



BETUGA CONSULTING

Hospitality & Financial Consultants

Overcoming Operational Challenges That Hoteliers Will be Facing in 2025

"Unravelling Some of The Most Common Challenges"



PREPARED BY:

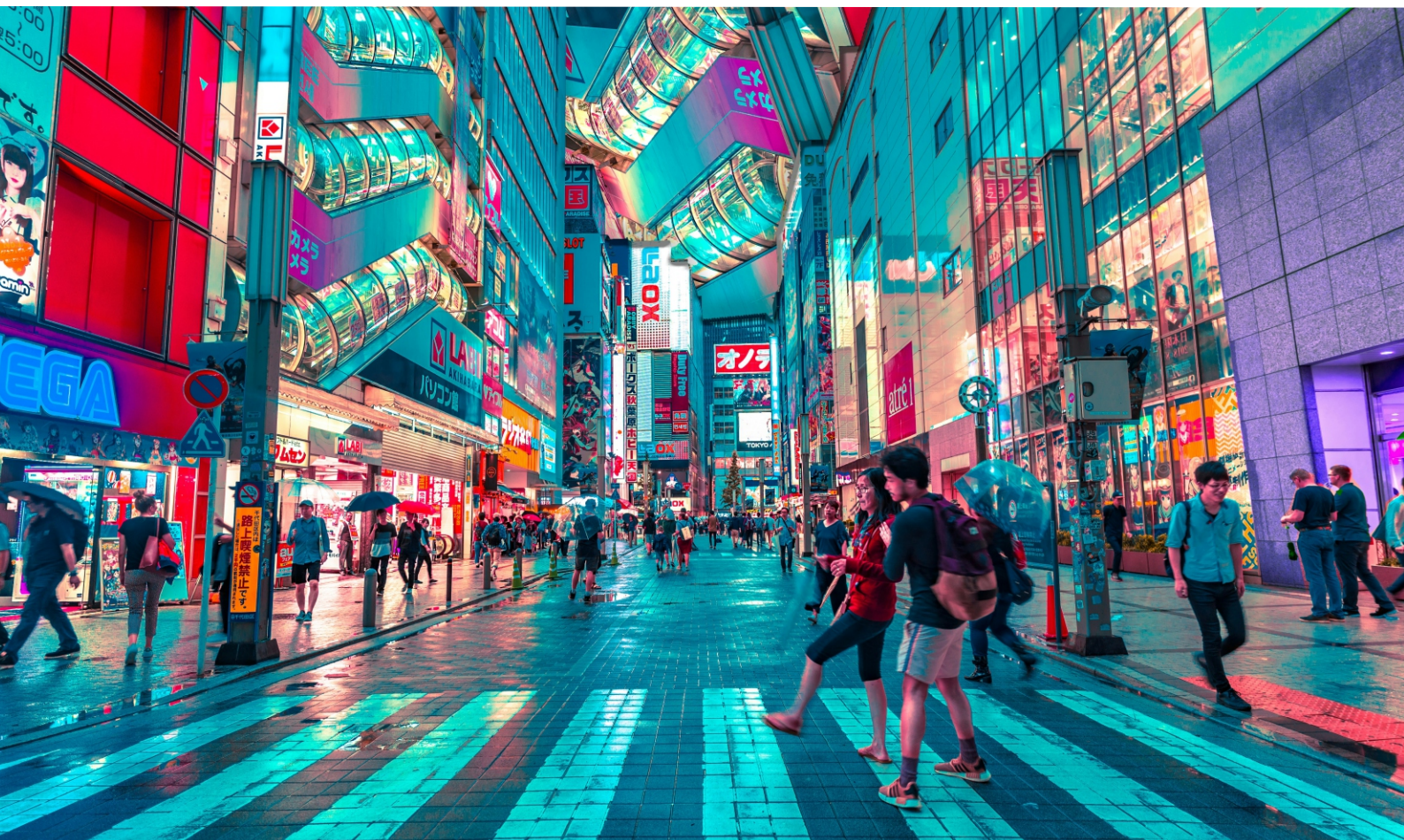
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INTRODUCTION

During 2025, the hotel industry continues to evolve at a rapid pace, with a host of challenges confronting General Managers (GMs) across the globe

The global hospitality industry continues to experience significant shifts, with challenges ranging from economic fluctuations to technological advancements, staffing shortages, and evolving customer preferences.

