

## ENTREPRENEURSHIP IN HOSPITALITY AND THE HOTELS IN THE SOCIAL LIFESTYLE OF RESIDENTS

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### ABSTRACT

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Despite increased scientific attention to tourism and hospitality entrepreneurship themes, there is still a general clearance of the inhabitants in relation to the hotels of their residence region, in terms of social frequency and lifestyle, caused by the fact that hotel strategies are designed only for their guests and very little for local residents. At a time when new tourism markets gain importance never felt before, this paper seeks to provide a new and in-depth understanding through a set of interviews conducted with 35 hotel professionals related to the frequency and type of consumption made by residents of the region in their hotels, as well as the entrepreneurial capacity that these companies have to get closer to local residents by creating innovative products or services more appropriate to this market segment needs, to integrate

hotels more into the social lifestyle of locals residents.

**Keywords:** Tourism; Hospitality; Entrepreneurship; Residents

### KEWIRAUSAHAAN DI PERHOTELAN DAN HOTEL DALAM GAYA HIDUP SOSIAL WARGA

#### ABSTRAK

Meskipun perhatian ilmiah meningkat pada tema kewirausahaan pariwisata dan perhotelan, namun masih ada persepsi negative penduduk dalam kaitannya dengan hotel di wilayah tempat tinggal mereka, dalam hal frekuensi sosial dan gaya hidup, yang disebabkan oleh fakta bahwa strategi hotel dirancang hanya untuk mereka tamu, dan sangat sedikit untuk penduduk lokal. Pada saat pasar pariwisata baru mendapatkan kepentingan yang belum pernah dirasakan sebelumnya, makalah ini berusaha memberikan pemahaman baru dan mendalam melalui serangkaian wawancara yang dilakukan dengan 35 profesional hotel terkait dengan frekuensi dan jenis konsumsi yang dilakukan oleh penduduk wilayah tersebut. Serta kapasitas kewirausahaan yang dimiliki perusahaan-perusahaan ini untuk lebih mendekatkan diri dengan penduduk lokal dengan menciptakan produk atau layanan inovatif yang lebih sesuai dengan kebutuhan segmen pasar, untuk lebih mengintegrasikan hotel ke dalam gaya hidup sosial penduduk setempat.

**Kata Kunci:** Pariwisata; Hospitality; Kewirausahaan; Masyarakat

#### INTRODUCTION

Following World Travel & Tourism Council (WTTC, 2019), in 2019 Travel & Tourism's

direct, indirect and induced impact accounted for US\$8.9 trillion contribution to the world's GDP, 10.3% of



around the world, US\$1.7 trillion visitor exports (6.8% of total exports, 28.3% of global services exports) and US\$948 billion GDP, 330 million jobs, 1 in 10 jobs billion capital investment (4.3% of total investment). According to the same organization (WTTC, 2020) the global economic impact from COVID-19 is has already impacted until November 2020: a drop of 43% on Travel & Tourism Jobs Lost; 43% on Travel & Tourism GDP Loss; 65% on International Global Arrivals Assumptions and 33% on Domestic. WTTC states that if there is no improvement, these values can worsen in the order of 10%.

According to this scenario, it can be understood that domestic tourism will be the least impaired of all indicators, so it is necessary to increase the bet and investment in products that promote the connection between tourism companies and their neighbors, target that can help these companies succeed not only in times of crisis, but also in low seasons, and in the current global market, which is volatile and continuously changing, companies must consistently sustain and survive during turbulent times (Sergi & Jaaffar, 2021). In this way, entrepreneurship is vital to the success of tourism and hospitality and involves agents of change (Booth, Chaperon, Kennell & Morrison, 2019)

Following Andringa, Poulston and Pernecky (2016) hospitality entrepreneurship is a crucial factor in the development and growth of many national economies and understanding the nature and challenges faced by hotel entrepreneurs is an important issue for researchers. Entrepreneurial ecosystems approach a new way to rethinking entrepreneurship (Bichler, Kallmuenzer & Peters, 2020) in hotel products and services tailored to local residents. The importance of quality of life and social life are essential factors for the individual and for business activity. In this context, the relationship between hotels and neighboring inhabitants has often been overlooked by academia and trade in general. The market segment composed by local residents is characterized

by a high simplicity, without differentiation of age, sex, marital status, academic qualifications or professional activity, having only in common the proximity of residence to the hotel. It is a target that can be an excellent consumer of various hotel products, such as the spa, the restaurant(s), the bar(s), the swimming pool(s), the gym, among other hotel products and services in exchange for payment. It is seen as another market segment capable of contributing to the revenue of the hotel establishment and without great investment in its conquest.

