

Your tourism business

A guide to setting up an accommodation business in Kirklees

2018

February 2018. This information is meant as a starting point only. Whilst all reasonable efforts have been made, Kirklees Council cannot guarantee that the information is accurate and up-to-date and will not be responsible for any errors or omissions. Professional advice should be sought where appropriate.

Contents

Is it for me?

Running an accommodation business is a great way to enter the tourist industry; find out if it's the right job for you.

The tourist industry

Use this section to research tourism in your area and start to develop a business plan.

Promotion

There are lots of ways you can promote and develop your business. Use these tips to increase your customer base and promote your business as widely as possible.

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Is it for me?

Running an accommodation business is a great way to enter the tourist industry, but you must be confident that it is the job for you.

Is there the market for it?

Look at the number of accommodation providers and tourism trends in your local area:

- Who could be your target market?
- Is your property in an area that is likely to attract your target market?
- What competition will you face locally, and across the district?
- Are there gaps in the market that you can fill to make your business stand out? Catering for people with a disability is one example.

To help you research the market:

- Gather brochures and information about other operators
- Contact your tourist information centre

First-hand knowledge

Why not contact an accommodation business in a neighbouring area? They know the tourism industry first-hand and can give you a run-down of the highs and lows.

Legislation

It's important that you understand the legal obligations of offering accommodation. Visit England's website describes in detail your responsibilities as a business owner, as well as your rights.

www.visitbritain.org/pink-book

You'll find more information about specific local policies, including Planning and Building regulations, business rates and trade waste collection at www.kirklees.gov.uk

Business planning, qualifications and grants

Use the Government's free online resource for new and existing businesses for guidance on regulations, to access online tools, calculators and best practise case studies. You'll find tutorials to help you to set up your new business, including writing a business plan.

www.gov.uk/business

Free, local online business support and advice is available at www.kirkleesbusinesshub.com
You can search for grants here too.

Self-catering accommodation

What do customers expect?

Customer expectations will vary but typically they'll be looking for:

- A place to holiday in relative privacy, where they can come and go as they please
- A place to stay that offers everything that they have in their own home and more
- Somewhere that offers a quality experience and value for money

Who are my potential customers?

In Kirklees you'll typically find:

- Holiday makers from the UK and abroad
- Local homeowners that need to move out of their property for a time
- People visiting friends and relatives in the area
- People on business

Is it for me?

If you have doubts about these questions, running a self-catering business may not be for you.

- Are you self-motivated?
- Are you happy to wait for guests to arrive, even at weekends and late in the evening?
- Do you have the time to do extra laundry, and to clean the property once or twice a week?
- Will you and your family be comfortable with strangers near your home (if applicable)?
- It is against the law to discriminate. How will you cater for people with a disability? How would you feel if two men or two women wanted to celebrate their honeymoon at your cottage?

Can I afford it?

Your business must be viable and run as efficiently and profitably as possible.

Tourism is a seasonal industry; you are unlikely to be full 100% of the time. Map out the year and decide the most likely opportunities to pick up business e.g. Christmas, or during an event or festival; this will help you to visualise your peak and quiet periods, and the times that it would be prudent to offer short breaks as well as week-long breaks. In Kirklees prices range from £220 to £1750 per unit per week. Generally the higher the quality rating, the more you can charge. In Yorkshire in 2017, the average occupancy was 52%. If you charge £300 for a unit that is full 52% of the year (27 weeks), you can expect your gross income to be £8,100. As a start-up business it is reasonable to assume that occupancy could be lower for the first few years.

You will have regular outgoings such as maintenance, cleaning materials and labour as well as set-up costs, perhaps a change of use planning application, fixtures and fittings. You're likely to have fixed overheads such as insurance, mortgage payments and business rates. You also need to consider fuel bills, refuse collection, media and television licences.

