



VELOCITY VENTURES

Your weekly dose of travel & hospitality technology news



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AUTOMATION IN HOSPITALITY STAFF SHORTAGE OR OPPORTUNITY?

<<Greeting Line>>

Travel demand has rebounded sharply, but hotels and restaurants worldwide can't find enough people to run them. In Europe and the US, hospitality still runs 10–20% below pre-pandemic staffing levels, leaving millions of vacancies. Even Asia-Pacific markets report that intense turnover and shortages are already hurting service scores. In the Gulf region too, booming tourism meets a “skilled workforce shortage,” driving operators to adopt technology just to keep up. This global pinch is now a tipping point: automation is shifting from a temporary fix into a strategic advantage. In this newsletter we'll explore how operators are redesigning kitchens and back offices and imagine what a hotel stay might be like in 2030 when robots handle routine tasks. Throughout, we remain upbeat – savvy investors (including our own team at Velocity Ventures) see these trends as opportunities to lift margins and delight

guests.

The Global Staffing Crisis

Widespread gaps

By mid-2024 the US had roughly 1.1 million unfilled hospitality jobs. In Europe, the industry association estimates about 2.5 million fewer workers than needed, a 10–20% shortfall in many markets (with ~200k vacancies in France, ~250k in Italy, for example. Even the Asia-Pacific region, after a strong rebound, notes “significant labor shortages” as hotels struggle to hire and retain staff.

Growing pains

These gaps are costing hotels millions. One report found UK hotels short ~174k workers (≈€21bn revenue lost) after Brexit and Covid. In Dubai and Riyadh, rapid tourist growth has spurred massive hiring plans, yet operators still lament a global talent crunch. GCC tourism forecasts still look strong, but analysts warn the only way to hit targets is to boost productivity.

Automation turning point

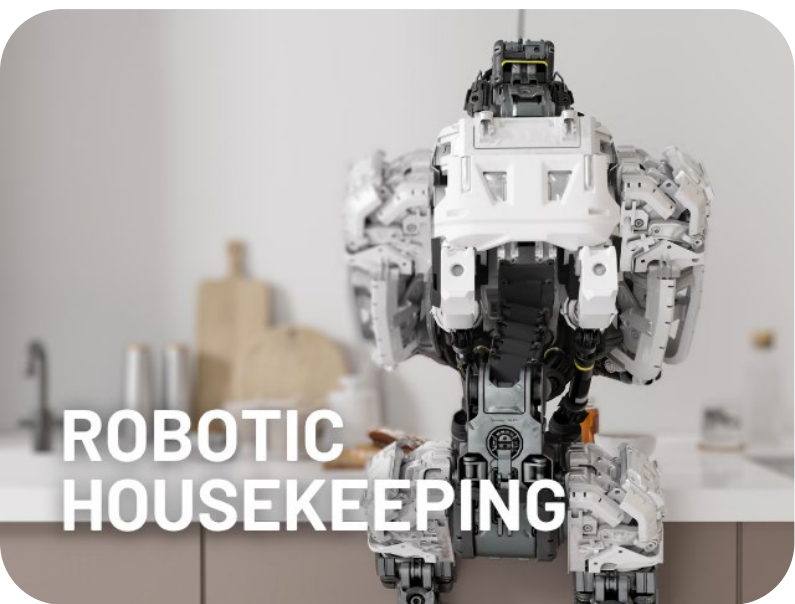
With demand high and labor tight, hotels are finally treating automation as a necessity, not a nice-to-have. As one Hotrec study notes, post-pandemic European hotels are “navigating one of the most challenging periods” and see automation as a key relief valve. In short, labor scarcity is forcing a rethink: forward-looking operators see robots and AI not merely plugging gaps but systematically redesigning their business.

