



The Economies of Balkan and Eastern Europe Countries in the Changed World (EBEEC 2013)

FINANCE, MARKETING, MANAGEMENT AND STRATEGY PLANNING. A
QUALITATIVE RESEARCH METHOD ANALYSIS OF CASE STUDIES IN BUSINESS
HOTELS IN PATRAS AND IN ATHENS.

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ABSTRACT

In this paper I am going to present the theoretical framework concerning the fundamentals of Finance and Marketing – Management approaches seen from the perspective of Business Planning in the micro-environment and with a view of further and long-term Development and Growth (concerning the macro-environment) in Tourism. Moreover, in the name of such a Development and Growth, I am going to discuss the findings of my primary research in 4 and 5 star business hotels (ten-10 case studies). More specifically, it is going to be a comparative qualitative analysis between 4 and 5 star business hotels of two towns in Greece, Patras and Athens.

I decided to conduct such a research of ten (10) case studies as a first and remote research in order to find out which of the Financial Ratios are used in the Financial Statement Analysis of 4 and 5 star business hotels, in two big towns in Greece- In Patras and in Athens.

According to UNWTO (World Tourism Barometer), tourist arrivals grew by 5% during the first half of 2013 compared to the same period of 2012 , reaching 500 million and Growth was stronger in emerging economy destinations (+6%) than in advanced economies (+4%), a trend which has marked the sector for many years now. The fact that international tourism, grew above expectations confirms that travelling is part of consumer patterns for an increasing number of people in both emerging and advanced economies. Moreover, it becomes evident that Tourism is one of the key pillars of socio-economic development, being a leading contributor to economic growth, exports and jobs.

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Even in the past there were inferences that Tourism is a major industry (40% of GDP for developing countries and 65% for developed or industrial countries) (Cooper et al. 1998, Gee et al. 1997).

Corporate Strategy seems to include the whole corporate's culture towards to its being competitive in the marketplace while strategic planning makes the firm focus on a high level productivity and profitability by promoting the firm's competitive advantage (s) (Thomson et al. 2008).

Taking into account the fact that Tourism is a major industry (40% of GDP for developing countries and 65% for developed or industrial countries (Cooper et al., 1998: 125, Gee et al. 1997), I am going to further examine the relation between Financial Statement Analysis based on Ratios and Microeconomic theory and thus with Strategic Planning and Entrepreneurship, Knowledge Management and Human Recourses. (Getz & Nilsson 2003).

This analysis is based on Ratios and Microeconomic theory and thus on Strategic Planning, Entrepreneurship, Knowledge Management and Human Resources.

Key- Words: Finance; Management; Marketing; Strategy; Entrepreneurship; Human Resources.

Jel Classification Codes: G23, E02, M12

1. Introduction

A lot have been said about Entrepreneurship, Innovation, and Decision- Making while every single analysis emphasizes on different aspects (Wheelen et al. 200, Dilwarth 1996).

According to Kotler (1997) Decision-Making is related to Consumer Buying Behavior and more specifically the relation is to all five stages of the whole procedure (problem recognition, information search, evaluation of alternatives, purchase decision, postpurchase behavior and in more detail, also to steps between evaluation of alternatives and a purchase decision (evaluation of alternatives purchase intention which is seen in two ways: attitudes of others and unanticipated situational factors which finally lead to purchase decision. Kotler (1997) in his model behavior analyses five (5) other stages having to do with Marketing: Marketing Stimuli, other Stimuli Buyer's characteristics, Buyer's Decision process and finally Buyer's decisions about product choice, brand choice, dealer choice, purchase timing, purchase amount.

As previously said, both international and domestic tourism generate important factors of economy such as employment opportunities, income, government revenue and foreign exchange (UNWTO 2013, Cooper et al. 1998 Gee et al. 1997).

Domestic tourism can therefore have an indirect impact on the Balance of Payments when its consumption is seen as an alternative to overseas travel. In addition, domestic tourism is considered to be a means of counter balancing regional imbalances in terms of income and employment levels (Kopaneli 2012).

Taking into account the complexity of tourism's Economic impact as tourism does occur within the framework of more than one methods used so as to study tourism's impact.

Two main categories of the Public Politics of marketing refer to Financial Optimum: Efficiency and Innovation.

