

EUROPEAN INSTITUTE OF INNOVATION, ENTREPRENEURSHIP AND TECHNOLOGY

MODULE

Operations Management in Hospitality

Supply Chain Management in Hospitality Operations

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Date:	14 February 2026

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Abstract

Supply chain management (SCM) has traditionally been associated with manufacturing, but its principles are increasingly central to how hotels and restaurants source, procure, and distribute the goods and services their guests depend on. This report examines the role of SCM in hospitality operations, focusing on four core components: sourcing, procurement, logistics, and inventory management. Drawing on a review of academic and industry literature, the report finds that effective SCM contributes directly to cost reduction, operational efficiency, and customer satisfaction, primarily through stronger supplier relationships, disciplined inventory control, and closer coordination between purchasing and demand forecasting. It also identifies persistent challenges specific to hospitality, including product perishability, volatile and seasonal demand, the coordination of numerous simultaneous supplier relationships, and disruption risk exposed sharply by the COVID-19 pandemic. Technology, particularly artificial intelligence-driven demand forecasting, Internet of Things-enabled inventory tracking, and blockchain-based traceability, is examined as an increasingly important enabler of hospitality SCM performance. Real-world examples from Marriott International, Hilton Supply Management, and McDonald's illustrate how large hospitality and foodservice organisations translate SCM theory into practice. The report concludes that hospitality organisations which treat their supply chains as strategic assets, rather than administrative back-office functions, are better positioned to control costs and sustain guest satisfaction in an increasingly volatile operating environment.

1. Introduction

The hospitality industry, encompassing hotels, restaurants, resorts, and related accommodation and food service businesses, depends on an uninterrupted flow of physical goods and services to function. A hotel cannot deliver a night's stay without clean linen, toiletries, and functioning maintenance equipment; a restaurant cannot serve a meal without fresh, safely sourced ingredients arriving on schedule. Supply chain management (SCM) is the discipline concerned with planning and coordinating this flow, from the point where raw materials or services originate through to the point where they are consumed by the final guest (Shi & Liao, 2013). Although SCM emerged as a field of study within manufacturing, where it has a decades-long research tradition, its application to service industries such as hospitality has been comparatively recent, and academic attention to hospitality-specific supply chains remains considerably less developed than the manufacturing literature it originally drew from (Mrnjavac et al., 2016).

This report explores the importance of supply chain management in hospitality operations, structured around five objectives. First, it examines the key components of hospitality supply chains: sourcing, procurement, logistics, and inventory management, and how each functions in a hotel or restaurant setting. Second, it discusses how efficient SCM contributes to cost reduction, operational efficiency, and customer satisfaction. Third, it examines the challenges hospitality organisations face in managing their supply chains, including the perishability of many hospitality inputs, unpredictable and seasonal demand, and the disruption risk made visible by the COVID-19 pandemic. Fourth, it critically analyses the role of technology, including inventory management systems and supplier relationship management platforms, in improving hospitality supply chain performance. Finally, it draws on real-world examples from major hospitality and foodservice organisations to illustrate how these principles operate in practice.

The report is structured as follows. Section 2 reviews the academic and industry literature on hospitality supply chain management, establishing definitions, core components, and relevant theoretical perspectives. Section 3 outlines the methodology used to identify and select the sources and case studies discussed. Section 4 presents the findings organised around cost, customer satisfaction, challenges, technology, and real-world examples. Section 5 offers a critical discussion that synthesises these findings against the literature reviewed, before Section 6 concludes with a summary of key insights and practical recommendations for hospitality operators.

2. Literature Review

2.1 Defining Supply Chain Management in the Hospitality Context

Supply chain management is broadly defined as the coordination of the flow of materials, information, and finances as they move through a process from supplier to manufacturer to wholesaler to retailer to consumer (Shi & Liao, 2013). In a manufacturing setting, this flow culminates in a tangible, storable product. Hospitality supply chains differ in a fundamental way: because hospitality is a service, production and consumption typically occur simultaneously, and the end output, a clean room, a served meal, a completed check-in, cannot be manufactured in advance and held in a warehouse the way a physical product can (Shi & Liao, 2013). A study of 500 supply chain managers, procurement officers, and operations directors across hotels, resorts, tour operators, and transport providers found that this simultaneous production and consumption, combined with the challenge of perishability, is a primary point of differentiation between hospitality supply chains and those found in manufacturing, since an unsold hotel room or airline seat represents permanently lost revenue in a way that unsold manufactured inventory does not (International Journal of Science, Strategic Management and Technology, 2026).

