

A Research on the Applicability of Contemporary Cost Methods in Accommodation Enterprises

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Extensive Summary

Introduction

The rise of economic boundaries along with the globalization and the development of information communication technologies, has led to a rapid change in customer requests and expectations. As customers become more conscious, competition has become increasingly global. Technological developments on the one hand have enabled the development of production Technologies, on the other hand shortened product life cycles. The prevailing mass production of uniform products has now taken place in pieces production, where the product variety is very high. In addition, with the increase of automation, the share of general production expenses in total costs and its importance increased whereas the share of direct labor in total costs decreased. As a result of all these developments, the sales price has been determined in a customer-oriented manner in the market and the profit has been determined by the partners. In this case, the only variable that businesses can control is the cost to be able to respond to the expectations of both the customers and the partners. However, traditional costing methods have been inadequate to meet the needs of businesses and have driven businesses to seek contemporary costing methods.

These changes and developments have also affected the accommodation enterprises in the tourism sector. Due to the price pressure of tour operators in the accommodation enterprises, the sales price is determined in a customer-focused manner

on the market. In addition, the shareholders' expectation of profit also led to loss of control of the accommodation enterprises. It is important for accommodation enterprises to respond to the expectations both their customers and their partners to effectively manage costs under their control. Contemporary costing methods are only able to respond to the needs of accommodation enterprises in cost effectiveness.

The purpose of working in this framework is to measure of the effect of the advantages of contemporary costing methods (such as target costing, activity based costing, product life cycle costing, full time production, resource consumption accounting, constraint theory) on applicability of these methods in accommodation enterprises.

Methodology

Survey technique was used as method of data collection in this study and the questionnaire was composed of two parts. In the first part, there are 7 questions about top managers (2 questions), business (1 question) and contemporary costing (4 questions). In the second part, a total of 30 expressions were used which were developed by using the work done by Okutmuş, Kurar and Kahveci (2014). These expressions are designed in the 5-point Likert Scale as multiple choice (1-Absolutely not, 5-Absolutely). The universe of the research consists of 480 people, being managers in accommodation enterprises operating in provinces and districts of Bartın-Amasra and Karabük-Safranbolu. Collecting research data were used face-to-face survey technique and acceptable 396 surveys were included in the survey. In the research, it has been tried to measure the effects of the advantages of contemporary costing methods on applicability of these methods in accommodation enterprises. Layered sampling method was used in the research conducted between September 2016 and July 2017. The following formula is used to calculate the sample size (Özdamar, 2001, s.157):

$$n = \frac{N \cdot t^2 \cdot p \cdot q}{d^2(N-1) + t^2 p q}$$

In the above form, it is estimated that the sample size is 213.7 persons, and 396 people were included in this survey. The obtained data were analyzed using the SPSS 20 for Windows package program. Within the analysis of the research data, the frequency distributions of the descriptive questions related to the sample group participated in the survey, business and contemporary costing were determined. In the second step, the arithmetic mean and standard deviation values were calculated to determine the opinions of managers on the applicability of contemporary costing methods and the advantages of contemporary costing methods resulting from factor analysis. In the third stage, correlations and multiple regression tests were conducted to determine the relationship and effect of the advantages of contemporary costing methods with the applicability of contemporary costing methods.

Findings

The dimensions of the advantages and applicability of contemporary costing methods have been tried to be revealed by factor analysis. Seven factors were obtained from the factor analysis of 30 expressions of contemporary costing methods. Factor 1

(Applicability of Contemporary Costing Methods), which explains the highest variance in the analysis of the data (20.049%), was formed by the combination of 6 words. Factor 2 (Cost Efficiency) has come to 6 formulas explaining 13.369% of variance. Factor 3 (Level of Institutionalization) is composed of 4 words describing 7.288% of the variance. Factor 4 (Competitiveness) is composed of 4 expressions and explains 5.773% of the variance. 5. Factor (Technology), 4,986% of the variance has 3 expressions. It is seen that Factor 6 (Management Support) is composed of 4 expressions explaining 3.881% of variance. Factor 7 (Customer / Market Orientation) came to a 3-point scale that explained 3,699% of variance. Managers who participated in the survey were found to have positively participated in the advantages of contemporary costing methods in general while remaining indecisive about the applicability of contemporary costing methods. It can be said that although there is an ambiguity about the technological advantage from the advantages of the contemporary costing methods, they are participating positively to the other advantages.

Pearson correlation test was performed to determine the relationship between the advantages of contemporary costing methods and the applicability of contemporary costing methods and It has been found a positive relationship between the advantage of contemporary costing methods (such as cost effectiveness, level of institutionalization, competitiveness, technology, management support and customer / market orientation advantages) and applicability of contemporary costing methods. The research also conducted multiple regression tests to determine the effect of contemporary costing methods on the applicability of contemporary costing methods. 44,4% of the change in the applicability of contemporary costing methods is explained by the advantages of contemporary costing methods. It can be said that there is a meaningful relation between the applicability and the advantages of modern costing methods as a result of the analysis made.

Conclusion and Discussion

Today, it is a well known fact that, like all businesses, accommodation companies are trying to provide services at the highest quality and lowest cost to reach their goals and objectives. This reality can only be achieved through contemporary costing methods that help to calculate costs more accurately and efficiently. The contemporary costing methods that make up the subject of research are increasingly prevalent. With this in mind, it has been tried to investigate to what extent the advantages of contemporary costing methods in accommodation enterprises affect their applicability.

According to the findings obtained, contemporary cost methods provide advantages such as cost efficiency, institutionalization, competitive advantage, technological infrastructure, management support and customer orientation to accommodation enterprises and these advantages have a positive effect on the applicability of contemporary cost methods. Also, as a result of the analyzes made for the purpose of the research, it was determined that there is a meaningful relation between the applicability and the advantages of contemporary costing methods.

As a result, traditional cost methods are inadequate in terms of exact and accurate calculation of costs in accommodation enterprises, providing accurate information on costing methods and a key point in strategic decision making. The benefits of contemporary costing methods, as evidenced by work, are positively

impacting the applicability of these methods in accommodation enterprises. The increase of such studies is important in terms of establishing the sector as an example. Subsequent studies suggest that contemporary cost methods should be applied as empirical studies in accommodation enterprises.