



**CHALLENGES IN THE HOTEL INDUSTRY AND SOLUTION.A CASE STUDY OF
LAKE NAIVASHA RESORT.**

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**RESEARCH PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF A DIPLOMA IN CULINARY ARTS, BOMA
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OCTOBER 2024,

DECLARATION

This proposal is my original work and has not been presented for a diploma in any other institution

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DEDICATION

My Dad

I thank you for your continued support and guidance in this career path I chose and the daily affirmation words that kept me going even in my lowest point, May the almighty keep you safe for me.

ACKNOWLEDGEMENT

I am pleased with Madam Naomi's constant guidance and support while creating this research proposal. Her knowledge and advice have been essential in shaping and refining this case and her commitment to teaching, supporting, and supporting me has been inspiring. I feel lucky to have worked. I'm truly grateful for her mentorship.

ABSTRACT

The hospitality industry plays a significant role in the global economy with its diverse services, including accommodation, food and beverage, events, and tourism. However, the sector faces several contemporary issues and challenges that have the potential to impact its growth and development. This study will provide an overview of the most significant problems and challenges facing the hospitality industry today and the effective solutions needed.

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CHAPTER 1 INTRODUCTION AND BACKGROUND OF THE STUDY.

1.1 Introduction

The focus of this study is to investigate the challenges in the hotel industry and the solution in Lake Naivasha Resort.

This chapter presents the background of the study, the problem statement, the purpose of the study, research objectives, the significance of the study, limitations and delimitations of the study

1.2: Background of the study

Many hoteliers face different challenges, some more serious than others. The only distinction is how every problem is approached from the perspective of the customer to the company itself. There are common challenges faced by the hotel industry that impact its profits(Nain, 2018). Sometimes customers wanted more or not wanted at all and it leads to the problem of hotels having empty rooms. Which also causes hotels not to earn business. Is it the case that they either don't have enough or how to fill these empty rooms? Also, constantly increasing labor costs and unavailability of competent workers gives rise to staffing issues which affect quality. The competition with other accommodation platforms, such as Airbnb is putting pressure on hotels to innovate and enhance their value propositions(S. Kumar et al., 2024). Guests expect technology and sustainability. Meeting these expectations presents yet another challenge. How can hotels invest in updated technology while also being eco-friendly and keeping costs in check? Finally, the industry faces cybersecurity threats that can compromise guest data, requiring strong security measures to safeguard sensitive information.

The hotel sector, which offers lodging, recreational opportunities, and travel-related services, is a major contributor to the worldwide economy (IPROJECTMASTER, n.d.). However, it has encountered some outstanding difficulties in recent years. These include concerns about environmental sustainability, growing competitiveness, shifting customer preferences, economic uncertainty, and technological breakthroughs. To adapt and prosper, the industry must have a solid grasp of these problems. This proposal lists the main issues facing the hotel industry and suggests several ways to deal with them. One of the biggest challenges faced by most operators is the recruitment, training and retention of employees (*Five Biggest Challenges Facing The Hospitality Industry in 2024 | Trail*, n.d.). This has led to a majority of the operational innovations within the Canadian hotel industry. Some are obvious and noticeable, while others are subtle. Major innovations that have taken place in the area of operational management include: fully integrated management systems; electronic check-ins; radio-frequency identification (RFID) tags used in laundries; hotel lobbies as fully integrated social media centers, with access to tablets, headphones, touch screens (Jayawardena et al., 2013).

1.3 Statement of the problem

Lake Naivasha Resort faces challenges that threaten its profitability, sustainability, and long-term growth. These challenges include economic uncertainties, rapidly changing consumer preferences, increased competition from alternative accommodation platforms, labor shortages, technological disruptions, and growing environmental concerns. Economic Uncertainty (*Five Biggest Challenges Facing The Hospitality Industry in 2024 | Trail*, n.d.): Consumer expenditure on travel and hospitality services has been drastically cut off by global economic instability, including inflation and recessions, which has resulted in a drop in hotel occupancy rates and income. Shifting

customer preferences: Contemporary tourists today look for customized environmental pressures. As sustainability gains more attention, the hotel sector is being closely examined for its environmental impact. Both consumers and authorities have serious concerns about resource utilization, trash production, and energy consumption. Experiences that are distinctive and environmentally responsible are difficult to deliver via conventional hotel models. The growth of alternate lodging options like Airbnb further complicates this change in demand. Technological Disruptions: Online booking platforms and automated services are examples of developments brought about by the digital transformation of the hotel industry. But it has also made the sector more vulnerable to data breaches, cybersecurity risks,

1.4 purpose of the study

The purpose of this study is to investigate the challenges in the hotel industry and solution in relation to Lake Naivasha Resort. The case study on challenges in the hotel industry is important as it offers a focused view of real-life problems affecting the industry and suggests practical recommendations to solve the problems. The hospitality industry is very dynamic and dependent on many internal and external forces. These include but are not limited to the economy, technology, consumer demand, pandemic, etc. The challenges include rising operating costs, shortage of workers, strong competition and demand for lowering prices and meeting more demanding consumer expectations such as digitalization and personalized experience.

