EVALUATING MARKETING/ ACCOUNTING COLLABORATION IN HOTELS: CAPPADOCIA REGION CASE

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ABSTRACT

Byincreasing competition, collaboration of departments became very crucial in businesses. It is known that in hotel management, managers have two main data/information sources; marketing and accounting. By this study, it is aimed to giveinsight about the current situation of Turkish hotel industry in terms of marketing/accounting collaboration. For measuring this collaboration, a questionnairedeveloped by Mills & Tsamenyi (2000) is applied to 31 hotel managers at one of the biggest tourism region of Turkey: Cappadocia. Means ofitems are analyzedwith Mann-Whitney U-test for revealing differences in between boutique hotels and star hotels. Findings mainly showed that boutique hotels' marketingconception is problematic for collaboration and accountants of boutique hotels is not supportive enough in decision making. On the other hand, it is seen that in star hotels accounting play more supportive role but marketers'understanding accounting methods is not appropriate for collaboration. Also the relationship between marketing and accounting is found more formal in star hotels.

Keywords: Accounting, Marketing, Collaboration, Hotel Management, Boutique Hotel

1. INTRODUCTION AND LITERATURE

The main aspects of hotel industry are fluctuating demand, high fixed costs, product perishability, profit instability, costumer focused and market oriented structure, cross selling- *an accommodation initiates the potential for relatively immediate sales of other hotel services* (Downie, 1997; McManus, 2013). Hotel managers need healthy and useful data and information in order to cope with fluctuating demand and high fixed costs also in order to manage costumer focused and market oriented strategy successfully. They have two main information sources; market research and accounting data (Downie, 1997) . In this competition era, they have to create collaborative atmosphere among that information sources during that difficult decision making processes.

The hotel industry is highly competitive and this motivates hotel managers to deal with their costumers' expectations more and more closely (Mia & Patiar, 2001). The dynamic competitive environment and aspects of hotel industry make marketing/accounting interface more important than any other service business.

Over decades,by interdisciplinary studies, literature has showedthataccounting and marketing create interface and coalesce in some decision makingprocesses or analysis like; pricing decision, costumer accounting analysis, sales mix decision, market-segment-profit analysis etc.(Downie, 1997; Ratnatunga et al., 1988; Guilding et al., 2001; Karadag & Kim, 2006; Makrigiannakis &Soteriades, 2007; Helgesen, 2007; Pavlatos & Paggios, 2007; Guilding et al., 2008; Gleaves et al., 2008; Mattimoe & Seal, 2011; McManus, 2013). In parallel with theory, in application it is expected to be there is intense dialogue in between marketing and accounting, however according to Sidhu & Roberts (2008) still there is no dialogue. They exemplify this by saying that:

"The most surprising thing about the marketing-accounting dialogue is that there is no dialogue. The leading marketing text, Kotler and Keller (2006) devotes all of 5 of its 729 pages to accounting. In return, Penman's authoritative text on financial analysis devotes 1 page to marketing outlays and that is merely a warning on the dangers of not expensing it (Penman 2007). "

Mills &Tsamenyi, (2000) tried to explain this lack ofcommunication by cultural differences and lack of knowledge. They developed a scale adopted fromRatnatunga et al, (1990), and Harrison, (1979) and applied it to both accountants and marketers. In this research, same scale isused but, it is applied to only general managers of hotels instead of department managers.

Within the sample of the research,hotels are divided into two groups; star hotels and boutique hotels. Boutique hotels are defined by Regulation about Tourism Businesses' Certification and Qualifications as;

"Distinct by its structural feature, architectural design, furnishing, decoration and used material, have superior standard and high quality in terms of administration and service, able to provide exclusive service with its experienced and trained personnel and have minimum ten roomed hotels that have those qualifications mentioned bellowed…"(Ministry of Culture and Tourism, 2005).

By looking its definition,it is possible to state that boutique hotels have different concept which causes researchers to analyze themseparately from 3,4 and 5 stars hotels (Karabaş et al., 2007; Eryılmaz & Zengin, 2014; Buyruk & Eren, 2012). In paralel with this this research's findings are analyzed separately for boutique hotels.