Considering the current times caused by the pandemic crisis, in which new markets gains vital importance for the tourism sector, this research might be relevant for hotels to better understand the needs of this market segment and how to create products and services to meet their expectations and get closer, by identifying the opinion of hotel professionals about this reality, as well as the collection of ideas capable of changing this lifestyle, in order to insert hotels into the social lifestyle of the local inhabitants.

According Abranja (2019) the profound transformations and uncertainties in fields of organizational, technological, economic, social and cultural knowledge cause some paradigms to be broken and provoke innovative ways of thinking and learning, different from the conventional. The troubled reality that Portugal and all world is facing at present makes the entrepreneurial attitude an urgency more than a necessity. It is in this field of activity that the entrepreneurial culture deserves to be fostered and brought to the incentive.

We could start this article to define domestic tourism, but in fact this is not about this tourism typology, but, fundamentally, an entrepreneurial hotel model adapted to residents of the same region where hotels are located, which allows the development of products and services that attract this population to the hotel units and integrate them into their social habits, to increase their frequency and consumption and reduce the

dependence of these companies on national or international guests.

In the State of the Art of this study, the scientific explanation was made through three fundamental topics that support our investigation. We will address the 'Entrepreneurship and Innovation in tourism', 'Hospitality and tourism experience' and 'Lifestyle framework in tourism'.

This work seeks to empirically deepen the knowledge of this relationship by hotel professionals and the need they feel in creating products and services capable of inserting hotels in the social life and lifestyle of local inhabitants and thus contributing to the growth of the frequency and consumption of their products and services in their daily lives, a relevant factor for the current times when domestic tourism gains greater strength due to the dependence that hospitality has acquired since pandemic crisis. The first phase of this work has the collection of information from hotel professionals/managers as its starting point, evolving a study with the target public, the local residents, as potential customers in a second phase. This research reports on an exploratory study of qualitative data collected through open-ended interviews, exploring why hospitality entrepreneurs do not yet consider their hotel's neighboring residents as an important market segment for the company's strategy and revenue. Therefore, 35 semi-structured interviews were conducted with a set of hotel professionals across several hospitality firms in order to know the relationship between the hotels and their neighbors, on social matters, obtaining entrepreneurial ideas to new hotel products and services targeted to this market segment.

Based on a theoretical review of hospitality entrepreneurship and lifestyle, a descriptive framework is proposed to guide this research. The primary purpose of this research is to explore the hospitality entrepreneurship and lifestyle concepts and the relationship between both.

## **Entrepreneurship and Innovation in Tourism**

Following the World Tourism Organization (WTO, 2019, p.26), "The competitiveness of a tourism destination is the aptitude of the region (...) to develop and deliver quality, innovative, ethical and attractive tourism products and services in order to achieve a sustainable growth (...)". Based on these concept it is understood that the competitiveness of any tourist destination is always associated with the aspects of quality, innovation, ethics and attractiveness. We also see that competitiveness "increase the added value of the tourism sector, improve and diversify its market components and optimize its attractiveness and benefits both for visitors and the local community in a sustainable perspective." (WTO, 2019, p.26). We emphasize the fact that this definition also highlights the importance of the local community in the tourist scene, fundamental core of this ~~our~~ article.

