



ACCOUNTING AND MARKETING PERFORMANCE MEASUREMENTS OF HOTEL ENTERPRISES: A RESEARCH ON 4 AND 5 STAR HOTELS OPERATING IN KONYA

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ABSTRACT

Along with the development level increasing day by day, the individuals tend to travel more out of their lands. This phenomenon becomes more of an issue for the businesses operating in tourism sector. The hospitality businesses serving for accommodation purpose are the foremost figures in that case. These businesses should invest on necessary fields and consistently improve themselves to be able to survive and stay active in the market. The aim of the research is to try to examine the functioning of the accounting departments, its communication with other departments and the influence of the employees on the marketing performance. Literature review has been carried out through this purpose. Within the research, there were interviews and questionnaires carried out with 4-star and 5-star hospitality businesses. The Questionnaires are analysed and interpreted with SPSS (Statistical Package for the Social Sciences) programme. Some suggestions have been provided parallel to the results.

Keywords: Hotel Management, Performance, Accounting

1. INTRODUCTION

Globalization as a growing figure in world economy plays an important role for the information technologies to come into prominence in businesses. One of competitive sectors that is affected by this growth is tourism (Didin and Köroğlu, 2008). Adaptation of existing businesses in the tourism sector to these developments depends on an effective accounting system and a unit dealing with recording, analysis and interpretation of the data and utilizing them for the businesses' decision-making processes (Kahraman, 2012).

Businesses must keep up with the rapid changes around the world and the advances brought on by them. In such a competitive industry as tourism, businesses responding to these changes in fast paces can also derive many advantages. These changes are also closely related with customer behaviour. Ever-changing needs of the people bring along some new sets of demand (Uyar and Kılıçaslan, 2015). So the

hospitality businesses should have an efficient usage of accounting system and shape its marketing strategies by customer needs and demands to be able to respond to these rapid changes. Cost and management accounting department, a must in every hospitality business, should be able to response to the financial needs and provide the necessary and effective information under any circumstances to the related subjects (Yükçü, Atağan and Özkol, 2000). Recording of the incidents on time, obtainment of cost data, and reporting of these information to the essential units require a good cost and management accounting department especially on large-scale hospitality businesses (Sarı and Çam, 2014). The accounting department should be in communication with all the other departments to provide the business with favorable results. Moreover all employees involved in any activity affecting the hotel performance should keep themselves updated about the operation and the data of the accounting department (Sarı and Çam, 2014).

The employees in hospitality businesses have an incontrovertible impact on the marketing performance. The more conscious the decisions taken by the business for that impact are, the more benefits the business will gain from it. The employees should be trained and informed about the related topics to be able to achieve favorable results (Çullu Kaygısız, 2016). The trainings should be designed through customers' point of view.

2. LITERATURE

Çatı, Koçoğlu and Gelibolu (2010) tried to analysis the relation between customers' expectations and their loyalties in five-star hotels. As a part of their research, they conducted surveys with 176 hotel guests. The general purpose of the research was determined as defining the characteristics of the guest expectations. These characteristics were found out to be physical factors, kindness, confidence, empathy, trust and sufficiency.

Tanç (2012) worked on bringing suggestions for future practices based upon the current ones by examining the benefits of the implementations of the modern and the traditional accounting systems in tourism businesses in Cappadocia Region. He collected data from 68 businesses. It was discovered that the cost and management accounting systems were not sufficiently active in the hotels within the research area. Also, Tanç found out that these businesses used only one accounting system for all kind of activities and 67% of them used the method of absorption costing.

Makrigiannakis and Soteriades (2007) conducted a research on the cost accounting practices of the tourism businesses. According to the research, the size of the business and its sales capacity are influential on the cost accounting practices.

Köroğlu, Biçici and Sezer (2011) have explained the correlation between the competition within the sector and cost control in the hotels in Marmaris. Within the context of the research, they conducted surveys with the personnel of the accounting departments of the hotels and scrutinized the results. The results showed that the hotels with different stars follow different policies for labor and cost control. Also, another finding was that the hotels with two and three stars cannot compete with due to not placing enough importance on cost control activities and not using comparative analyses.

Zubac (2012) stated that management accounting data plays a bigger role than financial accounting in tourism businesses, however they both should be taken into consideration in details for decision-making process.

Jones (2008) conducted his research in England and the context of the research was related to various budgeting practices and the generated differences in businesses in terms of planning, control and performance. It was seen that 'established budgeting' was a more common practice than 'participatory budgeting'. The author concluded that budgeting is considered as the essential performance index and the businesses do not put enough emphasis on workforce, an important figure for tourism businesses.

Joshi (2001) examined the management accounting practices through global distribution and Indian experiences. The research was based on 60 large and fair-sized businesses in India. He compared the usage rates of the traditional management accounting and strategic management accounting practices. The findings pointed out that the traditional management practices are more implemented than the recently developed ones which are lacking of application on the work field.

