

SUPPLY CHAIN MANAGEMENT PRACTICES IN THE
HOTEL INDUSTRY: AN EXAMINATION OF HOTEL
FOOD SUPPLY CHAINS IN SOUTH WEST ENGLAND

Submitted by

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Abstract

This thesis examines hotel food supply chain management practices and hotel food supply chains. The study is informed by qualitative data from 20 hotels of different characteristics. The results show three models of strategic sourcing strategy for affiliated hotels (chef-centred sourcing, centralised sourcing and flexible-centralised sourcing) and two models for independent hotel (chef-centred sourcing, and chef and owner sourcing strategy). Chef-centred sourcing can be a sourcing strategy for any type of hotel regardless of their affiliation; this sourcing strategy, however, is common among small group hotels, independent hotels and high-end hotel restaurants. Group hotels, however, are likely to employ a centralised-sourcing strategy with a degree of flexibility regarding supplier selection at property level. It was found that the higher the level of service, the more flexible the centralised sourcing strategy. These sourcing strategies have a strong, direct effect on how individual hotels source their food and therefore their food supply chain network structures. It is apparent that hotel food sourcing practice is complex and dynamic, and hotel business format is the main factor influencing individual hotel sourcing strategies.

Hotel foodservice is characterised by low exploitation of information technology and manual-based supply chain activities with a high level of dependency on head chefs regarding supply chain performance. There is low level of implementation of supply chain initiatives among hotels in this study and the reason for this may be the products and production characteristics which differ from those in the retail sector. Although supplier cooperation and relationships between head chef and suppliers were found, there was an overall low level of collaboration between buyer and supplier. Consumer

usage information was underutilised and under cultivated. Traditional arms-length buyer-seller relationships were commonly found in group hotels at both company level and property level. Overall hotel food SCM practice still displays traditional management characteristics and price-led decisions being apparent. An exception was found in high-end foodservice outlets and some outlets with chef sourcing strategies, where close long-term relationships between chefs and suppliers were found. The originality of this research lies in its attempt to fill a significant gap in hospitality management literature as well as to synthesise literature in the realms of supply chain management and hospitality management.

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