The link between entrepreneurship and growth originally emerged with Schumpeter (1934), claiming that the essence of entrepreneurship was in the perception and use of new opportunities in the business area and highlights the importance of the entrepreneur in economic development. Dzwigol-Barosz, Rohoza, Pashko, Metelenko and Loiko (2019) asserted that entrepreneurship within hospitality and tourism research has received increased attention, reflecting the important role of entrepreneurs within the hospitality and tourism industry for innovation and value creation. We realize the importance of entrepreneurship and innovation in the tourism development of any region and, based on the words of Abranja (2020), Sousa, Carmo, Gonçalves, Cruz and Martins (2019), Urbano and Aparicio (2016) and Rauch and Hulsink (2015), in order to achieve the economic and social growth and create jobs of any region entrepreneurship is determinant, considering its ability to create needs satisfaction of specific niche market, action

flexibility and constant activation of the local economy.

According to Policarpo and Mogollón (2019), entrepreneurship is regarded by the European Union as a powerful driver of economic growth, creating competitiveness and innovation, opening up new markets and developing new skills and capacities at different sectoral levels. European Commission (2012) asserted that entrepreneurship is the individual's ability to transform ideas into actions, managing risk, creativity, innovation, planning and project management to achieve its objectives, being considered as a strong engine of economic development and a generator of competitiveness and innovation by European Union. As Soeiro, Beltrán, Cabanas, Lange, Mao & Masarova (2016) argues, the European Union seeks to exploit the growth potential of all territories in a transversal way, which articulates solidarity and equity in the use of resources. Innovative entrepreneurship is considered a significant support for economic development and innovation may affect entrepreneurship as entrepreneurship can affect innovation (Block, Fisch, & Van Praag, 2017; McGuigan, 2016; Roig-Tierno, Alcázar, & Ribeiro-Navarrete, 2015).

The tourism sector has faced and still faces a dynamic process of transformations, reuse and uses of its spaces, new programs for the activity responsible use and, mainly, of social movement (Ceretta, et al, 2019). According to Abranja (2017), an effective entrepreneurial process is built on a correct path and where one takes on the challenge of transforming ideas into productive opportunities, making strategic decisions, betting on differentiation, talent, ideas, *know-how*, technology and capital. Given this definition, we understand that the practice of entrepreneurship is a thoughtful, planned, strategic, creative, innovative action and always in the sense of the result.

World Tourism Organization (WTO, 2019) set innovation in tourism as a launch of a new or improved element which aims to bring

tangible and intangible benefits to tourism stakeholders and the local community. But when it comes to hospitality, local units are almost always left out of their business strategies, considering that their products, services and prices are strongly targeted at guests from other territories and don't to passers-by customers who live in the vicinity of the hotels. It is crucial to understand the development of innovation and the entrepreneurship process (Abranja, 2008).

Following Ceretta, et al, (2019) the entrepreneurial development of tourism in a region must be based on sustainable criteria, in order to contribute and promote harmonious growth not only of the environmental dimension but also of the social and cultural scopes of our society. There is no progression on society in the various welfare parameters if it is not sufficiently competitive, hence the need to be innovative as a whole (Policarpo & Mogollón, 2019). Innovation in tourism improve the value of the tourism experience and the core capabilities of the tourism sector and hence enhance tourism competitiveness (WTO, 2019).

### **Hospitality and Tourism Experience**

António Guterres, United Nations Secretary-General, said in a recent official speech, that "Tourism can be a force for good in our world, playing a part in protecting our planet and its biodiversity, and celebrating what makes us human: from discovering new places and cultures to connecting with new people and experiences.

Throughout the evolution of the hospitality industry, hotel units have been built almost always aimed at the enjoyment of their guests and little or nothing to the social lifestyle of their residents. It is recognized that, traditionally, the frequency of hotels in the region is not part of the social lifestyle of locals.

The creation of tourism products should meet the needs of changes and transformations of societies, because the tourism sector tends to be a constant target of greater competitiveness

in the area, namely in the valorization of developed specificities, financial investments, qualified management and the need to meet quality standards of its products and services (Ceretta, et al, 2019). Innovative attitude becomes urgent considering the unstable reality that Portugal and the world are experiencing now (Abranja, 2020).