It may be beneficial to have your accommodation assigned a quality rating (for which there is an annual fee), and you must have a website and an adequate marketing budget (6-8% of your annual turnover is a good rule of thumb although you will need to invest more in the first year or two).

Serviced accommodation

Bed and breakfast, guesthouse, serviced apartment, hotel

What do customers expect?

Customer expectations will vary but typically they'll be looking for:

- A place to relax and feel at home
- A warm welcome and value for money, with an en-suite or private bathroom
- A quality cooked breakfast

Who are my potential customers?

In Kirklees you'll typically find:

- Holiday makers from the UK and abroad
- People visiting friends and relatives in the area
- People on business

Is it for me?

If you have doubts about these questions, providing guest accommodation may not be for you.

- Will you and your family be comfortable with strangers in your home?
- Are you happy to provide early breakfasts, even at weekends?
- Will you find keeping your house tidy all the time irritating?
- Do you have the space and time to cope with extra laundry?
- Are you happy to wait around for guests to arrive and leave?
- Do you currently have a hectic social/work life? Will you have time to manage the business?
- Do you have time to clean each guest bedroom and linen daily if necessary?
- It is against the law to discriminate. How will you cater for people with a disability? How would you feel if two men or two women requested a double bedroom?

Can I afford it?

Your business must be viable and run as efficiently and profitably as possible.

Tourism is a seasonal industry; you are unlikely to be full 100% of the time. In Kirklees prices range from £30 to £110 per room per night. In 2017 the average room occupancy in Yorkshire was 70%; traditionally Kirklees has a much lower room occupancy. So, if you charge £40 for a room that is full 64% of the year (228 days), you can expect your income to be £9,120. The higher the quality of the room and service you provide, the more you can expect to charge.

Business may be slow to start with, and you will have regular outgoings (e.g. toiletries, cleaning materials, breakages and refurbishments), as well as set-up costs (e.g. home alterations, planning applications or new fixtures and fittings). You may notice an increase in electricity and/or gas bills, and will probably have to pay more for your television licence.

It may be beneficial to have your accommodation assigned a quality rating (for which there is an annual fee), and you must have a website and adequate marketing budget, although you'll need to invest more in the first year or two).

Airbnb

Entire flats and homes, and private rooms are just a few of the properties hosts have shared on Airbnb in Kirklees.

Some people rent their space part time, e.g. they rent their home when they are away on business or on holiday, or have a space which is available to renters all year round e.g. a space or room in their home or a property they own and rent to paying guests.

You will need to think about what the purpose for becoming an Airbnb host is and what you expect to achieve from doing it e.g. is it some occasional additional income or do you want to concentrate on having regular occupancy to gain a steady income.

There is a lot of support within the existing Airbnb host community and plenty of useful articles online which help you to really think about aspects of becoming an Airbnb host before you go any further.

We have read the articles below and found them insightful for this piece of research:

<https://learnairbnb.com/10-things-to-consider-before-hosting-on-airbnb/>

<https://learnairbnb.com/airbnb-hosting-beginners-guide/>

The tourist industry

Use this section to research tourism in your area as you develop a business plan.

An overview of tourism in Kirklees

In 2016, tourist trips to Kirklees were estimated at 10 million annually, accounting for approximately £239 million expenditure.

The destination

In the heart of the Yorkshire Pennines, Kirklees has excellent transport links to Manchester, Leeds, York and Sheffield, and occupies a central location in the UK.

Tourists in Kirklees can be divided into three main types: day, group and leisure visitors. Whilst 'Kirklees' is not a visitor destination, the different locations and products within the district attract different tourism market segments:

- Overnight leisure breaks mainly in the Holme, Colne and Dearne Valleys
- Group travel in the North, Holmfirth, and central Huddersfield
- Day visits across the district at individual attractions, events and market towns

Our leisure visitors

We have a **strong, stable** and incredibly **loyal** market with a large number of repeat visitors and those keen to recommend the destination to others. It's vital that you capitalise on this trend – encourage your visitors to come back again; encourage them to recommend the destination to their friends and family. Visitor numbers tend to be highest in the summer and lowest during winter.