In the light of this evidence, for many developing countries Tourism in general is claimed to be a major industry and as such it has a pervasive effect on the Economy, Social Culture and the Environment of an area. For the above mentioned reason, many Governments are viewing Tourism from a broader perspective considering its full impact on their countries, regions and local communities. Moreover they examine the increasingly larger role of

theirs in Tourism Planning and Development together with the impacts on Residents (Human Resources), Natural Resources and Public Services (Cooper et al. 1998, Kopaneli 2012). Thus in the light of this, Strategic Planning including Business Hotels' long term profitability appears to be of great importance. Taking into account the above mentioned reasons, for Development and Growth, I am going to stress on the economic impact of tourism industry and more specifically, I am going to further present and analyze the multiplier concept. A Financial Statement Analysis for Businesses in general with implementation to business hotels stands as a theoretical framework to my further primary research and the financial implementation in ten (10) business hotels in Patras and in Athens through a questionnaire (see Appendix A).

It is beyond a doubt that marketing is a management philosophy within a system of exchange transactions. Marketing is concerned with the long term strategy and the short terms tactics in the process of Tourism Planning and Development (concerning the macro – environment as a further step analysis of the micro – environment) (Mintzberg et al., Mullins 1995, Mullins 1998, Middleton & Clarke 2001). The study of the Marketing Process Analysis (comprising the long term strategy and the short term tactics) in Tourism Planning and Development seems to be of extreme importance because of the constant advancement of the tourism sector in all fields (throughout the years until today), and it is apparent that such an analysis firstly concerns the micro-environment as well as the macro-environment too.

Moreover with regard to the economic and to the social aspect too, there has to be paid a lot of attention to the Financial Statement Analysis as well as to the Value Chain System with the standpoints of Administration (an analysis concerning the micro-environment with a broader perspective concerning the macro-environment, development, growth and prosperity).

2. Financial Statement Analysis

It is of the utmost importance for the company to gain Capital Assets and use them in such a way that the whole Corporate Value continually grows and expands (Bernstein 1993, Damodaran 1996, Emery et al. 2007, Jensen et al. 1994).

For the above mentioned reason which appears to be the main long-term aim of each business, Financial Statement Analysis has to do with three main categories of decision-making. Firstly, the Investment Decision which is directly related to finding, evaluating and finally choosing the one of -the various investment projects- which seems to fulfill all the financial conditions. Secondly, the Financing Decision which is directly related to the Optimal Capital Structure taking into serious account the possible combination of the different corporate's long – term ways of financing (for instance, long – term loans, common bearer shares, preference stocks). Thirdly, the Dividend Policy decision which refers to the corporate's decision of whether to pay out the shareholders when there are profits or to hold the corporate's profits and invest them in various investment projects.

Financial analysis has to do with gaining financial information by the financial statement of each one business.

Moreover, financial elements and information may be partly included in the corporate's financial statements and thus the general economic and marketing strategy has to be studied in details (Eriotis 2005, Fischer 2003, Nam et al. 2011, Vasiliou 2005 A., Walter 2012).

Financial Statements are in fact, tables where financial information is presented. Moreover, it is possible to read down the results of how to manage them and above all, how to use these results.

The most important financial statements in publication are: 1. The Balance Sheet (which is an essay of Assets, Capital and the Net Position of a Corporation in a special time period), 2. The Income Statement or Profit Loss Account (which shows the way in which the specific corporation provided the results of the time in economic analysis), 3. The Table of Appropriation of Results (which shows the incoming money and payouts as well as of a

corporation for a special time period), 4. The Cash- flow Statement (which shows the incoming money and payouts as well as of a corporation for a special time period).

It is widely believed that the above economic analysis helps the economic analyzers of a corporation (external and internal), to specify the financing needs while on the other hand it is highly possible for them to set the negotiation terms. The means for this kind of analysis are usually the financial ratios.

Financial ratios give the analyzer two opportunities: a. to conduct a time – series analysis, which in fact is a comparison between the economic state of the business today and the economic state of it in the past, b. to compare between the financial statement of the specific corporation and the financial statement of others with the same or partly the same specialization of work and other similarities concerning their organizational behavior in general.

Financial Ratios Analysis refers not only to past and present estimation but also to future (actually ratios are used so as to predict the future financial statement of a firm up to a point as they are always the economic and other parameters that cannot be foreseen. In practice and more accurately the types of financial statements analysis are:

1. The absolute value of the amount we are interested in measuring.
2. The subtraction between two amounts (for example, current assets – short term liabilities).
3. The fraction of two amounts (for example, current assets / short-term liabilities).

The financial statement of a firm involves tables with economic numbers and ratios for further financial analysis and also the results after measuring and calculating and finally, the disposal of these.