Because of this, hospitality SCM has historically lagged behind manufacturing in its adoption of formal supply chain practices, in part because the high capital costs and intensely customer-centric focus of hospitality businesses complicate the pursuit of supply chain efficiency in the way it is pursued in manufacturing settings (SUPPLY CHAIN MANAGEMENT IN HOSPITALITY INDUSTRY: AN OVERVIEW, n.d.). Nevertheless, as competitive pressure has intensified, hospitality organisations, particularly large hotel groups, have increasingly formalised their approach to supply chain management, integrating it as a strategic function rather than treating it as purely transactional back-office purchasing (Arifin et al., 2019).

2.2 Core Components: Sourcing, Procurement, Logistics, and Inventory

Management

The literature converges on four interrelated components of hospitality SCM. Sourcing refers to the identification and selection of suppliers capable of providing the goods and services a hospitality operation requires, ranging from food and beverage ingredients to linens, amenities, furniture, and cleaning supplies (Mrnjavac et al., 2016). Procurement extends sourcing into the full purchasing cycle: requesting quotes, negotiating terms, placing orders, and managing the resulting supplier relationships and contracts. Effective procurement requires balancing cost against quality and reliability, since hospitality businesses, unlike many manufacturers, cannot simply substitute a cheaper input without guests noticing a difference in the finished product or service (Mrnjavac et al., 2016).

Logistics concerns the physical movement of goods from supplier to hospitality property, including transportation, delivery scheduling, and, for food and beverage items, temperature-controlled or "cold chain" handling to preserve freshness and safety during transit. Inventory management, the fourth component, concerns how goods are stored, tracked, and consumed once they arrive on site. In hospitality, inventory management typically relies on the concept of a par level, the standard quantity of an item a property keeps on hand to meet normal demand without running short, alongside stock rotation principles such as first-in, first-out (FIFO), which ensures older stock, particularly perishable food and beverage items, is used before newer deliveries to minimise spoilage and waste. Larger operations frequently apply ABC analysis, a variant of the Pareto principle, to categorise inventory items by value so that tighter control is applied to the smaller share of high-value items responsible for most spending, while lower-value items are managed with simpler controls.

2.3 Theoretical Perspectives

Several theoretical lenses inform the hospitality SCM literature. The resource-based view (RBV) suggests that supply chain practices which are unique, valuable, and difficult for competitors to imitate can become a source of sustained competitive advantage for a hospitality firm, rather than a purely operational concern (International Journal of Science, Strategic Management and Technology, 2026). Transaction cost economics (TCE) explains how strong supplier relationships and closer supply chain integration reduce the costs associated with negotiating, monitoring, and enforcing agreements between a hospitality business and its suppliers, an especially relevant concern given how many discrete supplier relationships a single hotel or restaurant must manage simultaneously (International Journal of Science, Strategic Management and Technology, 2026).

Social exchange theory and resource dependence theory have also been applied specifically to hospitality supply chains. Shi and Liao (2013), drawing on both theories in an empirical study of hotel and restaurant procurement managers, found that interorganisational trust and interdependence between a hospitality firm and its suppliers significantly affect the quality of joint teamwork between the two organisations, which in turn mediates the overall quality of the supply chain relationship. This finding is significant because it reframes supply chain performance in hospitality as substantially relational rather than purely transactional: a hotel's ability to manage its supply chain effectively depends as much on the strength of its supplier relationships as on the efficiency of its purchasing processes.

2.4 SCM's Contribution to Cost, Efficiency, and Customer Satisfaction

A recurring theme across the literature is that supply chain quality (SCQ) mediates the relationship between a hospitality firm's internal practices and its overall performance. In a study of hotels in China, Shi et al. found that the synergy between quality management practices and supply chain management practices was significantly correlated, and that this synergy, captured as supply chain quality, had a positive and mediating effect on hotel performance (as discussed in Shi & Liao, 2013). Put differently, a hotel's internal quality standards cannot be fully realised in the guest experience unless the supply chain feeding those standards is itself reliable and well managed.

