

Faculty of Economics and Business

CRITICAL SUCCESS FACTORS OF BED AND BREAKFAST IN ROME

Professor:

Roberto Dandi

Student:
Daniel Sufir 165561

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Critic to the bed and breakfast industry.

INTRODUCTION:

Every number of years there is a major shift in the way people earn a living. For many years in the past farmers worked the land of others in exchange for the security of food and shelter. In other years, men sought employment in a stable factory which had a constant demand for working hands to accomplish the goals set by the market. In the post war into the baby boom the ideal was finding a stable position which would allow you a constant increase in earnings and responsibility through which you could have a secure life and even extra income with which to buy the necessary extras like a car or a washing machine that would make your life better. The post baby boom generations, however have seen that model disappear and the current economic crisis that has so effected Europe, America and especially Italy has led many to desperate action, immigration, feelings of hopelessness and general preoccupation for the future and how to make a living. In this climate many are coming to the conclusion that while finding an income producing job would be desirable you are more likely to have an income if you create the opportunity for yourself. This paper will discuss the process and considerations of developing one of these self directed business opportunities in Rome in the form of a Bed and Breakfast.

Rome has always been a destination for travellers. Its unique beauty and political centrality have often ensured this. In this period however, with the changing economic-political realities around the world there is an increased movement of tourists from non-traditional source countries or profiles coming to visit. This represents an opportunity to providers of hospitality and other tourist oriented services to find new ground to build on different from the traditional suppliers of these services. For the purposes of this paper we will look at the proposal of creating a Bed and Breakfast hospitality structure created with the luxury traveller in mind; A structure that emphasizes quality of experience, personal charm, exciting design and uniqueness of offer. All of which is adequate to the exclusivity that the end user price indicates. For an individual seeking to create a self-owned business and who has the benefit of an extant residential property or can rent one this type of enterprise may be the solution to examine in this current economic climate and given the rise in demand.

The paper is divided into three chapters: The first chapter will define the various types of hospitality structures present in the Italian market and their characteristics. The chapter will also present statics indicating the general trends in tourist flow toward the capital in recent years and indicating the countries of origins of that tourist.

Chapter two will focus on critical factors of success of a Bed and Breakfast and the practical development considerations in the setting up of them. Special interest will be given to considerations in Design, marketing, daily operations, and pricing.

Finally, the third chapter will discuss systems of creating a client base through the modern systems available on the internet, principally the role of TripAdvisor, their pros and cons and the costs associated with them.

In conclusion, the benefits for the individual investor of opening a Bed and breakfast in Rome will be examined and how in this moment the role of owner operator is a valid option to consider for who is looking for a secure income source as an alternative to the traditional employee position.

CHAPTER 1:

BED AND BREAKFAST IN ITALY:

The phenomenon 'Bed and Breakfast' or B&B as they are often called, has exploded worldwide in recent years, and with its success, the line of delineation between it and other forms of hospitality have become blurred. More and more so, the different forms of accommodation can only be defined through legal and administrative requirements of each model. Apart from Hotels, the most common structures present in the Italian market today are: Bed and Breakfast, Affittacamere , Hostels , Hotels , Casa Vacanze and Agriturismo. Whereas Hotels in the traditional definition may be part of a corporate reality, organized franchise or chain, the other structures mentioned and those listed below, are often privately owned and operated and it will be useful to study the differences between them:

(Definitions source : Regolamento Regionale Lazio 24 ottobre 2008, n. 16)

- Affittacamere: "Receptive structures made up of no more than 6 rooms, organized in no more than two apartments in the same building connected functionally between one and the other, in which housing and other services are offered"

Affittacamere need to be legally registered with the Chamber of Commerce with legally responsibility tied to a physical person.

- Youth Hostels:
"Receptive structures equipped for short visits and overnight stays for limited periods for youth and eventual carers. Further, also persons with the aim of social, religious, sport, or cultural tourism can be hosted. In any case, their stay may not exceed sixty days"

In youth hostels beds are often arranged in shared rooms with a common bathroom.

- Vacation Homes or Apartments:
Furnished homes available for let to tourists but without food, beverage or centralized services. Rental contracts may not be inferior to three days and not more than three months over one or more seasons.
The management of such houses and apartments are divided into the following categories:
1) Non-Enterprise: the occasional management of one or two houses or apartments;
2) Enterprise: Non occasional management, organized in three or more houses or apartments.

- "Casa per Ferie ":

Facilities equipped for tourist stay purposes for individuals or groups operated outside the normal channels of; trade and promotion by public entities, associations, or religious organizations operating not-for-profit for the achievement of cultural, charitable, religious and social goals, or sports, as well as by other organizations or companies for the stay of its employees and their families.

- "Bed and breakfast":

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The service offered by those who have residence and domicile in the house and make the rooms with their beds available to the non-residents. This service is to be performed with an intermittent character or for recurring seasonal periods, with a period of inactivity of at least sixty not necessarily consecutive days per year (reduced to thirty days per year in municipalities lacking other facilities) in a maximum of three rooms for no more than six people and including breakfast using the normal family organization. In any case, stays are from overnight to not more than ninety days.

- "Gîtes":

An accommodation, in an old town with less than three thousand inhabitants or in a vast urban area identified by the municipality, provide users with accommodation, meals and possibly other ancillary services in housing units that located in an established area covering a maximum distance of three hundred yards, with services unit and centralized reception, catering and any other complementary services, with at least two spaces of common use. The catering service may be offered through an agreement with existing external exercises. These structures are composed of no less than seven apartments with a minimum of fifteen beds. The use of units for this purpose does not involve specific land use planning. The adjustment of the structures, with particular reference to safety and accessibility, takes place in accordance with local regulations for residential facilities for the whole building;

- "Mountain refuges":

Accommodation appropriate to offer hospitality and catering to climbers in remote mountainous areas located in places favourable for climbing and hiking, accessible only by mule tracks, trails, forest roads, but also roads passable by ordinary means of transport, and in proximity to populated centres.

Among the above legal descriptions, the most common small structures in Rome are: b&b, Affittacamere, and Casa Vacanze. B&b and Affittacamere are quite similar in concept; a room inside an apartment with a shared common area and a kitchen where mostly a breakfast offered.

The fundamental differences between the three structures are taxation distinctions and management. Whereas bed and breakfasts are normally open 9 months a year with the owner living inside and is exempt from taxes. Afftticamere on the other hand are run by professional business industry personnel and open all year long. As will be seen in the next chapter analysis, the vast majority of clients choosing these types of structures are couples. Larger groups seek out the traditional hotel structures.

Casa Vacanze rather, are normal un inhabited apartments. These structures are most frequently chosen by families for slightly longer stays who want privacy and apartment

facilities like washing machines, kitchens and a secure space for young children. There has been a recent boon of this type of structure due to the lower managing costs and considerable profit.

TOURISTS PRESENCE IN ITALY AND ROME :

According to a Eurobarometer survey Tourist responded to the question " Where you will travel for your main holiday in 2011? " by answering "in Italy": 14% of Luxembourgers , 11% of Austrians , 11 % of the Dutch , the 10 % of Germans , 9% of the Maltese , 8% of Czechs , 8% of Danes ' s 8 % of the Romanians , 6% of Slovaks, 5 % of Estonians , 5% of the Norwegians , 4% of Latvians , 4% of the Spanish, the French 3% , 3% Hungarians , 2% of Bulgarians , and 2% of Croatians ' 1 % of Greeks . For the same year, the data from another survey conducted by AICA, showed an increase in the performance of Italian tourism wherin International tourist arrivals had an average increase of between 4 % and 5 % compared to 2010 driven by emerging countries in the Middle East especially from South Asian countries.

In 2009 the countries of origin of foreign tourists coming to Italy were :

By arrivals:

Germany	9.085.679	22.1%
United States	3.928.677	9.6%
France	3.332.807	8.1%
UK	2.684.392	6.5%
Austria	1.948.791	4.7%
Netherlands	1.836.907	4.5%
Spain	1.760.924	4.3%
Switzerland	1.717.083	4.2%
Japan	1.298.068	3.2%
Belgium	994.999	2.4%
Russia	894.659	2.2%
Poland	811.024	2.0%
China	727.570	1.8%
Australia	613.799	1.5%
Canada	588.776	1.4%

by presences:

Germany	47,278,488	29.6%
Netherlands	10.875.329	6.8%
UK	10.469.045	6.6%
France	10.447.586	6.6%
US	10.080.117	6.3%
Austria	8.078.701	5.1%
Switzerland	7.309.392	4.6%
Spain	4.883.065	3.0%
Belgium	4.4334.026	2.8%
Poland	3.400700	2.1%
Russia	3.294.957	2.1%
Japan	2.534.836	1.6%
Canada	1.61296	1.0%
Australia	1.527.543	1.0%
China	1.254.039	0.8%

Tab. 2 - Roma - Arrivi, presenze e permanenza media per tipologia - Anno 2012

Categoria	Italiani			Stranieri			Totale		
	Arrivi	Presenze	Perman. media	Arrivi	Presenze	Perman. media	Arrivi	Presenze	Perman. media
RTA	392.626	1.528.913	3,89	238.887	632.964	2,65	631.513	2.161.877	3,42
B&B	315.519	677.374	2,15	173.683	373.319	2,15	489.202	1.050.693	2,15
Case per ferie	568.332	1.951.369	3,43	395.918	1.067.495	2,70	964.250	3.018.864	3,13
Campeggi, Villaggi e Ostelli	96.581	306.613	3,17	95.272	238.146	2,50	191.853	544.759	2,84
Totale	1.373.058	4.464.269	3,25	903.760	2.311.924	2,56	2.276.818	6.776.193	2,98

Fonte: EBTL - ROMA E LAZIO Il turismo in cifre

An interesting data coming out from this graph is the totality of presences of Casa per Ferie and B&B which is much higher then the Hotel one.

Tab. 5 - Roma - Arrivi, presenze e permanenza media nei B&B - Anno 2012

Paesi	Anno 2012			Quote mercato %		Dif. % Anno 2012/2011		Valori assoluti 2011	
	Arrivi	Presenze	Perm. media	Arrivi	Presenze	Arrivi	Presenze	Arrivi	Presenze
Totale	489.202	1.050.693	2,15	100,00	100,00	4,84	4,76	466.627	1.002.962
Italiani	315.519	677.374	2,15	64,50	64,47	4,74	4,89	301.228	645.778
Stranieri	173.683	373.319	2,15	35,50	35,53	5,01	4,52	165.399	357.184
Francia	19.044	42.358	2,22	10,96	11,35	4,93	5,06	18.149	40.319
Germania	21.991	46.447	2,11	12,66	12,44	6,52	5,07	20.645	44.205
Regno Unito	18.562	39.405	2,12	10,69	10,56	5,53	5,86	17.589	37.225
Belgio	543	1.279	2,36	0,31	0,34	-39,60	-37,73	899	2.054
Olanda	4.466	9.463	2,12	2,57	2,53	-0,89	-1,89	4.506	9.645
Austria	5.116	10.496	2,05	2,95	2,81	0,41	-0,55	5.095	10.554
Danimarca	1.972	4.244	2,15	1,14	1,14	10,11	10,09	1.791	3.855
Irlanda	1.980	5.033	2,54	1,14	1,35	4,27	4,14	1.899	4.833
Spagna	15.624	32.091	2,05	9,00	8,60	6,84	5,43	14.624	30.439
Portogallo	520	1.311	2,52	0,30	0,35	5,48	7,72	493	1.217
Grecia	480	1.287	2,68	0,28	0,34	-11,76	-6,87	544	1.382
Svezia	879	2.206	2,51	0,51	0,59	50,51	49,46	584	1.476
Svizzera	91	244	2,68	0,05	0,07	-28,91	-16,72	128	293
Polonia	442	1.175	2,66	0,25	0,31	37,27	51,42	322	776
Russia	622	1.614	2,59	0,36	0,43	16,48	12,63	534	1.433
Norvegia	138	306	2,22	0,08	0,08	21,05	12,50	114	272
Croazia	86	292	3,40	0,05	0,08	-34,85	-50,51	132	590
Ungheria				0,00	0,00	-100,00	-100,00	80	181
Altri paesi europei	54.579	113.988	2,09	31,42	30,53	5,07	5,61	51.946	107.938
Europa	147.135	313.239	2,13	84,72	83,90	5,04	4,87	140.074	298.687
USA	1.234	2.967	2,40	0,71	0,79	3,18	1,26	1.196	2.930
Canada	160	482	3,01	0,09	0,13	11,89	9,79	143	439
Nord America	1.394	3.449	2,47	0,80	0,92	4,11	2,37	1.339	3.369
Altri paesi americani	4.551	10.186	2,24	2,62	2,73	8,38	9,43	4.199	9.308
Centro-Sud America	4.551	10.186	2,24	2,62	2,73	8,38	9,43	4.199	9.308
Giappone	110	249	2,26	0,06	0,07	-14,06	-6,74	128	267
Sud-Est Asia	110	249	2,26	0,06	0,07	-14,06	-6,74	128	267
Altri extra-europei	20.493	46.196	2,25	11,80	12,38	4,24	1,41	19.659	45.553
				100,00	100,00				

Fonte: EBTL - ROMA E LAZIO Il turismo in cifre

PROCESS OF SETTING UP A B&B:

Once a potential operator has researched the feasibility and demand for a new hospitality structure in a market, the determining of the type of structure will be dependent upon the profile of the target client, available investment funds and current assets and the type of legal company for reporting purposes that best responds to their needs as described above. Each of the structures carries with it specific structural requirements that need to match the property owned.