The ability to navigate these challenges often determines its success in an increasingly competitive market. In this comprehensive article, we will identify some of the key operational challenges that hotel General Managers face in 2025 and provide some strategic solutions to help



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Labor Shortages and Talent Retention

The hospitality industry has been grappling with labour shortages, and in 2025, this issue will persist. The pandemic-induced exodus of workers has left many hotels struggling to find and retain skilled staff. As travel demand rebounds, the lack of experienced employees is causing operational strain, particularly in frontline positions like housekeeping, food service, and maintenance.

Some of Our Suggestions for How to Overcome It:

Invest in Employee Training and

Hotels need to cultivate talent from within by offering comprehensive training programs. By investing in employees' growth and development, hotels can foster loyalty and create a skilled workforce that can adapt to the dynamic demands of the industry.

Employee Retention Programs

GM's need to focus on retaining their current workforce by incorporating positive work culture programs that can improve job satisfaction, reduce burnout, and increase retention. This can include flexible working hours whenever possible and providing an engaging work environment.

Competitive Compensation and Benefits

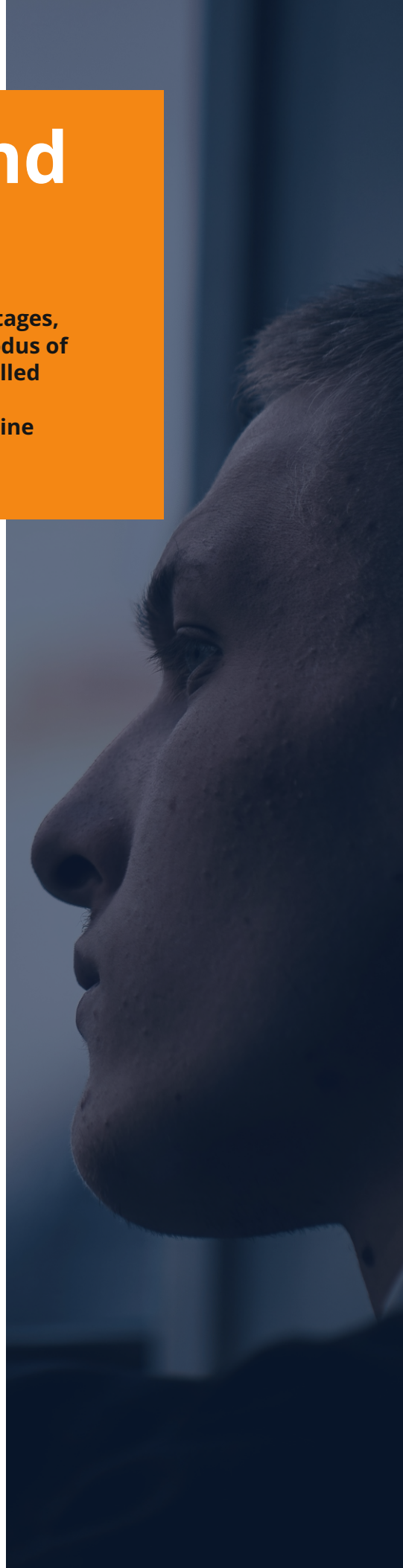
Offering competitive salaries and comprehensive benefits packages, including career growth opportunities, can help attract and retain top talent in a highly competitive market. Employee recognition programs can also enhance loyalty and motivation.