This linkage between supply chain performance and guest-facing outcomes recurs throughout the practitioner literature as well. Effective procurement is described as protecting profit margins directly, since disciplined purchasing practices, spend tracking, and vendor

consolidation reduce the price paid for goods and services, while simultaneously preventing the service failures that arise from reactive, poorly planned purchasing, such as a housekeeping department running short of linen or a kitchen missing a key ingredient during service (Order.co, 2025; Mews, 2026). Strategic supplier partnerships have similarly been linked to improved organisational performance in hospitality, with research on Jordanian hotels finding that strategic supplier partnership, information sharing, and information quality all positively influence organisational performance, partly through their effect on customer relationship management (International Journal of Science, Strategic Management and Technology, 2026).

2.5 Sustainability and Technology in Hospitality SCM

Two closely related themes have grown increasingly prominent in recent hospitality SCM literature: sustainability and digital technology. A systematic review of green supply chain management (GSCM) in the hotel industry found that GSCM's relevance extends well beyond environmental objectives alone, and identified six major categories through which GSCM interacts with hotel operations: external stakeholders, internal stakeholders, related management practices, the "4Rs" (reduce, reuse, recycle, recover), innovation and technology, and overall performance (Alreahi et al., 2023). The same review noted that applying GSCM in hotels is complicated by the complex nature of stakeholder relationships involved, and identified a number of primary barriers hotels must address before GSCM practices can be implemented successfully (Alreahi et al., 2023).

On the technology front, the literature increasingly documents how artificial intelligence, the Internet of Things (IoT), and blockchain are reshaping hospitality supply chains. Smart logistics innovations, integrating AI, IoT, blockchain, and big data analytics, have been identified as key strategies for addressing hospitality-specific challenges such as demand volatility, labour shortages, and sustainability pressure, while improving inventory accuracy, supply chain visibility, and waste reduction (Revolutionizing Hospitality Through Smart Logistics, 2025). At the same time, this same body of work cautions that blockchain adoption in food traceability faces real constraints, including scalability limitations, interoperability issues, and regulatory complexity, meaning technological adoption in hospitality SCM should be understood as an ongoing and uneven process rather than a solved problem (Revolutionizing Hospitality Through Smart Logistics, 2025).

Finally, the COVID-19 pandemic has generated a distinct and rapidly growing strand of hospitality SCM literature. García-Madurga et al. (2021) argue that the pandemic rendered many existing statistical approaches to tourism demand forecasting obsolete and call for a reconceptualised, more resilient HoReCa (hotel, restaurant, catering) supply chain that accounts for economic and social sustainability alongside environmental concerns. This literature collectively suggests that hospitality SCM is shifting away from a narrow focus on cost minimisation toward a broader concern with resilience, sustainability, and technological adaptability.

3. Methodology

This report is based on a qualitative, desk-based secondary research design, using a narrative and thematic review of published academic literature, industry reports, and organisational documentation. This approach was selected because the report's objectives, to explain the components of hospitality SCM, evaluate its contribution to cost, efficiency, and customer satisfaction, examine sector-specific challenges, and assess the role of technology, are conceptual and evaluative in nature and are well suited to synthesis of existing published evidence rather than the collection of new primary data within the scope and timeframe available for this assignment. Sources were identified through a structured search of academic databases and repositories, including ScienceDirect, ResearchGate, MDPI journals, and Google Scholar, alongside targeted searches of industry publications and organisational sustainability and procurement documentation from major hospitality companies. Search terms combined "supply chain management", "procurement", "sourcing", "logistics", and "inventory management" with "hospitality", "hotel", and "restaurant". Priority was given to peer-reviewed journal articles published in outlets such as the International Journal of Hospitality Management, Sustainability, and Management Science Letters, supplemented by industry sources where they provided verifiable, specific real-world detail, such as named sustainability initiatives or supplier programmes, not readily available in the academic literature.

Inclusion criteria favoured sources published within approximately the last fifteen years, with particular weight given to more recent publications addressing digital technology adoption and pandemic-related supply chain disruption, since these are comparatively recent developments in the field. Older or foundational sources were retained where they remained the primary reference point for a concept still actively cited in more recent literature, such as Shi and Liao's (2013) study of hospitality supply chain relationships.