Functional and Structural Minimum Requirements:

The landlords must meet all of the following minimum functional and structural requirements according to hospitality structure type:

Source: www.comune.roma.it/PCR/resources/cms/documents/reg.reg._16_2008 ...
13/02/2013

1. Hospitality structure:

- a) A premise possessing the requirements for residential use under the existing legislation on housing and health and hygiene with a minimum room space of 14 square meters of authorized room for one or two beds increasing by at least 6 square meters for each additional bed;
- a), a further addition in room size of at least 1 square meter or 3 cubic meters, is required for a bunk bed;
- c) A minimum area of at least 3 square feet each is required for the bathrooms for the exclusive use of a room, with a minimum allocation for each bathroom consisting of a sink, a bathtub or a shower, a bidet, a mirror and a wc with cistern;
- d) For rooms without bathroom for exclusive use the installation of common use sanitary equipment is necessary with at least one bathroom for every six beds, or fraction, of a size not less than 3 square meters.
- e) The minimum equipment in the rooms consists of a coffee table, a wardrobe, a mirror, a bed, a chair or couch and a bedside table, or equivalent, with lamp shade;
- f) If a food service is provided, there must be one or more rooms designed for the serving and consumption of foods and beverages with a total area of at least 16 square meters
- g) A constant supply of electricity, hot and cold water and, if opened in the period from 1 October to 30 April, a service of heating;
- h) Reception service of at least 8 hours in 24;
- i) Daily cleaning of the room, the bathrooms, and the common use rooms and premises;

- l) A change of bed linen and towels at least twice a week and in any case at each change of customer;
 - m) A change of kitchen towels at each change of client
 - n) The presence of a box containing first aid material and a fire extinguisher for each apartment;
 - m) Telephone point for common use only for emergency calls
2. The youth hostels all possess the following minimum functional and structural requirements:
- a) Minimal room surface of 8:14 square meters rooms respectively for one or two beds, increased by a minimum of 6 square feet for each additional bed. In the case in which the height of the premises is greater than 3.20 meters, the increment parameter surface per bed can be reduced by 6 square meters up to 4 square meters;
 - b) Further addition in the ratio of surface area room for a bunk bed, at least 1 square meter, or at least 3 cubic meters;
 - c) Minimum size of at least 3 private bathrooms with minimum equipment consisting of a sink, a bathtub or a shower , a bidet , a mirror and a toilet
 - d) for the rooms without bathroom for exclusive use , installation of sanitation facilities common to the extent of at least one wash basin for every five beds or fraction as well as a toilet room and a shower room for every eight beds or fraction thereof, with a minimum of one complete toilet on each floor ;
 - e) minimum equipment of the rooms consists of a table, a closet or walk-in closet with space reserved for each guest , a mirror and , for every stayed in, a bed, a chair or a stool and a bedside table or equivalent, with lamp shade;
 - f) one or more public rooms with a total area of 0.8 square meters per bed, increased by at least 1 square meter per bed. Should the common areas coincide with the room intended for administration of food and eating meals beverages it must be not less than 20 square meters;
 - g) Reception service at least 16 hours out of 24;
 - h) Cleaning the room once a day;
 - i) Constant supply of electricity, hot and cold water, and, if the opening encompassing the period from 1 October to 30 April, the service of heating;
 - l) Change of linen for every customer service or supply of bed linen and towels on request, if the service is not supplied as standard;

- m) Luggage storage lockers provided or lock to a number not less than 50% of the beds, in the case of overnight stay is provided in dormitories;
- n) The presence of at least one telephone device for common use for emergency calls only;
- o) The presence of a box containing first aid material;
- p) Any premises used as refreshment;
- q) Appropriate functional solutions for hospitality of the people with disabilities.

3. The houses and apartments all possess the following minimum functional and structural requirements:

- a) Provision of furniture, tools, materials for cleaning the apartment and any other equipment necessary for the preparation and consumption of meals;
- b) Constant supply of electricity, hot and cold water, and, if the lease covers the period from 1 October to 30 April, the service of heating;
- b-bis) rooms with door and window, furnished with a table, a wardrobe , a mirror , and for every stayed in, a bed, a chair or a stool and a bedside table or equivalent, with lamp shade
- c) change of bed linen and towels at least twice a week and at every change of the host, only in homes and holiday apartments business purposes , for homes and apartments to non-business purpose it is sufficient to the supply of bed linen and linen (16);
- d) in the case of entrepreneurial management in the form provided for in Article 2 , paragraph 1, letter c), number 2)it must be ensured additionally :
 - 1) Receipt and delivery service located in neighbouring municipalities where they are located to the properties ;
 - 2) Assistance to the host for urgent maintenance of homes and apartments;
- 2-a) the presence of first aid kit and fire extinguisher;
- d-bis) Telephone point for common use only for emergency calls.

4. The “CASA VACANZA” must all meet the following minimum functional and structural requirements:

- a) Minimal surface of authorized chambers of 8:14 meters square rooms, respectively, for one or two beds, increased by at least 6 square feet for each additional bed, up to a maximum of four beds per room;
- b) In addition to the increase referred to in subparagraph a), a further increase in room size of at least 1 square meter or 3 cubic meters, a bunk bed;

- b) Rooms with door and window, furnished with a table , a wardrobe, a mirror, a waste bin , a lamp or wall lamp from the table and , for every stayed in, a bed, a chair or a stool and a bedside table or equivalent, with lamp shade ;
- d) For the rooms without bathroom for exclusive use , installation of sanitation facilities common to the extent of at least one sink and a mirror every six beds or fraction thereof, as well as a toilet room and a shower room every six beds or fraction thereof, with a minimum of one service each floor;
- e) One or more public rooms, separate from any room used as a kitchen, with a total area of at least 20 square feet for the first 10 beds and 0.5 square meters for each of the additional beds;
- f) Constant supply of electricity, hot and cold water, and, if the opening encompassing the period from 1 October to 30 April, the service of heating;
- g) weekly change of linen and for every new customer service or supply of bed linen and towels on request , if the service is not supplied as standard ;
- h) Daily cleaning of the premises;
- l) At least one telephone for common use, only for emergency calls, as well as a box containing first aid material

5. The facilities for the operation of the service of bed and breakfast or bed and breakfast , must meet the following minimum functional and structural requirements:

- a) Supply of electricity, hot and cold water and heating;
- b) carrying capacity of the room does not exceed the limits laid down in this Regulation also according to the parameters set out in Annex A2 ;
- c) rooms with door and window, furnished with a table , a wardrobe, a mirror, a waste bin , a lamp or wall lamp from the table and , for every stayed in, a bed, a chair or a stool and a bedside table or equivalent, with lamp shade ;
- d) provision of breakfast consisting of foods and beverages without manipulation by the operator, established in time with the family;
- e) Reorganization and daily cleaning of the premises;
- f) Change of bed linen and towels at least twice a week and at every change of the guest;

The presence of a box containing first aid material and a fire extinguisher;

g -bis) a telephone point for common use only for emergency calls ;

g -ter) an accessory compartment, visible also in the kitchen space to be devoted to the common use of guests .

6 . The hotels all possess the following functional and structural minimums:

- a) The number of units of housing that used for the stay and overnight guests, no less than seven;
- b) Local bathroom in each unit accommodation;
- c) c) Common room;
- d) Local for the reception, the farewell and the performance of the formalities of guests:
- e) For the local restaurant or a refreshment agreement;
- f) Electrical system complies with current legislation;
- g) Appropriate functional solutions for accommodation of persons with disabilities;
- h) Meeting the mandatory requirements under the classification of two-star hotels, except in cases of possession of classification requirements of higher and additional minimum requirements contained in Appendices A4 and A5;
- i) Access to units of housing that directly from public spaces, common areas, or lobbies and/or condominium corridors, through lockable door locking systems or other traditional custom.

7. Mountain huts all possess the following functional and structural minimums:

- a) Areas reserved to the housing of the operator;
- b) Service of food or equipment suitable for the preparation of meals; c) Space for the administration and consumption of food and beverages, with a fireplace;
- d) Are as designated for overnight dimensioned according to the parameters set out in Annex A2;
- e) Sanitation essential and proportionate to the carrying capacity;
- f) Clarification plant and waste water disposal, as feasible;
- g) first-aid equipment;
- h) at least one telephone for common use or radiotelephone equipment ;
- i) Equipment and firefighting equipment in accordance with the legislation in force;
- l) Landing pad for helicopters;
- m) Outdoor lamp on 24 hours in periods of 24 hours;
- n) For local emergency shelter open 24 hours on 24 and accessible from the outside;
- o) Electrical system complies with current legislation.

8 . The structures must :

- a) expressly indicate in all forms of communication, promotion and advertising , the extremes of the operating license issued by the municipality , or the number and date of the commencement notice in the event of a takeover pursuant to Article 7 , paragraph 5 ;
- b) Exposing the rooms and in the vicinity of the leased reception table with specified room prices and services;
- c) affixed to the outside, in a position visible to the public and with proper decorum, a plaque showing the name, classification, any additional specification, the extremes of

the operating license issued by the municipality, or the number and date of submission of the notice of commencement of operations in the event of a takeover pursuant to Article 7, paragraph 5

Lease contract:

IF instead of buying the property to open this kind of enterprise you want to rent the apartment.

For Bed and Breakfasts or Casa Vacanze it is possible to apply a residential contract with a clause that permits the locatario to open a casa vacanza or bed and breakfast that can be of 4+4 year or 3+2 year in length.

For Affittacamere, the owner needs to make a contract as a company or P.iva of 9+9 years and is a real commercial contract like the hotel type.

Condominium: in a condominium there should not be present the prohibition to open an activity.

When your property meets all these requirements you should apply for a permit:

Classification of structures:

1. The classification of structures is carried out by the district responsible for the area and is one of the necessary conditions for the issuance of the authorization referred to in Article 26 of the LR n. 13/2007.

2. The province, on the basis of the requirements set out in Article 4 and as provided in the table of the minimum classification set out in Annexes A1, A2, A3, A4 and A5, proceeding pursuant to Article 4, paragraph 2, letter b) LR n. 13/2007, the allocation of the rankings:

a) of houses, with a variable number from 1 to 3 categories ;

b) of houses and apartments , with a number ranging from 1 to 4 categories ;

c) The hotels with a number ranging from 2 to 4 stars;

d) Youth hostels, holiday homes, accommodation services and breakfast and mountain refuges, in one category.

4. A specific request may be recognized in one or more of the following higher classes, or the additional specification referred to in Article 3, if it is determined the actual improvement or increase in requirements possessed, increase appropriate category or application of specification additional.

Art 6

Procedures for classification.

1. The owner or operator of the facility shall submit to the district responsible for the area, based on a scheme prepared by the same type, apply for an allocation of the rankings, as well as for the recognition of one of the additional specifications referred to in Article 3, attaching documentation certifying the possession of the requirements for the level of classification or for additional specification required.
2. The province within thirty days from the submission of the application shall, upon verification that the name chosen is the same as or similar to others taken from accommodation facilities and outdoors in the province, the assignment of the classification and recognition the additional specification required .
3. The province will notify the person concerned and the municipality in which the property is located, and the classification given the additional specification recognized and any changes therein.

4. Once the deadline referred to in paragraph 2 , the silence of the administration provincial equivalent to the measure of acceptance of the application in accordance with Article 20 , paragraph 1, of the Law of 7 August 1990, n. 241 (New rules of administrative procedure and the right of access to administrative documents) , as amended.

Subsection amended by art. 3, Rule 21 of September 2009, n . 18

Article 7

Authorization to perform the activities.

1. The application for authorization to perform the activities covered by this Regulation shall be submitted to one-stop shop for productive activities (OSS) relevant municipality, if established, and contains:

- a) The name and location of the facility;
- d) The identity of the person who owns or operator of the facility;
- c) an indication of the carrying capacity of the structure, the complementary services offered, the period of seasonal or annual basis , as well as , the possible service of administration of food and beverages ;
- e) The classification given , as well as the additional specification may be recognized.