Automation of Routine Tasks

Implementing technology to handle repetitive tasks (such as check-ins and housekeeping scheduling, room service orders, and guest feedback collection through Artificial Intelligence (AI) tools and apps.) can reduce the dependency on large staff pools while improving efficiency.

Enhance Recruitment Strategies

Partnering with local hospitality schools, offering internship programs, and recruiting through diverse platforms (social media, job fairs, etc.) can help attract talent. GMs should also look beyond traditional recruitment channels and consider flexible work arrangements to appeal to a wider pool of applicants.





Technological Advancements and Integration

Technology continues to revolutionize the hospitality industry and offers many benefits, keeping up with rapid technological advancements can be a daunting task for hotel managers, from AI-powered chatbots to advanced property management systems (PMS), from implementing new booking systems to upgrading guest-facing technology, GMs must balance innovation with cost and ease of use. However, staying ahead of the curve and ensuring seamless integration of these technologies pose challenges for GMs.

Some of Our Suggestions for How to Overcome It:

Strategic Technology Adoption

General Managers must evaluate and implement technology that aligns with their hotel's operational goals. Prioritize systems that enhance the guest experience, Digital keys, contactless payments, mobile check-in/out, smart room technology, and AI-driven customer service platforms, are becoming industry standards. GMs should ensure these technologies are user-friendly and create a seamless experience for guests.

Prioritize Scalable Technology Solutions

Rather than adopting every new tool, GMs should prioritize technologies that offer the highest ROI and can be easily scaled. Property management systems (PMS) that integrate with other platforms (booking engines, marketing systems) can streamline operations.

Staff Training on New Technologies

With the rise of digital tools, it's essential to train staff adequately to use these systems. Hotel GMs must create a technology-friendly culture where employees are encouraged to adapt to new tools and platforms.

Data-Driven Decision Making

Advanced analytics tools help GMs monitor trends, forecast demand, and optimize operations. Hotel managers should leverage business intelligence tools to make informed decisions about pricing, staffing, and marketing strategies.

Rising Operational Costs

Inflation, increased energy costs, and supply chain disruptions are inflating operational expenses, creating a significant burden for GMs. These cost pressures are making it harder to maintain profitability, keep room rates competitive, and deliver a high-quality guest experience.

Some of Our Suggestions for How to Overcome It:

Energy Efficiency Initiatives

Invest in energy-efficient technologies, such as LED lighting, smart thermostats, solar power, energy-efficient HVAC systems, and utilizing renewable energy sources where possible. Monitoring energy usage can provide valuable insights into areas of waste. These solutions can significantly reduce energy consumption, lower utility bills, and enhance sustainability credentials, appealing to eco-conscious travellers.

Cost Optimization Strategies

Building relationships with local suppliers to minimize supply chain disruptions and reduce transport costs can be effective. Additionally, bulk purchasing and renegotiating contracts with long-term vendors may help lock in lower prices. Regularly assess all hotel processes to identify areas where efficiency can be improved. Reducing waste in food and beverage operations, or implementing lean management techniques to streamline processes.

Dynamic Pricing

Adopt revenue management strategies to allow for dynamic pricing based on real-time demand and competition. GMs should work closely with their revenue management teams to optimize room rates without alienating customers. Hotels should leverage data analytics to forecast demand accurately.





Guest Experience and Personalization

In 2025, travellers expect hyper-personalized experiences. Meeting these heightened expectations while ensuring operational efficiency is a challenge for GMs, particularly as the customer base becomes more diverse and tech-savvy.

Some of Our Suggestions for How to Overcome It:

Invest in Customer Relationship

A robust CRM system allows hotels to gather and analyze guest data, to track guest preferences, behaviours, and past interactions. This enables GMs to offer personalized experiences and services, like customized offers, tailored room preferences, and loyalty programs. By understanding guest preferences, hotels can exceed expectations and drive repeat business.

