

# Great Hospitality is Great Business



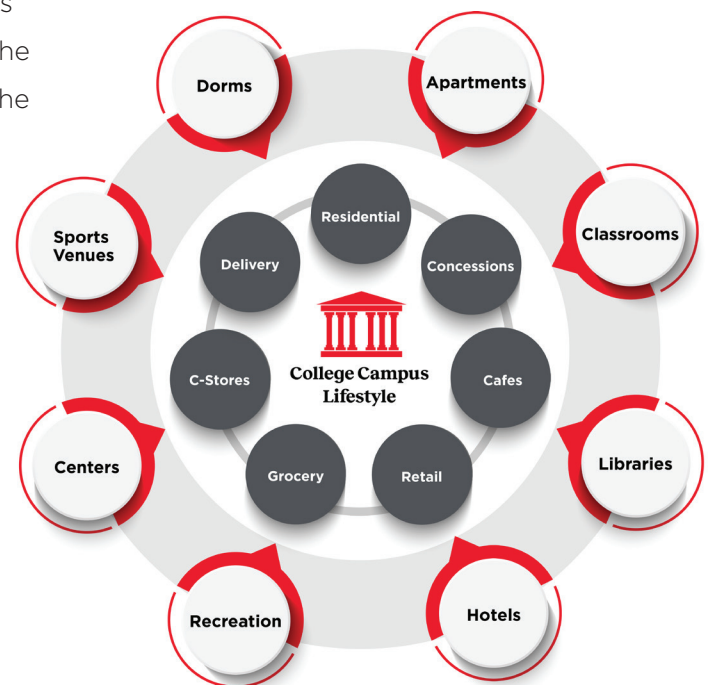
**Change is upon us.** All those things that worked in Higher Education pre-pandemic? That playbook is gone. How about that playbook during the pandemic? Gone too. We are entering a new era in Higher Education - an era where we will need to overcome challenges including population headwinds, cost inflation, and on-campus educational value to name just a few. We need to discover new ways to survive and thrive in this changed environment. Our approach combines both analytics and real-world, on-campus experiences where we've uncovered new ways to drive improved outcomes for students and superior returns for institutions. In short, we discovered what new success looks like. And guess what? It's downright hospitable.

## The Background

With the turmoil and change created by COVID on campuses across the country, Aramark set out in 2020 to understand the building blocks of the ideal campus hospitality ecosystem. The questions of what students wanted and needed from their college experience and the importance of the in-person college experience were being raised by many in and around the Higher Education community.

Student voices were loud and clear. While the pandemic disrupted the basics of campus life, students' desire for the college experience had never been stronger. You can read more about this research we conducted in partnership with wRatings in our 2021 piece [Reinvigorating the College Campus](#) (also published in [Food Management](#)).

***Armed with this information, we set out to understand what role dining and hospitality can and should play on campus.***



# The Role of Dining on Campus

Today's college student has a myriad of quality dining options that barely resemble the "cafeterias" of prior generations. Campuses and their partners have invested in dining programs to create beautiful residential dining facilities where culinary theater shines. Dining choices include a wide mix of national, regional, and local brands experienced through multiple formats ranging from in-person dining, food trucks, mobile pick-up, or even robotic delivery.



These programmatic improvements pay dividends when students choose where to go to school – a topic close to the hearts of administrators across disciplines. A survey conducted by the National Association of College & University Food Services (NACUFS) found that 80% of college students considered the campus dining experience to be a factor when deciding which college to attend and more than half of students surveyed rated their campus dining experience as either somewhat or very important to their academic success (2023 NACUFS).

The future of campus dining will undoubtedly continue to push the envelope in terms of food quality and variety as well as infrastructure to keep pace with options available on Main Street. And in the coming years, Generation Alpha will bring new and unique perspectives and needs to campus. Innovative technology will continue to remove friction for consumers and drive operational efficiency. In the face of this change, we must ask ourselves, how do we ensure that we are creating lasting and impactful experiences that are customized to the culture of each campus?



## Hitting the Target No One Else Can See

The most talented dining operators consistently deliver on the table stakes of dining - outstanding food in engaging environments supported by innovative technologies. However, the best programs go beyond these table stakes.

German philosopher Arthur Schopenhauer is quoted as saying "Talent hits a target no one else can hit; Genius hits a target no one else can see." Our research indicates that the role of dining on campus goes well beyond just dining. In addition to excelling at the table stakes, the top programs deliver on the emotional needs of students and foster a hospitality ecosystem that not only nourishes students' stomachs but also engages their hearts and minds. Hospitality experiences are personal, memorable, and ever-changing. Great hospitality is that hard-to-see (and hard-to-hit) target.

**So, what does top-tier hospitality look like?**

# Hospitality Tiers

In today's world, we frequently tier items including restaurants, automobiles, computers, hotels, smartphones – the list goes on and on. In some cases, tiers are purely feature-based – speed, size, storage, etc. However, in many cases, top-tier performers such as Apple, Coca-Cola, and Southwest Airlines go beyond features and create an emotional connection via their brand or service.

We posed the performance tier quandary on our deliverables for a college hospitality ecosystem: Do Hospitality Tiers exist when providing a campus food experience and, if so, does making an emotional connection and delivering superior hospitality impact the total financial return of the program for that campus? In short, the answers are yes and yes.

Our journey into tiers starts with how to not just define hospitality, but also how to measure it. To establish the Hospitality Tiers, we utilized data from over 150,000 students sourced from hundreds of campuses, representing a variety of geographies, school types, and sizes. With this data, we analyzed how well each campus experience was delivering on both tangible (food/locations) and intangible (emotions/feelings) elements of dining and hospitality. The performance bar was set by none other than the students themselves: their ideal experience and their satisfaction levels. By combining these measurements, Hospitality Tiers capture not just the physical portion of dining but the mental portion of being both welcoming and genuine. Each tier represents the combined tangible and intangible scores, with a total of five tiers. Landing in the top tier earns a school a coveted 5H designation. Below that are 4H, 3H, and so on.

