

The Effects of Cost Control on Superiority of Competitiveness

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Introduction

Nowadays, the number of hotel businesses have been increased gradually and a very serious competitive environment has emerged among them. In this competitive environment, revenues from sales are not enough for hotels businesses to reach their goals and take competitive advantage over others. Therefore, it is necessary for a hotel business not only to remain stable, be attractive against its rivals and draw more customers but also to control all its costs in increasing competitive environment.

Superiority in competition measures can be listed as cost control, financial auditing, order auditing, flexibility of the capacity, conformity of quality and standards, credibility, technology and R&D, labor auditing, company image, service after-sale, inventory management and production time (Dogan and others, 2003, pp. 115-121).

Management has a great responsibility for making a healthy cost control which is a measure of competitive advantage and the development of competition policies in terms of costs. The executives should pay special attention on excessive costs of food and beverage, labor and other costs to eliminate them so that the business can be provided with more earnings activities (Dittmer and Griffin, 1999). Otherwise, in increasing competition conditions companies will lose their competitiveness.

Cost control is used to organize costs and protect against excessive costs by managers. Cost control is a continued process and it includes buying, storing, sending to units, preparation of food and beverage for sales, training of staff and making their schedule to cover each step in this chain setting (Dittmer and Griffin, 1999, p. 32). Cost control compares actual and estimated costs to provide transparent internal structure of an enterprises and it has an important mission to offer necessary measures for management in order to increase the profitability of the business (Kutlan, 1998, p. 21).

Methodology

In this study, survey and archival research method are used as a research method. In order to generate the theoretical infrastructure of the study, literature review was used. Also, as data collection technique questionnaire were used. The hotels that

continues their activities towards the end of the season in Marmaris is the sample of this study. By using full sampling method (census study) and reaching all the hotels in the ongoing activities towards the end of the season, it can be declared that obtained data could be reliable.

In the study, the relationship between control factors, such factors listed as cost-control types in a hotel business as the cost control of the food and beverage, the labor cost and the other cost elements, and competitive advantage will be explained. With this basic purpose, the survey has been done to staff of accounting departments of hotels and gathered data being tried to explain by using chi-square test, frequency tables and t-test in SPSS.

Conclusion and Recommendations

Tourism becomes a wide sector which is in process of huge development in Turkey, as it is in the whole world, and depending on this it plays an innovator role among other sectors. One of the most important building structures of the tourism sector is the hotel enterprises. By this reason, there has been a major increase in the number of these enterprises and this increase creates a doughty competitive atmosphere. Consequently, hotel enterprises should not only increase their sales profits but control their costs effectively in order to survive.

Following results were acquired in this study with the hotel establishments operating in the city of Marmaris. In the survey, 63.1 percent of the hotels compare their cost with other hotels while 36.9 percent do not. Of the hotel businesses which compare their costs with other hotels, 2.4% declares that their costs are always lower, 61% says that their costs are different from time to time, 19.5% their costs are the same as and 17.1% their costs are higher than the other hotel businesses. According to the chi-square test at 0.05 significance level, analysis periods related to cost control practices depend on methods of food and beverage and labor cost control applied by enterprises. In addition, enterprises' obtained degree of competitive advantage is relied on both the food and beverage and labor cost control methods. According to the t-test at 0.05 significance level, there is no difference between implemented analysis period of cost-control method and the number of stars that they have. However, there is a difference between food and beverage and labor cost control methods and the number of stars that businesses have. In addition, states and owned businesses to obtain competitive advantage is the difference between the number of stars.

In general, the results obtained in this study shows that when the number of stars owned increased, used food and beverage and labor cost control methods seem to differ. In other words, as the owned number of stars increased used cost control methods appear to give a more detailed and realistic results. Another important result of this research, as the possessed number of stars increases, businesses achieve a competitive advantage against enterprises operating in the same industry. It is understood that most of the 2 and 3-star hotels could not compete because they do not give too much emphasis on cost control, compare their costs with other businesses etc.

As a result, to have a successful cost control, staff of accounting and audit departments should be knowledgeable and experienced about cost and control issues and they need to be trained continuously. Additionally, it is important to take preventive measures about fundamentals of cost control systems such as costs of purchasing, receiving, warehousing, material extraction, production, revenue and personnel and

carry out effective cost control methods. However, many small-sized hotel enterprises and other businesses can not practice cost control and compete against other enterprises as result of being cost control itself is a very costly process, having the difficulty of the of qualified personnel, etc. on the subject.