Enhance Communication Channels

Modern travellers prefer seamless communication through digital channels, whether it's a mobile app, email, or social media. Hotels should offer multiple ways for guests to interact and provide feedback, improving engagement and satisfaction.

Guest-Centric Training for Staff

Every guest interaction, whether in person or through digital communication, is an opportunity to enhance the guest experience. Training staff to anticipate and meet guest needs and resolving issues swiftly is crucial for maintaining high standards of service.

Sustainability and ESG Expectations

Sustainability is no longer just a trend; it's a business imperative. Guests, investors, and regulatory bodies are increasingly demanding that hotels adhere to higher environmental and social governance standards. General Managers are tasked with balancing the operational costs of sustainability initiatives with their long-term benefits.

Some of Our Suggestions for How to Overcome It:

Implement Green Practices

Gms should integrate environmentally friendly practices such as waste reduction, water conservation, and the use of eco-friendly products. For example, using bulk dispensers for toiletries instead of single-use plastics can reduce waste and appeal to eco-conscious guests.

Certifications and Transparency

Pursuing sustainability certifications (like LEED or Green Key) can enhance a hotel's reputation and attract responsible travellers. Transparency in environmental impact reporting also helps build trust with stakeholders and customers.

Collaboration with Local Communities

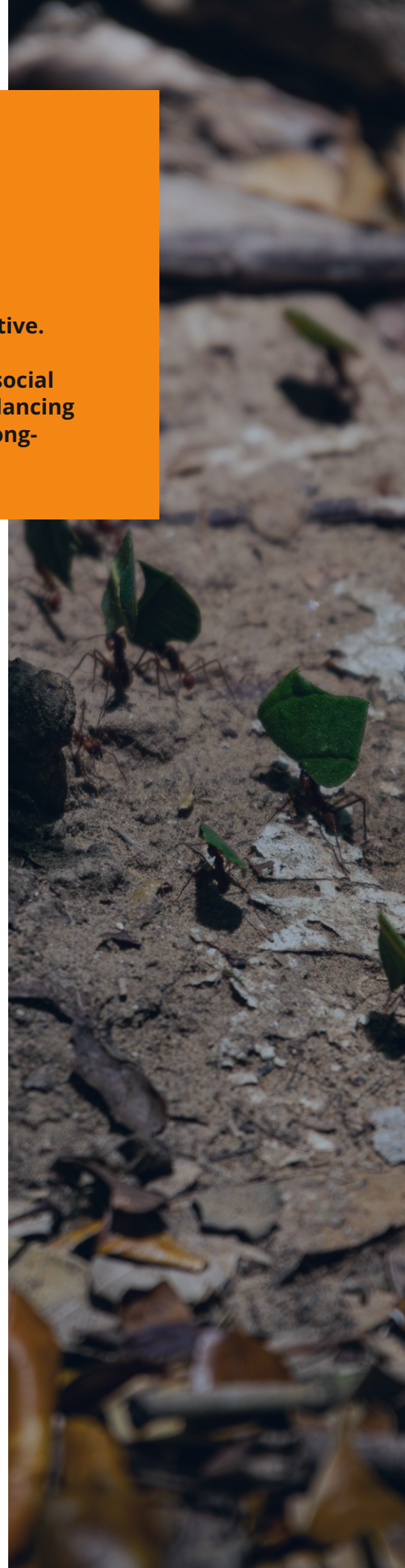
Engage in social responsibility efforts that positively impact local communities, such as supporting local businesses, employing locals, and participating in charitable initiatives.

Partner with Green Suppliers

By working with suppliers who follow sustainable practices, GMs can ensure that their hotel's supply chain reflects its commitment to environmental responsibility.

Addressing Labor Practices, Diversity, and Inclusion

GM's needs to take seriously the social aspect of ESG, by emphasising fair treatment of employees, promoting diversity, and fostering inclusive work environments. This includes offering competitive wages, benefits, and opportunities for career development.