Three real-world examples, Marriott International, Hilton Supply Management, and McDonald's, were selected purposively rather than randomly, on the basis that each is a large, publicly documented organisation with substantial, verifiable public reporting on its sourcing, procurement, or logistics practices. This purposive selection allowed the report to illustrate SCM concepts with specific, checkable detail rather than generic or anonymised examples, though it introduces an acknowledged limitation: findings drawn from very large, well-resourced multinational organisations may not generalise fully to small or independent hospitality

businesses, which typically operate with far less formalised supply chain infrastructure and bargaining power.

This methodology carries further limitations common to desk-based secondary research. No primary interviews or surveys were conducted, so the report relies entirely on the interpretations and findings already published by other researchers and organisations. Some industry sources, including vendor and technology-provider content, may carry an inherent bias toward promoting the solutions they sell; where such sources were used, they were cross-checked against independent academic literature wherever possible, and are used in this report primarily to illustrate practical application rather than as standalone evidence of causal effect.

4. Findings

4.1 Cost Reduction and Operational Efficiency

The literature consistently identifies supplier consolidation, spend visibility, and disciplined purchasing policy as the primary mechanisms through which SCM reduces costs in hospitality settings. Enforcing purchasing policy and using procurement automation to track spend against budget has been identified as central to keeping hospitality spending under control and supporting long-term financial health (Order.co, 2025). E-sourcing platforms, which allow hospitality procurement teams to solicit competing bids from multiple suppliers digitally rather than negotiating individually, have been associated with savings in the region of 20 to 40 percent on custom procurement categories, while also increasing supplier competition and improving supplier selection quality (ProQsmart, 2025).

Operational efficiency gains extend beyond direct cost savings. Demand forecasting, drawn from hotel property management systems, restaurant point-of-sale data, and historical booking records, is described as a top supply chain priority precisely because both overstocking and understocking carry real operational costs: overstocking ties up working capital and increases waste, while understocking risks service quality failures (NetSuite, 2025). Supplier diversification strategies, maintaining relationships with multiple national, regional, and local suppliers for the same category of goods, allow hospitality procurement teams to redirect sourcing quickly in response to sudden price spikes or shortages, which both controls cost volatility and protects operational continuity (NetSuite, 2025).

4.2 Customer Satisfaction

The findings support a consistent, if largely indirect, relationship between supply chain performance and guest satisfaction. Because guests rarely interact with a hospitality property's suppliers directly, the effect of SCM on customer satisfaction operates mainly through its impact on product and service consistency. When rooms are fully stocked with everything a guest expects, the guest experience is not interrupted; disciplined procurement, by contrast, is described as directly preventing the service failures that reactive, poorly planned purchasing creates (Order.co, 2025; Mews, 2026).

This relationship is reinforced by the academic finding that supply chain quality mediates the effect of quality management practices on hotel performance (Shi & Liao, 2013). A hotel may

set high internal quality standards, but if the linens delivered are inconsistent, if a key ingredient fails to arrive, or if a supplier substitutes a lower-quality item without notice, those standards cannot be delivered consistently to the guest. Supplier evaluation on criteria including pricing, reliability, delivery timelines, product quality, and sustainability credentials has therefore been identified as central to closing the procurement cycle and protecting guest-facing quality over time (Mews, 2026).

4.3 Challenges in Hospitality Supply Chains

Four categories of challenge recur across the literature reviewed. First, perishability and the simultaneous production and consumption of hospitality services mean inventory decisions cannot be corrected after the fact in the way a manufacturer might delay a product launch; an unsold room or a spoiled ingredient represents an immediate, unrecoverable loss (International Journal of Science, Strategic Management and Technology, 2026). Second, demand volatility and seasonality complicate planning: hospitality demand fluctuates with tourist seasons, local events, and broader economic conditions in ways that are considerably harder to predict than manufacturing demand for a standardised product.

Third, hospitality procurement must coordinate an unusually large number of simultaneous supplier relationships relative to its scale, spanning food and beverage, linens and textiles, cleaning supplies, furniture and fixtures, and maintenance services, each with distinct quality, safety, and delivery requirements (NetSuite, 2025). Maintaining consistency across these categories, and across multiple properties for larger chains, is described as a source of ongoing operational complexity distinct from what a single-product manufacturer typically faces.