Back-of-House Transformation



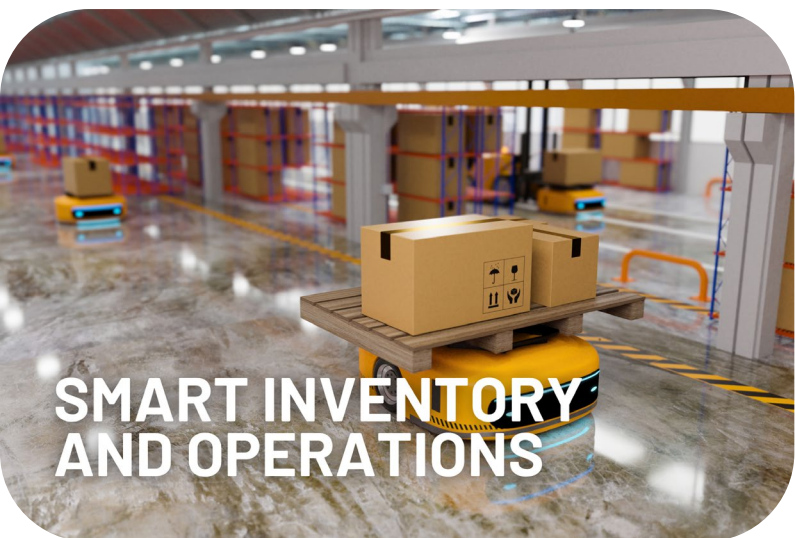
The most dramatic automation is happening behind the scenes. For example, Hyper Food Robotics (backed by Velocity Ventures) built a fully autonomous pizza kitchen to confront rising labour costs. Their test kitchen can produce a pizza from dough to box in just 8 minutes (up to 120 pizzas/hour) – roughly three times the throughput of a typical staffed kitchen.

As Hyper’s CEO explains, he designed this “Future Restaurant Kitchen” after facing a kitchen crew recruitment crisis. Velocity’s own partners note that such technology “improves productivity by taking over repetitive tasks,” cutting labour costs while freeing human employees for guest-facing roles. (Similar startups and R&D projects are automating burgers, fryers, and other food prep; many chains are piloting robotic arms and conveyor ovens.)



A new generation of cleaning and service robots is also spreading. Autonomous vacuum and sanitation bots patrol lobbies and corridors; delivery robots bring fresh linens or amenities to rooms. The International Federation of Robotics reports over 54,000 “hospitality robots” were sold globally in 2023 (a 31% jump), many for mobile guidance or cleaning.

About 12,000 units were dedicated floor-cleaning robots – meaning halls and kitchens can be scrubbed around the clock. By taking on time-consuming chores, these machines let housekeepers and servers focus on guest satisfaction.



Meanwhile, hotels are digitizing inventory and logistics. IoT sensors and AI platforms now track food, linen, minibar and parts inventory in real time. Automatic ordering systems, waste-tracking and predictive analytics help restaurants and bars manage stock with minimal human intervention. The payoff: less spoilage and staff time, and more consistent supply (for example, smart fridges that know when to reorder an item). Combined, these back-of-house innovations turn reactive problem-solving into proactive efficiency.

Fully Automated Hotels by 2030

Robots+AI handle the routine

In many hotels today, check-in and check-out have already gone digital (mobile keys, self-service kiosks) and basic requests can be made via apps or voice assistants. By 2030 we can imagine rooms that activate with facial recognition or an app, AI concierges that instantly answer common queries, and service robots delivering room service or luggage. Several chains (like Aloft with its Botlr) have trialed robot butlers for towels and toiletries. Robotic arms might brew

Limits & Human touch

However, not everything will be automated. Trials like Japan's famous Henn-na Hotel (once billed as "all-robot staff") have shown hiccups – that hotel ended up firing hundreds of robots for poor speech and vision performance. Guests still value warmth and flexible problem solving: a glitchy machine is no fun if it can't empathize or adapt. Skilled technicians are still needed to maintain robot fleets, and staff training must shift from manual tasks to supervising AI. In

A realistic 2030 vision

Picture a typical guest's stay in 2030: They book via an AI assistant that has profiled their preferences; check-in on their phone unlocks the door; an in-room tablet (or voice agent) adjusts climate, lights and streaming entertainment automatically. A discreet cleaning robot visits during the day, and a robotic room-service cart rolls in for snack orders. All the while, staff (possibly working remotely or on rotation) monitor these

your coffee, and sensors could preheat a pool or adjust lighting automatically when needed.

practice we expect a hybrid model: machines will handle data-driven, repetitive tasks 24/7, while human hosts focus on personal engagement, surprise gestures and upsells that build loyalty.

systems and pop in for friendly face-to-face service at check-in, in the lounge, or to solve any complex requests. The result is a frictionless blend of digital efficiency and human warmth – a vision that’s already starting to come into focus.

Looking Ahead

For hospitality investors and executives, automation is no longer theory – it’s a strategic imperative. Solutions like Hyper’s robotic kitchen prove that labour-saving tech can also be highly profitable. At Velocity Ventures, our team sees this as a transformation, not just a band-aid: startups that master AI, robotics and smart operations will shape the industry. We remain optimistic that by 2030, well-integrated automation will expand margins **and** elevate service – creating guest experiences that are both efficient and memorable.

Warm Regards,





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