Investors, hotel managers, students and other stakeholders can also benefit from these problems in the case study, so as to get to know them. Hotels can benefit through effective decision making based on innovation, improving profitability and sustainability and increasing customer satisfaction.

1.5 Objectives of the study

The objectives of ‘Challenges in the Hotel Industry and Solutions; will be the following:

- To Analyze, the major challenges that the hotel industry is facing currently,
- To identify the internal issues that contribute to the challenges of the hotels, e.g., employees.
- To identify the strategies that can be implemented to address the challenges,

1.6 Research questions

The questions guiding this study are as follows:

- What are the major challenges that the hotel industry is facing currently?
- What are the internal issues that contribute to the challenges of the hotel?
- What are the strategies that can be implemented to address the challenges?

1.7 Significance of the study

This study tackles key challenges in the hotel industry. It proposes solutions that help many stakeholders. Hotel owners, and managers can often use precious understanding to importantly

improve their operations, lower costs and greatly improve guest satisfaction, while at the same time, many employees may profit from improved working conditions, and abundant opportunities for professional growth. Improved service quality and a more enjoyable experience provide benefits to guests. The findings provide costly information that investors can use to assess risks effectively, and this enables them to reach well-educated decisions confidently. Supportive regulations can be created by policymakers from the study's guidance and hotels can be encouraged to adopt practices that focus on both the environment and community, which benefits local economies. It builds academic knowledge, and lays the groundwork for future hospitality management research((PDF) *A Study on Major Challenges Faced by Hotel Industry Globally*, n.d.)A case study on challenges in the hotel industry is significant as it provides a focused view of real-life issues affecting the industry and suggests practical solutions to solve the issues. The hotel industry is very dynamic and is affected by internal and external forces such as the economy, technology, consumer demands and global events like pandemics. Operating costs are high, there are not enough workers, pressure from competitors to reduce prices and to satisfy more complex consumer demands for digital services, personalized experience are some ways in which challenges may manifest.

By studying these problems in the case study, stakeholders including investors, hotel managers and students can get a better understanding of the underlying causes and trends. Decision-making strategies can improve profitability, sustainability and customer satisfaction in the hotel through an innovation-based approach.

1.8 Limitation of the study

The study will have no control over the responses given by the participants in the study. Some respondents may not respond to the questions while others may give inaccurate information.

1.9 Delimitation of the study

The study will focus on only one hotel. This is due to the financial situation of the researcher.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter will contain a review of related literature guided by the research questions, that is; What are the major challenges that the hotel industry is facing currently? What are the internal issues that contribute to the challenges of the hotel? What are the strategies that can be implemented to address the challenges?

2.2 What are the major challenges that the hotel industry is facing.

Many important challenges confront the hotel industry when developing research proposals, and these obstacles arise mainly from the sector's constantly shifting and highly competitive

environment. The rapid evolution of consumer preferences and technical improvements is faced as a foremost challenge. Shifting demands are constantly changed by hotels and personalized experiences and sustainable practices are increasingly preferred. Many research proposals confront difficulties. They often fail to predict these fast-changing trends. This makes long-term planning very hard. Additionally, the industry's reliance on diverse global markets introduces complexity. Variations in cultural expectations and economic conditions across regions make it challenging to craft universal research frameworks that are both relevant and practical.

Another critical issue is the limitation of resources, both financial and human. Many hotels, especially smaller establishments, may lack the funding to support comprehensive research initiatives.

This creates a gap between theoretical research and its practical implementation. Moreover, data collection in the hotel industry is inherently complex due to the involvement of various stakeholders, including customers, staff, and external suppliers. Ensuring data accuracy and integrity while adhering to privacy regulations can be daunting.