2. The application referred to in paragraph 1 shall also be accompanied by the following documents:

- a) The substitute declaration, made pursuant to the Decree of the President of the Republic of 28 December 2000, n . 445 (Consolidated text of laws and regulations relating to administrative documents) , as amended, attesting to the absence of the prohibitive referred to in Articles 11, 12 and 92 of the Consolidated Law on Public Security , approved by Royal Decree of June 18 1931, no . 773 and Article 10 of the Law of 31 May 1965, no. 575 (Provisions against the Mafia) , as amended , and the possession , if necessary, additional requirements prescribed by the regulations in force concerning the administration of food and beverages ;

- b) The memorandum and articles of association, exclusively for the company ;
 - c) the memorandum with the indication of the purpose of the institution, of the non - profit and religious entity , as well as the articles of association if it exists ;
 - c) the layout of the property or portion of the property or building , signed by a registered engineer or a professional , in a scale of 1:50 or 1:100 , showing the floor area of the rooms, the height , number of beds, the common rooms , the rooms reserved and any relevant areas ;
 - e) appropriate documentation to demonstrate the availability of the premises, such as, in particular, acts of sale, lease, usufruct , including the act of consent to authentic signature of the owner or tenant if different from the registrant , and, in the case of joint , the act of consent of all joint owners;
 - f) the declaration in lieu of an affidavit , signed by the applicant attesting conformity to the planning and zoning regulations in force;
 - g) Opinions and / or authorization required by law in matters of health, safety, fire prevention and accessibility of the sites or, alternatively, a copy of the request thereof certifications ;
 - h) A declaration in lieu of affidavit specifying and circumscribing, only for holiday homes, category and / or the type of users who are facing the hospitality ;
 - i) Receipts evidencing the payment of any taxes when due;
 - l) Rules of Procedure of the structure if any, to be exhibited at the entrance of the property and each room;
 - m) A document proving the conclusion of a special insurance for the risks of civil liability towards clients;
 - n) For bed and breakfast, in the case of property forming part of a building consisting of more housing units , attestation of formal communication , through registered mail with return receipt requested, to the administrator of the condominium , the activity that you want to start .
4. The authorization to operate issued by the municipality responsible for the area in accordance with Article 26 of the LR n. 13/2007, after acquisition of the certificates referred to in paragraph 2, letter g), if not attached to the application , contains (29) :
- a) The name and location of the facility;
 - b) the identity of the person who owns or operator of the facility ;
 - c) An indication of the carrying capacity of the structure, as well as , services offered;
 - d) The classification given , as well as the additional specification may be recognized ;
 - e) An indication of the period of seasonal or annual;
 - f) Whether authorization to perform, together with the receptive service, that of administration of foods and drinks.

5. The municipality, within ninety days from the submission of the application, shall issue the authorization. After this time the silence of the municipal administration is equivalent to the measure of acceptance of the application in accordance with Article 20, paragraph 1 of Law 241/1990, as amended.
6. In case of taking over the ownership or management of accommodation, if no changes are made and the investigation confirms the structural classification previously assigned, the authorization shall be replaced by the commencement notice, accompanied, in particular, the statement referred to in subsection 2, letter
7. The owner or operator of the facility will communicate any changes to the common elements contained within or contained in the notice of commencement of business, at least thirty days prior to the occurrence of the changes themselves.
8. The owner or operator of the facility must also communicate to the municipality any changes in their periods of closure and opening and closing times of extraordinary special events in conjunction with at least thirty days prior to the occurrence of the events themselves. The municipality issues a permit within fifteen days following the date of receipt of such notice. On the occasion of special events unforeseeable you can make communication even on the day of closing.

Letter as replaced by art. 4, paragraph 1, Rule 21 of September 2009, n. 18. The original text was as follows: " g) the certificate issued by the authorized person on the compliance of facilities and related facilities to the existing legislation on health, safety and fire prevention; '.

The line replaced by art. 4, paragraph 2 of Rule 21 of September 2009, n. 18. The original text was as follows: ' The authorization to operate issued by the municipality responsible for the area in accordance with Article 26 of the LR n . 13/2007 contains:"

Understanding this data is important in the start-up phase of a bed and breakfast in order to avoid problems in certification. It can be a very restricted business containing many laws and not every apartment has the right characteristics to be able to obtain a permit to open.

CHAPTER 2 : CRITICAL SUCCESS FACTOR OF BED AND BREAKFAST

The success of a business and in particular of a Bed and Breakfast depends of a number of contributing factors. Some of these factors are outside the control of the operator however some are and must be developed and considered by the entrepreneur with the scope to position the product well according to the needs of the structures targeted clients. The principal elements that the developer must consider in this phase are: The Breakfast, the location, the design of the structure, Pricing, costs and channels for marketing.

BREAKFAST:

As the name implies breakfast is a key element in the success of a Bed and Breakfast and represents a significant factor in the budgeting and therefore pricing of the operation. The name notwithstanding, a few operators do not include breakfast in the pricing choosing to charge an extra fee for the service. However this practice is by far the exception and most clients will expect a breakfast of some sort as part of the offer. There are many possible solutions to the providing of breakfast that can be considered against the marketing profile of the project. Whether the meal is self-service or served, if it is hot or cold, if it is buffet or ordered, all influence the relative costs of the service. Choices of menu and style will depend on the individual business plan of each structure however there are some considerations, legal and organizational, which will affect most enterprises.

Fundamentally there are two approaches to managing the provision of food:

1) through outsourcing

2) through internal management. In the first example, outsourcing, breakfast are offered to the client through a subcontractor who assumes the responsibility for its hygiene and the legal permits for the proving of food service. A common model in this is the formation of an agreement between the BB owner and a nearby bar. The benefits of this are: lowered overhead costs, reduction of service personnel costs, elimination of garbage refuse fees (AMA) and having extra space within the structure not used as a breakfast room.

Alternatively, for those structures wishing more control over the product offered to their clients and with space available, they can opt to manage the breakfast service internally. This option has certain legal requirements that are necessary for the operation of the Bed and Breakfast in the region of Latium

In order to have an internal breakfast service the operator must take a course and obtain the "somministrazione di alimenti e bevande" certificate. The regulations for this activity are set out the region of Latium (Lazio):

The certificate of attendance for the Administration of Food course and subsequent release of qualifying certificate are required, pursuant to Legislative Decree no. 26 March 2010, n. 59 in

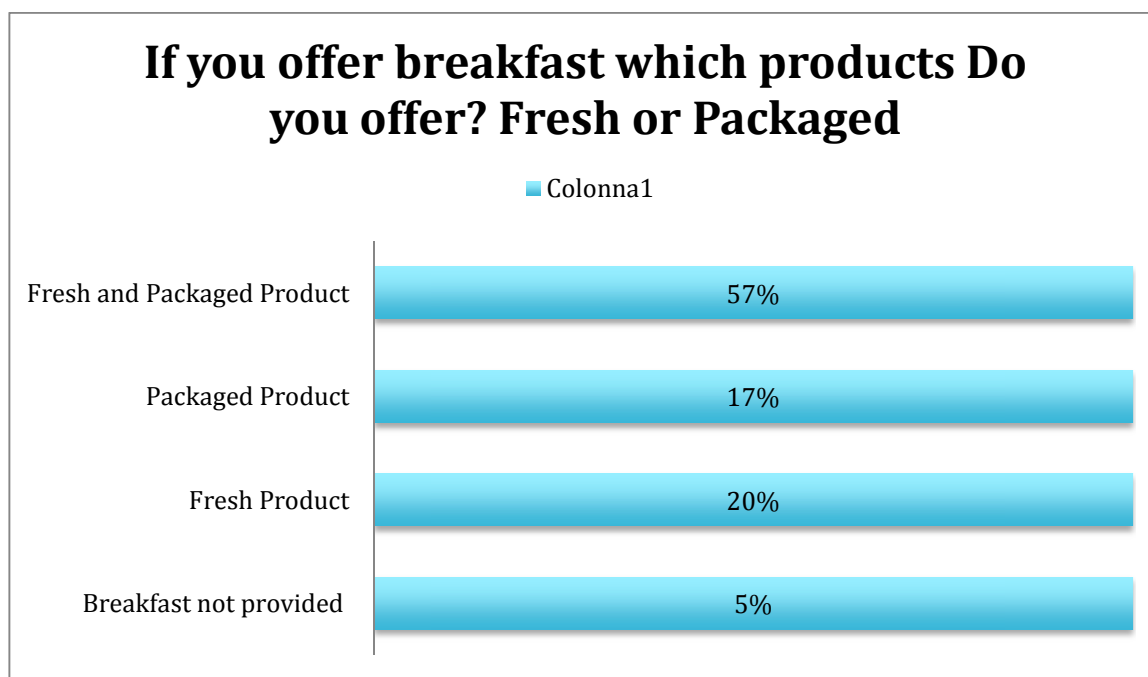
Italy for the managers of B & Bs with P. Iva and Guest Houses wanting to serve food. Those who open a B & B or Guest House must come into compliance as soon as possible.

To carry out the activity of the handling of foods and beverages it is no longer required to subscribe to the REC (Register Tradespeople) since this register was repealed by Law no. 248 of 08.04.2006 . Currently, the activity of the public administration of food and beverages is regulated by the Legislative Decree 59 of March 26, 2010, and operators must have one of the authorisation titles of art. 71,c.6..

The Ministry of Economic Development Circular no. 3642 / C dated 15/04/2011 explains the qualifications that are considered valid for the purposes of initiating an activity of food trade or the serving of food and beverages .

The courses are taught at educational institutions identified by the ministry and are also available through distance learning (ODL). In addition to the course, operators need to understand the HACCP protocols referred to in Legislative Decree 155/97.

Finally, the service of the "breakfast" in B&Bs in Italy though regulated by regional laws which indicate, whether, from time to time, it is mandatory or not to serve products packaged in single-serving portions or to contact a certified third party service provider is quite varied.. Often the answers regarding the character of the breakfasts offered are dictated by regional laws and one must delve directly into the local norms in order to arrogate the service within the norms. That said, in the below study based on a survey of 2300 hospitality managers 57% of respondents serve a breakfast of fresh products mixed with packaged products, 20% offers only fresh products and only 16% prepackaged portions. The breakfast, in most cases, is varied and takes into account the needs of the guests, as well as food intolerances and ethnic food choices :



Customers, it was found, are also attracted to a Bed and Breakfast providing a uniquely local home-made breakfast which they are unable to experience elsewhere in the world.

For this reason a good breakfast is considered an important indicator in the quality service reviews.

http://www.bed-and-breakfast.it/rapporto_bb_2014_qualita_e_flessibilita.cfm

LOCATION :

As with any business enterprise, the selection of a location is an important consideration. The needs of the client will determine their flexibility regarding the use of the service as far as its position in the city is concerned. In general, visitors to Rome are interested in staying near the major known monumental sites, and such areas as the Vatican or the Coliseum. On the other hand, others may consider their arrival using transport systems as a key factor to consider. Overall, a position with good ties to the historic centre is a desirable choice.

The Vatican area is the most considered by international clientele. Millions of Catholics come to Rome every year to see the Pope and visit the Vatican. For this reason, it is natural that the most successful bed and breakfasts are to be found in that area.

Often clients are willing to accept a greater distance from the centre when it is compensated with better price, a better service, or the demonstration of easy to use rapid transit in the area.

For this reason, quarters such as San Pietro, San Giovanni, Monteverde Vecchio, Parioli, or Monte Mario can be an opportunity, especially if the Bed and Breakfast client hopes to have an Italian home-style experience. The benefits of these secondary neighbourhoods lay in the reduced rental or purchase cost to the Bed and Breakfast operator which can lead to more competitive prices for their customers. Most customers are probably unfamiliar with the individual quarters of Rome and their relative distance from archaeological sites mentioned above, and select the service based on price or look.