Fourth, and most acutely illustrated in recent years, hospitality supply chains face significant disruption risk. The COVID-19 pandemic exposed this vulnerability directly: hotel chains struggled to source linens and amenities, restaurants faced shortages of imported ingredients, and the initial disruptions that began in Asia sent shockwaves through global hospitality supply chains within weeks (Food & Hotel Asia, 2025). García-Madurga et al. (2021) argue that the pandemic's disruption of consumer behaviour and distribution channels was severe enough to render prior statistical approaches to hospitality demand forecasting obsolete, prompting calls for supply chains in the sector to be redesigned around resilience and sustainability rather than efficiency alone. A related supply chain resilience perspective found that hotel chains'

business objectives during the crisis needed to evolve from cost reduction and operational efficiency toward preserving liquidity, retaining staff relationships, and regaining greater control over the end customer relationship, reflecting a shift in priorities that pure efficiency-focused SCM models had not anticipated (Impact of COVID-19 on the Hospitality Industry, 2021).

4.4 The Role of Technology

Inventory management software functions as the backbone of modern hospitality supply chain operations, offering real-time tracking of stock levels, automated reordering, and integration with supplier databases and point-of-sale systems (Altametrics, 2024). Building on this foundation, artificial intelligence and machine learning are increasingly used for predictive demand forecasting, analysing historical consumption patterns, seasonal variation, and even external factors such as local events to anticipate what ingredients or supplies will be needed and when (Supy, 2024). Reported outcomes from AI adoption in restaurant and hospitality supply chains include reduced food waste, fewer stockouts, and improved cost control through more precise, data-driven purchasing decisions (Society for Hospitality and Foodservice Management, 2026).

Blockchain technology has emerged as a tool for supply chain transparency and traceability, particularly for food provenance. By recording transactions on a secure, immutable ledger, blockchain allows a hospitality business to verify the origin, handling, and storage conditions of ingredients, which is especially valuable for properties emphasising locally sourced or sustainably certified products (Supy, 2024; Mews, n.d.). However, the literature is careful to note that blockchain adoption remains constrained by scalability limitations, interoperability challenges between different suppliers' systems, and regulatory uncertainty, meaning it should currently be understood as an emerging rather than mature solution for most hospitality operators (Revolutionizing Hospitality Through Smart Logistics, 2025).

Beyond inventory and traceability, digital procurement platforms and e-sourcing tools have changed how hospitality businesses select and negotiate with suppliers, replacing informal, relationship-based purchasing with structured, competitive digital processes that improve both pricing and supplier selection quality (ProQsmart, 2025). Collectively, these technologies point toward a hospitality supply chain that is increasingly data-driven, but the literature is consistent in framing technology as an enabler of better decision-making rather than a replacement for the underlying supplier relationships and operational discipline that SCM success still depends on.

4.5 Real-World Examples

Marriott International illustrates how a large hotel group formalises sourcing and procurement around sustainability criteria at scale. Marriott's Responsible Sourcing Guide sets category-specific environmental and social requirements for suppliers, referencing third-party certifications such as Rainforest Alliance and Fair Trade, with a target that 95 percent of the company's global spend within its top ten sourcing categories should meet these requirements by 2025 (Marriott International, 2021). In 2023, Marriott joined Hilton, Accor, IHG, and Radisson in launching the Hospitality Alliance for Responsible Procurement (HARP), an industry-wide initiative using a shared supplier sustainability rating system to build transparency and consistent standards across the sector's collective supply chain, with founding members rating more than 2,000 suppliers at launch (ESG Dive, 2023).

Hilton Supply Management (HSM) demonstrates the scale and complexity of procurement in a global hotel group, coordinating a network of more than 3,000 suppliers serving over 17,000 customer properties, more than half of which are non-Hilton-branded hotels that use HSM's procurement services independently (CoStar, 2024; Sustainability Magazine, 2024). HSM's responsible sourcing initiatives include transitioning 1.4 million pounds of breakfast sausage to group-housed pork in the United States to improve animal welfare standards, and certifying 34 percent of its Asia-Pacific seafood purchases as sustainable through the Marine Stewardship Council and Aquaculture Stewardship Council (Sustainability Magazine, 2024). Hilton has also credited its commitment to supplier diversity with helping the organisation mitigate pandemic-era disruptions, since a broader supplier base gave the company more flexibility to meet customer needs when individual suppliers faced their own disruptions (CoStar, 2024).

