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# Community-driven hospitality: a boutique hotel's model for sustainable growth

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## Abstract

**Purpose** – This paper aims to highlight a replicable model of sustainable hospitality that integrates social, economic and environmental impact in a heritage tourism context. It examines how a boutique hotel enterprise in the Medina of Tunis reinvests profits locally, sources from informal suppliers and designs immersive guest experiences to drive both profitability and community revitalization.

**Design/methodology/approach** – The study is based on fieldwork conducted during a Fulbright Specialist assignment and draws on qualitative observation and practitioner collaboration. The operational model of Dar Ben Gacem is used as a case example to extract actionable insights applicable to hospitality professionals in under-resourced or culturally rich urban areas.

**Findings** – The hotel's approach centered on neighborhood hiring, community-based cultural programming and profit reinvestment has led to increased guest stays, stronger staff retention and measurable improvements in local economic engagement. The paper provides detailed strategies for implementing similar practices in boutique and independent hospitality operations.

**Originality/value** – This paper offers a unique perspective by focusing on hospitality practices that emerge from within informal economies and heritage preservation efforts, rather than from top-down industry standards. It bridges the gap between sustainable tourism theory and day-to-day operations, providing actionable, real-world guidance for hospitality leaders aiming to balance profit with place-based impact.

**Keywords** Boutique hotels, Heritage tourism, Community-based tourism, Sustainable hospitality, Social impact in hospitality, Urban revitalization

**Paper type** Technical paper

This paper draws on fieldwork conducted in the Medina of Tunis during a Fulbright Specialist assignment by the lead author, in collaboration with his host, a social entrepreneur, researcher and founder of Dar Ben Gacem. Building on earlier academic research, it reframes those findings into a practitioner-focused narrative that translates scholarly insights into actionable strategies for hospitality professionals. The original study (Ben Gacem, 2024) employed field observations, interviews and document analysis to examine how hospitality practices can contribute to urban regeneration in the Medina. In this version, the focus shifts from analysis to application, highlighting updated observations and data from 2014–2025 and offering practical guidance for hospitality managers seeking to replicate similar community-driven models.

The Medina of Tunis is a densely populated, labyrinthine urban district with over 1,200 historic monuments, many of which are in disrepair. Despite its UNESCO World Heritage status, the area faces systemic underinvestment, high unemployment and widespread informal economic activity, which refers to local business activity that occurs outside the formal, regulated

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sector. Over the past decades, wealthier populations and institutions moved out of the Medina, leaving behind aging infrastructure and reduced public services. Many residents now rely on fragile artisan networks or underregulated service work. As a result, traditional models of tourism development centered on luxury upgrades, imported talent and external investment have largely failed to benefit local communities or protect the Medina's intangible cultural heritage.

These challenges are not unique to Tunis. Historic urban centers around the world struggle to balance preservation with tourism-driven revitalization. Too often, culture is packaged for visitors while the people who sustain it are displaced or excluded from economic opportunity. In this context, sustainable hospitality demands more than heritage branding, it requires inclusive strategies that embed social and economic value into the everyday operations of hospitality businesses.

This paper presents the case of Dar Ben Gacem, two boutique hotels located in the heart of the Medina that have evolved over the past decade into a model of community-based tourism. By combining architectural restoration with social entrepreneurship, the hotels offer a replicable blueprint for designing sustainable, inclusive and culturally immersive hospitality experiences.

### **Key findings**

#### *Neighborhood hiring and staff loyalty*

Hiring from within the neighborhood has proven to significantly strengthen staff loyalty and reduce turnover, as employees feel a genuine sense of belonging and shared responsibility for the hotel's success. While initial training required additional time and mentoring, these early efforts yielded lasting gains in confidence, retention and performance. Local team members bring rich cultural knowledge, family ties and pride in representing their community, qualities that translate into more personalized and authentic guest experiences. Visitors often describe a deeper emotional connection to the hotel and its surroundings, making this form of hospitality—rooted in cultural familiarity, an essential part of the destination itself.

#### *Cultural co-creation and guest behavior*

By co-designing cultural experiences with local artisans, the hotel has transformed guest behavior in measurable ways. The average length of stay rose from just over one night in 2014 to nearly five nights by 2023, a change driven by expanded experience offerings and deeper guest connection to place. This not only boosts revenue but also broadens how visitors engage with the Medina, spending more across a wider range of local businesses, participating in hands-on activities and exploring beyond surface-level sightseeing. Longer stays also improve operational efficiency by reducing guest turnover and the number of daily check-ins and room re-sets.

