Does Place Matter in Hospitality?

Andres Coca-Stefaniak MIH looks at how hospitality professionals can achieve more by working in partnership with key stakeholders and local communities in town centres and tourism destinations.

Location is a dominant factor affecting the success of hospitality businesses. However, when that location is not blessed with the footfall of a busy high street or cannot rely on proximity to a nearby major visitor attraction, a more creative approach is required. Indeed, offering an attractive façade, attentive staff and excellent service may not be enough for a hospitality business to succeed unless it already enjoys a well-established reputation. Even then, research suggests that the brand of a place can still have a bigger influence on customer decisions and satisfaction than a business brand on its own, no matter how established. Hospitality professionals can have a big impact on the attractiveness of a place brand by adopting a partnership approach to managing and marketing places that deliver memorable experiences to local residents and visitors alike.

The rate of decline of town centres and high streets in the UK has reached worrying proportions. So much so, that the scale of the problem is currently under investigation by a parliamentary select committee as part of the ‘High Streets and Town Centres in 2030’ inquiry, to which I recently delivered oral evidence. Whilst research currently underway at the University of Greenwich as part of two major EU-funded projects - SHARE and GO TRADE - suggests that local businesses (including the hospitality sector) value the contribution of partnership working, traditional markets, events, and the evening economy to the delivery of authentic experiences, hospitality businesses do not always engage as actively as they could. In fact, as in retail, there are still established hospitality businesses which maintain that their brand prevails over the place brand of their host town centre and/or tourism destination, even when social media research (e.g., TripAdvisor) suggests that the attractiveness and reputation of places has a major impact on decisions made by visitors prior to travel. This also applies to visitors’ overall satisfaction with the quality of their experience.

The hospitality sector has a range of options available to improve local place brands. They include working proactively with destination management organisations (DMOs). Award-winning Visit Greenwich is a good example of success in the face of stiff competition from nearby central London. Also town centre management (TCM) partnerships and privately-funded business improvement districts (BIDs). Although TCM partnerships and BIDs have traditionally attracted mostly retailers, the recent rise of a proactive management approach to the evening economy is changing that. Purple Flag, managed by the Association of Town & City Management, is the world’s first evening economy management certification scheme and has attracted interest from the hospitality sector in the UK and overseas. It is also an opportunity to manage place brands more effectively and enhance their resilience by co-creating them with local residents. For instance, among others, NE1 - a Newcastle-based BID - runs a restaurant week. Cheltenham successfully challenged the introduction of a late night levy for additional policing after dark (associated mostly with pubs and clubs) on the basis that their BID was already providing that service as part of its Purple Flag-accredited scheme. Moreover, a recent report by British BIDs showed that half of the 305 BIDs operating in the British Isles are currently involved with their local DMOs and expect to see growth in this work.

The hospitality sector needs to retain its rightful place at the centre of these innovations and involve local communities meaningfully. Hastings Pier’s Community Interest Company is a good example. After all, the best ambassadors for places (and a thriving hospitality sector) will always be local residents, but that requires commitment from the sector.