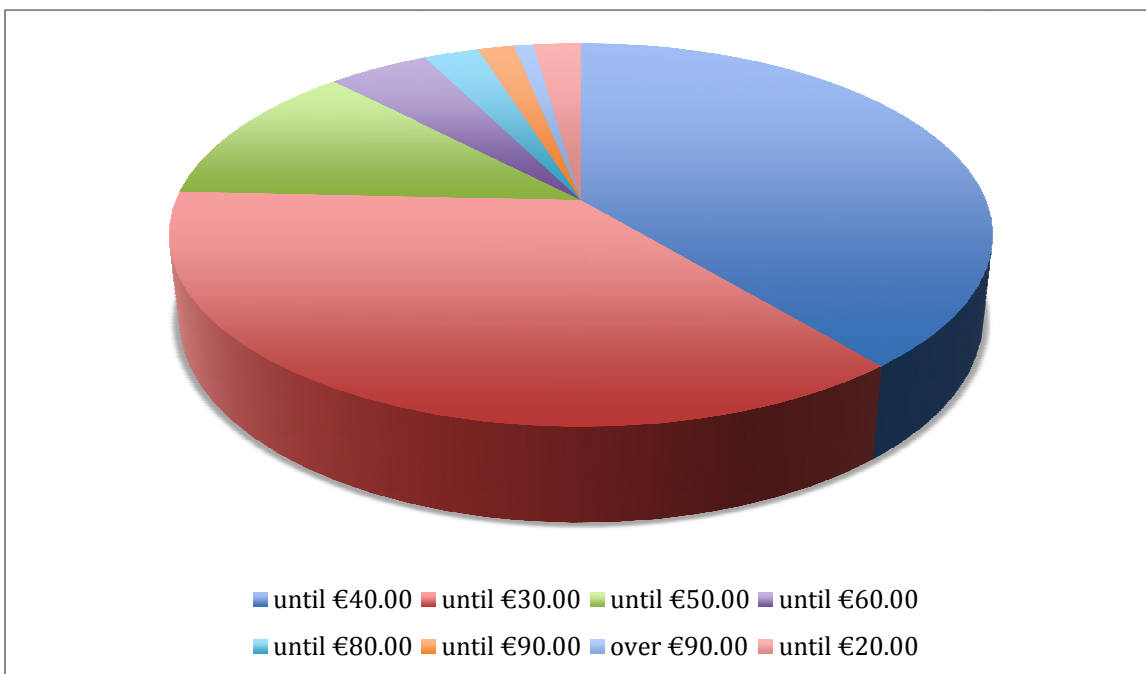
A major consideration for many visitors is not the position in the city but rather the ease of arrival to the structure using transport infrastructures. Therefore, locating near transport hubs and destinations for airport shuttles and train systems can be a strong choice, as it provides a quick economic way for clients to make the bridge from port of entry to vacation destination.

According to a study of the 30 most successful b&b in Rome, which will be shown afterwards, the most successful area to open an operation is nearby the Vatican and the Janiculum hill area near Trastevere: certainly the traditional pilgrimage to the Holy See is at play here as is the simple recognition of a zone amongst the international travellers. The appeal of Trastevere is two fold: the nearness to St. Peter's and the local neighbourhood flavour offered there. Another aspect of the large number of successful b&b in the area is that many b&b were created to host tourists during Jubilee. Most of the people then came to visit the Pope and the entire world related to the Catholic traditions.

PRICING:

Price is one of the most important indicant factors to being successful with a bed and breakfast activity.

The first action that an operator should do is to research an average price in the bed and breakfasts in the area with similar profile. One of the major strengths of a B & B is the competitiveness of the prices charged to customers. In Rome 39.00% of the structures apply an average price of EUR 40 per night per person. 36.74% charge rates of under to 30 euro. Only 0.91% of the apply rates of over 90 Euros. Most of the B & B 's (66.64%) vary rates between High and Low Season.



GRAPH SOURCE: http://www.bed-and-breakfast.it/rapporto_bb_2011_qualita_e_flessibilita.cf

After a deep consideration of the average rate the operator should take into consideration the location, services, breakfast, and design in order to determine their price and then make a cost analysis in order to understand where to set their price in order to cover costs and have a profit in line with the qualities of the structure:

COST ANALYSIS: let us consider some numbers

Hypothesis based on an extant high standard 4 room bed and breakfast in Piazza di Spagna in Rome:

There is an amount of fix costs and an amount of variable costs:

FIXED COSTS

RENTAL COST:	€60000.00
CONDOMINIUM :	€6000.00
INTERNET AND SKY :	€1500.00
INSURANCE :	€500.00

The operator with a bed and breakfast of 3 rooms knows that there will be an annual cost of €68000.00 for the above fixed costs to divide by 365 days divided then by 4 rooms. Considering an average optimistic occupancy of 75% the structure will need a minimum income to meet fixed costs of €66.00 per day per room.

VARIABLE COSTS:

CLEANING	€20.00
LAUNDRY	€5.00
BREAKFAST	€3.00
UTILITIES	€2.50
BOOKING SERVICE COSTS *	18%

One must also consider extraordinary costs such as repairs and occasional replacement of equipment. It is not easy however to determine this amount of cost as it depends on each case but a structure should be prepared to spend should any extra maintenance occur.

Given the above fixed and variable costs for the model a total per night per room minimum cost would be: €96,50

A study of the average per room price in Piazza di Spagna in 2013 would set a fair competitive price at euro 150.00.

*If the Bed And Breakfast sells the room through booking.com (-18%) at €150,00 his net profit before taxes would be €26,50

Considering the 75% occupancy at a profit of euro 26.50 per room there would be total income before taxes and extraordinary costs of approximately euro 21,000. This is in line with the common result found in B&B operations of the possibility to earn a single average salary if the business manages to run smoothly and meet its projections.

For the purposes of the above hypothesis, we have used rounded whole euro values. However in the establishing of a published price there are different approaches which can influence not only income but consumer perception as well. Using a price that ends in a 9 for example, such as 59.99, can influence strongly the consumer decision to purchase and positively affect therefore revenues. This is a common approach to pricing as can be seen in the following article by Michael Collins and G. Parsa. Other approaches include full dollar pricing and segmented pricing. Full dollar pricing, it is suggested works best in upper-end hotels where the client has less concern for the amount paid as for the quality of the establishment. This said, the study suggests the alternation of pricing strategy in different periods in order to satisfy the needs of varied customers. Business travellers for instance use the service during the week and care less about price as they have an expense account, whereas weekend travellers are often looking for the best price/experience ratio and would be attracted to the perceived lower price. The article goes on to discuss cost based pricing as opposed to consumer-driven and competition-driven pricing approaches:

Three common approaches to pricing are defined as follows:

1. Cost-based pricing: A financially driven approach to pricing in which products are priced to yield an equitable profit above and beyond all costs associated with the production of the product.
2. Customer-driven pricing: A market-driven approach to pricing in which prices are determined by the amount that customers are willing to pay for the product.
3. Competition-driven pricing: A market-driven approach to pricing in which prices are determined by the pricing level at which a targeted market-share level is attained by the firm.

Summary of pricing strategy exploratory interviews-based upon 12 interviews with industry experts.

Topic	Comments
Factors considered when establishing room rates: _ Competition _ Demand in the market	All respondents indicated that the rates of their competitors and demand indicators, such as historical trends, group bookings, denials, seasonal trends, and city-wide convention activity, were very important factors utilized to determine room rates
Reasons for utilizing a “just-below”, “psychological”, or “odd-pricing” strategy with prices ending with “9.00” (if utilizing a whole dollar pricing strategy) or \$0.99 or \$0.95 (if utilizing a dollar-and-cents pricing strategy): _ Perceived to be less expensive _ Customers expect it	Operators that utilize this strategy indicate that hotel guests perceive that the price is lower than if they increase the rate \$1.00, \$0.01 or \$0.05 as appropriate thereby increasing the tens digit. Many operators sense that guests simply expect an odd pricing strategy to be utilized since this has been the trend in the industry and is how “just about everything is priced”. “Guests expect it and are comfortable with it” according to one respondent.

<p>Reasons full-service operators do not utilize a dollar-and-cents pricing strategy to add the extra \$0.95 or \$0.99 to the room rate:</p> <ul style="list-style-type: none"> _ Avoid the perception that guests are being “nickel and dimed” 	<p>Most full-service operators do not choose to price in dollars followed by cents since they feel that it “cheapens” their image. One innovative fullservice hotelier indicated, however, that they switched to a dollar-and-cents pricing strategy company-wide and added \$0.95 to all of their published room rates. “It has allowed us to add nearly \$1.00 to our rates without our customers perceiving a rate increase at all during a time when demand has weakened”.</p>
<p>Reasons why upscale, full service hotels utilize a round-pricing strategy with whole-dollar rates that end in “0” or “5”:</p> <ul style="list-style-type: none"> _ Send a message of quality _ Price is secondary 	<p>Upscale, full-service hotels that utilize this strategy want to convey that they are sophisticated and not attempting to deceive their guests through their pricing strategy</p>

SOURCE : Hospitality Management 2006 International Journal of Hospitality Management , Pricing strategies to maximize revenues in the lodging industry, Michael Collins , H.G. Parsa.

DESIGN:

Design is an important indicator to determine the price of a structure:

The target clients of high end B & B which emphasize charm and design are those travellers who are looking for the personalized character of a place, its colours and flavours as an alternative to the standard receptive structures such as a well-known but often anonymous hotel with a five star service.

Hotels are different and offer a different type of service. They are distributed throughout the national territory and have the necessity to conform to a corporate model in order to meet the client expectations of a homogeneous service. B&B's depend on their unique character to attract individual clients who see themselves, or their fantasy, reflected in the particular structure's offering. Design-wise both B&B's and Hotels have the possibility to be interpreted as mansions of design or art de vivre, sometimes, even as true works of contemporary art. The B&B can do this while maintaining its unique personality as reflected in its operator.

Each year that passes the hospitality universe changes based on consumer's style. Consumers, increasingly informed and demanding, require comprehensive designs that reflect the consumer trend, drawing on varying traditions and styles but mostly they must be careful to meet the needs of contemporary living.

The categorical imperative is that of the freedom of the creative, the contamination of styles and choices are never arbitrary in the definition of space and functionality of contemporary living. In general, the more profitable B&B structures are those which have invested in outstanding luxury style whether traditional or modern.

An example of a successful luxury B&B whose strong points are based on design is the RESIDENZA RUSPOLI BONAPARTE, a bed and breakfast of 3 suites. Its business is based on luxury style and sells rooms in Rome from €2000,00 per night. In this instance, the family owned residence targets a small percentile of the tourist market who have a high disposable income and seek to experience the grandeur of the Roman noble lifestyle of the belle epoch. The offer is expanded to include champagne and access to events such as fashion shows or cultural events.

MARKETING AND COMMUNICATION:

For any new enterprise, the activity of getting known on the market is of paramount importance. Advertising and the presentation of the business' offer is key to the client arriving to the decision to buy your service. Traditionally, word of mouth, print media and associations have been used, however, today's market is led by the internet and the various possibilities it offers.

Certainly, the principal attraction of the web for the small business owner is the relatively low cost of using it and the immediate availability to the broadest audience, ie, the world 24/7. This factor is essential in the tourist trade and is the only cost effective way to let potential customers across the globe know about your business. For the purpose of a Bed and Breakfast there are three principal systems to consider on the internet: a personal website, the social networks such as TripAdvisor, and booking hubs such as Booking.com.

No business today can be without a website. It is the unique opportunity to present the best and most complete aspects of your business. Through it you can convey the personality of your business, attract a specific clientele, provide information about rates and services and make it easier for you client to contact you. The correct look and wording of the website is essential for matching your offer to the target consumer, whether it is a young hip look with explosive wording aimed at the travelling youth or a smooth contemporary look with soft music aimed at the middle aged spa seeking weekend get-a-way couple.

Despite Search engine Optimisation (SEO) and header tag words, a website risks remaining anonymous in the huge market of the web no matter how attractive it is. It is therefore important that one uses social forums and advice sites to promote the product. Social networks and forums targeting specific groups are a useful and usually free way to attract niche groups. If your structure has a specific feature that can be attractive to a specific group then advertising or opening a discussion in a forum popular with that group can be useful. An example might be if the structure is Kosher then getting it on Jewish travel forums would be essential. If the structure is especially outfitted for other groups like skiers or students then those forums would be of interest. On these sites trusted members of the group will write positively about their experience with the structure and this modern word of mouth will help move new clients to you. The most important forum however is that of TripAdvisor. This site does not target a specific niche or special interest group but rather helps consumers arrive to an informed decision through first hand reviews written by private persons who have used the service. It further provides a rating system and links to the website of the service to help with the customer making a choice. The benefits and consideration regarding TripAdvisor will be discussed in another section.

Lastly, the most convenient method of getting the B&B service, its rates, location, and ratings out to the public is through the very popular booking hubs such as TriVaGo, Hotels.com and most importantly Booking.com.

These services have a relatively modest cost but ensure exposure to the widest pre-filtered public possible. The well-named Booking.com has established itself as market leader for the new phenomenon of the self-organizing traveller who turns to the web in the hopes of saving money and time. A high rating in Booking.com is a guarantee to the consumer of a potentially satisfying experience and will push them to risk trying a new service as part of their travel adventure.

The internet is the most important method of marketing and communication according to another survey at

http://www.bed-and-breakfast.it/rapporto_bb_2014_comunicazione_marketing.cfm

In which 100% of respondents indicated it as their principal method for reaching customers accompanied by 80 % who said they also used word of mouth and another 20% who used brochures and flyers in their efforts. The web is now the source.