According to Garlet, Grellmann, Gai and Madruga (2019) from the end of the nineties of the last century, the tourist market began to be characterized more by the search for new and authentic experiences rather than only for new products, thus passing the differentiated experience to be the very attraction. "The creation of memorable experiences is the essence and reason for being of the hospitality industry" (Pizam, 2010, p. 343). It means that the experience has to do with emotion, with pleasure and for it to become memorable it takes people and special conditions. Following the definition of the World Tourism Organization (WTO, 2008), for tourism, is a social, cultural and economic phenomenon, which involves the movement of people to places outside their habitual residence, usually for pleasure. However, nothing prevents us from studying the hotel customer who is not a tourist or a guest, as an important market segment for the financial survival of the company and possible to conquer, the core concern of this research.

For Stamboulis and Skayannis (2003, cited by Garlet, et al, 2019), the creation of tourist experience involves infrastructure, context and content change. It is in this sense that this article proposes a change of strategy, tactics and operation, through the creation of products and services suitable to the neighboring population of hotels, which promote the frequency of these spaces in the social life of these people. Garlet, et al (2019) explain the three elements referred to by Stamboulis and Skayannis: the infrastructure includes the organization, technique and all aspects that ensure the delivery of goods and services and the experience's continuity; the context consists of the environment that enriches the experience and the content is the

interaction of the customer with all the elements that ensure the tourist experience. Memorable experiences are essential for tourist companies to stay on the market competitively, because the interest of any client is to live strong tourist experiences and recommend them to other people (Ritchie & Crouch, 2003; Oh, Fiore & Jeoung, 2007; Ferrell & Hartline, 2009). For this reason, more important than creating tourism experiences, organizations must create experiences that build positive memories because it is these memories that will make client share and repeat it (Norman, 2009; Kim, 2009; Tung & Ritchie, 2011).

In this sense, according to Porter (1998) tour managers must develop products and services that perpetuate in the customers memories, to ensure a positive and favorable market positioning in relation to their competitors and will gain, at the same time, competitive advantages that will conquer these consumers and foster their loyalty. It is clear that these innovations are costly for companies, as they need careful research before developing and launching products on the market, but at the same time, the urgency is high considering that the market is very volatile and these companies are required to immediate and constant response.

Hornig, Hsiao, Liu, Chou and Chung (2020) asserted that hospitality is one of the economic sectors with high growth prospects worldwide. Hospitality products innovation is very important for hospitality and is the main factor in retaining the leading competitive edge in the sector and hotels can gain competitive advantages if they can join in and implement innovations in daily operations (Koev, Chepurda, Sardak, Zhylynska & Naboka, 2019; Hjalager, 2010; Enz & Siguaw, 2003).

### **Lifestyle Framework in Tourism**

According to Zhang, Lu & Sun (2021) lifestyle is a classical sociology concept developed by sociologists Veblen, Simmel, Weber and others and has been studied for a

long time in a lot of disciplines, such as leisure and tourism.

Social life has gained great importance in in the (re)constitution of the self, making lifestyle a critical factor in this process (Giddens, 1991). In the context of social rebuilding the encounter between lifestyle and tourism has created some new phenomena (Gross, 2016; Xu & Wu, 2016). "It is an umbrella concept that refers to behaviour including that related to the relationships with the various people we meet in daily life" (Zhang, Lu & Sun, 2021, p. 2).

Initially, talking about lifestyle in a tourist context was referring only to the most important psychological and behavioral factors of life, since tourist activities were fundamentally labeled as "lifestyle-oriented" (Zhang, Lu & Sun, 2021). Nowadays it is essential to study lifestyle in a social context, where people choose their places of frequency and consumption according to their social environment and we know, in common sense, that hotel units are surrounded by a historical, romantic, dreamy and fantasy interpretation for all of us.

Wang, Hung and Huang (2019) asserted that tourism lifestyle entrepreneurship offer the potential for increased employment opportunities, create opportunities for other local businesses, growth local economic diversification and benefiting local society in cultural life and environmental maintenance.