McDonald's, while a quick-service restaurant chain rather than a hotel operator, is widely used in hospitality and foodservice operations literature as an example of highly disciplined global supply chain execution and is directly relevant to the food and beverage function within broader hospitality operations. Before opening its first restaurant in India, McDonald's spent approximately six years building a dedicated local supply chain, working to source as many ingredients domestically as possible; because Indian potato varieties were unsuitable for the company's french fry specifications, the company had to work with local farmers over several years to develop an entirely new, India-specific potato supply chain rather than importing the product (Stanford Graduate School of Business, n.d.). McDonald's global operations maintain strict cold chain

logistics, temperature-controlled distribution designed to preserve food safety and quality from farm to restaurant, and rely heavily on long-term, trust-based relationships with a relatively small number of large, dedicated distributors such as Martin-Brower, illustrating an approach grounded less in short-term competitive bidding and more in durable, mutually reinforcing supplier partnerships (Supply Chain 24/7, 2016).

5. Discussion

The findings of this report support the theoretical framing established in the literature review: hospitality supply chains are structurally different from manufacturing supply chains in ways that shape almost every aspect of how they must be managed. The combination of perishability, simultaneous production and consumption, and volatile demand means hospitality SCM cannot rely on the buffering strategies, safety stock, deferred production, that manufacturers use to absorb uncertainty. This helps explain why the sector has historically trailed manufacturing in adopting formal SCM practices (SUPPLY CHAIN MANAGEMENT IN HOSPITALITY INDUSTRY: AN OVERVIEW, n.d.), and why the practitioner literature places such heavy emphasis on demand forecasting and supplier flexibility rather than the inventory-holding strategies more common in manufacturing contexts.

A recurring tension emerges between cost minimisation and the relational, trust-based approach to supplier management that both the academic and case study evidence suggest performs best. Shi and Liao's (2013) finding that interorganisational trust and interdependence, mediated through joint teamwork, drive supply chain relationship quality sits somewhat uneasily alongside procurement literature that emphasises competitive e-sourcing and supplier consolidation purely to reduce price (ProQsmart, 2025). The McDonald's case study suggests one resolution to this tension: rather than treating cost control and relational depth as opposing strategies, McDonald's appears to pursue long-term, high-trust partnerships with a small number of dedicated suppliers specifically because that structure delivers reliability and consistency at the scale the company requires, with cost efficiency emerging as a consequence of a stable, well-integrated relationship rather than the direct object of aggressive short-term negotiation (Supply Chain 24/7, 2016). This suggests that the choice between transactional, price-driven sourcing and relational, trust-based sourcing may depend heavily on the strategic importance and criticality of the item being sourced, a nuance the reviewed literature acknowledges only implicitly.

The sustainability findings similarly reveal a tension worth examining critically. Marriott's, Hilton's, and the broader HARP alliance's sustainability commitments represent substantial investment in supplier vetting, certification, and monitoring infrastructure (Marriott International, 2021; ESG Dive, 2023; Sustainability Magazine, 2024). Yet Alreahi et al.'s (2023) systematic review is careful to note that green supply chain management implementation in hotels faces significant barriers rooted in the complexity of stakeholder relationships, meaning the scale and

resources available to organisations such as Marriott and Hilton, global reach, brand leverage over thousands of suppliers, dedicated sustainability teams, may not be readily available to smaller, independent hospitality businesses attempting similar initiatives. This raises a genuine equity question the current literature does not fully resolve: whether the SCM practices demonstrated by large hotel groups are transferable models for the wider hospitality sector, or whether they instead reflect a scale advantage unavailable to most of the industry, which is still dominated by small and medium-sized operators.

On technology, the findings suggest a more optimistic but still qualified picture. AI-driven demand forecasting and inventory management appear to offer genuine, measurable benefits, reduced waste, fewer stockouts, better cost control, that are broadly consistent with what SCM theory would predict from improved information quality (NetSuite, 2025; Society for Hospitality and Foodservice Management, 2026). Blockchain's promise for traceability is more speculative at this stage; the same body of literature that champions its potential for hospitality food safety and sustainability verification also acknowledges scalability, interoperability, and regulatory obstacles that have not yet been resolved (Revolutionizing Hospitality Through Smart Logistics, 2025). A critical reading of this evidence suggests hospitality operators should treat AI-based forecasting and inventory tools as comparatively mature, adoptable technologies, while treating blockchain-based traceability as an emerging capability worth monitoring rather than one requiring immediate large-scale investment.