In his insightful article *Managing a Hotel's image on TripAdvisor*, Peter O'Connor offers many useful insights into trends in Online marketing:

'User-generated content sites have become increasingly important. For example, a recent survey by Opinion Research Corporation (2008) found that over 60% of respondents checked online reviews, blogs, and other customer feedback before buying a new product or service, and over 80% of those who consulted such material said that it had at least some influence on their subsequent purchase decision. ...

...The Pew Internet & American Life Project (2005) estimates that nearly half of all U.S. Internet users have published their thoughts or otherwise created content online. Similarly Forrester Research (2007) report that nearly 60% of European online consumers are taking part in social computing activities such as reading or writing blogs, reading and writing online customer reviews, or taking part in social networking sites. Consumers' motivation for doing so varies considerably. Despite what might be expected, venting frustration about negative experiences seems to be a relatively minor reason for posting a review on consumer review sites. Walsh, Gwinner, & Swanson (2004) identified three basic personal motives for passing on information: an obligation to share through a sense of community duty, the pleasure derived from sharing information, and a more altruistic desire to help others.

.....Thus user-generated content has become a prominent part of the marketplace, influencing both online and offline purchases. "

He goes on to warn about the risk of diminished credibility in reviews as caused by false reviews and user perceptions:

"Social network sites are not without their problems. While, as discussed previously, consumers often turn to such sites to reduce their information overload problem, both the proliferation of sites and sheer quantity of user reviews, comments and feedback available may in fact complicate the decision making process (Bellman et al., 2006). In such cases, credibility and trust become important, and the absence of contextual clues to aid interpretation can be problematic (Dellarocas, 2003). We normally use a variety of contextual clues (such as for example, a person's facial expression) to help evaluate opinions. As such clues are typically absent in the online environment, sites often display demographic or other data about reviewers (for example, the length of membership, their location, the number of times they have posted reviews in the past, etc.) to help build credibility and trust. Some social networks allow readers to provide feedback on the quality of reviews, incorporating such input into a rating of the reviewer.

Puri (2007) also highlights the problem of authenticity. Consumers tend to make use of electronic WOM to reduce uncertainty and risk during their purchase decision making process (L. Murphy, Mascardo, & Benckendorff, 2007). However the anonymity with which individuals can post content on social networking sites has led to some questions about the legitimacy of ratings. While registration is required on most systems, identities can be

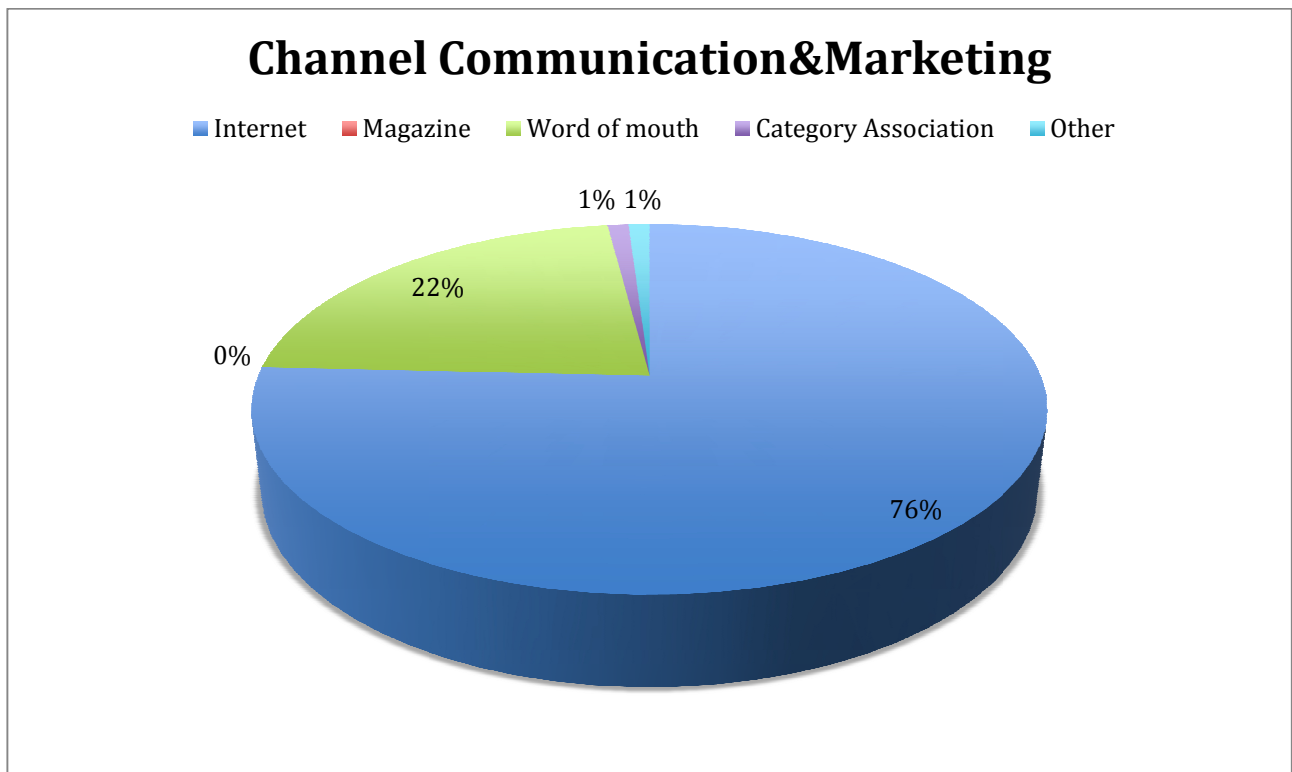
changed by simply registering using an alternative email address, making it easy to potentially manipulate the system. Thus without appropriate safeguards, participants could post dishonest reviews to enhance their own reputation or tarnish that of their competitors (Dellarocas, 2003). Left unchecked, such actions compromise the overall quality of the WOM data”.

Lastly, Collins goes on to discuss the various merits of review collection and the social aspects of user participation in forums. He cites as the most important review collection site TripAdvisor and it is important to understand that company’s activity.

Ranking:

As we can see in the research made by one of the most important websites studying bed and breakfasts:

http://www.bed-and-breakfast.it/rapporto_bb_2011_comunicazione_marketing.cfm



The highest number of reservations comes from the Internet. With over 5000 bed and breakfasts in the city centre of Rome alone there is a large amount of competition.

The leader in selling rooms is known as Booking.com, where most of the managers of structures list their property in order to get reservations with that many competitors.

What is the key to having a greater probability to be booked before others?

Working on “RANKING”, i.e., aiming to be one of the first on consumers results of a webpage.

Consumers when they look for a Bed and Breakfast often do it from their mobile phones and they don’t spend much time looking at the all the properties especially if there are thousand of

them. Therefore one of the critical factor for success is to be part of the first search results which leads to a higher number of completed reservations.

All the booking websites have some parameters to be respected in order to be on the first search results. they want to have the best property on their first search results which increases the ease of selection for the visitor and more probably results in customers happy with their experience. The trick for the operator is to identify what the parameters that each website (booking.com , airbnb.com , trivago.com , venere.com) consider and build their marketing experience through those parameters.

Booking.com for example bases its ranking conditions on the famous “7C”:

- Constant Availability
- Conversion
- Cancellation
- Correct Payment
- Commission
- Competitive Rates
- Content

The higher those indicators are present in your service, the higher your ranking will be and the higher the number of views from travellers will be.

Another indicator which may lead to a higher searching result are price promotions.

Almost all customers want to find the deal, wanting to get a good product paying as little as possible.

There are different ways to offer a Deal to the costumers:

- Basic Deal
- Minimum Stay
- Early Booker
- Last Minute
- 24h promotion

Customers will always prefer to get a good buy from their stay. Booking.com regularly sends their customers deal announcements for Hotels. Often structures, when they receive a last minute cancellation, open their calendar with an offer in order to easily attract customers and get more bookings.

An Upgrade of Room is often demanded for service-orientated clients who are willing to pay the standard rate.

In conclusion it is possible to recognize the merits of a higher override commission to the website in order to be in first research of the page.

CHAPTER 3: TRIPADVISOR

In the last few years the hotel industry has changed radically. In former times, hotels were able to base their standards on internal models and ideas and occasionally, on input from clients. Nowadays, it is possible for every client, employee and competitor to put their criticisms and their opinions on the internet. In the best case scenario, the posted opinion is based on the positive first-hand experience of a satisfied client. In all cases, the review systems on-line take the entire input and create a detailed rating about the service provided, the design, the location, and so on, helping or hindering the formation of an expected experience for the buyer during their decision to purchase moment. Should, the buyer after weighing the pros and cons of the offer, decide to go ahead, the sites can often even provide instant access for the clients about availability. Amongst these sites TripAdvisor is the world's largest travel site.

TripAdvisor offers advice from real travelers, a wide variety of travel choices and planning features. Their branded sites make up the largest travel community in the world, reaching more than 260 million unique monthly visitors, and more than 125 million reviews and opinions covering more than 3.7 million accommodations, restaurants, and attractions. The sites operate in 34 countries worldwide, including China. TripAdvisor also includes TripAdvisor for Business, a dedicated division that provides the tourism industry access to millions of monthly TripAdvisor visitors.

TripAdvisor sites feature:

More than 125 million travel reviews and opinions from travelers around the world.

More than 3.1 million businesses and properties in 134,000+ destinations, including:

748,000+ hotels, B&Bs, and specialty lodging

500,000+ vacation rentals

1,695,000+ restaurants

335,000+ attractions

17,000,000+ candid traveler photos

More than 80 new contributions are posted every minute

TripAdvisor Mobile

69 million people have downloaded the various TripAdvisor apps.

Our apps are currently downloaded at a rate of 28 times per minute.

In 2012, mobile and tablet each accounted for 10-15% of total sessions to TripAdvisor, and unique visitors doubled in 2011.

In Q3 2013, on average TripAdvisor had 108 million unique monthly visitors on mobile, up 175% year-over-year.

With features like "Point Me There" and "Trip Journal," TripAdvisor is constantly pushing the limits of mobile innovation using GPS and social technologies, to help travelers plan and have the perfect trip.

Our apps are highly acclaimed on all major mobile platforms including iOS, Android, iPad/tablet, Nokia, and Windows.

Other TripAdvisor Facts:

More than 57 million emailable members worldwide.

More than 80 new contributions are posted every minute.

On average, nearly 2,800 new topics are posted every day to the TripAdvisor forums.

More than 90 percent of topics posted in the TripAdvisor forums are replied to within 24 hours.

TripAdvisor provides easy access worldwide to leading online travel agencies including Expedia, Orbitz, Travelocity, hotels.com, Priceline, Booking.com, and more.

TripAdvisor, Inc. offers travel suppliers effective graphical advertising and cost-per-click marketing platforms.

TripAdvisor was founded in February 2000 and operates sites in 34 countries and in 21 languages including sites in the U.S., the U.K., France, Ireland, Germany, Italy, Spain, India, Japan, Portugal, Brazil, Sweden, The Netherlands, Canada, Denmark, Turkey, Mexico, Norway, Poland, Australia, Singapore, Korea, Thailand, Russia, Greece, Indonesia, Argentina, Taiwan, Malaysia, Egypt, Venezuela, Peru, Chile, and Colombia. TripAdvisor also operates in China under the brand daodao.com and Kuxun.cn. TripAdvisor, Inc. employs more than 1,900 as of September 2013.

TripAdvisor Key Features

TripAdvisor and Facebook: Wisdom of Friends – The groundbreaking personalization feature allows travelers to get advice from their Facebook friends on TripAdvisor to plan their next vacation. Supplementing the site's more than 125 million reviews and opinions from travelers around the world, the wisdom of crowds on TripAdvisor is now enhanced by the wisdom of friends, delivering personalized travel recommendations. TripAdvisor's "Friend of a Friend" also allows users to see reviews and opinions from second-degree contacts, making the user experience even more personalized and fun.

City Guides – City Guides offer convenient smartphone access to a wealth of detailed destination information including traveler reviews and opinions on hotels, restaurants and attractions, as well as suggested itineraries and offline-accessible interactive walking tours. The City Guides are automatically synched with the freshest TripAdvisor content available so users can access the latest traveler reviews and opinions on the go. This feature also offers walking tours and insider tips that can be viewed on the app without a data connection, including in-depth information on neighborhoods, history, culture, architecture, weather and

transportation. Access to offline information is particularly useful for travelers abroad, who can download the apps before they go, sparing them from expensive roaming charges.