It is known that the tourist and hotel activity benefit from a status of social glamour, that provides to the sector and all its actors a lifestyle that give a pleasure sense at the time of its consumption, on the trip destination or on the origin region. In this sense, it is understood that hotel consumption provides and increases the status and social lifestyle of its customers.

## **METHOD**

Despite increased scientific attention to tourism and hospitality entrepreneurship themes, there is still a general clearance of the inhabitants in relation to the hotels of their

residence region, in terms of social frequency and lifestyle, caused by the fact that hotel strategies are designed only for their guests and very little for local residents. At a time when domestic tourism gains importance never felt before, this paper seeks to provide a new and in-depth understanding through a set of interviews conducted with 35 hotel professionals related to the frequency and type of consumption made by residents of the region in their hotels, as well as the entrepreneurial capacity that these companies have to get closer to local residents by creating innovative products or services more appropriate to this market segment needs, to integrate hotels more into the social lifestyle of locals residents.

The contributions of this work seek to systematize the main attributes valued by hotel professionals from different tourism destinations, inside and outside of Portugal. It should be noted that the importance of this study, from an empirical point of view, will lie in the possibility of suggesting insights so that hotel managers, in general, and by their other professionals, more specifically, can create and put into practice new business strategies, products and services, which deliver a better value proposition to local residents, based on the attributes they value.

Based on the theme under analysis, it was considered essential to carry out a descriptive and qualitative study to survey professional opinions on the relationship and connection between hotels and their local inhabitants. In order to gather knowledge from those who are on the field and better understand the reality underlying the implementation of this theme, 35 online interviews with open and closed questions were carried out, supported by a script with hotel professionals from various types of hotels in the country and abroad, with different functions exercised, enriching the diversity of opinions and ideas related to the best business strategy and the best products and services so that hotels can get closer to their local inhabitants and integrate these units into the residents' lifestyle.

Quivy and Campenhoudt (2005) affirm that it is essential that the researcher becomes aware of some reference works on the research topic and on other problems that may be linked. In this sense, an exploration study is developed, consisting of reading operations, exploratory interviews and some complementary exploration methods, since the reading aims to ensure the quality of the problematization and the interviews and complementary methods help the researcher to have contact with the reality experienced by social actors.

To validate the content of these interviews, we designed a pre-test phase where we used exploratory interviews conducted with individuals who are, simultaneously, hoteliers and professors in higher education, in order to proceed to a systematic collection of fundamental data for a correct orientation of this study.

Subsequently, 35 semi-structured interviews were developed, containing specific elements presented in a defined order, to enable the construction of a global idea about the methods of measuring performance in the context of hospitality in the social life of the local inhabitants. Regarding the structure of the interviews, they followed a script consisting of three parts. In a first phase, the main purpose was to collect personal and professional data about the interviewees, in order to establish a standard in relation to the answers given. In the second phase, respondents were asked for their personal opinions on the relationship between their hotel and the consumption habits and lifestyle of local inhabitants. Finally, in the third phase, our participants were encouraged to provide their professional opinion on what to do to better this business relationship with the neighboring inhabitants of their hotel, suggesting some recommendations. The interviews were constructed in accordance with all the essential requirements mentioned by Marshall and Rossman (1999, cited by Mcphail et al., 2008), to guarantee the acceptable levels of internal consistency and reliability of the collected data.

In the State of the Art of the present work, the scientific explanation was made through three fundamental topics that support our investigation. We will address the 'Entrepreneurship and Innovation in tourism', 'Hospitality and tourism experience' and 'Lifestyle framework in tourism'.

### Sample

Most of the interviewees are male (57%) but there is, however, a balance with the female gender (43%). Thus, we verify that in the area of Hotel Management in Portugal one of the United Nations Objectives for Sustainability, that is, the one referring to gender equality, has been verified. Most of the respondents are in the 35 to 44 age group (31%), being very close to the group below, 25 to 34 years old, 26% of the respondents and the next one 45 to 54 years old, also with 26% of the participants.