Lastly, the COVID-19 pandemic has highlighted the fragility of the hospitality sector, adding an additional layer of uncertainty to research. Proposals now need to account for unpredictable crises and their long-term effects, such as changing travel patterns and labor shortages. These challenges underscore the need for adaptive, interdisciplinary research methods tailored to the unique demands of the hotel industry

2.3 What are the internal issues that contribute to the challenges of the hotel?

Pivotal internal issues in the hotels being described above contribute quite a lot to the problems an organization faces, as far as efficiency and performance is concerned. One of these is the common problem of poor leadership and management(Keating & Harrington, 2002). Failure of leadership in an organization translates into poor information flow, poor guidance and lack of motivation to employees and this has a bearing on the quality of services offered by the organization. Also, like many other hotels, the majority have high turnover among employees(Shukla et al., 2022). This has been a recurrent problem in the hospitality sector. This results in increased costs of hiring and training new workers, reduction in service consistency which leads to deterioration of customer satisfaction, and loss of institutional memory(Fathy, 2018). Resource allocation is of equal importance as one of the internal problems of the business. Shortage of funds often leads to the use of obsolete technology, poor marketing, poor training programs for the employees which limits the competitiveness of the hotel(Gatins & Donaldson, 2010). In addition to these, the absence of or poorly articulated operational processes inflexibility, and slow process advancements hinders the potential of the organization to deliver in time and within budget. For example the lack of, or the unwillingness to incorporate modern technologies such as property management system, or customer relationship management software will result in time wastage when making bookings, on the other hand poor telephone handling by the customer relations destructor will also result in wasting time and confusion when dealing with clients(Tiso & Melani, 2023). Given that employment and employee development and engagement concentration is not a very strong professional issue, it certainly is a concern that cannot be overlooked. When hotels do not make effort to effectively train their employees or enhance their professional development, employees tend to feel neglected and thus do not perform satisfactorily(Yimam, 2022).Finally, inter-departmental frictions such as those between the front office and the housekeeping department can

lead to a fragmented working atmosphere, which in turn, affects the overall productivity and service(Belias et al., 2023). Such internal challenges must be addressed first in order to enhance the resilience and effectiveness of the functioning of the hotel.

2.4 What are the strategies that can be implemented to address the challenges?

Firstly, it is important to underscore that investing in employee training and development is crucial so as to curb turnover rates and improve service quality. By developing the continuous learning concept, hotels are able to increase employee satisfaction, which in turn affects customers. Furthermore, using property management systems and CRM software can also cut back on operational tasks, increase efficiency and ensure guest satisfaction(Li et al., 2020). It is necessary to enhance marketing particularly for the areas that are expected to give the firm a competitive edge. The enhancement of marketing activities specifically in the highly competitive markets is fundamental while improving the communication and coordination between the various company functions will limit the scope for intra- organizational disputes and enhance operational effectiveness(Rosenbaum & Wong, 2015). In addition, hotels should pay attention to green business models and offer personalized services while frameworks and consumer trends change. Last but not least, leadership can be strengthened through effective communication of goals and

expectations while retaining and/or motivating employees in the company so as to create a good working culture, reduce mismanagement and improve overall performance(Hahang et al., 2022). In summary, these strategies can assist hotels gain the capacity to withstand, operate effectively and remain customer orientated in a competitive landscape characterized by constant change(Hiamey & Hiamey, 2020).

To manage supply chain disruptions, hotels can use several effective strategies. First, building strong relationships with multiple suppliers can help ensure that if one supplier faces problems, others can provide the needed products or services. Hotels can also keep a buffer stock of essential items, like toiletries and food, to avoid running out during shortages. Another strategy is to use local suppliers whenever possible, as this can reduce delivery times and make the supply chain more reliable. Additionally, hotels can invest in technology to track inventory more effectively, allowing them to anticipate shortages and make timely orders. Training staff to adapt quickly and creatively in case of supply issues can also help maintain service quality. By implementing these strategies, hotels can better navigate supply chain challenges and continue to provide a good experience for their guests.

Conclusions

According to the literature, the hotel industry in Kenya is at a turning point, particularly at Lake Naivasha Resort, highlighting several critical factors that affect its growth and sustainability. These include economic fluctuations, seasonal demand, resource constraints, and staff turnover. Moreover, the increasing pressure to adapt to changing consumer preferences and technological advancements adds complexity to operations. The review underscores the importance of addressing internal issues such as leadership effectiveness, staff training, and resource allocation, while also emphasizing the need for strategic innovation and sustainable practices. To ensure the continued success of Lake Naivasha Resort, it is imperative for management to implement adaptive strategies that align with both global trends and local market demands, fostering resilience and long-term viability in an increasingly competitive and dynamic environment.