Vacation Rental Calculator – The Vacation Rental Calculator gives travelers an easy way to compare their accommodation options, allowing them to calculate the potential savings of a vacation rental home compared to the cost of a hotel in a destination based on the number of adults and children in their travel group, the number of nights they'll be staying, and whether they plan to eat in or dine out.

TripAdvisor Flights with Fees Estimator – Offers travelers the largest inventory of flights with the best deals available and a first-of-its-kind fees estimator that helps travelers understand the true cost of a flight in a single display. The fees estimator calculates and compares the *entire* cost of a flight, including ticket price, fees for checked luggage and even anticipated in-flight food service and entertainment, based on the traveler's needs. TripAdvisor's ground-breaking flight meta-search engine also features SeatGuru airline seating maps with user reviews, airline ratings from real fliers, real-time seat availability charts, and TripTip! Alerts when business-class or first-class tickets are available for a price close to the coach fare. In addition, TripAdvisor Flights also displays rail itineraries and costs alongside flight choices for relevant routes across continental Europe.

Restaurants – Featuring more than 1,695,000 restaurants in 24,000 destinations with more than 2 million ratings and reviews as well as maps, filters and easy links to make reservations. Travelers can sort and search restaurants by price, cuisine type and “recommended for” to find their preferred eatery.

Forums – Enables members to ask for and share their opinions, advice and experiences in interactive discussions with the community. Many of the forums feature “Destination experts”; regular contributors who are passionate about the destinations they represent. Whether resident locals or frequent visitors, they have up-to-date knowledge of what's going on in their destinations.

Saves – Personalizes trip planning by allowing travelers to save hotel, restaurant, or attraction reviews to personal “My Trips” folders. Travelers can customize and expand their plans by adding maps, photos, their own notes and travel plan details.

Maps – Makes finding the perfect hotel, at the right price, in exactly the right location, incredibly simple. TripAdvisor maps mashup combines hotel popularity, price and availability with a dynamic mapping tool.

Candid Traveler Photos – With more than 17 million on the site, traveler photos give a “behind-the-scenes” view of hotels, restaurants and attractions around the world.

Hotel Popularity Index – Dynamically ranks hospitality businesses worldwide based on the popularity of a given business, as measured by the quality, quantity, and recency of content written about the business on TripAdvisor.

Check Rates – Compares hotel pricing and availability across multiple vendor commerce sites with one click.

TripWatch – Offers customized e-mail alerts on the specific hotels, attractions and destinations requested by the traveler, in the first personalized, time-sensitive e-mail

newsletter for trip planners.

Third-party Social Networking Applications

TripAdvisor has extended its brand exposure to millions of people through applications on popular third-party social networking sites, including Facebook:

Cities I've Visited, an interactive map that allows travelers to pin where they've been and where they're going next and share it with their friends. More than 20 million people have added more than 1.5 billion cities to their TripAdvisor Cities I've Visited maps, and it has consistently been Facebook's #1 travel application since its launch in June 2007.

TravelPod's Traveler IQ Challenge, which determines traveler's knowledge of geography with a timed test, has been played by more than 2.5 million people since June 2007.

SOURCE: http://www.tripadvisor.com/PressCenter-c4-Fact_Sheet.html

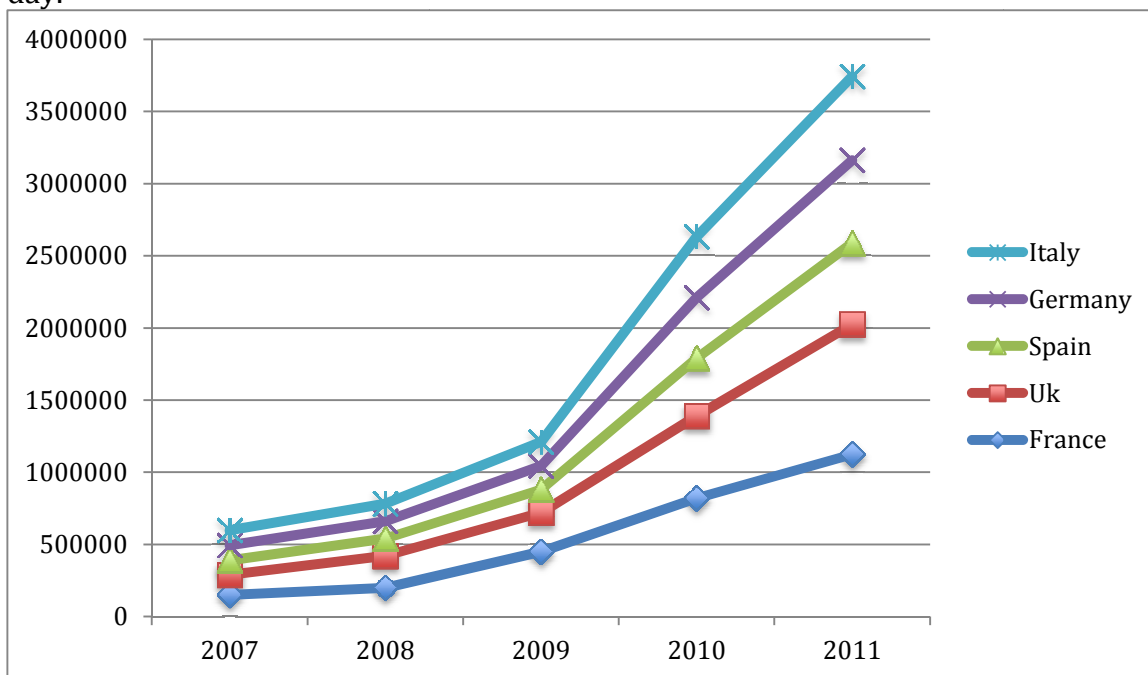
In this period, TripAdvisor is undoubtedly the most important site to conquer. That said, putting all ones efforts into that site is a strategic risk for any operator. In the world of .coms the tides can shift quickly and so it is better to diversify ones review portfolio. TripAdvisor relies on reviews that arrive from varied sources and the risk that the reviews are produced by professionals and achieved through payment is much higher. Booking.com on the other hand uses only reviews from the user of the service and so may retain their credibility longer. TripAdvisor might in the future become more considered for restaurants than for hotels so being covered in both just makes better sense.

REPUTATION DRIVES REVENUES: Tripadvisor influence on price

As we have seen in the previous chapters, a vast majority of hotel reservations come from the internet. At the beginning most people were suspicious about making a reservation on the internet, partially because of the anonymous nature of inputting the reservation but also because they were unsure of what their experience would be. During the last few years the phenomenon of sharing every travel experience online has spread and this has greatly bridged the trust gap making it more likely today that a traveller book their room through an internet contact than through any other method including the telephone.

Each B&B manager must understand that customers pay attention to the reputation of the structure through these services and know that it is the easiest way to evaluate the structure and its surroundings.

As you can see from the summary table below, the reviews have surged in many major European countries and, in particular, France, the United Kingdom, Italy, Germany and Spain. According to the analysis, over the past four years, the number of comments posted on the net has multiplied by eightfold at the European level. On the whole, more than 3,800,000 comments in the five countries concerned have been published on the net, with an average of more than 10,000 comments a day in 2011. In Italy, about 1,800 comments are published per day.



SOURCE: <http://www.bookingblog.com/recensioni-online-crescono-soprattutto-quelle-di-hotel-e-ristoranti-inedito/#sthash.DTpfRYPm.dpuf>

The reasons that explain this important growth may vary from country to country and are certainly varied, but the analysis identifies three main factors that would favour the trend:

Firstly, technological development –ie, mobiles: According to a *Comscore* study published in 2011, 104 million people in Europe have a smartphone , and in just the period between 2010

and 2011, the spread of smartphones increased by 44%. In Italy, for example, there are 20 million people who own a smartphone and the spread of mobile broadband covers 42% of the market which is higher than the other countries under consideration. Italian users show great familiarity (58%) with the new devices and a strong need to share (34 %).

Secondly, the dissemination of applications has moved in parallel with the growth of smartphones. The number of applications through which it is easier to find local activities and issue reviews on-the-go have multiplied. Today there are more than one million applications developed.

Finally, the multiplication of review sites: the ease to access places where you can drop or retrieve comments is overwhelming. It is not however limited to dedicated sites such as TripAdvisor or Yelp, but rather includes other possibilities such as geo- social networks like Foursquare and platforms related to search engines like Google Plus Local.

This elevated number of reviews by customers has led to a customer orientated market. With their comments the customers establish in part the value of the structure. As a result, the important indicator for the establishing of a market-acceptable price in today's market, are the reviews. If we analysed two similar structures, both with similar details but much different reviews we would see a striking difference in their revenue and bookings. The consumer is more inclined to book a well -reviewed property. He supposes that the other customer's satisfaction will guarantee the similar fulfilment of his needs and expectations.

Page position is another important factor. The better your review scores the higher your positioning in the results will be. This is an important factor as guests tend to book properties found in the first page of the website.

It is clear therefore that there is a direct connection between the reputation review and potential revenues of an enterprise; not only as a result of more frequent bookings but also in the fact that a regularly well reviewed structure can raise their prices in accordance to their reputation.

The effects and benefits of this phenomenon have been detailed and published on the internet by Jonathan Brinksman, Senior Web Marketing Analyst at Micros ecommerce:

“There can be no doubt: for hospitality structures, having a good reputation and good ranking on TripAdvisor means more visits.

In particular, we have seen clearly that even small movements on the TripAdvisor rankings are able to produce huge effects on the earnings of the hotel, both positively and negatively. If you are in the top ten, you get 10 % more booking per night”

In order to calculate this figure, Micros ecommerce compared groups of hotel guests and structures in different markets and calculated how the rankings on TripAdvisor affected the number of nights sold with the following results:

- “The facilities at position # 20 in its home market get 10% more nights sold directly per month compared to those who are classified at # 4
- The facilities at position # 10 in its home market get 10% more nights sold directly to the month compared to those who are classified at # 20
- The structures in the # 5 position in its market get 9% more nights sold directly per month than those that are ranked at number # 10
- The structures in the # 2 position in its market get 7% more nights sold directly per month than those that are ranked at number # 5
- The structures in the # 1 position in its market get 11% more nights sold directly per month than those that rank number # 2”

What is certainly striking about these data is that a hotel in the first place on TripAdvisor can get even more than the hotel in second place, showing that even a single position can make a difference in terms of sales.

It is true that TripAdvisor is an efficient method of promotion, however, the development of a client base based through the character and contact with the owner of a B&B is of vital importance. The perception of value is measured most surely in the first person. I looking at the successful B&Bs in Rome, it should be remembered that the startup reputations of the structures relied on the direct experience of the clients and the rapport established with the operator. Word of mouth remains an important guarantee of quality and is not subject to commercial interests and manipulation.

SOURCE : <http://www.bookingblog.com/hotel-tripadvisor-piu-in-alto-sei-piu-camere-vendi>

REVIEW HACKING:

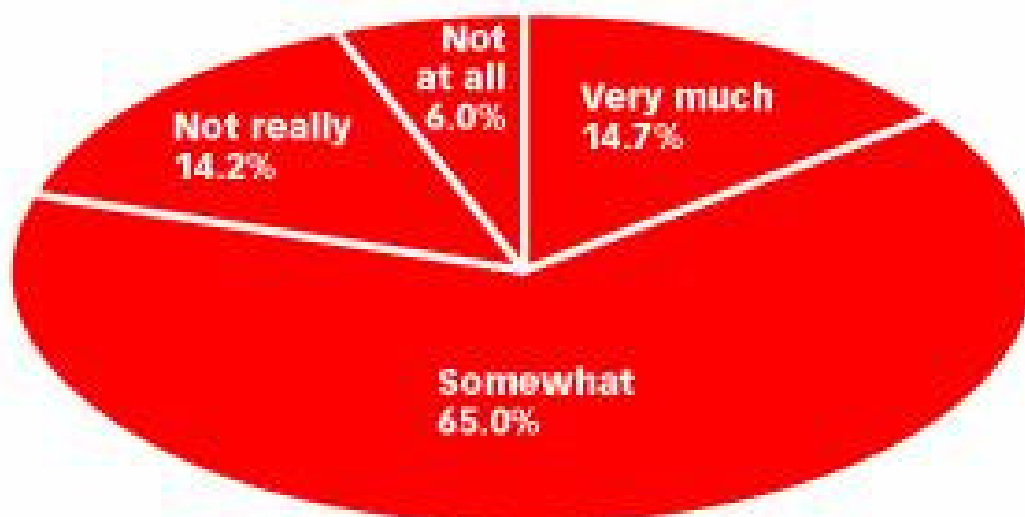
The positive influence of reviews as an instrument to generate bookings has been challenged by another phenomenon which has grown out of the markets desire to take advantage of the clear advantage of reviews, namely the practice of Review Hacking. Many large organizations use agencies who write reviews for publishing on the net. These reviews may be positive, when written for the product or service being promoted, or negative, when applied to a competitor product. The legality and ethics of this practice are still in debate in many countries. The eventual net result one would imagine, will be the destruction of the confidence that consumers place in the words published on the net. Though this is surely the future there has been as yet very little change in that direction. Let us look at how much confidence is placed in reviews by users online and to what extent one can rely on the word of the strangers who recommend a hotel to you as if they were a friend.

