

DEMAND FOR HOSTELS IN RIGA

Maryia Lazitskaya

Turiba University, Riga, 2017

Abstract

Hostels, as a type of accommodation, have been developed many years ago, but last 20 years they have become extremely popular, especially among young people and travelers on budget. It is still a popular type of lodging, mostly because of low prices, good location and an opportunity to meet new people from different countries. About 10 years ago, hostels were very popular in Europe, and their number was increasing each year. In this research, the Author investigates if hostels are still popular in Riga and current situation on this market.

Introduction

A hostel is a form of accommodation for travellers, backpackers, and tourists that houses shared dormitories, private rooms, common areas and often a shared kitchen.

According to the data of the Central Statistical Bureau (CSB), in the year of 2016 there were 1,966,244 visitors in hotels and other accommodation establishments, and the number has increased since 2015 (1,865,289 visitors). The highest share of the foreign visitors stayed in Riga – 83.5%. In general, there are 316 officially registered accommodation establishments in Riga, 49 of them are hostels.

Aim of the research: analysis of the current situation on the market and determination of the demand for hostels in Riga.

Tasks:

1. To study theory about demand;
2. To analyze history and statistics about hostels;
3. To investigate the market in Riga and to find information about all hostels in the city;
4. To make a survey for guests of Riga hostels;
5. To organize interview with hostel's manager or owner;
6. To analyze results of the survey and based on them develop conclusions and suggestions.

The environment of the research – hostels in Riga.

Object of the research – demand for hostels.

Research methodology

During the research, qualitative and quantitative methods were used. The Author implemented self-made questionnaire as a quantitative research method, because it aims to be objective and scientific in its approach and involves many respondents, but it is less detailed than qualitative data and might miss a desired response from the participant.

Structured interviews via email were used as a qualitative method. The method gives results that are more detailed and provides personal opinions, feelings and experiences, even though does not include so many respondents, as a qualitative method. Qualitative data was collected through direct interview and is rather time consuming.

Quantitative method - questionnaires

Questionnaire was created with aim to understand what kind of people are staying in hostels, why they prefer this particular type of accommodation, what needs they have etc.

With the help of receptionists, the questionnaire was given to 100 guests of 18 hostels in Riga. In the end, 75 respondents have participated in the questionnaire.

To investigate the demand it is necessary to find out the target market of hostels. The Author started the questionnaire with the question “How old are You?” which helps to understand the age of average guests of hostels in Riga. The results show that most of the respondents (53) are from 18 to 25 years old. Among respondents, there were no people older than 50 years old.

Results of the questionnaire illustrate, that 44 persons out of 75 respondents chose the option “Other” and mentioned their country of origin – Spain, Belgium, Estonia, USA, Sweden, Australia, India, Russia, Canada, UK. 18% (13 pax) of the respondents were from Finland, 10% (7 pax) – from Germany, 6% (4 pax) – Latvia, 4% (3 pax) – Lithuania, 1% (1 pax) – Poland.

All participants of the questionnaire were asked how many times they have been to Riga before, and most of the respondents (42) were in Riga for the first time. 21 persons have already been in Riga 2-3 times, 10 of them – more than 6 times, and only 2 persons have visited Riga 4-6 times.

Among 75 participants of the questionnaire, 49 respondents (65%) were solo travelers, 10 people (14%) were traveling with friends, 9 (12%) were part of a tour group and 8% of all respondents were couples.

As the next question, respondents had to evaluate importance of given criteria for them, when they are looking for accommodation. The results show that “Location”, “Safety” and “Price” are the most important criteria. “Cleanliness”, “Good reviews”, “Ambiance and local flavor” and “Variety of facilities” were less important. The average point for such criteria as “Breakfast included”, “Quiet surroundings”, “Busy surroundings” was four, so it can be counted as not very important for travelers who stay in hostels.