#### *Informal suppliers and profit reinvestment*

By integrating informal suppliers into its daily operations, the hotel ensures that tourism-generated income circulates within the surrounding community. Working directly with nearby artisans and service providers, many of whom operate outside the formal economy, has strengthened local economic networks and fostered lasting partnerships built on trust. Although maintaining quality initially required close collaboration, consistency steadily improved through open communication and shared standards. In parallel, the hotel reinvests 50% of its annual profits into neighborhood projects that enhance well-being, safety and urban vitality. Notable initiatives include the restoration of Souk El Balghagia and the creation of a public garden in the Hafsia neighborhood, both of which improved safety, revitalized traditional crafts and strengthened community pride (Dar Ben Gacem, 2023).

### **Actionable insights**

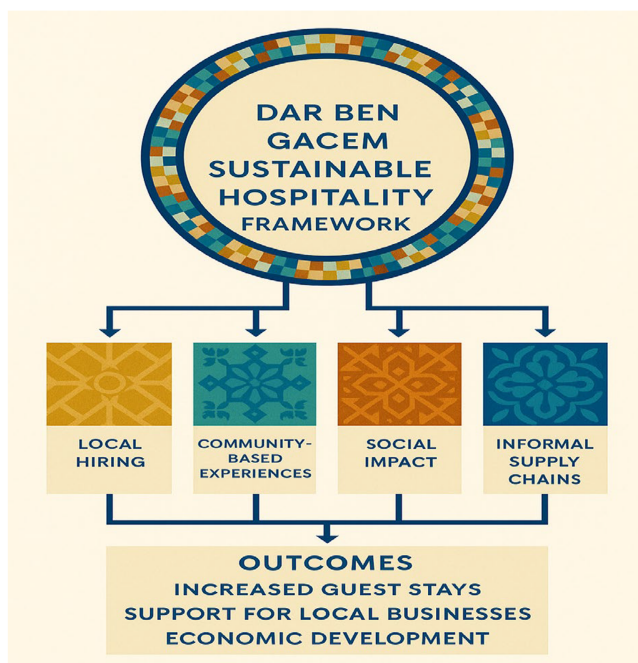
The following strategies draw on Dar Ben Gacem's operational framework, offering practical guidance for hospitality professionals working in heritage or under-resourced contexts (See

Figure 1 for a summary of the model). Rooted in the experience of a boutique hospitality enterprise in Tunis, with two established locations in the Medina and a third in development, these lessons are readily adaptable to independent hotels and guesthouses worldwide, particularly those in historic or emerging tourism districts.

*Creating a sustainable hiring pipeline through local recruitment*

A sustainable hiring pipeline begins by intentionally prioritizing recruitment from the immediate neighborhood. At Dar Ben Gacem, many team members live within walking distance of the property. This proximity fosters daily reliability, builds social capital within the team and strengthens the hotel’s identity as a local employer. Local hiring also builds pride, as staff members see themselves not only as employees but as ambassadors of their own community and culture. The hotel also prioritizes underutilized local talent, including women, individuals without higher education and those with limited formal work experience. Roles are designed to offer flexible hours or seasonal work, enabling staff to balance other responsibilities such as family care or education.

Rather than relying on credential-based hiring or external training programs, Dar Ben Gacem emphasizes on-the-job learning, peer mentorship and informal coaching. New employees typically shadow experienced colleagues during their first weeks, learning guest interaction and storytelling through observation and guided practice before taking on full responsibilities. Employees are trained in storytelling, guest interaction and cultural interpretation, skills that improve service quality while building confidence. For hospitality operators in similar environments, the key is to invest in people over resumes. Hiring for attitude and local knowledge, then building hospitality skills internally can create stronger, more loyal teams with lower turnover and more authentic guest interaction. Creating informal mentorship structures also fosters a team culture of growth and continuity.



**Figure 1.** Dar Ben Gacem sustainable hospitality framework

*Designing community-based experiences to increase guest stay*

Guest experiences are intentionally designed in partnership with a diverse range of local stakeholders including artisans, chefs, historians and traditional musicians, ensuring that each activity is rooted in the living culture of the Medina. This collaboration transforms passive tourism into participatory learning, allowing guests to cook local recipes, craft handmade souvenirs and hear firsthand stories about the history of the city. One signature experience invites visitors to explore the central market and prepare traditional dishes alongside local chefs, while another pairs them with artisans in nearby workshops to create personalized crafts they can take home. These offerings not only differentiate the hotel's brand but also empower local artisans by turning their knowledge into a marketable experience.