First of all, the balance sheet consists of a report of the assets of a corporation. Secondly, the profit and loss account presents the probable profits or else the losses of a firm's economic action within a specific period of time- a year. Thirdly, the table of appropriation of results presents the way in which a specific corporation uses the economic results of profit and loss account. Finally, the cash-flow statement shows the incomings as well as the liabilities of a corporation within a certain period of time.

For the above mentioned reasons, it becomes clear that financial statement analysis is of great importance and this is for two further reasons:

To begin with, it is claimed to be of great help to economists (either to internal or external financial consultants) so as to carefully set the needs of financing. Secondly, it is claimed to be a great help to economists who would like to negotiate with the probable external financiers.

A further analysis which consists of the financial comparison between a corporation's past, present as well as future, is called a "time- series analysis (Brealey R. & Meyers S. 1991, Horngen et al. 1998, Meigs & Meigs 1993, Phillipatos & Sichler 1991, Smith et al. 1989, Thomas 1999, Watson & Head 2007, White et al. 2003).

A comparative analysis or a gross sectional analysis is the analysis which compares the financial issues between two or more corporations within the same period of time.

Financial Ratios can be categorized in six (6) major categories as follow (Wild 2001, Johnson et al. 2011):

- Liquidity Ratios.
 - Activity Ratios.
 - Financial Leverage Ratios.
 - Coverage Ratios.
 - Profitability Ratios.
 - Valuation Ratios.
- LIQUIDITY RATIOS (Current Ratios, Acid-Test Ratio).

- **ACTIVITY RATIOS** (Inventory turnover, Total Assets turnover, Fixed Assets turnover, Average collection period, Accounts receivables turnover, Average payable period).
- **FINANCIAL LEVERAGE RATIOS** (Debt Ratio, Debt-to-equity Ratio).
- **COVERAGE RATIOS** (Times – interest earned Ratio, Cash-flow coverage Ratio).
- **PROFITABILITY RATIOS** (Gross profit margin, Net profit margin, Return on assets – ROA, Return on invested capital- ROIC, Return on equity – ROE).
- **VALUATION RATIOS** (Price to earning ratio-P/E Ratio, Market to book Ratio).

Some Economists draw attention to the following Financial Ratios as ones of great importance:

PROFITABILITY RATIOS (Margin of gross profit: Sales- Selling Cost /Sales, Return on sales: Sales – Operating costs / Sales or Return on sales: Operating Profits / Sales, Margin of Pure Profit: Profits after taxes / Net Worth Fund).

LIQUIDITY RATIOS (Current Ratio: Current Assets/ Short term Liabilities, Acid Test or Quick Ratio: Current Assets- Reserves/Short term Liabilities, Working Capital: Current Assets-Short term Liabilities).

FINANCIAL LEVERAGE RATIOS (Debt Ratio, Debt- to-equity ratio).

ACTIVITY RATIOS (Inventory turnover, Total assets turnover or Asset Utilization, Fixed assets turnover, Average collection period, Accounts receivables turnover).

3. The Economic Impact of Tourism/ Methods of Measuring Tourism’s Economic Impact

It is of great importance to analyse tourism’s impact and therefore present the methods of measuring it.

To begin with, a simple approach is to compare between available data on tourism activity such as tourism receipts, employment in the “front – line” tourist sectors (hotels, restaurants, e.t.c.) and the wages, salaries and profits of these establishments – with the key economic indicators such as gross national product, national employment e.t.c.. According to Cooper et al. 1998, this method is not widely recognized.

A second method and a more sophisticated one is the cost- benefit analysis. This kind of analysis seems to be remotely used since a number of explicit and implicit assumptions must be made during the process of model construction.

Thirdly, there are the ad hoc multiplier models which according to Archer 1977 (as referred in Fletcher’s article 1989), seem to eliminate some of the subjectivity inherent in cost-benefit analysis but they still retain an element of subjectivity.

The “input – output analysis”, finally, is the method that one has to put a lot of emphasis on – in fact, on its advantages as well as on its disadvantages too.

As for the advantages of the “input- output analysis”, far and foremost it is a general equilibrium approach and, therefore, provides the policy makers with a comprehensive view of the economy. One more argument in favor of “input-output analysis” is that this method focuses attention upon the sectoral interdependencies which exist in the economy. Thirdly, the flexibility of the “input – output” structure is something that cannot be denied and it is that flexibility that enables the researcher to construct a model to suit the purpose in hand. In other words, within the technical constraints of the models’ assumptions, the researcher can built in detail where it is required while

submerge detail where it is not. The fourth advantage has to do with the very nature of the method which makes the technique “policy-neutral”. A further advantage is that the specific method – technique makes it possible for the researcher to study the impact of tourism at its three levels: direct, indirect and induced effects. Finally, it could be argued that this kind of analysis can improve the level and quality of data available not only for the economy in general but for the national accounts as well.