Taken together all these implicatians and anticipations, it is possible to state two basicresearch questions that this study try to answer;

> *What is the current situation of hotels in Turkey in terms of marketing/accounting collaboration?*
> *Are there differences between boutique hotels and star hotels in terms of marketing/ accounting collaboration*

2. RESEARCH

Within the context of the research, a questionnaire developed byMills & Tsamenyi, (2000) with 15 itemsis applied. Two items are eliminated from original scale during research to make questionnaire more parsimonious (preventing repeated or unnecessary items) and to make data collection time period shorter for hotel managers. The research is applied at Cappadocia. The Cappadocia region is one of the most popular tourism destinations of Turkey. It is largely in those cities;Nevşehir, Aksaray, Niğde and Kayseri. More than 2 million tourists visited the region in 2014 (Nevsehir Provincial Directorate of Culture and Tourism, 2016). In 2015 approximately 2,5 million tourists were Cappadocia (Milliyet.com, 2016). In the region there are 293 hotels are listed at booking.com[*]. 75 hotel managers are invited to attend to study to 31 hotel managers are accepted.

Questionnaire consists of 15 questions with 5 point-Likert scale. Descriptive analysis carried outand Mann-Whitney U-test isapplied. The results are visualizedwith the help of semantic differential chart.The items are analyzed singly. It is avoided factor analysis because of data shortage. For collectingmore reliable data, during face-to-face data collection process, items are explained to respondents repetitively.

2.1. Findings

2.1.2. Descriptive Statistics

In Table 2, the demographic characteristics of the research sample are shown. As it can be seen in the table, the research sample of the study is adequate in terms of demographic features of hotel managers and features of hotels. In the sample there are 21 boutique hotels. Due to its natural

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[*] In booking.com after Cappadocia term is searched, hotels&resorts, hostels and bed&breakfast items have filtered and it has found 293 choices.

specialty, Cappadocia Region includes more boutique hotels than star hotels (Tanç, 2012). This research's sample is parallel with this fact.

Table 1. The Demographic Characteristics of the Research Sample

Age	N	%	Sex	N	%
21-30	6	19,4	Male	26	83,9
31-40	19	61,3	Female	5	16,1
41-50	5	16,1			
51 and +	1	3,2			
Marital Status	**N**	**%**	**Education**	**N**	**%**
Single	3	9,7	Less than high school	10	32,3
Married	28	90,3	High school or equivalent	8	25,8
			Graduate degree	13	41,9
			Master degree of Ph.D.	0	0
Professional Experience (Years)	**N**	**%**	**Hotel Status**	**N**	**%**
2-5	9	29,0	3 Stars	2	6,5
6-10	9	29,0	4 Stars	3	9,7
11-15	7	22,6	5 Stars	5	16,1
16-20	3	9,7	Boutique	21	67,7
20+	3	9,7			
Average Guests Number in a Year	**N**	**%**	**Numbers of Personnel**	**N**	**%**
500-2500	12	38,7	1-15	19	61,3
2501-5000	5	16,1	16-30	2	6,5
5001-7500	2	6,5	31-45	2	6,5
7501-10000	2	6,5	46-60	3	9,7
10001-20000	5	16,1	61-90	2	6,5
20000+	5	16,1	90+	3	9,7
Total	**31**	**100**	**Total**	**31**	**100**

2.2.2. Mann-Whitney U-test results

Because of limited data, it is avoided to apply parametric tests. After creating groups (star hotels and boutique hotels) Mann-Whitney U-test is applied with the help of SPSS 19.0 software. 6 items are found as significantly ($p < 0.05$) different in between groups. Following Mann-Whitney U-test, semantic differential chart is shared for visualizing the data and better analyzing the differences. After that, results are interpreted. Some of the items' results are interpreted singly. Complementary items are interpreted together.

Table 2. The Means Of Items And Mann-Whitney U-Test Significance Level

ITEM	Overall	Boutique Hotels	Star Hotels	p value (Asymp. Sig. (2-tailed))
Accounting is not very flexible regarding the provision of non-routine information.	2,483871	2,952381	1,5	**,003**
Accountants understand the nature and problems of marketing.	3,741935	3,619048	4	,597
The organization of accounting facilitates the flow of information to marketing.	3,741935	3,47619	4,3	**,042**
Accounting professionalism seems designed to stifle rather than encourage enterprise.	2,677419	3,095238	1,8	**,020**
Accountant's contact with the Marketing function is always formal.	3,322581	3,190476	3,6	,512
Accountants understand the needs of markets in needing money allocated at budget time.	3,83871	3,714286	4,1	,602
Accountants see their role only as record-keepers and tax-minimizers	2,645161	3,047619	1,8	**,024**

