



# PUBS AND PILLOWS

**Accommodation** in pubs and bars can be an **attractive prospect for customers** looking for something different and for operators searching for an **extra income stream**

WORDS: CHARLIE WHITTING

**A**s margins get ever tighter in the on-trade, it has become necessary for operators to utilise every asset they have. In recent years, food has become a vital part of numerous operations, but there is a third seam that, although not available to all operators, offers rich rewards for those willing to tap into it.

Rooms above a pub or separate to it present operators for a fresh income stream that, if managed correctly, can generate significant revenue. "It's very expensive to start off, but you do get good returns on it once you're established," explains Peter Tydie, licensee at The Victory at Mersea in Essex.

The pub maintains a potent hold over people's imaginations and it is important to make the most of this sizeable potential. "People like staying in pubs," says Alex Reilly, managing director of Loungers. "They like the sense that they can have a skinful, then stagger up the stairs and crash in a well decorated room."

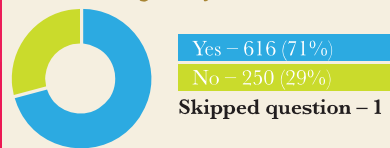
For operators, the benefits are manifold. The revenue gained through letting rooms can provide higher margins than food and drink. Beyond that, having customers staying in your venue increases the likelihood that they will eat and drink there as well, a further

## Insight

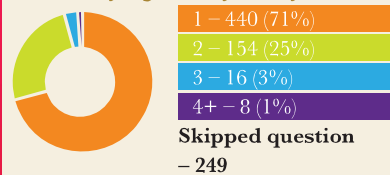
HospitalityGEM Survey results

Findings about people's feelings on staying in pubs

Have you ever booked a room at a pub for an overnight stay?



How many nights did you stay for?



boost to takings. “The beds fill the bars and the bars fill the beds,” explains Robert Savage, communication manager for Beds and Bars. “Our backpackers are introduced to the bar area with their free continental breakfast on a morning. Here they see the great lunch and evening deals, discounted for guests, and therefore they return to enjoy the food and drink menus, after their sightseeing excursions.”

**The right offer**

Accommodation styles vary from cheap and cheerful hostels to luxury hotels and it is important to conduct plenty of research on your property’s potential and what people coming to your area are after before settling on the kind of accommodation you want to promote. “Research your local area to see if there is demand for B&B accommodation,” advises Chris Moore, Star Pubs & Bar’s property and strategy director. “Is your area a tourist destination, does it attract business travellers or is there a leisure facility, such as a football stadium, which people might want to stay near?”

Your venue itself will also go a long way to determining what kind of accommodation you’re going to

offer. Simon and Sian Vickers, landlord and landlady at The Griffin Inn in Dale, don’t offer accommodation at their pub itself, but at a separate property to its rear. “We purchased the property a year ago and ran the B&B alongside the pub,” explains Simon. “The style was modern and contemporary. We found that it was warmly welcomed as it is different to what people are used to. Your rooms should reflect the rest of your business.”

In contrast, Steven Chapman runs The Walrus and The Horse and Stables in London, where the space above the two bars is let out to travellers as a hostel, a system that works well in such a popular tourist location. “It has a better overall yield, higher occupancy and greater turnover to create a better atmosphere,” he explains. “Central London occupancies in hostels on Fridays and Saturdays are close to 100% across the board.”

For other operators, converting upstairs accommodation into unique rooms with en-suite facilities is the preferred route. The Victory in Mersea has seven rooms with seaside themes throughout. “We’re not cheap, but we’re not a boutique hotel,” explains Tydie. ➔

“People like staying in pubs. They like the sense that they can have a skinful, then stagger up the stairs and crash in a well decorated room”



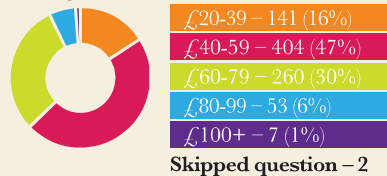
**How would you describe your experience?**



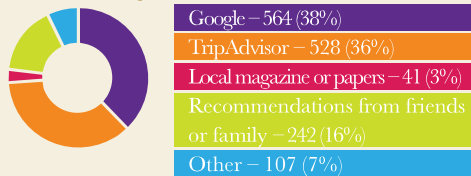
**Based on your experience, would you recommend staying at a pub to a friend?**



**How much would you expect to spend per night for a double room at a pub?**



**Generally, how do you search for accommodation for an overnight visit?**





A bed for the night at Belushi's



Local research is also crucial when considering your offer and your prices, as each affects the other. "Make sure you are aware of the average room prices locally, and if you are looking to charge more than average then you need to ensure a higher quality of room and service," advises Steve Pike, director of HospitalityGEM.