The COVID-19 evidence, finally, points to a broader conceptual shift that this report's literature review anticipated: García-Madurga et al.'s (2021) argument that pandemic-era disruption rendered established demand-forecasting approaches obsolete, and the related finding that hotel chains needed to prioritise liquidity and relationship preservation over pure cost efficiency during the crisis (Impact of COVID-19 on the Hospitality Industry, 2021), together suggest that resilience deserves a more prominent place in how hospitality SCM is taught and practised, alongside the traditional emphasis on cost and efficiency. Whether this shift persists as pandemic memory fades, or whether cost efficiency reasserts itself as the dominant priority once demand stabilises, remains an open question the current literature has not yet had the benefit of hindsight to answer definitively.

6. Conclusion

This report has examined the role of supply chain management in hospitality operations, focusing on sourcing, procurement, logistics, and inventory management as its four core components. The evidence reviewed supports the conclusion that effective SCM contributes meaningfully to cost reduction and operational efficiency, primarily through disciplined purchasing policy, supplier consolidation, and demand forecasting, and to customer satisfaction, primarily through the consistency and reliability that a well-managed supply chain allows a hospitality property to deliver to its guests. At the same time, hospitality supply chains face challenges largely distinct from those found in manufacturing: the perishability and simultaneous production and consumption inherent to hospitality services, volatile and seasonal demand, the coordination burden of managing numerous concurrent supplier relationships, and, as the COVID-19 pandemic demonstrated, significant exposure to large-scale disruption.

Technology, particularly AI-driven demand forecasting and inventory management systems, offers hospitality operators a comparatively mature and increasingly accessible means of addressing these challenges, while blockchain-based traceability remains a promising but still-maturing capability. The real-world examples of Marriott, Hilton, and McDonald's illustrate that the largest and most sophisticated hospitality and foodservice organisations pursue supply chain excellence through a combination of sustainability commitment, supplier diversification, and, in McDonald's case, deep, long-term supplier partnerships built over years rather than negotiated transactionally.

Based on these findings, hospitality organisations, particularly smaller and independent operators without the scale advantages of major chains, would benefit from three practical priorities: first, investing in accessible demand forecasting and inventory management technology rather than treating such tools as the preserve of large chains; second, building supplier relationships around trust and mutual investment for critical, high-risk categories, rather than defaulting to purely price-driven, transactional sourcing; and third, incorporating resilience and contingency planning into supply chain strategy as a standing priority rather than a response reserved for the next crisis. Supply chain management in hospitality is, ultimately, not a peripheral operational function but a strategic capability that shapes cost, consistency, and guest experience alike, and organisations that treat it accordingly are better positioned to compete in an industry defined by both intense competitive pressure and unpredictable demand.

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Appendices

Appendix A: Summary of Real-World SCM Examples

Organisation	SCM Focus	Key Practice	Outcome / Evidence
Marriott International	Responsible sourcing	Category-specific supplier sustainability requirements; co-founded HARP industry alliance	Target of 95% of top-10-category spend meeting sustainability requirements by 2025
Hilton Supply Management	Procurement scale & sustainability	3,000+ suppliers serving 17,000+ properties; supplier diversification; animal-welfare and MSC-certified sourcing	Improved pandemic-era resilience; measurable sourcing shifts (e.g., 1.4M lbs group-housed pork)
McDonald's (India)	Logistics & long-term supplier development	6-year local supply chain build-out; dedicated cold chain; long-term distributor partnerships (e.g., Martin-Brower)	New India-specific potato supply chain developed; consistent global product quality

Appendix B: Search Strategy Summary

Databases and sources searched: ScienceDirect, ResearchGate, MDPI (Sustainability), Google Scholar, industry publications (NetSuite, Mews, Hospitality Technology), and organisational sustainability/procurement reports.

Search terms: "supply chain management", "procurement", "sourcing", "logistics", "inventory management" combined with "hospitality", "hotel", "restaurant".

Inclusion criteria: Peer-reviewed journal articles and verifiable organisational/industry sources published within approximately the last fifteen years, with priority given to recent sources on technology adoption and pandemic-related disruption.

Case study selection: Purposive selection of large, publicly documented organisations (Marriott International, Hilton Supply Management, McDonald's) with substantial verifiable public reporting on sourcing, procurement, or logistics practices.