Accountants willingly and capably respond to marketing requests for information.	3,645161	3,47619	4	,442
Accountants understand marketing methods and procedures.	3,870968	3,809524	4	,947
Marketers are unable to specify their requirements of accounting precisely.	2,967742	3,095238	2,7	,413
Marketers do not adequately understand accounting methods and procedures.	3,225806	2,857143	4	**,022**
Marketers are competent in interpreting the accounting information supplied to them.	4,064516	4	4,2	,873
Marketing is only selling products.	3,032258	3,47619	2,1	**,015**
Marketers are frivolous and difficult to approach.	1,967742	2,047619	1,8	,741
The Marketing function only promotes goods and services, using advertising, personal selling and publicity.	3,516129	3,571429	3,4	,609

Figure 1. Semantic Differential Chart
The organization of accounting facilitates the flow of information to marketing.
Accounting is not very flexible regarding the provision of non-routine information.
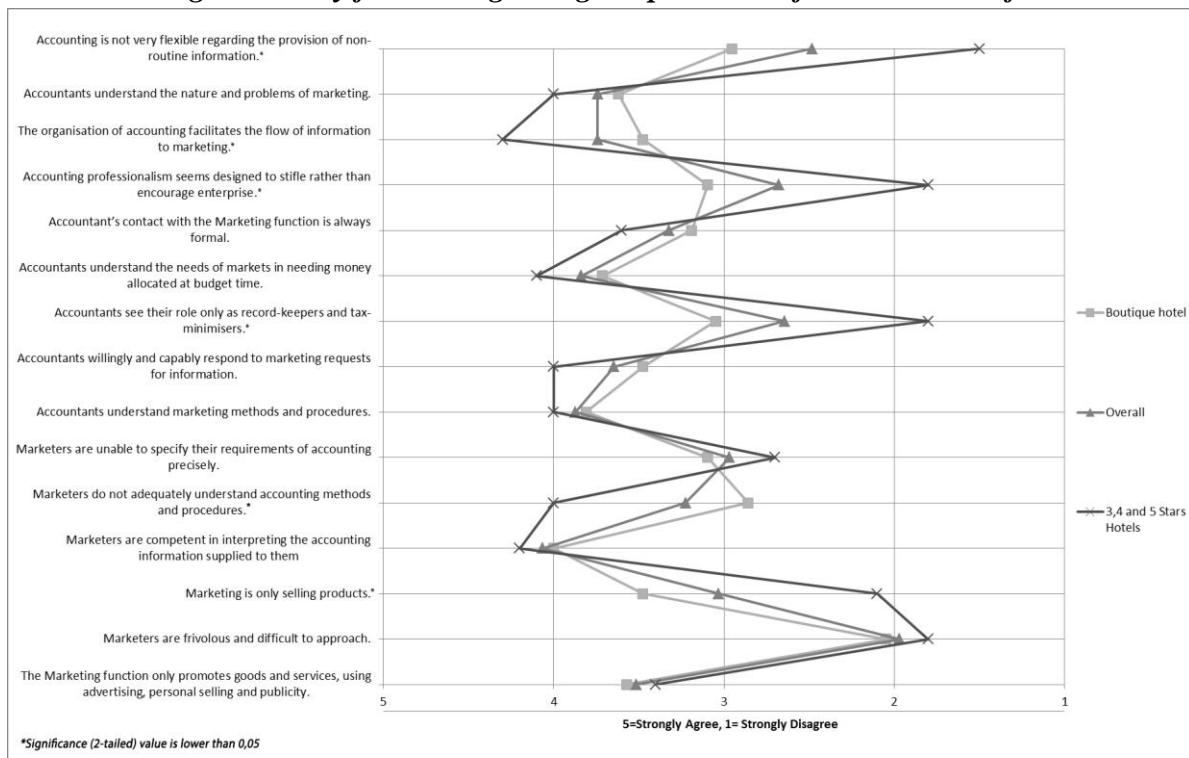
Accountants willingly and capably respond to marketing requests for information.

Kotler, as a marketing guru, stated that even production unit should be supportive unit of marketing which is primary unit of a business (Kotler, 2005: IX). Becoming a marketing oriented firm is more important at hotel business because of intense interaction with consumers. The mean of the first item is appropriately high (Overall m=3,741935). But it is significantly higher at star hotels (p<0,05, m=4,3) than boutique hotels (m=3,47619). For the second one, the mean of this item is appropriate for star hotel managers (m=1, 5) but it is not possible to say same things for boutique hotels (m=2, 952381). This difference also found as significant (p<0,05). It is clear that non-routine information provided from accounting especially from management accounting is crucial for marketing decisions. This difference may arise from the outsourcing accounting systems of boutique hotels. For the last one, it is possible to say that information supply from accounting to marketing is appropriate for both groups of hotels (Overall m= 3,645161).