Next question was asked to identify how satisfied guests are with the hostel, where they were staying, from 1 to 10. Most of the reviews were positive – 22% (28 pax) gave 10 points, 20% (20 pax) – 9 points, 17% (7 pax) – 8 points, 15% (6 pax) – 7 points, 13% (8 pax) – 6 points, 11% (5 pax) – 5 points, 2% (1 pax) – 1 point (Fig. 5).

Therefore, as we can see, most of the guests highly rated the hostel where they were staying.

Among all of the respondents, 58% (44 pax) are planning to choose hostels as a type of accommodation for their next trip. 27% (20 pax) have not decided yet and answer of 15% (11 pax) of respondents was negative.

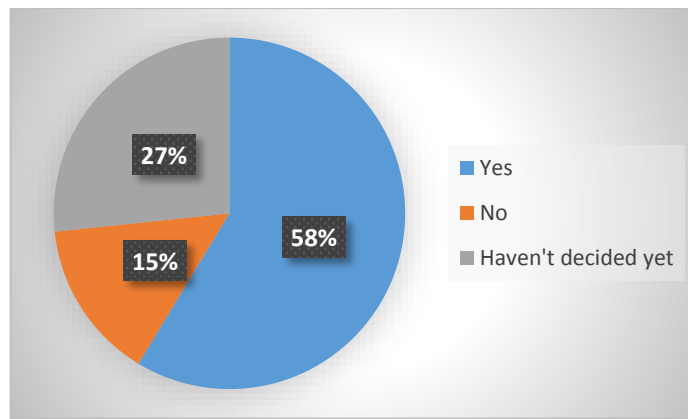


Fig. 1 Results of the question “Are You planning to choose hostels as a type of accommodation for Your next trip?”

To summarize the results of the questionnaire, it is important to mention that most of the hostels guests are solo travelers. It is a well-known fact that hotel’s single rooms are more expensive per person than doubles, so hostels give a solo traveler cheaper accommodation, in comparison with hotels.

Hostels were designed with the idea of sharing – room, bathroom, kitchen, etc. Students, couples, travelers on budget would rather share all those facilities and pay less, than staying in a hotel and pay two or three times more for separate room and private bathroom. Among respondents, there were almost no families with kids and seniors, because usually these guests prefer comfort and privacy.

Most of the respondents (42) were in Riga for the first time, 22 persons were fully satisfied with the hostel where they were staying, and more than half of all respondents (58%) are planning to choose hostels as a type of accommodation for their next trip.

In addition, from the results of the questionnaire, we can see that most of the groups of friends are coming from Finland and other Scandinavian countries, solo travelers were from Spain, India, Belgium, USA, UK, Estonia, and couples came from Russia, Latvia, Lithuania and Australia.

For guests from Finland the most important criteria while choosing accommodation were “Ambiance and local flavor”, “Quiet surroundings” and “Safety”, while Germans care about the price more than other respondents do. Tourists from UK mentioned “Cleanliness” and “Good reviews” as most important criteria, but Australian guests find “Breakfast included”, “Safety” and “Busy surroundings” are more essential than any other ones.

Qualitative method - interviews

Interviews were conducted via email with managers and receptionists of five hostels in Riga – Funky Hostel, Mr. Hostel, The Naughty Squirrel Backpackers Hostel, Bunka Hostel and Red Nose Hostel. All informants have responded within one day and answered all questions that they have been asked.

The first question of the interview was about seasonality and the busiest part of the year for hostels. All interviewees gave different answers, but it is understandable, that there is definitely seasonality in Riga’s hostels. High season starts from May and lasts until September. Most of the interviewees mentioned big holidays like Christmas, New Year and Easter as popular time as well. The manager of Bunka Hostel said that “big events in Riga also create lots of reservations – big concerts, conferences and expos – dates for those are really different and do not relate to seasonality.”