Safety and Security Concerns

In a post-pandemic world, health and safety remain at the forefront of travellers' minds. General Managers must ensure that hotels maintain high standards of cleanliness while addressing concerns related to data security and guest safety.

Some of Our Suggestions for How to Overcome It:

Health and Safety Protocols

Continuously update cleaning and sanitization procedures, particularly in high-touch areas. Clearly communicate these protocols to guests to reassure them of their safety during their stay.

Cybersecurity Investments

With the growing reliance on digital systems, hotels are increasingly vulnerable to data breaches. GMs must ensure and work with IT teams to bolster cybersecurity defences, by protecting guest data and preventing cyber threats, guaranteeing the hotel's IT systems are protected with firewalls, antivirus software, and encryption technologies. Regular audits and assessments of the hotel's data security protocols are also crucial. Regular audits and assessments of the hotel's data security protocols are also necessary.

Crisis Management Plans

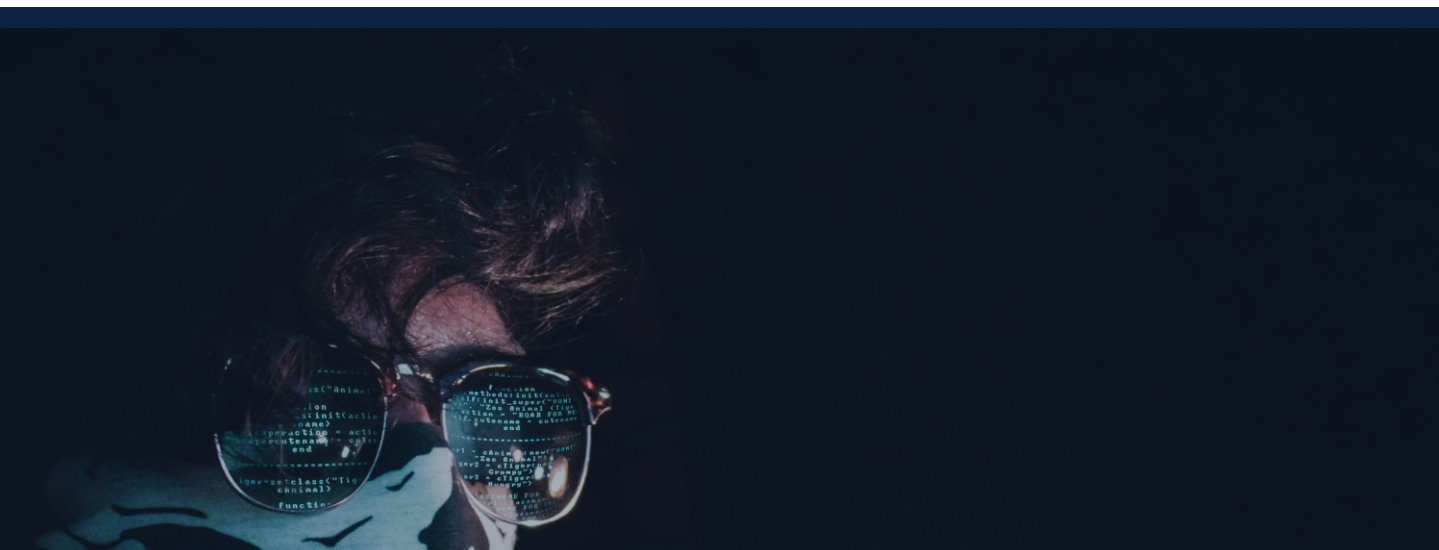
Develop and regularly update crisis management plans that cover everything from natural disasters to cyber-attacks. GMs must be prepared to respond swiftly and effectively to any threats to guest safety.

Employee Training

Frontline employees are often the weakest link in cybersecurity, particularly through phishing attacks or social engineering. GMs should ensure that all staff undergo regular cybersecurity training, including how to identify and respond to potential threats.