Davidson (1999) analysed two main phenomena: the reason for growing interest on non-financial measurement tools to evaluate the corporate performance and the reason why the businesses do not react sufficiently to the first phenomenon. He suggested that the main reasons for the increase of the non-financial measurement tools were the rise on consumer demand, replacement of manufacturing sector by service industry, residual rate of development, growing importance of customer-oriented marketing, mobile chain of distribution, emerging of new approaches to corporate performance measurements and the advancements in brand valuation.

İlhan, Doğbuday and Gürsoy (2009) specified their research aim as comparison of relationship marketing practices of the 4-star thermal tourism businesses and other 4-star tourism businesses. In accordance with questionnaire study, the practices of thermal tourism businesses critically differ from the ones of the other tourism businesses. The differing factors are asserted under the categories of the personnel service, management, room conditions, location, food and beverage offer of the businesses.

Gündoğmuş and Köroğlu (2017) based their research around finding out the optimum pricing for the future period in a 4-star hospital business through carrying out strategic marketing accounting. In the research, accounting information system and marketing information system concepts are essentially addressed within the context of local and foreign literature. As the practical part of the research, they applied different costing analysis and defined the profit amount of the business in the year of 2015, which helped them to come up with the optimum pricing models for the upcoming period.

3. METHODOLOGY

The aim of this research is to understand whether the accounting and marketing functions of the hospitality businesses, serving for reputation and tourism sector of Konya, meet the customer expectations and evaluate the relation between them.

The subjects of the research comprises of the 4-star and 5-star hotels in Konya. As the district hotels would be creating cost and timing issues, the research is based on a limited number of district hotels. Within this context, the 4-star and 5-star hotels are the main figures for the research sample. However, only 15 out of 17 provided answers.

Questionnaire Technique is used as the method for the research. The questionnaires were provided to the directors of the accounting departments. Through questionnaires, it was aimed to evaluate the functioning of the accounting department and the influence of the employees on the marketing. Questionnaires are carried through one-to-one interviews.

4. FINDINGS

The findings that were collected through questionnaires and analysed with statistical data program are shown in the tables below.

Table 1: Type of the Hospitality Business

	NUMBER	PERCENTAGE (%)
Bad&Breakfast	15	100
Total	15	100

It is seen that all the businesses that are part of the questionnaire have bed-breakfast type of accommodation.

Table 2: Educational Level of Survey Participants

	NUMBER	PERCENTAGE (%)
Undergraduate Studies	11	73,3
Others	4	26,7
Total	15	100

73 percent of the employees of the accounting department who took part in the surveys stated that they finished their undergraduate studies while 26.7 percent stated that they finished other kinds of studies (elementary, graduate studies).

Table 3: Star Category, Number of Departments and Operating Periods of the Hospitality Businesses

STAR CATEGORY	NUMBER	PERCENTAGE (%)
5 Star	5	33,3
4 Star	10	66,7
Nmber of Departments		
4-6	1	6,7
7	13	86,7
10-10+	1	6,7
Operating Period		
1-5	4	26,7
6-10	5	33,3
11-15	5	33,3
16-16+	1	6,7
Total	15	100

Looking at the Table-3, we can say that 65 % of the hotels have 4 stars while over 30 percent belongs to the 5-star category. Concomitantly, we can see that over 85 percent have between 7 to 9 departments and their operating periods are pretty much the same except for the ones of 16-16+ years.

Table 4: Does The Accounting Department Operate Independently

INDEPENDENT OPERATION	NUMBER	PERCENTAGE (%)
Yes	1	6,7
No	14	93,3
Total	15	100

According to Table 4, 93 percent of the hospitality businesses have dependent accounting department. We can interpret this as a sign of institutionalization.

Table 5: Do The Businesses Compare Their Costs with Other Businesses

Comparison of the Costs	NUMBER	PERCENTAGE
Yes	4	26,7
No	11	73,3
Toplam	15	100
Cost Situation		
Changeable	15	100
Total	15	100

Table 5 shows us that 73 percent of the businesses do not compare their costs with the others and the costs are changeable. Considering the fact that every business implement actions based upon their own situation, we can define this phenomenon as a 'normal' one.

Table 6: Do The Businesses Compare Their Profits With The Other Businesses

PROFIT COMPARISON	NUMBER	PERCENTAGE (%)
Yes	6	40
No	8	53,3
Total	14	93,3

The majority of the surveyed businesses do not compare their costs and profits with the other businesses. The reason why the total percentage is not 100 percent is because one of the businesses did not answer that question.