**Things to get right**

Whatever style of accommodation an operator chooses to pursue, there are still criteria that must be maintained to the highest standard. Since customers will be experiencing more of your venue they will therefore be more likely to pick up on problems. "Even Premier Inn, even if they're soulless, are clean and fitted out and that's what you're judged against," says Tydie. Chapman identifies six key ratings that affect a venue's appeal: staff, atmosphere, location, cleanliness, facilities and security. While a venue can't alter its location, getting

**"If you feel there is a bad review on TripAdvisor or a negative tweet you should be ready to respond, but be careful not to get drawn into an argument"**

the others right ensures that your guests' experience will be positive, boosting a venue's profile and customer loyalty. Someone who has a great time staying somewhere on holiday will invariably choose it again when they come back.

Customer service is imperative, as a customer's need for reassurance and comfort

increases when they are staying somewhere alien. "The more that you enjoy the job of hosting the more the guests will enjoy staying," says Chapman. "When you find good personalities mated with hard workers then do everything to keep them." Customer service ex-

tends further than making customers feel welcome – flexibility is key to encouraging repeat business too.

Creating a welcoming atmosphere in your venue almost becomes a self-fulfilling prophecy. If customers are encouraged to eat, drink and socialise in your venue after seeing the

sites, then the place itself will appeal to more people, generating walk-in bookings and further sales.

Cleanliness is absolutely essential, both to boost reputations, but also from a legal perspective. "If someone's sleeping in the room, they get much closer to the fixtures and fittings," warns Tydie. With customers experiencing your operation at a more intimate level, any failings will be magnified.

Depending on your offer, the requirements on your facilities will vary, with most customers arriving at boutique venues expecting en-suite facilities, while shared bathrooms and showers are accepted in a hostel environment. "Adding en-suite facilities will cost around £3-5k per room, subject to drainage and waste pipes being nearby," notes Moore. Whatever is offered, however, they must be in good working order and hygiene must be maintained.

While it is impossible for a site to be 100% secure, as much as possible should be done to ensure that your customers and their belongings are kept safe during their stay. Locks for doors, safe space and constant staff presence need to be assured for everyone's peace of mind. ➔



