

**HOSPITALITY INDUSTRY AND PERFORMANCE
CASE OF DURRES COASTLINE**

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**Thesis submitted for degree of Master of Science
Department of Business Administration**

Epoka University

January 2017

Approval Page

Thesis Title : Hospitality Industry and Performance. Case of Durres Coastline

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Program : Business Administration

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Thesis Date : January 2017

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Qualification : Master of Science

Date : January 2017

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Abstract

The real importance of each section that brings up great economic profits is very important to be known and valued in each country. The Hospitality Industry nowadays is considered as one of the most fascinating industries in the incomes term. The main setting that narrows straight to success is knowing every path it leads to. There are some factors that affect directly in the enhancement of the performance of the hospitality industry. Some of those factors are manageable from the managers in the company, whereas some other factors are not dependable from the management. According to this fact there is a subdivision of the factors which are the external ones from the effect but not from the management and the internal factors called so because they are managed from the internal company management itself. Aiming to be successful in the market and to stay over other competitors the owners and the managers of the hotels mainly focus on creating, identifying, or developing competitive advantages. The study done on this thesis aims to identify the importance of internal factors that affect in the enhancement of the performance in the hotelier business. The study is done in the coastline of Durrës, in the most important enterprises of the area. Some of the key internal factors that are considered with direct impact on the performance were analyzed principally: exceptional services , technological innovations related to the guest interaction process and on the utilizing of new technology systems in hospitality enterprises, the capability of the manager for managing and leading , the strategic alliances and the cooperation done among hospitality company with other companies in help of the customers , niche marketing and advertising, pricing tactics done on its variations on different time sets that provide the maximizing incomes, the implied and offered environmental program for the customers, the organization activities through keeping the guests within the premises , well-trained and highly motivated associates. The findings of this study will be very important and are suggested as best practices for the enhancement and sustainability of the highest performance of the hospitality industry.

Key words: Hospitality industry, performance, internal factors, tourism.

Abstrakt

Eshte shume e rendesishme te dihet dhe te vleresohet rendesia e vertete e cdo sektori qe sjell perfitime te medha ekonomik ne secilin vend. Industria e Mikpritjes shihet ne ditet e sotme si nje nga industrite me joshese ne aspektin fitimsjellese. Pika kryesore qe te con drejt suksesit eshte te nnjohesh mire cdo rruge qe te drejton nga ajo. Ne industrine hoteliere ka disa faktore qe ndikojne ne menyre te drejtperdrejte ne rritjen e performances. Disa nga keta faktore jane te menaxhueshem nga drejtuesit e seciles kompani hoteliere ndersa dis ate tjere nuk jane te varur nga menaxhimi i drejtuesve. Mbi kete fakt kemi nje nendarje te faktoreve ne grupimin e tyre qe quhen te jashtem nga efekti por jo nga menaxheshmeria, dhe grupimi tjeter eshte ne faktore te brendshem sepse jane te kontrollueshem nga vete brenda kompanise. Me qellim per te patur sukses ne treg dhe per te qendruar mbi konkurentet drejtuesit dhe menaxheret e hoteleve fokusohen ne identifikimin, krijimin dhe zhvillimin e avantazhve konkurruese ne tregun hotelier. Studimi i bere ne kete punim ka per qellim te identifikojte rendesine e faktoreve te brendshem qe ndikojne ne rritjen e performances se bizneseve hoteliere. Studimi eshte bere ne vijen e bregdetit te Durrës, ne kompanite hoteliere me te rendesishme te kesaj zone. U analizuan kryesisht disa nga faktorët e brendshem me te rendesishem qe mendohet se kane ndikim te drejperdrejte ne rritjen e performances ne sektorin hotelier si me poshte: sherbimi superior ndaj klienteve, inovacioni teknologjik ne lidhje me aspektin komunikues me klientin dhe ne aspektin e aplikimit te teknologjive te reja ne sipermarrjen hoteliere, aftesia menaxhuese dhe drejtuese nga ana e menaxherit, strategjite e aleancave dhe marreveshjeve te bera nga kompania hoteliere me kompani te tjera ne ndihme te klienteve, reklamimi i specifikuar dhe i segmentuar ne baze te tregut te specifikuar, strategjite mbi cmimet me ane te luhatjeve te tyre ne periudha te ndryshme kohore qe te bejne te mundur maksimizimin e fitimit, programi i ambientalizmit i implikuar dhe I ofruar per klientet, organizimi i aktiviteteve dhe eventet qe mbajne klientet te argetuar, stafi i motivuar dhe i kualifikuar. Rezultatet e ketij studimi do te jene te rendesishme dhe te sugjeruara per tu aplikuar si praktikat me te mira per rritjen dhe per mbarevajtjen e performances se bizneseve hoteliere sa me te larte.