Table 7: Do The Businesses Analysis The Customers' Income States

	NUMBER	PERCENTAGE (%)
Yes	10	66,7
No	5	33,3
Total	15	100

According to the answers, 66.7 percent of the businesses stated that they do income analysis for the customers while 33.7 percent stated that they do not make such an analysis.

Table 8: Do The Businesses Analysis The Marketshare

	NUMBER	PERCENTAGE (%)
Yes	9	60
No	6	40
Total	15	100

From this table, we can see that 60 percent of the surveyed businesses analysis the market share situation and 40 percent does not use such a measure.

At that stage of the research, X-square (χ^2) analysis is used to analyse the relation of some parameters. The results are shown below on the tables.

Table 9: The Results of χ^2 Relation Analysis of the Hospitality Business' Operation Period and the Questions related to the Performance Assessment

Variables	X-Square Value	Level of Significance	Decision
Operating Period and "Is the aim of the Performance Assessment Studies known by your employees?"	2,692	0,442	No Relation
Operating Period and "Are job descriptions and responsibilities defined for the on-going operations through work analysis?"	2,692	0,442	No Relation
Operating Period and "Is there measurable and objective performance criteria set for your the employee in your business?"	2,692	0,442	No Relation

According to the χ^2 analyses in Table 9, no statistical relation is found between 'Operation-Starting Time of the Businesses' and 'The Questions Related to the Performance Assessment System implemented in businesses'.

Table 10: The Results of χ^2 Relation Analysis of the Hospitality Business' Age and the Questions related to the Performance Assessment

Variable	X-Square Value	Level of Significance	Decision
Age of the Business and "Does your business implement Performance Assessment System?"	2,143	0,543	No Relation
Age of the Business and "Is the aim of the Performance Assessment System known by your employees?"	2,692	0,442	No Relation
Age of the Business and "Are job descriptions and responsibilities defined for the ongoing operations through work analysis?"	2,692	0,442	No Relation
Age of the Business and "Is there set measurable and objective performance criteria for your the employee in your business?"	2,692	0,442	No Relation
Age of the Business and "Do you make Customer Income Analysis?"	2,625	0,453	No Relation
Age of the Business and "Do you make Market Share Analysis?"	2,500	0,475	No Relation
Age of the Business and "Do you make Cost for life Analysis?"	1,875	0,599	No Relation
Age of the Business and "Do you make Consumer Cost Analysis?"	8,864	0,31	No Relation
Age of the Business and "Do you compare the business costs with other businesses?"	15,000	0,002	Relation
Age of the Business and "Do you make Customer Profitability Analysis?"	1,500	0,682	No Relation
Age of the Business and "Do you compare the Profits of the business with other businesses in the sector?"	3,111	0,375	No Relation

According to the χ^2 analyses in Table 10, no statistical relation is found between 'Age of the Businesses' and 'The Questions Related to the Performance Assessment System implemented in businesses'.

χ^2 Test can be used to determine whether a factor is dependent on another factor or whether a factor has any effect on another one. (Koroğlu vd., 2014: 121). With this aim, the the hypothesis given below are developed to calculate χ^2 Test. The obtained data as a result of the test is presented in Table-11.

H1: There is a relation between the number of stars of the business and the number of its departments.

H2: There is a relation between the number of stars of the business and the independency of the accounting department.

H3: There is a relation between the number of stars of the business and business' analysis period.

H4: There is a relation between the independency of the accounting department and the department's method of reducing costs and improving profits.

H5: There is a relation between the operation period of the business and the business' profit comparison activity.

H6: There is a relation between the operation period of the business and its' comparison of costs with other businesses.

Table 11: X-Square Test Results

Variables	χ^2 Value	Degree of Freedom	Significance Value
H1	2,538	2	0,281
H2	2,143	1	0,143
H3	0,536	1	0,464
H4	0,077	2	0,782
H5	3,111	3	0,375
H6	8,864	3	0,031

As H1-H2-H3-H4-H5 values are bigger than alpha (0,05) value, they are not accepted as hypotheses, which means there is no relation in them. Only H6 is accepted as a hypothesis as its value is smaller than alpha value.

5. CONCLUSION

The hospitality businesses regardless of their features should implement different analyses and practices to keep costs under control, to ensure customer satisfaction and to gain an advantage over other businesses in competitive market environment. Through using such analyses and practices, the businesses can measure the development level and make sure that the developments are within the framework of its aims.

Competition is a perpetual figure of the tourism market. Therefore, the hospitality businesses should use these test and analyses as a way to gain advantage.

The questionnaire data are evaluated through X-Square Test and Frequency Analysis. According to the results, it was observed that businesses operating actively in Konya have a positive attitude toward various cost, customer and income analyses and practices of employee-performance measure. They share the idea that the hospitality businesses can achieve their corporate goals through creating an efficient costing awareness on employees and keeping the control and decision-mechanisms constantly active within the business.

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