## Popular destinations

Where foreign tourists most want to go in the UK

London – 83%

Edinburgh – 50.2%

Oxford – 47.9%

Manchester – 40.9%

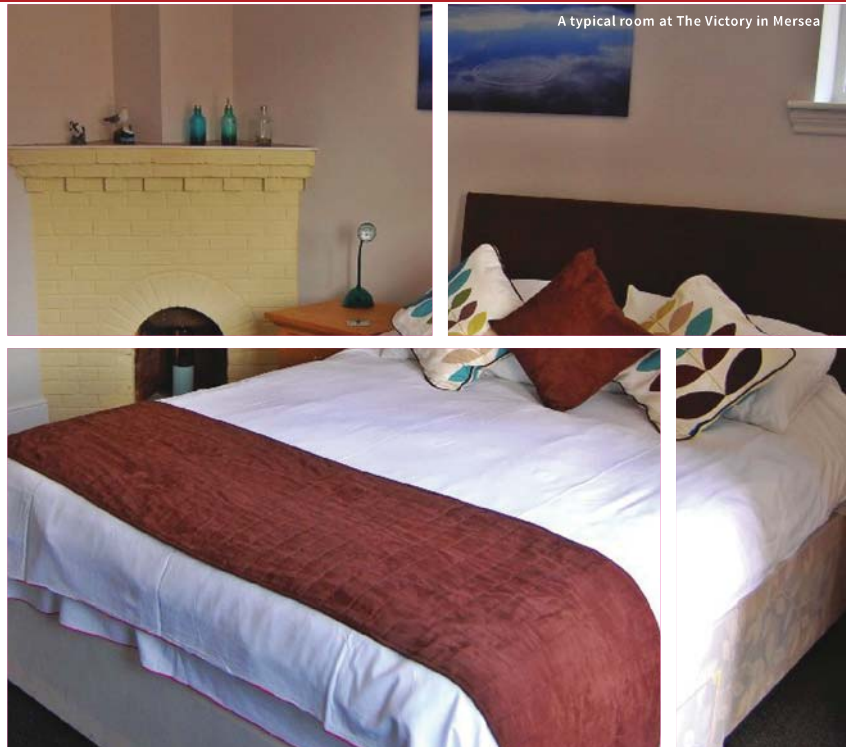
Cambridge – 38%

Bath – 35.6%

### Other places

Lake District, The Cotswolds, The Brecon Beacons, The Highlands, Stonehenge

Provided by Beds and Bars



A typical room at The Victory in Mersea

### Caveats

The most obvious downside to offering accommodation in your pub is that the business becomes a 24/7 operation, with someone required to be present throughout the night and breakfast, meaning longer hours for staff and an increase in expenditure on wages. “There are staffing issues and managerial issues around that,” says Tydie. “We can’t leave the pub at any time if there are guests here. You have to be in the operation longer hours or get someone else to do it.”

When it comes to offering accommodation, there are also essential legal requirements to fulfil, such as fire safety regulations. “If you’re going to let out rooms you need to undertake a fire risk assessment and factor into your business plan the cost of fire doors, fire alarms and possibly a separate fire escape,” says Moore.

Setting up accommodation in a venue can also be a costly affair, regardless of whether you are creating new rooms or converting existing ones, with Tydie expecting to spend £10,000 to do a room, while Moore believes that £30,000 should be allowed to build a new room and £2-5,000 to fit out an existing room. When fitting out rooms it is worth remembering that guests are going to damage and break things over the course of time, so focus on items that are easy to

maintain. “Don’t put in fixtures and fittings that are difficult to repair or replace,” advises Moore. “Make sure that you can get access to all the workings of the bathrooms, such as the shower cassette and the underside of the bath easily. This will make maintenance jobs quick, minimising down times for your letting rooms if anything goes wrong.”

### Social media and the internet

Twitter, Facebook and TripAdvisor, as well as a host of other sites, play an increasingly huge role in any venue’s promotion, serving as a platform and an advertisement to the wider world. When looking for a place to drink and, to a lesser extent, eat, there is an element of spontaneity for customers, but when searching for a place to stay – especially as a tourist – research becomes more important. As a result, a venue that is on the major sites will receive far more traffic from potential customers. “94% of our bookings come through the internet where everything is viewable,” explains Chapman. “Get the internet right and your marketing budget is nil.”

As well as this, having an accessible and navigable website will appeal far more to potential guests, making one’s online presence essential. “They need to think about a good web design, highlighting room and

£20 bn

The youth travel market is worth £20bn a year to the UK market

function packages and work with their local tourist board,” says Moore.

As well putting yourself out in the public sphere, people’s experiences, both good and bad, are continuously being added to social media sites. Accessible at the click of a button, these can boost a pub’s profile or deal it a sucker punch. When it comes to accommodation, the scrutiny is multiplied massively, so operators need to be even more on the ball. “It’s important to monitor and be responsive on social media,” says Pike. “If you feel there is a bad review on TripAdvisor or a negative tweet you should be ready to respond, but be careful not to get drawn into an argument. Keep it polite and friendly. If you feel someone is having a rant on Twitter or Facebook, publicly encourage them to get in touch with you directly via email – this shows you are willing to take their grievance seriously whilst removing it from the public eye.”

In these trying times for pubs, an extra income stream can only be a welcome addition to any business. If it can be done and done well, there is no reason why an operator shouldn’t invest in creating this extra arm to their business and this extra string to their bow. “It’s the best use of the pub buildings to keep the industry alive,” concludes Chapman. ■