Hotels seeking to replicate this model should begin by identifying cultural assets within walking distance of their property. From there, partnerships can be developed through informal interviews, skill demonstrations or pilot events. Compensation should be fair and transparent, with co-creation rather than extraction as the guiding principle. Creating a feedback loop where guests can rate or comment on experiences also helps maintain quality and relevance. Over time, these curated offerings can become a signature part of the hotel's brand identity.

Storytelling plays a central role in deepening the connection between guests and the destination. Through personal interactions and guided narratives, visitors gain a richer understanding of the Medina's heritage. Additionally, the hotel strategically coordinates guest itineraries to ensure that tourism spending is distributed across multiple local businesses. This approach boosts economic activity beyond the hotel itself and supports a more sustainable and inclusive tourism model.

*Integrating social impact into hospitality business models*

Dar Ben Gacem commits to reinvesting at least 50% of its annual profits directly into the surrounding neighborhood. These reinvestments support a broad range of community-facing projects, including youth entrepreneurship training, cultural festivals and the beautification of public spaces. A portion of these funds is also allocated to environmental efforts, such as planting trees and creating green spaces in underused urban areas contributing to both livability and ecological resilience. Crucially, the reinvestment model is not treated as a charitable add-on but as a core business strategy. Community trust, word-of-mouth referrals and guest loyalty have all grown in parallel with these visible, tangible impacts. Many guests report choosing Dar Ben Gacem specifically because of its values and transparency indicating a willingness to pay more for a stay that aligns with their personal ethics.

To implement a similar approach, hotel operators should begin by identifying small, visible projects that can generate local goodwill such as restoring a shared wall, offering a community class or sponsoring local events. Partnerships with NGOs, youth groups or artisan associations can help scale these efforts while reducing the administrative burden. Just as importantly, operators should communicate these efforts clearly to guests, using storytelling and signage to highlight the hotel's community impact.

Measuring social return on investment is also a key practice. In addition to traditional financial performance indicators, the hotel tracks metrics such as local employment rates, neighborhood safety and resident satisfaction. This holistic view enables a more comprehensive understanding of impact. Transparency with guests is another cornerstone of the hotel's strategy. Many visitors are drawn specifically to the hotel's social mission and are willing to pay a premium for a stay that contributes to meaningful change. Partnerships with NGOs and local associations further enhance the hotel's ability to co-design and implement impactful initiatives.

*Managing informal hospitality supply chains effectively*

In many heritage districts, formal supply chains are either unavailable or ill-suited to the small scale of boutique hotels. Dar Ben Gacem turns this challenge into an opportunity by intentionally sourcing from informal micro-businesses within the Medina. Food ingredients,

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flower arrangements, textile repair and maintenance services are all obtained from unregistered or semi-formal vendors. These relationships are built on trust, consistent communication and mutual respect rather than formal contracts.

Rather than seeking lowest-cost suppliers, the hotel prioritizes consistency, quality and local economic integration. Suppliers are treated as partners, not just vendors. Over time, this steady demand has helped some vendors voluntarily formalize aspects of their operations, such as issuing receipts or improving quality standards. For the hotel, the value lies not in legal compliance alone, but in shared values and community empowerment.

For hoteliers in similar contexts, engaging informal suppliers requires flexibility and patience. Start small, with clear expectations and open dialogue. Offer consistent feedback, especially when guest responses are involved. Rather than enforcing rigid procedures, create collaborative quality standards that evolve as trust deepens. This approach not only improves reliability, it also reinforces the hotel's position as a cornerstone of the local economic ecosystem.

To encourage growth and consistency, the hotel provides steady demand and clear communication. Over time, many suppliers choose to formalize their operations voluntarily. Long-term stability is prioritized over rigid contracts, fostering loyalty and adaptability. Quality control is maintained not through compliance checklists, but through continuous feedback from guests. This practical and relational approach to quality assurance ensures that standards remain high while suppliers are empowered to grow organically within their capacity.

## Conclusion

The experience of Dar Ben Gacem illustrates that hospitality in historic districts is not simply about aesthetics or amenities, but about restoring relationships between people, place and purpose. In a context like the Medina of Tunis, where systemic neglect, informal economies and cultural richness coexist, traditional hospitality models fall short. What succeeds instead is a model rooted in inclusion, trust and long-term commitment to place.

By embedding sustainability into its operations through local hiring, cultural collaboration, informal sourcing and profit reinvestment, Dar Ben Gacem has created not just a business, but a living ecosystem. For hospitality professionals navigating similar urban contexts, this model offers a clear message: regeneration is possible when the community is not a backdrop but a co-owner of the experience. To future-proof hospitality in heritage environments, the industry must evolve beyond service delivery to become a steward of place, restoring not just buildings but the bonds that make them meaningful.

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## Further reading

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