The question about “typical guests” was asked to get more information about hostel’s customers. There are different types of guests staying in Riga’s hostels – solo travelers, couples, groups and even families with kids; however, some of the hostels even have a policy of “no kids under 12 years old”, some of them are party hostels, where kids are not very welcomed.

It was quite difficult to understand from which countries guests are coming from just using quantitative research method (questionnaire), so managers and receptionists were asked as well. Most of them mentioned Germany, Russia, USA, Estonia, Netherlands, UK and France. However, all of the interviewees admitted that their guests are from all over the world, and their experience shows that there are visitors from Australia, Japan, Brazil, Mexico, China, Taiwan, etc.

Before this research, the Author has had a belief that there are no repeaters in hostels and people who stay there never come back to destinations where they have already been. However, the interviews with managers and receptionists of hostels show that there are repeaters even in young hostels, which operates only 1 year.

The last question of the interviews was about “typical requests and customer’s needs”. As most of the hostels are located in the Old Town and city center, customers complain about street noises and loud neighbors. According to given answers, guests usually have basic “touristic” needs, such as to print out tickets and get information about local infrastructure.

As we can see from the results of the interviews, hostel business is growing - more and more people from different parts of the world are staying in Riga’s hostels, because of the central location, low prices and opportunities to meet new people and to get new experience.

Hostels are a good option for solo travelers, which are becoming a trend. People are not scared to travel alone anymore, and in hostels, they have opportunities to meet new friends and share experiences.

High season, weekends and big events in Riga create potential income for hostels, however during the low season hostels are not empty.

Conclusions

- 1) The target audience of Riga’s hostels are young (18-24 y.o.) people from European countries.
- 2) The research shows that most of the hotels guests are solo travelers, but there are all kinds of guests, even families with kids.
- 3) Most of the hostels guests visit Riga for the first time, however many hostels have repeaters.
- 4) High season (May-September), big events and weekends are the most popular times of the year for hostels guests.
- 5) Staff in Riga’s hostels are usually students or young people; therefore, they are polite, friendly and have good level of English language, which is important as hostels mostly have international guests.
- 6) Location, price and safety are the most important criteria for hostels’ guests when they choose accommodation.
- 7) Most of hostels in Riga provide not only accommodation, but also free of charge activities, e.x. “Walking city tour” and “Pub Crawls”.
- 8) There will be always a demand for a cheap accommodation, especially in European capitals.

Suggestions

- 1) Hostels should promote travelling during low season – prices can be lower and it will attract tourists.
- 2) Hostels in Riga should have their own websites, as some of them only have a Facebook account.
- 3) There are enough hostels in the Old Town of Riga, so future ones can be located outside of Riga center, as not everybody likes the noises from clubs and restaurants during the nights.
- 4) Double and twin rooms in hostels are getting popular in European capitals, as a cheap option of a comfortable accommodation, but still with idea of sharing facilities. Riga's hostels should follow new tourism trends and implement them.

List of references

- 1) History of Hosteling (<https://www.hiusa.org/about-us/history-of-hostelling>)
- 2) Hostel. Definition, types, advantages and disadvantages (<http://thehostelgirl.com/what-is-a-hostel-the-ultimate-hostel-guide-to-hostels-in-europe/>)
- 3) Hostels. History (<http://www.hostelsclub.com/article-en-1166.html>)
- 4) Brief history of hostels (<https://blog.hihostels.com/2011/05/brief-history-of-hostelling/>)
- 5) Types of Hostels (<http://hostelgeeks.com/types-of-hostels-boutique-party-5-star-hostels/>)
- 6) Tourism statistics Latvia (<http://www.csb.gov.lv/en/statistikas-temas/tourism-database-30716.html>)

Hostels, guests of which have participated in the research:

- 1) Amalienhof Hostel (K. Valdemāra 49)
- 2) Funky Hostel (K. Barona 25)
- 3) The Naughty Squirrel Backpackers Hostel (Kaleju iela 50)
- 4) Riga Hostel (Merķeļa iela 1)
- 5) Riga Old Town Hostel (Vaļņu iela 43aa)
- 6) BEST Hostel (A. Čaka 52)
- 7) Martas Street Hostel (Martas iela 9)
- 8) Central Hostel (Ernesta Birznieka Upīša iela 20)
- 9) Happy Hostel (Kartupelu iela 8)
- 10) Mr. Hostel (Marijas iela 9)
- 11) Red Nose hostel (Jāņa iela 14)
- 12) Cinnamon Sally Backpackers Hostel (Merķeļa iela 1)
- 13) Central Park Hostel (Elizabetes iela 103)
- 14) Alta Hostel (Spīķeru iela 4)
- 15) Tiger Hostel (Raiņa bulvāris 31)
- 16) Bunka Hostel (Peldu iela 26/28)
- 17) Elizabeth's Youth Hostel (Elizabetes iela 103)
- 18) Hostel Latberry (A. Čaka iela 32)

Structured email interviews

Protocol

Date: 20/03/2017

Time: 18:48

Location: Riga, Latvia

Length of interviews: 10 min

Informants' names: Anete, Dana, Alex, Luis, Evita.

The positions: Receptionists, managers.

The Institutions: Red Nose Hostel, The Naughty Squirrel Backpackers Hostel, Funky Hostel, Mr Hostel, Bunka Hostel.

The questions asked: all 6.

1. What is the most popular and busy time of the year for your hostel? Is there a seasonality for hostels in Riga?
2. What kind of people stay in your hostel? Couples, solo travelers, etc.?
3. Have you ever had families with kids staying in your hostel?
4. From what countries are your guests coming?
5. Do you have repeater guests?
6. What kind of problems and requests your guests usually have when they stay at the hostel?

Questionnaire “Demand for Hostels in Riga”

Hello! My name is Maryia, I am a second year student of Turība University. I am doing my research about Demand for hostels in Riga. This questionnaire will help me to analyze current situation. Please, keep in mind that the questions do not apply to Student Hostels! Please, answer my questions - it will not take a lot of time. Your answers will be anonymous! Do not hesitate to contact me by email: mlazitskaya@gmail.com, if You have any questions!

1. How old are You? Please, select your age category.

- 18-25 26-35 36-50 older than 50

2. Where are You from? Please, name the country of your origin.

- Latvia Estonia Lithuania Russia Finland Sweden Germany Belarus Poland Other:

3. How many times you have visited Riga before this trip?

- This is my first time 2-3 times 4-6 times more than 6 times

4. With whom do You travel now?

- Friends Family with kids Alone Couple Tour Group Other:

5. How did You book Your place of staying? Please, name the service, you used to book this hostel

- Via telephone Via e-mail Official web-page of the hostel Booking.com Other:

6. How important are following criteria for You, when You choose accommodation?

Criteria	1	2	3	4	5	6	7	8	9	10
Location										
Price										
Good reviews										
Breakfast included										
Ambiance and local flavor										
Variety of facilities										
Cleanliness										
Quiet surroundings (park)										
Busy surroundings (city center, night clubs)										
Safety										

Please rate each criteria from 1 to 10, where 1 – not important at all and 10 – extremely important.

7. Please, rate this hostel from 1 to 10.

1 2 3 4 5 6 7 8 9 10

Terrible Excellent

8. What services would You recommend to include in the hostel, where You are staying now? Mark them (v)

!!! If the hostel has some of these services, mark them with a cross (x)

Free parking Laundry facilities Airport transfer Security Lockers Luggage Storage Tours/Travel Desk ATM Iron & iron board Wheelchair access Pet Friendly Other:

9. Are You planning to choose hostels for You next trip?

Yes No Haven't decided yet

10. What is usually Your first choice, when You are looking for accommodation in a new city?

Hostel Apartment Hotel Other:

Thanks for your time! Have a good day!