CHAPTER 3: RESEARCH DESIGN METHODOLOGY

3.1. Introduction.

The chapter outlines the research design, data collection methods, and analysis techniques used in the study to examine the challenges that the hotel faces and the solutions in Lake Naivasha Resort. The methodology ensures the reliability and validity of the data collected and the overall research process.

3.2 Research Design

This study employed a mixed-methods approach, combining quantitative and qualitative data collection and analysis. This approach allows for a comprehensive understanding of Lake Naivasha Resort's challenges and solutions.

3.3 Target Population and Sample

The target population includes guests who have stayed at Lake Naivasha Resort. A sample of 15 guests was selected using stratified random sampling to ensure diverse representation. Additionally, 10 staff members (from different departments of the hotel) from Lake Naivasha Resort were interviewed to provide insights into the challenges that the hotel faces.

3.4 Data Collection Methods

3.4.1 Interview

Semi-structured interviews were conducted with selected Lake Naivasha Resort staff members to gather qualitative data on each department's challenges and the solutions being implemented. The interview guide included questions about certain scenarios that each of the departments faced, like whether they meet customer satisfaction, do they get the right supply for their kitchens, and also the housekeeping department.

3.4.2 Surveys

A structured questionnaire was designed to collect quantitative data from guests and the staff. The questionnaire included sections on their work environment, training, workload, and scheduling. Likert-scale questions were used to measure the level of agreement or disagreement with statements related to the challenges and solutions.

3.4.3 Document Analysis

Relevant documents, such as complaint logs, guest feedback forms, staffing schedules, and third-party OTAs from the resort, were analyzed to provide additional context and support for the findings. This secondary data helped to triangulate the information obtained from surveys and interviews.

3.5 Data Analysis

3.5.1 Quantitative Data Analysis

Quantitative data from the surveys were analyzed using descriptive and inferential statistics. Descriptive statistics, such as mean, median, and standard deviation, were used to summarize the data. Inferential statistics, including correlation and regression analysis, were employed to examine the rate of challenges and solutions that have been implemented.

3.5.2 Qualitative Data Analysis

Qualitative data from interviews were analyzed using thematic analysis. The interviews were transcribed, and key themes were identified through coding. This process involved identifying patterns and recurring themes related to the challenges and impact of solutions.

3.6 Ethical Considerations

Ethical approval was obtained from the relevant institutional review board before data collection commenced. Informed consent was obtained from all participants, and their anonymity and confidentiality were ensured. Participants were informed about the purpose of the study, their right to withdraw at any time, and how their data would be used.

3.7 Limitations of the Study

The study acknowledges potential limitations, such as response bias in self-reported data and the generalizability of the findings to other hospitality settings. Efforts were made to mitigate these limitations through careful sample selection and data triangulation.

3.8 Conclusion

This chapter detailed the materials and methods used in the study to investigate the challenges and solutions faced at Lake Naivasha Resort. The mixed-methods approach, combining quantitative and qualitative data, provides a robust framework for understanding the proposal.

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APPENDIX 1

WORK PLAN ACTIVITY

Activity	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
FORMATION OF RESEARCH TOPICS									
OBJECTIVES									
CHAPTER!									
CHAPTER 2									
CHAPTER 3									
APPENDICES DATE OF COLLECTION TOOLS<WORK PLAN									

SUBMISSION									
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APPENDIX 2

INTERVIEW

- What are the most common challenges the hotel faces in daily operations?
- How do you train employees to handle difficult complaints and emergencies?
- What are the strategies used to reduce costs without compromising the quality?
- What measures do you take to handle peak seasons or unexpectedly high occupancy?

APPENDIX 3

SURVEY

- How often do operational issues delay housekeeping & maintenance, and does it affect customer satisfaction? (Rarely, sometimes, often, always)
- On a scale of 1 to 10, how well do you think the hotel manages day-to-day operations? (Scale)
- How would you rate the user-friendliness of the hotel booking and other operational systems? (Excellent, Good, Fair, Poor)
- What are the solutions you would propose to address some challenges? (Open-ended)

APPENDIX 4

DOCUMENT ANALYSIS

- Are there references to evaluating the effectiveness of implemented solutions?
- If financial constraints/cost management issues are noted.
- Are recurring issues and complaints analyzed?
- Are there references to deliveries recorded?

BUDGET

Activity	Total cost
Travelling expenses	1,000
Printing and binding	1,000
Internet services	25000
Meals	2000
Indirect costs	3000
TOTAL	=9500