The main disadvantage of “input – output” analysis is that it is an expensive tool. Scientists also believe that most secondary data is unsuitable for this method of analysis as it is rarely accurate at the level of detail needed in “input – output” models while to a certain extent intersectoral transaction data seems not to be available at all. Experts draw attention to another disadvantage that it has to do with the restrictive assumptions that must be made concerning the production processes of the various industrial sectors, once the data has been collected and fit into an input – output transaction table.

Cooper, et al. (1998) are inclined to believe that the multiplier concept seems to be the main concept as an alternative way to deal with the local economic issues in tourism. Actually, the concept of the multiplier is based upon the recognition that sales for one firm require purchases from other firms within the local economy and that is because the industrial sectors of an economy are interdependent. One useful suggestion to overcome the various side-effects in economy is by using the specific types of multiplier: 1. A transactions (or sales) multiplier which measures the amount of additional business revenue created in an economy when there is an increase in tourist expenditure. 2. An output multiplier measuring the additional output generated in an economy as a result of an increase in tourist expenditure. 3. An income multiplier measuring the additional income (wages, salaries, rent, interest and profits) created in the economy as long as the tourist expenditure increases/expands. 4. An employment multiplier having to do either with the total amount of employment generated by an additional unit of tourist expenditure or with the ratio of the total employment generated by this same expenditure to the direct employment alone. 5. A government revenue multiplier measuring the government revenue from all sources, because of an increase in tourist expenditure.

From a strict economic viewpoint, Cooper et al. (1998: 135) present the Nathan R.R. and Associates model (1996) so as to calculate the short-run employment effects created by tourism expenditure in each of the 375 counties and independent cities of Appalachia (figure 1). This kind of analysis is called “base theory”.

Figure 1: Model for the calculation of the short-run employment effects.

$$\frac{E}{Er_{x2}} = \frac{1}{1 - E_{rc} / E_r} \quad \text{where:}$$

E_r = total local employment.
 E_{rc} = local employment serving local consumer demand
 E_{rx2} = direct change in employment created by change
in tourism expenditure.

Source: Cooper et al. (1998) [Nathan R.R. and Associates model (1996)]

Afterwards Nathan R.R. and Associates developed the multiplier model further so as to measure long – term effects, by incorporating investment activity. The formulation of the model as seen in figure 2.

Figure 2: Further developed multiplier model for measuring long – term effects by incorporating investment activity.

$$\frac{Er}{Er_{x2}} = \frac{1 + i_2}{1 - Erc / Er} \quad \text{where:}$$

i_2 = a statistically estimated parameter (the value of which lies between 0 and 1) which relates the change in investment to the change in tourism activity.

Source: Cooper et al. (1998) [Nathan R.R. and Associates model (1996)]

To continue with Keynesian (Cooper et al.: 136), multiplier models which can be used so as to measure the income created in an economy by an additional unit of tourist expenditure. The simplest formulation of the multiplier (k) is shown in Figure 3.

Figure 3: The Keynesian multiplier models

$$k = \frac{1}{1 - c + m} \quad \text{(equation 1)}$$

where 1 is the additional unit of tourism expenditure and leakages are the proportion of this expenditure which goes into savings (1-c) and imports (m).

i.e. $k = 1 / \text{leakages}$

The development of this model into a long – term formulation, which takes investment into account, is shown in equation 2.

$$k = 1 / 1 - c + m - i \quad \text{(equation 2)}$$

where i = the marginal propensity to invest.

Equation 3 is the further developed method showing the re-spending of money accruing to the public sector.

$$k = 1 / 1 - c + m - i - g \quad \text{(equation 3)}$$

where g is the marginal propensity of the public sector to spend.

In equation 4, a typical Keynesian short – term multiplier model is shown (as presented in Archer, 1976).

$$k = \frac{1 - L}{1 - c (1 - t_i) (1 - t_d - b) + m} \quad \text{(equation 4)}$$

where:

L = first round leakages out of the economy.

t_i = the marginal rate of indirect taxation.

td = the marginal rate of taxation and other deductions.

b = the marginal rate of transfer payments.

