

Abstract

The hotel industry is one of the biggest industry in Kenya's economy. With the turbulent nature of the tourism industry, hotels face various challenges thus calling the need to improve efficiencies within the hotels and their whole supply chains. The study sought to explore the supply chain management practices preferred by the five star hotels in Kenya and the challenges they face while implementing supply chain management. In order to satisfy the objectives of the study, a survey was conducted in all the seven five star hotels in Nairobi. The findings revealed that most five star hotels have implemented supply chain management. However, it was evident that most five star hotels have not paid much attention to formal information sharing with customers about production costs as a supply chain management practice. It was also established that the major challenges to implementing supply chain management in the hotel industry were the lack of understanding the supply chain management concept and the turbulent nature of the hotel industry. The study therefore recommends that all five star hotels in Kenya should endeavor to fully understand the supply chain management practices to drive them to world class status to ward off competition. The government should also offer tax holidays to five star hotels to protect the industry which plays a significant role in Kenya's economy.