Any 5H campus was meeting student expectations emotionally while also satisfying their dining needs at a high level. Each subsequent Hospitality Tier represented an opportunity in performance. Using this measurement, any 4H campus was still doing well but had slightly larger gaps when trying to meet students' emotional expectations and slightly lower satisfaction scores. Overall, a 5H campus satisfies students 19% more than the median campus and meets emotional expectations a whopping 48% more as measured by the patented research supporting this analysis.

An important note is that 5H campuses come from all segments, geographies, and sizes. What type, where, or how big a school does not impact its ability to be a 5H school. Your campus can be a 5H campus!





# Great Hospitality is Great Business

The initial premise behind this research was simple, the thought that improving the student experience would help attract prospective students, nurture, and retain existing students, and ultimately create students with a lifelong affinity for their school. What we did not know is whether improving the student experience would impact the financials of dining. Would superior Hospitality Performance really pay off?

It turns out, great hospitality is great business.

We analyzed campus return on dining across more than 125 institutions. Our analysis indicated that there are two drastically different paths that campus business leaders can take to achieve superior financial returns from dining – only one of which is sustainable in the long term.

## Path 1: Value Creators

Schools that sit at the top of the hospitality performance scale – the “5H” campuses – generate 17% incremental returns from campus dining when compared to the median program. These campuses create incremental value for themselves and for students by delivering superior dining and hospitality programs. The Value Creator approach is sustainable over time in that it both contributes superior financial returns and helps to attract, retain, and graduate students through the dining and hospitality culture on campus

## Path 2: Value Extractors

The alternate path to value from campus dining is that of the Value Extractors. Rather than investing in the student experience, these campuses do the opposite. They extract value from campus dining at the expense of the student experience. While achieving similar short-term returns from dining, these campuses do so in an unsustainable manner akin to a homeowner deferring short-term maintenance at the expense of the long term.

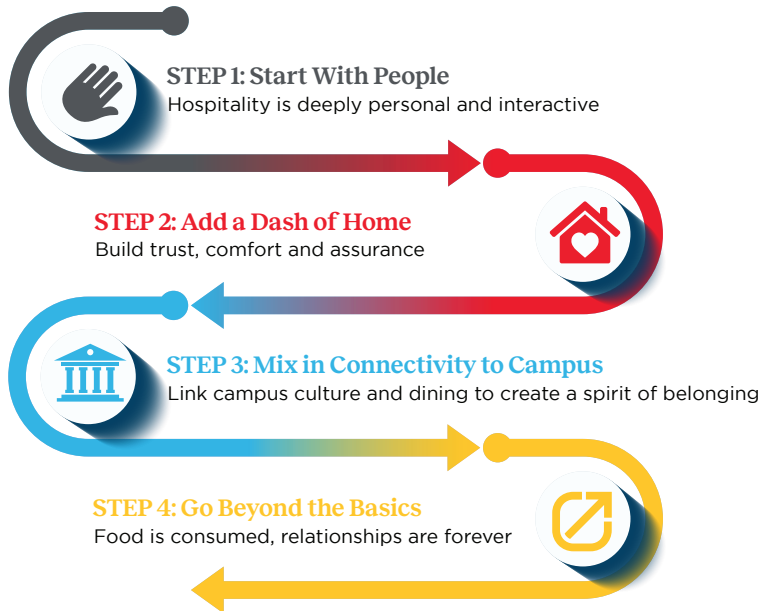
So how does your campus dining and hospitality program become a Value Creator? How do you simultaneously maximize student emotional outcomes and campus financial outcomes?

***To do so, you will need to find the “Recipe for Hospitality” on your campus.***



# The *Recipe for Hospitality* on Your Campus

What we also found was that recipes exist for both food and hospitality. Find the recipe for great food and hospitality on your campus and you can unlock great outcomes. Want to get started? There are foundational elements of great hospitality that you will find on each 5H campus. Here are a few starters:



## Summary

Campus dining plays several important roles on campus. For many students, the dining program is the main source of sustenance and nutrition. It plays a critical role in their overall health and well-being. But beyond “just” dining, the campus dining and hospitality program can be a vehicle for students to engage with each other and their university – and we have uncovered a mechanism to measure and grow this emotional connection. It turns out, a great hospitality program can increase both student satisfaction and drive incremental financial returns for campuses – a win-win for everyone.

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To learn more, please visit:

[www.aramark.com/collegiatehospitality](http://www.aramark.com/collegiatehospitality)

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## Step 1: Start with People

Hospitality is deeply personal. The experience students have with dining is built upon their interactions with the campus dining team. The campus dining and hospitality team must embody the spirit of hospitality with each other and with students.

## Step 2: Add a Dash of Home

Eating at “home” is unique. Food at home is served by people you know and trust in an environment you know and trust. Identifying ways to evoke these similar feelings in the campus dining environment will elevate the hospitality quotient on campus.

## Step 3: Mix in Connectivity to Campus

Your campus is unique. What attracts students to your campus is unique. Connecting the spirit of your campus to the campus dining program allows students to connect with dining and with each other and creates belonging.

## Step 4: Go Beyond the Basics

Much like we each have unique tastes and preferences when it comes to food, the precise Recipe for Hospitality on each campus will be unique to that campus. Going further requires schools to develop a deep understanding of the needs of students on and around their campus. When done right, the result is great for all parties.