Source: Cooper et al. 1998

Based on the analysis of Cooper et al. 1989, it could be argued that the four major techniques measuring the value of the tourist multiplier are:

1. Base Theory, 2. Keynesian Multiplier, 3. Ad Hoc, 4. Input – Output.

As far as the microeconomic analysis is concerned, there are certain financial indicators that financial researchers should take into account when analyzing economic issues having to do with the individuality of each one tourism business. For instance, financial indicators having to do with: i. Profitability (actually called profitability ratios), ii. Liquidity (actually called liquidity ratios), iii. Activity (actually called activity ratios), while there are various ranges of economic growth (Vasiliou 2005a, Ross et al. 2006) (as seen above and afterwards concerning my primary research method analysis). Due to individual business analysis, there should be taken into account the fact that collaborations and unities of corporations take place in the economic market. In such cases conglomerations are developed with further advantages ranging from price settings to competitiveness.

4. Fundamentals of Management – Organizational Behaviour Theory and Competitive Advantage

It is of great significance to recognize the major and continuing role of organisations in the lives of us all. We live in an organizational world since organisations of one form or another are a necessary part of Economy and thus of our society and they obviously serve many important needs (Bounds et al. 1995, Bradley et al. & Morris 2000, Brotherton & Adler 1999, Carroll 2001, Certo 2003, Cherrington 1994, Esherman 1995, Fitzimmons & Fitzimmons 1995, Fred 1997, Hollensen 2003, Khan 2003, Kotler 1997, Mullins 1998, Newstrom & Keith 2002, Kotas 1994).

Among others, the main objectives are:

- Provide an introduction to a behavioural approach to management.
- Explain the meaning and nature of organizational behaviour.
- Explain the importance for Management as an integrating activity.
- Appreciate the complex nature of the behaviour of people in work organisations.

According to Mullins (1995), a basic framework of study includes the following:

- Behaviour of people.
- Process of Management.
- Organizational context.

It is a fact that there are areas of overlap among the various social services, their subdivisions and related disciplines such as economics and political science. However, the study of behaviour can be viewed in terms of three main disciplines – psychology, sociology and anthropology.

Far and foremost, Management can be viewed as an integrating activity. In fact, practice management is claimed to be the cornerstone of organizational effectiveness and is concerned with arrangements for the carrying out of organizational process and the execution of work.

Mullin's analysis (1995) of approaches to organization and management consists of a framework based on four-fold categorisation of classical human relations, systems of contingency.

The role of management as an integrating activity consists of five (5) main sectors:

- Organizational processes and the execution of work.
- Coordinating efforts of members of the organization
- Improving the people – organization relationship.
- Coherent pattern of activities within the total work organization.
- Systems of motivation, job satisfaction and rewards.

Apart from the above five (5) main sectors of management as an integrating activity, there are three others facilitating the organizational performance and effectiveness. These are (Mullins 1995:10):

- Satisfying the needs of people at work.
- Creating an organizational climate in which people work willingly and effectively.
- Achieving the goals of the organization.

5. The Marketing System and the Competitive Advantage

According to Middleton and Clarke (2001), the marketing system for service products includes:

- Corporate Business and marketing strategy.
- Marketing Planning.
- Campaign plans.
- Production / Capacity.
- Inventory.
- Consumer Promotion and Sales Promotion (Distribution / Access).
- Exchange Transaction.
- Consumption of Product
- Post-Purchase feelings.

According to Bernkovitz 2000, a firm's competitive position depends upon the answer to the following questions.

- How well does the firm's strategy operate?
- Which are the strengths and weaknesses of the firm in question? In addition and according to S.W.O.T. analysis, which are the opportunities and threats of the firm?
- Are both the prices and the cost of the firm competing?
- Which is the firm's position in comparison with the competitors?
- Which are the Strategy issues that worth being analysed firstly?

In fact four (4) analysis instruments are used in order to find solutions to the above five (5) problems – questions:

- S.W.O.T analysis.
- Value Added analysis.
- Benchmarking.
- The calculation of Competitive Strength.