With regard to academic qualifications, the majority of respondents (51%) hold a degree in the area, followed by 34.3% of respondents with a Master's degree. The remaining individuals have other types of education. Most of the interviewees reside in Lisbon (31%), with the others being distributed throughout the national territory, including the Archipelagos of the Azores and Madeira. There are also 11% of interviewees living outside Portugal, one close to Paris, one in London, one in Rio de Janeiro and another in Porto Seguro, both in Brazil, which became an added value for this study, considering their knowledge of a reality different from the Portuguese one.

In what concerns functions, 51.4% of the interviewees are Directors of a hotel unit and 17% are Front Office Managers. The others are divided into different functions within a hotel, such as Rooms Managers, Sales Managers, Operations Director, Reservations Department, Head of Talent, Sales Manager, Night Auditor and Account Manager. This diversity of functions allowed us to gather different points of view and opinions, thus enriching the work in terms of inputs.

Identification of Hotel Units by classification (from 3 to 5 \*) and location, the 35 hotels that took part in this interview survey are mainly located in Lisbon (40%), followed by Albufeira (6%) and one in various regions of the country, one in Marrakech, one in London, one in Rio de Janeiro and one in Thais (on the outskirts of Paris). As we mentioned earlier, this purposeful diversity enriches the study by giving us other ways of thinking in multiple geographies. Of these 35 hotels, 46% are 5\*, 51.4% 4\* and 6% 1\*.

## RESULTS AND DISCUSSION

### The Frequency of Visits by Locals According to our Interviewers

Most of the accommodation units are not frequented by locals, with a few exceptions, for hairdressing, swimming pool, SPA or bar services. Family celebrations (weddings and birthdays) are also reasons for locals to frequent the hotels in this study.

### Why don't Hotels have Local Residents Attending More?

The main reason associated with non-frequency|consumption by the community of the services provided by hotels in the region of residence has to do with pricing issues. According to our interviewees, hotels are still associated with high prices, probably because they are mostly frequented by international travelers with higher purchasing power. Also, over the years, hotels focused most of their strategies on those foreign travelers, so the locals were not a priority. If the hotels don't have offers adjusted to the local market, they won't have the demand either.

### The Importance of Local Residents to the Hotels

When asked about the importance that local residents have to the hotel(s) most of our respondents' state that they are key to the success and good name of the brand, using arguments such as "(...) Yes, not only because they can be an important source of revenue but also they bring 'authentic experience' to other

guests". "(...) Locals can make it or brake it. When we say the worth of mouth is the best marketing strategy, that's it! Locals have relatives abroad, locals can talk about you, locals talk to tourists in the local shops, local are everywhere and can promote your hotels. And during pandemic moments you also can count on them when your markets are failing on you". "(...) Yes, a lot! Because they increase the volume of business, but they are also important in publicising the hotel. For that it is necessary to interact in creating a sense of belonging of the locals in the hotel so that they feel honoured or proud". "(...) Without a doubt, above all for the F&B and SPA". "(...) We really feel local residents are extremely important, as some of them are our longest-term costumers, and they belong to our story and as a part of our identity. If we think deeply, some cities oldest hotels are the most iconic places of theirs, and locals contribute a lot for that long lasting history ".

As this is a generalised opinion, we can safely say that the hotels in this study consider local residents to be an added value for the brand and for their market positioning.

### What Hotels do to Attract More Local Residents

Following on from the previous question, when asked if hotels are taking measures to attract local residents, we obtained answers such as "(...) We still have a long way to go, through targeted offers, but above all by the correct and targeted communication of them". "(...) There is much more to be done and not only when occupancy is low. There should be an involvement all year round ". "(...) Depending on where are located, sometimes hotels would need to provide more variety of services, in order to attract more locals. Hotels should focus more on locals as the safest way to balance and compensate the differences of occupancy rate among the several times of the year". "(...) The Hotel industry is closed inside a box. There is a tremendous need of management outsiders coming from other industries to breakout the traditional thinking reationale". "(...) With the pandemic of

Covid-19 Hotels had to review their strategy and think of new ways to attract the locals. At the moment I believe that most of the hotels are doing everything they can because there is no other alternative. Before the pandemic things were quite different and lots of Hotels didn't have to think about specific offers for the locals due to the high demand of international travels.”