Kirklees is predominantly a **day visitor destination**. However, we still attract a significant number of overnight visitors, and they spend considerably more in the area. Day visitors spend an average £22.69 per person per trip. Overnight visitors spend an average £130 per trip.

Popular activities are strolling/enjoying the ambience, walking (maximum 2 hours), attending a festival or event, visiting an attraction, friends or relatives, and eating and drinking out after 5pm. As **part of the visit**, visitors enjoy shopping for local/handmade gifts, and eating/drinking out. Great quality service and food are important to our visitors

The destination is seen as 'quirky', and visitors love to experience the **local and unique aspects** of the area.

Organisations

There are a number of tourist organisations that you will deal with. Each of them can provide help and advice as you develop your business plan.

Local

Kirklees Council principally promotes the area to leisure tourists. We produce and distribute a Visitor Guide under the brand 'VisitHuddersfield', and work closely with regional and national organisations to promote the destination.

Investment and Regeneration Service, Kirklees Council, Civic Centre 3, Huddersfield, HD1 2TG
T: 01484 221000 E: tourism@kirklees.gov.uk

www.visithuddersfield.com

Holmfirth and Huddersfield Tourist Information Centres provide a frontline service to visitors offering first-hand information on the area, taking theatre and concert bookings, booking accommodation and selling souvenirs.

Holmfirth TIC

Holmfirth library and Information Centre, 47 Huddersfield Road, Holmfirth, HD9 3JP

T: 01484 221000 E: holmfirth.tic@kirklees.gov.uk

Huddersfield TIC

Huddersfield Library and Information, Princes Alexandra Walk, Huddersfield, HD1 2SU

T: 01484 221000 E: huddersfield.information@kirklees.gov.uk

Visitor information is also available at:

Marsden Library and Information Centre

Marsden Mechanics Hall, Peel Street, Marsden, HD7 6BW

T: 01484 221000 E: marsden.visitorinformation@kirklees.gov.uk

Dewsbury Library and Information

Dewsbury Retail Park, Railway Street, Dewsbury, WF12 8EQ

T: 01924 221000 E: dewsbury.lic@kirklees.gov.uk

Regional

Welcome to Yorkshire (WtY) is responsible for marketing the Yorkshire and Humber region as a visitor destination. They operate a membership scheme, at an annual cost starting from £240 + VAT. Members have the opportunity to be included in WTY's award winning marketing and PR campaign, enhanced entry on Yorkshire.com, WtY plaque and branding materials to show you're part of the Welcome to Yorkshire success story, for use on your premises, website and print material

West Yorkshire, Dry Sand Foundry, Foundry Square, Holbeck, Leeds, LS11 5DL

T: 0113 322 3500, 07833466033 E: sratcliffejones@yorkshire.com

<http://industry.yorkshire.com/>

Marketing Peak District and Derbyshire is responsible for marketing the Peak District and Derbyshire as a visitor destination. Benefits of the membership scheme include advertising discounts, networking opportunities, free marketing resources and supplier discounts.

Marketing Peak District and Derbyshire, Derbyshire and Nottinghamshire Chamber of Commerce & Industry, Commerce Centre, Canal Wharf, Chesterfield S41 7NA

T: 01246 212924 E: industry@marketingppd.com
<http://www.marketingpeakdistrictandderbyshire.com/>

National

Department of Culture, Media and Sport (DCMS) is responsible for supporting the British tourist industry. They work in partnership with Visit Britain and Visit England to improve the UK's reputation as a visitor destination, and in partnership with the tourism industry and Tourism Alliance to grow the tourism industry. www.culture.gov.uk

As the national tourism agency – a non-departmental public body funded by DCMS, **VisitBritain/VisitEngland** raise Britain's profile worldwide, increasing the volume and value of tourism and developing England and Britain's tourism economy.
<https://www.visitbritain.org/>

Promotion

There are lots of ways you can promote and develop your business. Use these tips to increase your customer base and promote your business as widely as possible.