6. Fundamentals of Management

According to specialists like Thompson, Strickland and Gamble 2010, Barrow 2001, Webb 2001, Mintzberg 1985, Papadakis 1995, the Action Plan of the Strategy of a firm, consists of eleven (11) issues:

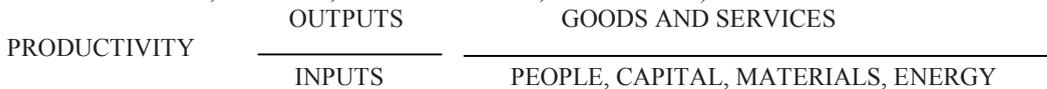
1. Trying for the achievement of competitive advantages, mainly by Lower costs in relation to competitors, The offering of differentiated products, The ability of servicing.
2. Planning and motivating the Corporate's Strategy for market success over competitors. (Designing better products, giving additional characteristics, abilities of e-commerce, advanced technologies, e.t.c.).
3. Answering to macroenvironment and to competitiveness.
4. Geographical Coverage (local markets, peripheral markets, national markets, globalization).
5. Strategic Alliances.
6. Research and Development.
7. Supply Chain.
8. Production Strategy.
9. Marketing and Sales Strategy (Promotional Strategy).
10. Human Resource Management.
11. Financial Statement.

7. Strategy Planning and Implementation

With regard to an economic viewpoint and to a social aspect too, the main advantages of a Business Strategy are: To begin with, Strategy imposes business directions (towards a business vision). Secondly, Strategy clearly supports the across the board decision-making (with the aim of achieving specific strategic goals) while thirdly, Strategy makes the employers focus on business vision and methods planned so as to achieve the strategic goals; in other words, Strategy Planning and Implementation supports employers’ association and thus their interaction. Fourthly, Strategy Planning and Implementation makes it possible for a firm to clearly state its position over competitors. Fifthly, Strategy cuts down business uncertainty. In fact, Strategy is claimed to be a kind of a relief against the “unpredictable” and the lacking of business information. Last but not least, Strategy Planning and Implementation is widely believed to support the corporate’s sustainable advantage over competitors. (it is a fact that Strategy Planning and Implementation supports the core competences of the firm in question; Furthermore, Strategy seems to unite the internal and the external environment (microenvironment and macro environment) (Thomson et al. 2008, Wheelen 2000).

8. HRM – Human Recourse Management

It is beyond a doubt that people and organizations depend on each other. Experts are of the opinion that the mutual dependence among individuals, organizations and society as well is almost certain to grow. Thus, the better our organizations work, the easier our society can meet challenges and opportunities. In other words, the central challenge facing our society is the continual improvement of an organization’s outputs (goods and services) to its inputs (people, capital, materials and energy) (Cascio 1992, Choy 1995, Conger 1989, Flatley 1992, Gallant 1991, Clark & Keith 2009, Wild 2001, Johnson et al. 2011, .Mullins 1998).Thus:



According to Werther, Davis (1989), Human Resources Management activities form an interconnected system with boundaries. More specifically,

OBJECTIVES

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Organizational. • Societal. • Functional. • Personal. | <div style="border-left: 1px solid black; height: 80px; margin: 0 auto;"></div> <div style="font-size: 2em; margin: 0 auto;">→</div> | <p>Foundations and Challenges, Preparation and Selection, Development and Evaluation, Compensation and Protection, Employee and Labor Relations, Human Resources Management in Perspective.</p> |
|--|--|---|

9. Methodological Framework

Apart from the Secondary Research (including the analysis according to references and theory), this paper has to do with Primary Research Methodology as well. The Primary Research, through a questionnaire-see Appendix A- on the subjects discussed, was conducted from February the 10th to February the 20th 2013 in 10 business hotels in total in Patras and in Athens (actually, in 4 and 5 star business hotels taken as Case Studies- in fact, 4 business hotels in Patras and 6 business hotels in Athens) (Siriopoulos).

Through this Primary Research of mine and more specifically through the answers given by the Economic Analysts (to the specialized questions of the questionnaire used) of these hotels in search, I wanted to find out the connection between Financial Economic Analysis & Accounting – Management and Marketing processes since it is not widely used in Greek hotels the specialized techniques and process in Economic and Administration (and that is because of the nature of business hotels in Greece together with the fact that there is a specific type of Culture about Economic Management).

The Analysis followed is a Qualitative one and as I previously said, the case studies taken were ten (10) business hotels which were chosen under two (2) main criteria a. by a random sample out of 100 and b. by how easy the headmasters took part in this research.

In addition to my questionnaire and after they were filled out (so as to avoid guiding the answers given), a general discussion followed having to do with the answers really given to my questions. In the next paragraph, I am going to discuss the real findings.