From the type of answers, we can conclude that hotels in their relationship with local residents are still 'tied' to conservative management models, not betting on this niche market, and on the potential contribution that they have to make not only to the balance of cash flow in their day-to-day operations, but also for the sustainability of the brand in the territory.

### **The Level of Entrepreneurship in Hotels to Attract More Local Residents**

Faced with this reality, what can hotels do to attract locals? The answers to this question show that the managers/directors in our sample are aware of the need to invest in the locals, not only in the people themselves, but also in the local culture and products of the region, creating unique and authentic experiences for guests, whether they are local or from nearby geographies. “(...) by creating new experiences for locals”. “(...) Yes, having an exclusive program for local residents with attractive rates and simple and unique experiences that only a hotel can offer”. “(...) Hotels can create a better marketing strategy to keep locals considering the market benefits that It's possible to give. Hotel Card to add points and the more times a local come, the more point they get. ex. Aviation Miles Card”. “(...) Hotels can be more proactive in attracting more locals by offering a more variety of services, and specially more flexible ones. We could make a comparison with shopping malls, that concentrate a lot of different services all in one place, as that's very convenient for the people and attracts them. If we could compare, hotels should also concentrate in their business core, more services, and these

should be more focused to locals. They could also adapt the ones they have to create a higher connection and link in the communities they are inserted”. “(...) Certainly. There may be services that can be added to the hotel portfolio in order to attract more locals. An example that we have seen recently during the pandemic was a hotel with swimming pool in Lisbon offering a package to spend the day at the pool in the city with discounts in f&b.”.

### **The Most Products and Services Consumed by Locals at the Hotel**

When asked about the consumption habits of products and services by locals at the hotels run by our sample members, the answers are very similar regardless of the location or classification of the hotel, being mostly in F&B and events services, especially weddings, christenings, anniversaries. In other words, mostly services related to leisure, health and restaurant areas, namely: spas, gyms, swimming pools, bars and restaurants.

### **The Entrepreneurial/Innovative Products and Services that Hotel Could Create to Attract More Locals**

In order to collect data that allow us to make proposals for the future in the short, medium and long term, we questioned our interviewees about which products and services could be improved or introduced in their hotels in order to attract more local residents. Some of the suggestions come from strengthening the F&B services but focusing on local products and culture of the region. Examples of some proposals in our interviewees' answers “(...) Cultural programs, such as small concerts or thematic conferences with lunch or dinner included”. “(...) Design of public spaces, outlets easily accessible from the street, informal service, flexibility, local products”.” (...) Workshops of traditional gastronomy, contemporary cuisine, new trends in gastronomy or signature cuisine; sports and adventure competitions”. “(...) Participation of the hotel/employees in community events; Recreational and cultural activities aimed at local people”. “(...) According to the right

target, hotels should have community managers to dynamize entertainment social rituals. They should implement sponsorship tactics to attract niche clubs and organizations to establish their social habits within the unit facilities."

As this is a research that follows a qualitative methodology through the application of interviews to a sample of pre-selected specialists, to validate the answers we reinforced the confirmation questions in relation to the need to establish, or not, strong ties with the local community and the answers are unanimous in the affirmative". Partnerships with local businesses ". "(...) Know the traditions of the region and integrate these traditions in the hotel with the help of local residents. Hire as many local residents as possible". "(...) Attractive discounts, invite local influencers, social responsible policies within the local community". "(...) Cultural events and exhibitions; Involvement of local protagonists in the actions carried out". "(...) Have a open day and invite locals to show their products, services, small business". "(...) Offering more products community targeted, is one of the best ways to integrate hotels more into the social lifestyle of locals. Also providing more services that meet locals need, would make hotels be part of their daily life and lifestyle. Contributing to community causes, also shared by the locals is also a good way to integrate hotels in the places they are located."