Accountant's contact with the Marketing function is always formal

The formalization of communication in between departments seems higher at star hotels (m=3,6). This is not surprising because of institutionalization and the size of hotel. This may affect information exchange. Analyzing the relationship in between formality degree and information exchange in future may present more valuable findings.

Marketers are frivolous and difficult to approach

This item is asked for measuring perceptions of managers about marketers. Largely the statement is rejected and it may be interpreted as a good sign for collaboration (Overall m=1,967742).

Marketing is only selling products

Since marketing is not only selling products,this item's mean should be low. But it seems managers of boutique hotels are problematic in this point (m=3, 47619).The difference in between star hotels is significant (p<0.05; m=2,1). Without an appropriate marketing concept adoption,boutique hotels may not succeed collaboration with other departments.

The Marketing function only promotes goods and services, using advertising, personal selling and publicity

This item seems same with the previous one but less narrow (Mills & Tsamenyi, 2000). It is obvious that marketing in this competitive age is more than promoting services or advertising. Both groups' mean are not satisfying (3,571429; 3,4). For a good marketing concept and collaboration itis expected to be lower.

Accounting professionalism seems designed to stifle rather than encourage enterprise
Accountants see their role only as record-keepers and tax-minimizers

Considering thesetwo items together, the findings are significantly (for both p<0.05) shows that boutique hotels are far beyond benefiting from management accounting supportive characteristic.

Accountants understand the needs of markets in needing money allocated at budget time
Accountants understand marketing methods and procedures.
Accountants understand the nature and problems of marketing

The results of three items illustrate that managers think thataccountants are able to understand the marketing methods and its needs. In general, the results arefound as satisfactory. But taken together with previous items related with accountants' supportive role, it is possible to interpret results as '*accountants are able to understand marketing methods and nature but they position themselves more passively than it should be*'.

Marketers are competent in interpreting the accounting information supplied to them
Marketers are unable to specify their requirements of accounting precisely.

Managers of both groups of hotels think that marketers can analyze the information supplied to them from accounting. But the item of '*marketers are unable to specify their requirements of accounting precisely*' is decent at overall (m=2, 967742).

Marketers do not adequately understand accounting methods and procedures

Means are high for both groups (Overall m=3,225806). For star hotels it is significantly higher (p<0,05). It is possible to interpret this result as an obstacle for collaboration because if marketers are not able to understand accounting methods adequately they cannot demand proper data and information from accounting department or they may demand unrealistic reports or may demand at wrong time.

3. RESULTS AND DISCUSSION

Although this study statistically weak and the data are limited, it gives a lot of cues for current situation at Turkish Hotels. Results generally have illustrated that there is a not appropriate marketing

understanding at boutique hotels which may affect negatively collaboration. Also boutique hotels managers do not find accountants supportive enough in their decision making process even they think they understand marketing's requirements.

Another finding is that star hotel managers think that marketers of their hotels are not able to understand clearly accounting methods. It is obvious that this fact affect negatively collaboration because of possible problems during information demand.

Findings also illustrate that formality degree in between departments at star hotels are high. It may be due to lack of separate management accounting unit or department.Marketing people is expected to be in more interaction with management accounting which create warmer atmosphere rather than formal.Previous study about Cappadocia Region hotels' management accounting usage by Tanç, (2012) has illustrated that only 12% has separate management accounting department. Analyzing these findings with that fact may be hypothesized for future research as *without a separate management accounting department the formality degree in between accounting and marketing will be higher in hotels which affect negatively collaboration.*

The limitations of this study were the sample is not sufficient and the potential bias which comes from a hotel manager in the sample may be the marketer of hotel in the same time. Because the study was deeply interdisciplinary; management, accounting, tourism, service marketing, communication, it was not possible to interpret results sufficiently with only authors' perspective.

For future research it is suggested that the effects of accountingoutsourcing on collaboration in hotels (especially in boutique hotels)should be lighted. Also a research which looks relationship in between collaboration and departmental communication formality degree will be informative for hotels. Also applying the questionnaire both to marketers and accountants of hotels comparatively and separatelymay be more informative in star hotels. In addition, a comprehensive quantitative study which analyzes departments and employers attitudes toward departments and understandings of marketing and accounting would be more useful.

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Acknowledgments