10. Qualitative Analysis and Findings

The business hotels analyzed mainly (8 out of 10) by family members. Although some of them hire external economic consultants, the Management and final Decision – Making is made by the family members, who seem to do all the strategic planning. The answers given to my questionnaire either by economic consultants (in 6 hotels) or by a general manager s (in 4 hotels). The rest two (2) were not family run but all the Decision –Making takes place by outer and external hired and paid consultants (mainly, in a permanent basis).

It is about business hotels that offer their services all year round and because they are interested in offering qualitative services, their employees are employed and work all year round even if there are fluctuations in tourism (tourism demand and offer) during the year period.

So, as far as the answers to my questionnaire:

In question 5, most of the answers have to do with profitability ratios (8 out of 10) while there are 2 out of 10 questions having to do with Liquidity Ratios.

In question 6, they all answered (10 out of 10), that they use for the financial and economic analysis the types of Liquidity Ratios.

In question 7, they all answered (10 out of 10) that they use all types of financial and accounting statements.

In question 8, they all answered (10 out of 10) that before making a financial decision, they take into account the cost of each investment programme together with other financial inputs.

In question 9 no one answered.

In question 10, 5 out of 10 answered the ARR Method while the rest (5) answered the PI Method.

In questions 11 and 12 no one answered.

In question 13, they all chose the Combined Leverage.

In question 14 they all (10 out of 10), answered that there is an employees' department in their hotels.

In question 15, they all (10 out of 10), answered with a "yes".

In question 16 they all, with an exception of two (2), answered that HRM training takes place in all rankings and includes all types of training.

In question 17- with remote questions – they all (10 out of 10) answered that they agree in the higher rate (in about all sub-questions from no. 17.1 to 17.11) while there was a specification for an activity "on the job training" when answering to 17.10 and for almost every type of job in the micro environment – economic analysts and consultants, accountants, managers, first-line employers, chefs etc..

In question 18, 9 out of 10, answered that Economic motivation comes first of all. Secondly, there is the motivation having to do with business enlargement and quality of work. Thirdly, there are some other social motives which are different among themselves when we are talking about different business hotels.

In question 19 they all (10 out of 10) checked the choices 19.1 and 19.2..

In question 20, 3 out of 10, answered that training mainly is based upon seminars. 6 out of 10 answered that besides seminars they use "internet" as a means of training while 1 out of 10 answered that the main training has to do with practice (on the job training).

In question 21 they all (10 out of 10) answered that they use the issues of Promotional Mix (Personal Selling, Public Relations and Promotion, Direct Marketing-leaflets, telemarketing etc, Advertising, other mixed Promotional Activities).

11. Conclusion

It is a fact that most of the answers to my questionnaire refer to the reality of most 4 and 5 star business hotels in my country, Greece (2 unpublished working paper in 2012)- these are certified from many other calculations in Greek business hotels as well.

In this paper, I tried to make the comparison between theory and practice concerning Finance and Adm

APPENDIX A

PRIMARY RESEARCH QUESTIONNAIRE – EBEEC 2013

Dear Sirs – Madams have a Good Day.

I am Anastasia Kopaneli and I am conducting a Primary Research (besides conducting a Secondary one) while writing down my Academic Research Manuscript with the title «Financial Decision Making and Marketing – Management approaches with the aim of Strategy Planning and Implementation. A Qualitative Research Method (Case Studies Research in Business Hotels in Patras and in Athens, Greece / A Comparative Analysis)».

This is going to be a very interesting Research Study and I would like your cooperation in the name of Research & Development (specifically, the Foundlings of this Research Study will be based on Decision Making (Financial and Accounting analysis), Microeconomics, Financial Development (Political Economy), Marketing – Management, Strategic Planning and Implementation, Organizational Behavior, Entrepreneurship, Human Resource Management, Total Quality Management, the Academic Structure and Framework of Research. A Qualitative analysis will follow. This Research Study is in total co-operation with the Hotel Managers in Achaia and Attica as well (Public Administration) / specifically, an Academic Research in co-operation with Business Hotel Managers.

Me and my Academic Bosses will be very grateful for your answers to this questionnaire as soon as possible so as to be within the time restrictions and limitations set by the Organizing and the Scientific Committee of EBEEC 2013, respectively.

I assure you that the answers given will be strictly anonymous – all of your answers are going to serve the specific Academic Research of mine / Academic reasons and only. Besides, it will take 20 minutes to answer, taking into serious account that time is precious to you.

Thank you in advance for your Co-operation and your Valuable answers.