Word of mouth

According to customer retention experts, it costs five times more to attract a new customer than it does to retain a current one. Keeping existing customers is just as important as attracting new ones.

Promotion isn't just about marketing; it's the experience that the visitor has on their stay including the customer service, the quality of the fixtures and fittings and the information that they're provided with to explore the local area. **Word of mouth recommendations** are one of the best forms of promotion that you can receive whether face to face through family and friends, or online social networks.

Websites such as Trip Advisor are often a go-to for holiday makers before they make their final decision on where to stay. You might decide it is a good idea to encourage your guests to leave a review, good reviews from those who have stayed are priceless. However if your accommodation or customer service is lacking in any way this method could work against you and the customer could leave a negative review. Responding to all reviews – good and negative – is a good way to show potential customers that you care about your business and aim to provide quality customer care.

Marketing

Marketing is how you communicate and promote your business to potential customers. You need to understand your customers, and their needs, and tailor your business to match those needs.

You'll need to develop an effective, but realistic, marketing plan and budget each year. You should use a consistent style and message for all your marketing information. The Chartered Institute of Marketing recommends assigning 10 – 15% of your annual turnover to marketing, although in practise most small businesses invest less.

Always ask guests and enquirers how they heard about your business.

Advertising and promoting your business

Advertising can be expensive; target your publicity carefully and take advantage of free marketing opportunities where possible. Consider:

Tourist Information Centres

Tourist Information Centres (TIC) provide tourists and residents with information about the local area. Visit your local TIC and introduce yourself/your business to the staff.

If you're running serviced accommodation, you may wish to take part in the Book a Bed Ahead (BABA) scheme. Run by some TICs across the country, staff can arrange accommodation on behalf of visitors to the TIC for that evening or the following one. The TIC will charge you a commission fee for any bookings made.

You may need to be quality assessed to be promoted by some TICs across the UK.

The Internet

Using social media and having your own website is a **vital**, cost-effective way of advertising your business to a wide audience. You should also set up an email address. For a small fee you could find it an advantage to register your website with search engines such as Google and Yahoo. Your website is likely to be your main marketing tool – keep all the information on it up to date. You can set up your own website at www.weebly.com (other sites are available).

Place your business on free accommodation websites. Check the terms and conditions before you forward your details – some websites may work on a booking or commission basis. Local websites are just as important as regional and national sites.

Some of the more popular sites for self-catering cottages are www.airbnb.co.uk, www.welcomecottages.com and www.yorkshire-cottages.info Some of the more popular sites for serviced accommodation are www.airbnb.co.uk, www.tripadvisor.co.uk and www.bedandbreakfast-directory.co.uk

Your accommodation business can also feature, free of charge, on the council web pages www.visithuddersfield.com. You will need to be a member of the regional marketing agencies, Welcome to Yorkshire and Marketing Peak District and Derbyshire in order to feature on their websites, or participate in their marketing campaigns.

Leaflets

Use a simple, professional, leaflet to convey information and attract interest in your business, perhaps to:

- Respond to enquiries
- Display in local shops, pubs, garages and visitor attractions, and at local businesses, colleges, the university and religious buildings
- Display in your hallway for guests to take and recommend you to friends
- Display in Tourist Information Centres across the region

Leaflets can be costly to produce, so only include relevant information such as a description of the property and facilities, map, contacts details and good quality images.

Newspapers and magazines

Newspaper and magazine editors like fresh stories and are keen to hear your news. Keep the press up to date with your activities – if they like your story they will print it free of charge.