Fjalë kyçe: Industria Hoteliere, Performanca, Faktorët e Brendshëm, Turizëm

Dedication

I dedicate my dissertation work to my wonderful family. A special feeling of gratitude to my loving parents, whose words of encouragement and motivation were basic during all my work. They have helped me through different moments in my life and I hope someday I will be able to repay them. My one and only sister, which has never left my side, has been a source of motivation, joy, and happiness during my study.

Acknowledgements

Firstly I would like to thank God more than everyone that gave me the capabilities to reach this phase of my life. Without His will I wouldn't be doing this thesis at all.

The first person whom I would like to thank is my advisor Dr. Alba Kruja for all her willingness to help and advise me at every stage of my work. Also are worth to be mentioned all my friends and my colleagues for their support and willingness to help me at any time.

Thank You all I appreciate it very much.

Declaration Statement

1. The material included in this thesis has not been submitted wholly or in part for any academic award or qualification other than that for which it is now submitted.
2. The program of advanced study of which this thesis is part has consisted of:
 - i) Research Methods course during the postgraduate study
 - ii) Examination of several thesis guides of particular universities both in Albania and abroad as well as a professional book on this subject.

Vjosa Ferizi

January 2017

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List of Abbreviations

EU:	Epoka University
MSc:	Master of Science
GDP:	Gross Domestic Product
GNI:	Gross National Incomes
HSIA:	High Speed of Internet Access
WTO:	World Tourism Organization

1 CHAPTER 1

Introduction

1.1 Background of the study.

Tourism is a sector that has been recognized as long as people have travelled. Looking back on the stories of Marco Polo during the 13th century, the long trips through Africa of David Livingstone in the 19th century and the as called the "grand tour" of the British aristocracy towards Europe during the 18th century, and real examples can be touched from the early tourism (Gyr, 2011). In 1841 Thomas Cook was widely considered as the promoter of all-embracing tours by using a leased train for tourists transporting from Loughborough to Leicester. Before the 1950s, mainly in continental Europe tourism was an internal activity between some countries, but during the recuperation period after the Second World War, a combination of different conditions provided a big push to international travel. Between some important factors that were affecting this we could see the growing rates of employment, the increase on people incomes, having an available leisure time and changing social standings unto leisure and work. From those times till today's tourism sector became the main socio-economic source through creation and offering new jobs and enterprises. Also it gives a lot of contribution in development of infrastructure towards the goal which is revenues earned (Gyr, 2011).

With the globalization with maximum rapidity and people regularly traveling abroad to different countries, the hotelier industry meets a lot of challenges in the accommodation those various cultural influences. The hotel business is a highly competing industry in which the customers take a great importance on the consistency and prompt service distribution. The concept of all those businesses is to give superiority high class facilities to clients in a way to do well and accomplish their task. The high management can construct high performance cultures by their attempts to create administrative climate dedicating to quality and their active association in advocating quality by appointing the employees and setting up everlasting interactions with customers (Abdallah, 2010).