With the growing popularity of online reviews the risk of proliferation of fake reviews has also increased. Yet strangely this increased risk has not yet undermined the trust of consumers. The statistics would seem to confirm the continued strong confidence of users for online comments. Users continue to show a growing confidence in the reviews as an integral part of the buying process and marketing programs despite the commercial interests at play and the danger of an increased false hypothesis.

According to *eMarketer*, in a survey of 400 individuals, the level of trust in online reviews is still strong with 80% of users willing to trust the reviews with “at least some confidence”:

Level of Trust in Online Reviews According to US Internet Users, Aug 2012

% of respondents



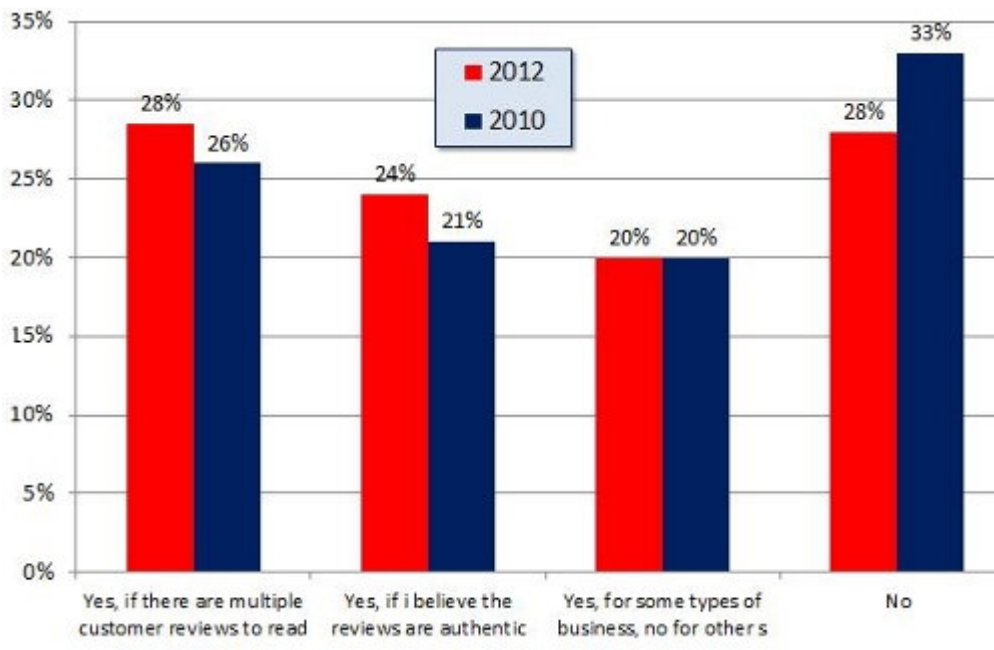
Note: n=400; numbers may not add up to 100% due to rounding

Source: AYT Market Research as cited in company blog, Aug 31, 2012

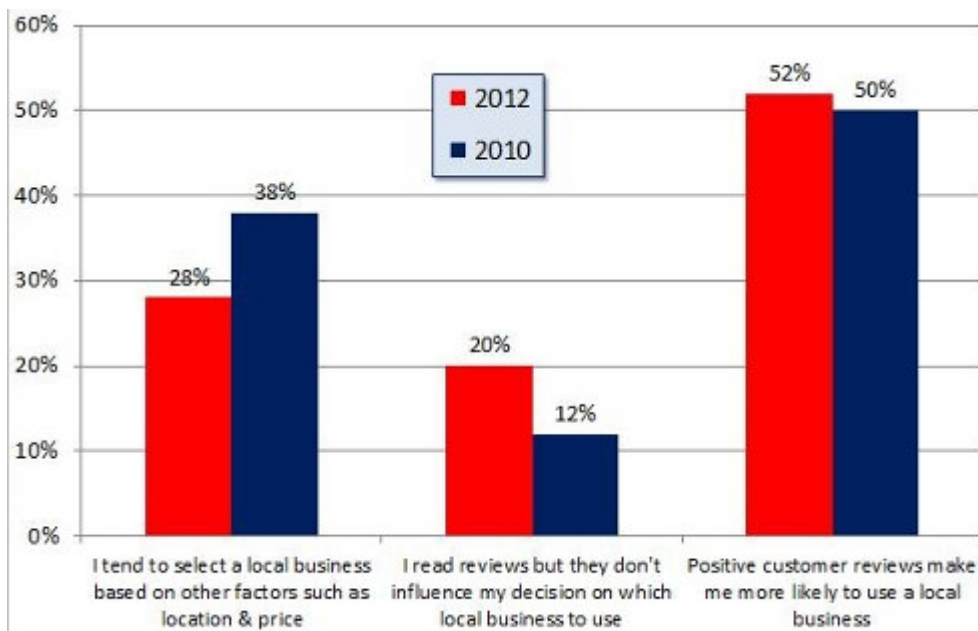
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www.eMarketer.com

This result can be further confirmed by a similar survey conducted by SearchEngineLand, who in their 2012 Local Consumer Review Survey, showed that 72% of users continued in general to believe the online reviews as much as they did personal recommendations compared to 2010. Strikingly, there was very little consumer attitude change.



In addition, 52% of users say that the reviews had a positive influence on the choice of a service:



As indicated by the author of the research: “Local consumers are becoming more familiar with the online reviews and therefore are placing more and more trust in them.”
The fake reviews however could undermine the system

In another study by eMarketer titled " *Online User Reviews: Building Trust and Boosting Sales*, " the research firm expresses concern about the growth of fake reviews in parallel with the growing importance and influence that reviews have taken on the buying process.

For now - as we have seen from the statistics above - users do not perceive this aspect and do not perceive being manipulated, but eMarketer has doubts for the future: "The question is whether consumers are able to see the false reviews as isolated incidents or if these reviews are so pervasive as to threaten the safety of buyers."

If we look at the growing awareness of false reviews and the manipulation behind it, in which: retaliation, the scandalous idea of reviews for a fee offered by some marketing agencies, fraudulent reviews written by hoteliers to increase their ranking or to lower that of the competitors, to site as examples, the hypothesis of a progressive loss of confidence on the part of the users towards this service is the only possible result.

Some of the review sites have understood that their strength is in their ability to remain trustworthy. To defend against the false ratings caused by the presence of targeted reviews many have started to develop defence systems through the filtering of collected comments and through defense algorithms that compensate for a probable false result. The necessity to presume the presence of false comments in the end however will lead eventually to undermined user confidence. In an interview taken in December 2009 at the second edition of BOT published on Interview Zoover, Micahel Aggiato stated: " A good 13% of the comments written every 2 months , are blatantly bogus testimonials by the accommodation ." Despite the condemning of the practice the problem continues to exist without hoteliers understanding the enormous damage that doing so causes to themselves and to the market.

The review sites are one of the phenomenally merit-able products from the Web : a system that gives the word to customers, recognizing the quality of the services and offering the facilities the opportunity to improve as before would never have been possible.

For the future it is imperative that hoteliers and hospitality sector operators in the first person commit to ensuring that the fake reviews do not take over and do not risk destroying a phenomenon that can do only good for their industry

Tripadvisor have the best quality control with which to investigate the veracity of a review. Their system checks the IP then sends emails to verify if it is a real e-mail account and connects the Tripadvisor visitor to a Facebook account though there remains the possibility to trick the system. With so many informed technicians around the world it would be impossible to eliminate all false attempts but the sites do actively search to block the activity of review hacking and making sites like booking reservations hubs allow the possibility to leave a review only to the customers after their stay through their registered email.

30 TOP OF TRIPADVISOR:

For a complete breakdown of the the top 30 Bed and Breakfasts in Rome according to TripAdvisor refer to the charts in **Appendix A**.

	Website	Address	N. Excellent	N. reviews	MKfamily	MKTCOPL	MKTOPERSON	MKTBUSINESS	MKT	Location	Sleeping Quality	Rooms	Services	Relation Quality/price	Cleaning	free breakfast (yes=1, No=0)	High speed Wi-Fi (Yes=1, No=0)	Room Service	Shuttle Service	Kitchen	Price for the day 18-11-2014	Publish price on TripAdvisor (si=1, no=0)	Total Rooms
Rome Armony Suites	http://www.romearmonysuites.com/	Via orazio 3	546	567	66	382	12	12	95	5	5	5	5	5	5	1	1	0	0	0	€ 130,00	0	6
Quodlibet	http://www.quodlibetroma.com/	Via Barletta 29	490	511	97	285	11	16	102	5	5	5	5	5	5	1	1	1	1	0	€ 93,00	1	4
Al colonnato di San Pietro Bed and Breakfast	http://www.bedandbreakfast-di-roma.com/	Viale delle Mure Aurelie 19	327	340	58	208	9	1	64	5	5	5	5	5	5	1	1	0	0	0	€ 94,00	1	2
B&B La Duchessa a Roma	http://www.laduchessaroma.it/	Via duchessa di galliera 14	179	183	64	73	9	8	29	4,5	5	5	5	5	5	1	1	1	1	1	€ 120,00	0	3
A View of Rome	http://www.bbaviewofrome.it/it/	Piazza del Risorgimento, 14	453	479	98	283	16	3	79	5	5	5	5	5	5	1	0	0	0	0	€ 45,00	1	4
B&B	http://www.bbtrecivette	Via	144	14	20	64	8	14	4	4,5	5	5	5	5	5	1	1	0	0	0	€	0	3

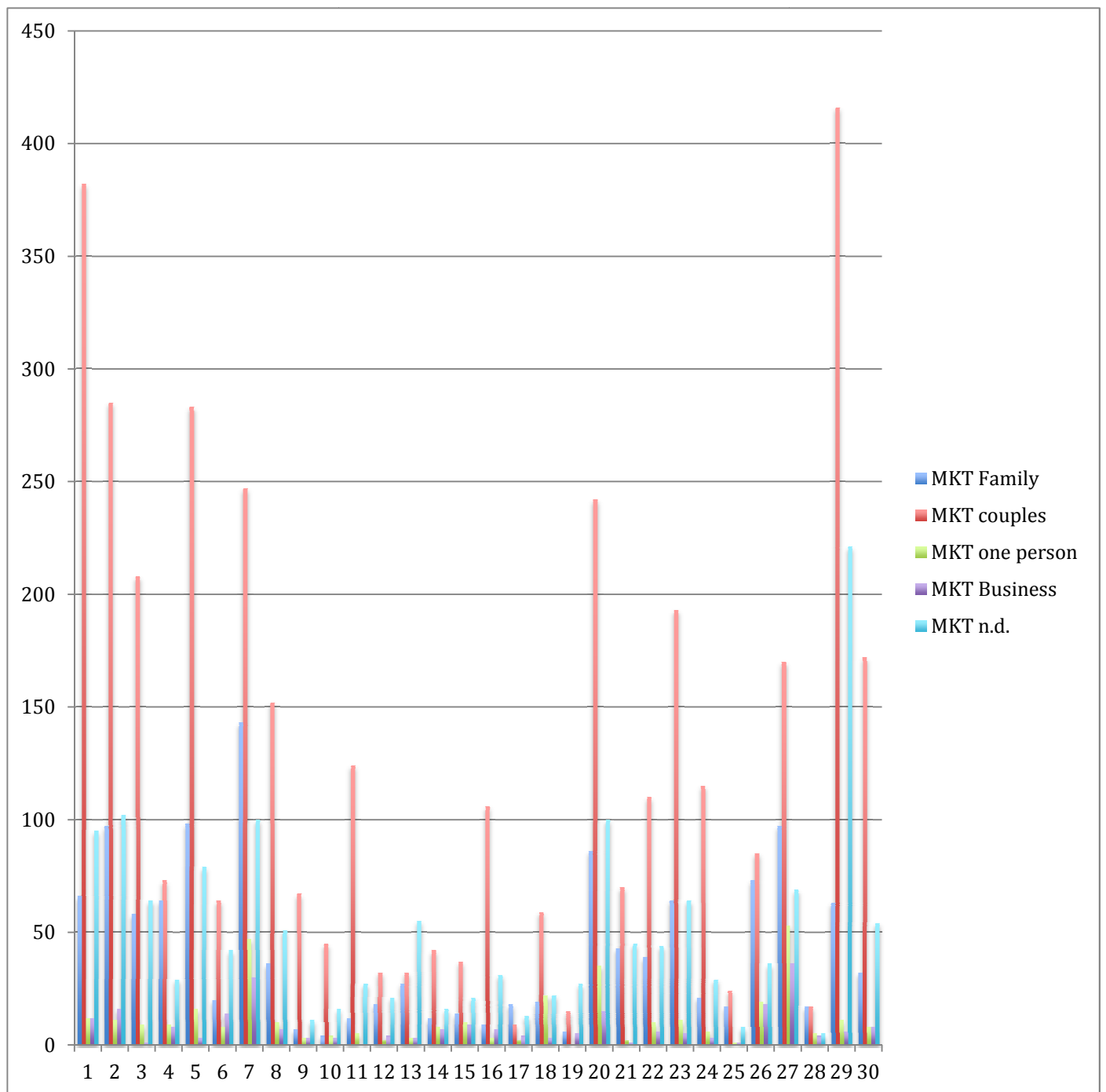
tre civette sul comò	http://www.sulcomo.it/	Bertarelli 7		8					2												60,00		
My Guest Roma	http://www.myguestroma.com/	Viale XXI aprile 12	525	567	143	247	47	30	100	4,5	5	5	5	5	5	1	1	1	1	1	€ 70,00	0	5
Althea Inn	http://www.altheainn.com/location.html	Via dei Conciatori,9	239	256	36	152	10	7	51	4,5	5	5	5	5	5	1	1	0	0	0	€ 70,00	0	3
Residenza Scipioni Luxury B&B	http://www.residenzascipioni.com/	Via degli scipioni,153	89	91	7	67	3	3	11	5	5	5	5	5	5	1	1	1	0	0	€ 80,00	0	5
Cibele Bed&Breakfast	http://www.cibelebb.it/	Via Leonina,80	72	73	4	45	4	3	16	5	5	5	5	5	5	1	1	0	0	0	€ 110,00	0	3
LA Finestra sul colosseo B&B	http://www.lafinestrasulcolosseo.com/	Via Labicana,72	161	169	12	124	5	0	27	5	5	5	5	5	5	1	1	1	0	0	€ 80,00	0	3
Guest House Casa Martini	http://www.casamartiniroma.com/	Via Barletta 29	67	68	18	32	2	4	21	5	5	5	5	5	5	0	0	0	0	0	€ 95,00	1	3
Star Of Rome	http://www.starofrome.com/	Piazza Pio XI,78	105	110	27	32	3	3	55	4,5	4,5	5	5	5	5	1	1	1	1	0	€ 69,00	1	5