Advertising in newspapers and magazines can be expensive and may not give good return for the money you spend. As a new accommodation provider, you may want to wait until you have a clearer idea of your customers. If you have developed a niche market, perhaps walkers or cyclists, it may benefit you to advertise in specialist magazines.

To work out how effective each advert is at generating business, include a reference code on each advert, and ask enquirers to tell you this code.

The importance of quality

Visitors increasingly demand high accommodation standards, and the quality of your establishment will influence the future success of your business, and how much you can charge. High standards of quality are required not only for the material aspects of your business, but for the levels of customer service you provide from before a guest arrives to after they have left.

National Quality Assessment Schemes

You may want to get a national quality standard to reinforce your quality. Quality Assessment helps to inform customers, before they book accommodation, of the level of quality, services and facilities that they can expect as potential guests at an accommodation. Accommodation is quality assessed to a set of national standards and then awarded a star rating between one and five stars. Large hotel chains may be 'accredited'.

Assessment is carried out, at a cost, by the AA on behalf of VisitEngland
http://www.theaa.com/hotel/hotel_services_index.html telephone 01256 844455.

Signage

You may wish to invest in good signposting and a map that gives clear directions. Good signposting can be an extremely effective form of advertising, particularly to attract passing visitors, but you are likely to need planning permission via advertisement consent. Contact Kirklees, telephone 01484 414746, email dc.admin@kirklees.gov.uk

White on brown tourism signs

You can apply for these signs, but they are expensive and accommodation establishments are rarely successful with their applications. Contact Kirklees Highways, telephone 01484 221000.

A-board signage

You will need a licence if you wish to display an a-board outside your business premises on the public highway. They can only be placed where there is no danger to pedestrians (or create a potential obstruction).

<http://www.kirklees.gov.uk/beta/licensing/apply-for-a-boards-display-of-goods.aspx>

Exceed expectations

The majority of your business will probably be repeat visits and referrals from satisfied guests. Keep an open mind about how you do things and look out for ways of improving. Ask guests for feedback on their stay.

Little ideas to create a great experience

- Welcome guests with a homemade cake and refreshments
- Put together day trip itineraries or keep a list of nearby walks, cycling routes and restaurants
- Recommend, use or sell local produce
- Offer a range of menus if you provide breakfast
- Offer lunches, traditional afternoon tea or an evening meal
- Work in partnership with local visitor attractions to offer discounted entry
- Send thank you cards when guests leave and offer an incentive to encourage another visit

Use local distinctiveness to benefit your business

Visitors want to experience places in different ways, enjoy locally made produce and meet 'real' people. By highlighting your local distinctiveness you will help to create reasons for guests not just to stay longer, but to return again and again.

A toolkit to help you identify what's special about your area is available from Kirklees Council, email jess.newbould@kirklees.gov.uk

Sustainable tourism

Don't confuse sustainable tourism with green and eco-tourism – it's more about how you operate your business. You've probably already considered using low energy light bulbs and energy efficient appliances and recycling as much of your water as possible, but consider taking a few simple steps to help your visitors think sustainably as well:

- Encourage guests to leave the car at home:
 - Give details of public transport services when confirming a booking
 - Offer to pick guests up at the station
 - Provide bus and train timetables and information on walk and cycle routes
 - Provide bicycles for guest to use, or link with a bike hire business locally
- Encourage the use of local food
 - Provide high quality, locally sourced food to guests; it can be a real selling point for your business. You'll find a local sourcing directory on the website www.deliciouslyyorkshire.co.uk
 - Promote cafes/restaurants that source food locally, and retailers selling local products
 - Promote local farmers' markets, farm shops, local specialities and where to get them
 - Promote local pubs that serve locally brewed ale

Become cycle friendly

The Tour de France Yorkshire Grand Départ 2014 marked the start of a boom in cycling in this area; give cyclists every reason to recommend your business, and return.

A toolkit to help you think about how cycling could benefit your business is available from Kirklees Council, email jess.newbould@kirklees.gov.uk