SECTOR 1: ENTREPRENEURSHIP

- 1) Your hotel is a four- or a five-star? (Hotel's extent).
- 2) Is your hotel family-owned? (Type of Hotel).
- 3) Does your hotel operate all year round? (Time of operation during the year).
- 4) Which of the following does it apply to the employees of your hotel?
Seasonability?

SECTOR 2: FINANCIAL STATEMENT ANALYSIS AND ACCOUNTING)

In this sector, I will put questions about the ratios used in the economic and financial analysis.

- 5) Which categories of financial ratio analysis does this business hotel use in order to evaluate the previous, present and the forthcoming Statement Analysis and Profitability?
- 6) In your opinion, which are the four (4) most used financial ratios from the above mentioned categories?
- 7) Which are the mostly used financial and accounting statements by your firm? – The balance sheet? The income statement? The table of appropriation of results? The cash-flow Statement?
- 8) In order to decide whether to approve or reject an investment project, do you take into account firstly the main cost of this investment project and secondly the augmented cash - flow?
- 9) While you are about to decide about the capital budgeting, which are the main procedures followed?- Finding the investment projects? Measure the augmented cash-flow of each investment project? Evaluate each investment project? and finally Choose the most profitable one based upon a criterion of profitability?
- 10) In your opinion, which Evaluation Method is the most important? – The average rate of return ARR? The payback period? The net present value NPV? The profitability index PI? The internal rate of return IRR?
- 11) In what way(s), do you measure the optimal capital structure?
- 12) Which of the six – 6 – methods mentioned of the risk embodiment to investment budgeting, do you think is or are of the most importance?
- 13) What's the meaning and importance of the Operating Leverage? The Financial Leverage? The Total or Combined Leverage?

SECTOR 3: HUMAN RECOURSE MANAGEMENT / ORGANIZATIONAL CULTURE / CORPORATE COMMUNICATION

14) Is there a Human Resource Management department in the Hotel in question?

15) Are the Manager (s) in charge of an implementation of a good managerial and organizational management culture?

16) What is the type of communication used among of employees who belong in different levels in the job hierarchy or in the managerial pyramid?

16.1) Horizontal Among employees in the same level of hierarchy

16.2) Vertical Among employees in different levels in the job hierarchy

«upward communication» or «downward communication»

16.3) Both (Horizontal and Vertical)
(16.1 & 16.2)

17) The questions in the lefthandside are to be rated in the righthandside of the box, according to a Likert rating:

(A Likert Scale)	(Totally Agree)	(Partially Agree)	(Neutral)	(In partial disagreement)	(Totally disagree)
17.1) In what extent, does the worker's job motivation lead to the business profitability? (actually, the relation between inducement and business profitability).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.2) What is the Leader's / Boss's role in the organization of work as well to the organizational structure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.3) The ones in the top of job hierarchy (top in managerial pyramid), are the ones in charge of Job Delegation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.4) How would you rate the connection between the cooperation of Employers - employees and the Leadership styles used? In other words, what is your opinion about the interrelation between the job cooperation of employer's-employee's and the Leadership styles used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.5) How would you rate the interrelation of the quality of services offered to the Total Quality Management (T.Q.M.)? In other words, does it lead to a raise in productivity and the hotel's competitiveness over others?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.6) Is there any connection between Human Resource Management and Job Analysis? (Further comment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. 7) Searching of Employees is a continuous process since there are employees' «losses» because of illnesses, pensioning, e.t.c.	<input type="checkbox"/>				
17.8) The Selection of the right employees which is a procedure after search of employees, is a long-term investment in people-humans skilled at work. In your opinion, will this selection lead to a fund raising, to a good reputation as well as to a market expansion?	<input type="checkbox"/>				
17.9) In your opinion, is the Interview approach very important before selecting the personnel?	<input type="checkbox"/>				
17.10) Personnel's Training and the connection to the changes in the corporate's microenvironment.	<input type="checkbox"/>				
17.11) How personnel's complaints management leads to a better business administration).	<input type="checkbox"/>				

18) Make the hierarchical choices of personnel inducement incentives – of the Economy, Sociological, Incentives having to do with Job Extension?).....

19) What are the advantages and disadvantages of the newly hired?)

19.1) Personnel adjustment to job values, the organizational structure and behavior, personnel accession to job teams?)

19.2) Job Analysis and Duties' Delegation).

19.3) Others, specifically state.....

20) Clearly State the ways of Personnel Training in your firm.....

SECTOR 4: MARKETING ISSUES – PROMOTIONAL MIX

21) Clearly state the promotional mix used in your firm.....

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