Partner with a Managed Security Service Provider (MSSP)

For hotels without a dedicated IT team, outsourcing cybersecurity to an MSSP can provide round-the-clock protection and monitoring of digital systems.





Competition from Alternative Lodging

The rise of alternative accommodations, like Airbnb and other vacation rental platforms, continues to challenge traditional hotels. These alternatives often offer competitive pricing and a unique, home-like experience, drawing away potential guests.

Some of Our Suggestions for How to Overcome It:

The rise of alternative accommodations.

Hotels need to offer unique experiences that go beyond what alternative accommodations can provide. This could include curated local experiences, exclusive amenities, or immersive guest activities that highlight the hotel's brand.

Leverage Loyalty Programs

Strong loyalty programs that reward repeat guests can help hotels retain customers who might otherwise seek cheaper alternatives. Offering points, discounts, or exclusive offers can incentivize guests to return.

Focus on Flexibility and Customization

Hotels can outcompete vacation rentals by offering greater flexibility, such as last-minute bookings, 24/7 customer service, and customized room configurations that cater to families or business travellers.

Optimize Digital Marketing and Branding

Use digital marketing channels (social media, email, search engines) to target guests looking for specific experiences or travel types (e.g., business, leisure, adventure, or wellness trips). Develop a strong online presence by regularly updating the website, blog, and social media pages with engaging content, destination guides, and hotel offerings. This improves visibility and search engine ranking.

Capitalize on Business and Corporate Travelers

Build relationships with businesses and corporations to secure corporate travel bookings, which are less likely to shift to alternative lodgings. Also, focus on providing amenities specifically for business travellers, such as meeting rooms, co-working spaces, high-speed internet, and business centers.

Changing Travel Trends

The shift in travel behaviours, such as the rise of bleisure (business + leisure) trips and the growing popularity of remote work, is forcing hotels to rethink their offerings. Additionally, more travellers are seeking sustainable travel options and experiences that promote wellness.

Some of Our Suggestions for How to Overcome It:

Adapt Spaces for Remote Workers

Hotels should cater to the growing number of remote workers by providing co-working spaces, high-speed Wi-Fi, and private meeting rooms. Offering "work-from-hotel" packages can also attract this demographic.

Promote Wellness and Local Experiences

Wellness tourism is booming, and hotels that offer fitness programs, spa treatments, and healthy dining options are better positioned to capture this market. Incorporating local experiences, such as cultural tours or farm-to-table dining, can also attract travellers seeking authentic, memorable stays.

Adjust Marketing Strategies

Gms need to adjust their marketing efforts to align with current travel trends. This includes targeting digital nomads, bleisure travellers, and wellness enthusiasts with tailored packages and offers.

Data-Driven Revenue Management

Utilizing advanced revenue management software that integrates market data, historical booking trends, and real-time pricing algorithms can help GMs optimize pricing strategies and maximize revenue.

Flexible Booking Policies

Offering flexible booking and cancellation policies can attract more guests, especially in uncertain economic times. These policies can be adjusted to ensure revenue protection while giving guests the peace of mind they need when planning their stay.





CONCLUSION

By 2025, the role of a Hotel General Manager requires navigating a complex array of operational challenges. From labour shortages and technological disruptions to sustainability demands and evolving guest expectations, GMs must adopt a forward-thinking and flexible approach. By focusing on innovation, employee development, guest experience, and sustainability, General Managers can not only overcome these challenges but also thrive in a competitive and ever-changing hospitality landscape. The success of hotel operations will largely depend on how effectively GMs can anticipate trends, respond to market demands, and implement solutions that enhance both profitability and guest satisfaction.

"This brief guide was elaborated to provide insight into the evolving challenges within the hospitality industry and equip General Managers with practical strategies for leading their properties towards continued success in 2025."



Wish you all the best for the 2025

Luis De Brito

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