



Article Title

FACTORS ENHANCING ECONOMIC PERFORMANCE IN HOSPITALITY. THE PARADIGM OF GREEK HOTEL COMPANIES

Citation

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Abstract

Hotel managers focus on identifying, creating or developing competitive advantages that can be utilized in order to improve the company's economic performance and bottom line. This paper attempts to identify those internal factors having enhanced the financial performance in the Greek hospitality sector during 2008-2010. The survey was conducted in Greek high-class hotel companies and reveals that the enhancement of a hotel's economic performance can be achieved by the following key factors: exceptional services; well-trained and highly motivated associates; contemporary managerial approaches; pricing tactics maximizing the revenue per room; investments in new technology systems; organization of activities keeping the guests (and the revenues) within the premises; application of sustainable practices; niche marketing and advertising so as to attract new guests; and, formal cooperation with other tourism stakeholders. The findings of this study are suggested as best practices for the hospitality industry.

Methods

The purpose of this study is to explore the determinants of success for some of the most well-known and profitable hotel companies in Greece. In order to identify the internal strategic factors that enabled the hotel companies to gain their competitive advantages and have significant economic results in the middle of a financial crisis, we applied a methodological approach that includes the following steps:

- Data collection and calculation of various performance indicators.

- Benchmarking as well as empirical analysis for the economic assessment of several Greek hotels and for the identification of the most profitable and successful ones.
- Developing and sending a questionnaire to the successful hotels aiming to identify those factors that have contributed in the enhancement of their economic performance.
- Elaboration of the answers and presentation of the results as best practices for the hotel industry.

Results

Some of the actions of communication that identified as potential application in hotels and family run, and that can improve the relationship with the market, promoting the image, increasing awareness, achieve better occupancy rates and overall results are:

- Development and application of survey and treatment evaluation of customer satisfaction;
- Deals, promotions and surprise customers as a means of achieving loyalty; To promote direct marketing with customers, potential customers and the market; Partnerships with golf courses in the region due to the potential of this product in attracting customers;
- Implementation of regular internal communication and in a structured manner in order to keep the team motivated and objectives and present;
- Hiring a specialized company or research group GITUR for developing and implementing a marketing strategy and plan to apply at the hotel;
- Vocational training in marketing to the heads of each department;
- Amendment of the hotel name, logo and stationary base;
- Modernization of the hotel and strengthening of activity in social networking site;
- Realization of themed events on a regular basis to increase the visibility and recognition of the quality of the hotel.

Conclusion

The main findings of the survey are summarized through a list of factors (Exceptional service, Highly motivated staff, Management capability, Pricing tactics, Technological innovation, In-house animation & outdoor events, Environmental program, Niche marketing & advertising, and Strategic alliances) given that each factor has its own distinct mean and rank as success factors. The “Exceptional service” and the “Highly motivated staff” were ranked as the most important factors enhancing economic performance and profitability in the total sample. The factors identified in the open-ended question “Others” include the following findings: spa; conference & meeting facilities; business center; executive (VIP) lounge; sport & leisure facilities; health club, fitness center, gym, sauna, massage; loyalty programs for guests and travel agents; special privileges to repeaters.