B&B Cristiana	http://www.bbcristiana.com/	Via Calderini 68	83	85	12	42	8	7	6	1	5	5	5	5	5	5	1	1	0	0	0	€ 77, 50	0	2
Domus Aliberti	http://www.domusalberti.it/	Via Venezia 15	87	91	14	37	10	9	1	2	5	5	5	5	5	5	1	1	0	0	1	€ 70, 00	0	5
Locanda del Sole Luxury Suite Rome	http://www.bblocandadelsole.com/	Via della Scrofa 10	150	156	9	106	3	7	1	3	5	5	5	5	4,5	5	1	1	1	0	0	€ 25 4,0 0	1	4
Hakka House	http://www.hakkahouse.it/	Via Albenga 33	44	44	18	9	2	4	3	1	5	5	5	5	5	5	1	1	0	0	0	€ 50, 00	0	2
Aurelio Aquilone B&B	http://www.aabbroma.com/Aurelio_Aquilone_B%26B_-_Roma/Aurelio_Aquilone_B%26B_-_Roma.html	Via Bonaventura Ceretti 31	119	125	19	59	22	3	2	2	4,5	5	5	5	5	5	1	1	0	0	0	€ 60, 00	0	3
B&B Il Pianoforte	http://www.bbilpianoforte.com/	Via Cartoni 175	46	47	6	15	0	5	7	2	4,5	5	5	5	5	5	1	1	0	0	0	€ 80, 00	0	3
Suites Trastevere	http://trastevere.bbsuites.com/sito/index.php	Via trastevere 248	431	478	86	24	35	15	0	0	4,5	4,5	5	5	5	5	0	1	0	0	0	€ 74, 00	0	5
Campanella 3	http://www.campanella3.com/	Via Tommaso Campanella 3	153	161	43	70	2	1	5	4	5	5	5	5	5	5	1	1	0	0	1	€ 70, 00	0	4
Nicola III	http://www.bbnicoloterzo.com/it/	Via Nicola	190	209	39	110	10	6	4	4	5	5	5	5	5	5	1	1	0	0	0	€ 70,	0	3

San Pietro		III 8																			00		
Bed and Breakfast Gli Scipioni	http://www.gliscipionibb.it/	Via degli scipioni 53	305	337	64	193	11	5	64	5	5	5	5	5	5	1	1	0	0	0	€ 80,00	0	2
Domus Quiritum B&B	http://www.domusquiritum.com/	Via Dullio 7	157	174	21	115	6	3	29	5	5	5	5	5	5	1	1	1	1	0	€ 98,00	1	3
Inn Urbe Vaticano	http://www.innurbevatico.it/	Via orazio 3	48	51	17	24	1	1	8	5	5	5	5	5	5	1	1	0	0	0	€ 120,00	0	6
The home in Rome Kosher Bed and Breakfast	http://www.thehomeinrome.it/	Via Ravenna 34	206	231	73	85	19	18	6	4,5	5	5	5	5	5	1	1	1	0	0	€ 110,00	0	3
Capricci Roma B&B	http://www.bebcapriccirmani.com/	Via di Porta Castello 33	362	425	97	170	53	36	9	5	4,5	4,5	5	5	5	1	1	0	1	0	€ 75,00	0	4
For my Friends B&B	http://www.formyfriendsbnb.com/	Via Farnagosta 8	56	58	17	17	5	4	5	5	5	5	5	5	5	1	1	0	0	0	€ 90,00	0	2
Nicola	http://nicolasinn.com/	Via	634	71	63	41	11	6	2	5	4,5	4,5	5	5	5	1	1	0	0	0	€	0	4

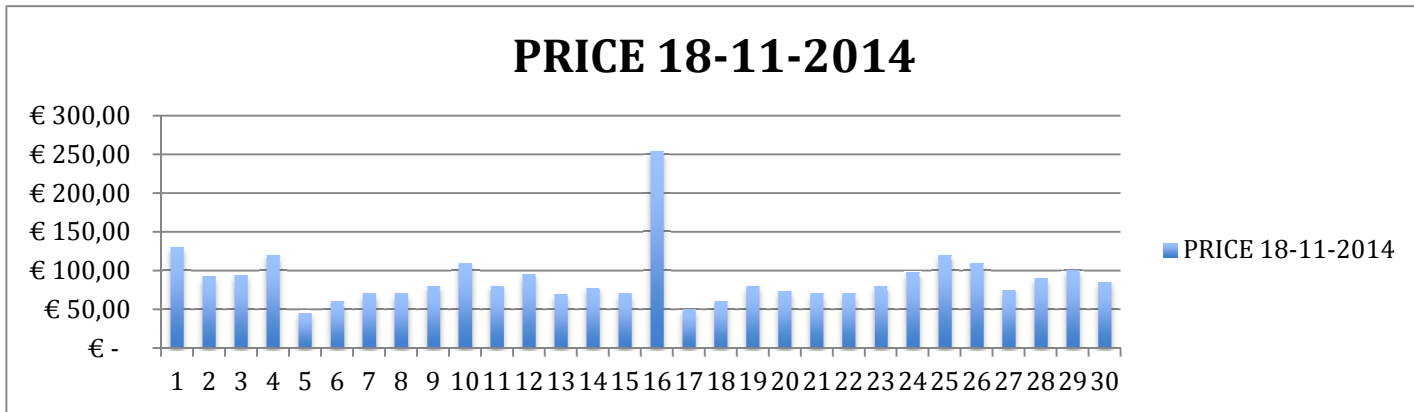
s Inn		Cavour 295		7		6			2 1												10 0,0 0		
Aldebaran Bed and Breakfast	http://www.aldebaranhoteldays.com	Via Luzzatti 19	245	27 4	32	17 2	8	8	5 4	4,5	5	5	5	5	5	0	0	0	0	0	€ 85, 00	0	3

Appendix A provides an overview analysis of B&B structures in the Vatican zone including: Location, number of reviews, principal clientele profiles, Prices, price/quality ranking, and other considerations important to TripAdvisor. We can see from the chart:



In the below chart in the red column we can see that most users are couples.

Analyzing all the physical locations of the top B&Bs it is evident that most of them are positioned in the Vatican Area.



An average price foreseen for 18th of November 2014 (for a weekday of the lowest period of the year) is euro 107.50 for the top 30 structures.

Most structures offer complimentary breakfast and wi-fi and other services like room service, shuttle service, however, the presence of kitchens varies from structure to structure. This may indicate that even if the offering has more services it does not necessarily affect the price position.

Most of the structures don't publish their price over booking hubs in order to handle reservations directly and therefore save on intermediary costs which brings an effective profit difference on the balance sheet at the end of the year.

An important consideration is that all the top thirty B&B are reviewed as excellent and most of them are scored 5 out of 5 in: Location, quality of sleep, services, rapport quality/price and cleanliness.

In order to illustrate the effects or benefits that an inn can have from a successful placement on a site such as trip advisor let us look at the following example:

Rome Armony Suite is the bed and breakfast winner of TripAdvisor for 2013:

Location: Vatican area, considered an interesting spot in Rome, but not the most prestigious one.

Design: The design is very basic, not luxury but essential with large rooms.

Service: Breakfast and Plasma TV and free Wi-fi included

Price:

According to their website the basic rate for a room starts from €130.00 per night which is double the price found in other structures with the same characteristics in the area. This price point is largely due to the structures position as the most popular on the TripAdvisor website. The further benefit to the owner of being featured so well on a review hub rather than on a booking service is that there is no booking agency fee because all his reservations come through the structures personal website. Were the structure booked through a booking site such as Booking.com there would be an 18% fee to pay. The Rome Armony Suites register an annual occupancy rate of over 90%.

Certainly, behind this success was the knowhow and hard work of the operator. Their ability to meet consistently the clients' needs and to present a service of high quality pushed the

client to take time to write a positive review and put them in the position of top rated facility. The position however, then allowed them to ask a high price and the guarantee provided by the reviews and the first page position helped ensure a regular flow of clients to their business.

As with all the top 30 structures listed in appendix A, successfully meeting the requirements of the TripAdvisor standards has indicated a profitable result. Being in the consistent top positions allows the operator to increase their pricing based on perceived and verified value. A price the traveler is willing to pay for the assurance of a good experience offered by the ranking.

CONCLUSION:

We have seen that the opening and operation of a Bed and Breakfast in Rome can be a good response for the individual hoping to use their property resources in order to secure lively income in these economic times and looking at the new entrepreneurial approach to work creation. The reality as we have seen is that a B and B realistically can provide a single average income for the owner given optimistic profits.

Overall, Bed and Breakfasts as an investment are still valid however the investor would do well to emphasize the high-end market and ensure a luxury experience. B&Bs are no longer the simple act of renting out a room in your family home. They are also exclusive well run businesses that require great energy, creativity and know how on the part of the operator in order to be competitive.

As we have seen in the above citings, being part of the top 30 Bed and Breakfast will definitely make your investment valid as it will let you fix a higher price and therefore a potential sustainable profit.

Managing a bed and breakfast through the TripAdvisor standards, is part of an effective marketing strategy, the higher the ranking on TA, the higher the possibility to set higher prices as long as the quality of service as Breakfast Design Location continues to be met.

The strategy seen as a result of this practice is that the top 30 bed and breakfasts of TripAdvisor sell their rooms during even the lowest season for an average of over €107.00 which is less than half in comparison to the overall average Bed and Breakfast room sold during the full season; an important and valid point to consider.

Competition with the lower ranked or unconsidered Bed and Breakfasts is not a problem because as we have seen, the vast majority of users book their room through the internet most often viewing only the properties found on the first page or few pages of the booking hubs.

There has been an important surge in the number of hospitality structures in the Rome area. This growth though positive is a risk for the investor as there is the risk of a market glut and the dispersion of clients over too great an offer lowering the market share for everyone. Unfortunately, the city of Rome is not taking action to limit the number of licenses and in fact has made it rather easy to obtain them.

Millions of persons are using B&Bs as an invisible income source and operating under the table which only damages the state as taxes are not paid. The state has great difficulty in controlling this type operation. The cost of following the activity is too high. The state would do well to limit the number of permits allowed in an area and to clamp down on operators working without them. The presence of so many unregistered hospitality structures only serves to reduce incomes for serious legal businesses and therefore reduce income to the state.

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