### **The Entrepreneurial/Innovative Ideas Developed by the Hotel to Help Make the Region a More Sustainable Destination**

Regarding the connection not only to the local community but also to the surrounding territory, our interviewees are also unanimous in their will to develop sustainable projects from an economic, social and environmental point of view, which contribute to a balanced development that brings benefits to the Region and its inhabitants, through activities linked to Tourism, as the excerpts below.

"(...) To give more importance to the environment, lifestyle and sustainability". "(...) Hotel brunches and breakfasts, business segment breakfasts, picnics in hotels with gardens and interesting exterior areas, genuine food workshops including local products". "(...) Implement a 'green' project from A to Z and circular economy best practices. Invite locals to help doing social activities (ex. beach cleaning, food distribution to the poorest)". "(...) Reduction on energy consumption using light sensors all around the hotel in public spaces, less water consumption using tap filters to pass less water and keep the same pressure. Close hotel floors when there is low occupancy so you can save on energy and heating. Change from plastic to paper bags and card bottles or use refill flasks instead of disposables amenities bottles". "(...) boosting the consumption of local/regional products; betting on local suppliers; supporting and developing sustainability projects with local institutions (public and private) in order to boost the region". "(...) The hotel uses natural products made by local artisans, based on regional products such as coconut, wood and plants. We recycle cooking oil, plastic, paper, cardboard, soap, glass. Solar energy is used for heating. We have our own treatment plants for drinking water (ETA) and for effluents (ETE) such as laundry water and sewage water". "(...) Collaborate with sustainable institutions, buy from local producers and support sustainable food suppliers. Avoid the use of certain materials and prioritize recycling options. Use sustainable and bio gradable cleaning products and try to create awareness between the clients."

### **Conclusions and Recommendations**

A critical examination of the literature indicates that further work is needed to understand the relationship between hotels businesses and their neighbor's social life environments. Specifically, the nature of personal and environmental factors influencing this distance remains unknown, despite realizing in empirical work that price is the basis of this distancing.

Although studies of entrepreneurship and hospitality businesses have indicated as very important the new and innovative products and services naissance in this sector, to fight the new society challenges, the studies don't address the relationship between hotels and their community of residents, and its raisons has not been identified. This study filled this research gap, offering new and in-depth insights into hotels' entrepreneurial and innovative products and services to the local inhabitants.

Focusing on hotels workers opinion, this work aims to examine the opinion of hotel's professionals about the relationship between hotels and their neighbor, as well as knowing the collection of ideas capable of changing the local inhabitants' lifestyle, to insert hotels into their social life.

Taking a qualitative approach, to gather knowledge from those who are on the field and better understand the reality underlying the implementation of this theme, 35 online semi-structured interviews with open and closed questions were developed, containing specific elements presented in a defined order, to enable the construction of a global idea about the methods of measuring performance in the context of hospitality in the social life of the local inhabitants.

From the analysis of the results obtained with this interview survey, we can conclude that the sample is valid. We interviewed 35 people in charge of hotels in different geographical areas, with different management experiences and in different environments and climates. It is unanimously agreed that, regardless of the classification of the hotel unit and the territory where it is located, local residents are an asset to the brand, contributing not only to increased turnover, but also to the hotel's image in the territory and in attracting new clients. Guided by a social, scientific, and empirical cognitive theory, this study finds that it is fundamental to bet on the culture(s) not only in the territory where the hotel is located, but also in the neighboring territories and regions. It is also fundamental to invest in

local products and in the labor force existing in the region.

The investment in the differentiation of the offer and that bet in the region in terms of products, culture, and human resources, benefits not only the sustainable development of the territory and its populations, but also contributes to the visitor having a memorable, unique and authentic experience. This visitor/consumer may well be, in the short term, the local resident, who is given the chance to 'experience' the best that the hotel has to offer, based on the local heritage, with which it identifies. This work was the first of two phases, that collected a set of information from hotel professionals/managers as its starting point, and the second phase evolving a study with the target public, the local residents, as potential customers. Finally, a set of proposals for engaging in entrepreneurship in the hospitality sector is proposed, such as the study of the use of hotel products and services suitable for local hotel residents and the study of the needs of their neighbors that help the hotel unit get closer to this community by turning them into regular customers.

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