail, it affects the country’s MSME economy directly and the citizen’s contribution thereof, in a business ecology like Ireland. Our portal also can work on future provisions of returning search results from the reviews of certified B&B guests and not just the ratings posted by the owners of such enterprise, making the presentation fervently genuine, and in-turn becoming more amiable to all shelter-seekers. Making the un-registered business amalgamate under our roof shall prove greatly advantageous compared to the normal comparison portals which necessitate registrations, with even conventional means used interlinked to the modes like that of payment. With such a blend our concern genuinely associates and interests in the boost of a struggling, and somewhat dying tradition of the country’s embracing culture.

# References

1. Investopedia. (2019). *Amazon Effect*. [online] Available at: https://www.investopedia.com/terms/a/amazon-effect.asp.
2. Forbes.com. (2019). *As A Rare Profitable Unicorn, Airbnb Appears To Be Worth At Least $38 Billion*. [online] Available at: https://www.forbes.com/sites/greatspeculations/2018/05/11/as-a-rare-profitable-unicorn-airbnb-appears-to-be-worth-at-least-38-billion/#112ad1b62741.
3. Association, B. (2019). *About the Irish B&B Owners Association*. [online] Bnbowners.com. Available at: https://bnbowners.com/about.php.
4. Fáilte Ireland (2018). *National Accommodation Capacity*. [online] Fáilte Ireland. Available at: http://www.failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/3\_Research\_Insights/3\_General\_SurveysReports/Accommodation-Capacity-in-Ireland-2018.pdf?ext=.pdf.
5. HISTORY. (2019). *Great Recession*. [online] Available at: https://www.history.com/topics/21st-century/recession.
6. Budget Your Trip. (2019). *Ireland Travel Costs & Prices - Pub Crawls, the Cliffs of Moher & Blarney Castle | BudgetYourTrip.com*. [online] Available at: https://www.budgetyourtrip.com/ireland.
7. The Irish Times. (2019). *Ireland's cottage industry*. [online] Available at: https://www.irishtimes.com/life-and-style/travel/ireland-s-cottage-industry-1.
8. Ireland, B. (2019). *B&B Star Rating and Classification | B&B Ireland*. [online] Bandbireland.com. Available at: https://www.bandbireland.com/feature/accommodation/b-b-star-rating-and-classification.
9. Central Statistics Office. (2019). *TMA08: Overseas Trips to and from Ireland by Reason for Journey, Year and Statistic*. [online] Available at: https://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/saveselections.asp.
10. Central Statistics Office. (2019). *Tourism and Travel*. [online] Available at: https://www.cso.ie/en/statistics/tourismandtravel/tourismandtravel/.
11. The Irish Times. (2019). *Unregistered B&Bs cited as major problem*. [online] Available at: https://www.irishtimes.com/news/unregistered-b-bs-cited-as-major-problem-1.657138.