According to Daft (Daft, 1994) on his book written based on creating new knowledge about organization change he concerns that worker involvement requires continuous improving programs, the employee training and its functioning as group acts as an important successful factor for service industries like hotels and restaurants. Under those potentials and systems almost all the staff turnover rate decreases and the overall staff satisfaction increases. Highly ranked hotels for preserved excellence in terms of providing the desirable services and financial performances are focused on quality performance and reaching the customer needs and other collaborators. The successful companies are customers of marked focused and have quality plans defined with high superiority goals and explicit methods for utilizing. They address manners of gathering relevant information through different tackles such as surveys market and target groups (Kotler P. , 2008).

Performance of the Business is related to the increase of the profits and customer service delivery and it draws attention to the innovation of the long term key success (Mullins, 2007). Studies show that companies can enlarge their profit by nearly 100% by maintaining 5% more of their clientele than their opponents as the charge of getting new customers is a lot more than charge allied with the actual customers (Evans, 1996). Business enterprises with a longer time customer can outperform competitors with higher customer's rate.

Mainly focusing on the hospitality industry and on development of tourism Albania, has simple history and has a more lately development in comparison to many other neighborhood and European countries. Although as a Mediterranean country Albania has all the opportunities to be ranked among other Mediterranean countries. Albanian tourism development stuck ahead in comparison with other countries as a result of various economic, social and political factors which did not allow a bloom in this sector. The country faced a numerous wars including a civil war in the years of 1997 which prevented economic development of Albania. Despite all the difficulties times, Albania was an attractive country for the purpose of tourists. By the stabilization of the situation which came right from the termination of the war, Albanian economy was rebuilding itself and the tourism industry was a very good premised sector. In the transition period from planned economy to a market economy, tourism began to be evaluated as one of the country's

economic branches with more prospect of profitable economic. Nowadays there are different political premises which aim to absorb the tourism development (Kaduku, 2012).

The geographical position of Albania makes possible that the west of it has a coast on the Adriatic Sea and in the southwest of it has a coast on the Ionian Sea. According to this geographic location Albania has its largest touristic possibilities based on its coastline. Seaside tourism is a large offering.

Albania referred to New York Times journal in year 2014 had been ranked as one of the top four global destinations to go. It was the great New York Times who placed the Balkan country as the single destination of Europe on the top of the list. The most prestigious daily newspaper ranked the Albanian coastline as the fourth numbered destinations to visit. The revenues registered from the tourism industry recorded a high of 1.2 billion euro in year 2014 when over than 3.6 million foreign tourists visited Albania, referring to the data which are published by the central bank and INSTAT (INSTAT, 2015). Approximately 41,000 people were registered as employed by the tourism industry in Albania during 2014 and is evaluated that this sector have contributed over 639 million dollars which consists 4.8 percent of the GDP of Albania (INSTAT, 2015). Fragment of the travel and service sector industry is also the hospitality industry. As a result, the interrelatedness is strong between these two industries (Walker, 2010). An increase in the hospitality industry is always displayed when tourism industry goes well.

1.2 Problem Statement.

As Albanian Tourism Industry is an up scaling industry so it must be the competitiveness of hospitality. Albanian tourism sector has various problems related to hospitality industry, such as the lack of proper infrastructure, hotels infrastructure, the service quality as a lack of functioning of training schools and institutions, the pricing techniques, the proper advertising etc. It is very important from the industry of tourism to be known the main factors that affect positively on increasing the performance of their businesses. They should be familiar with the main internal factors and they should know the effect of each of them has on the performance. After knowing

those factors by their importance the tourism industry must make the best as it can to meliorate these factors.

1.3 Purpose of the study.

The purpose of this study is to examine the main factors (independent variable) that influence the success on business performance (dependent variable) in some of the most known hotels in tourism sector of the Seaside of Durres.

1.4 Research Objectives.

Related to the purpose of this study the main objectives of research are:

- To determine which is the most important among some factor that have the main effect on the high performance on the tourism based businesses that are found in the seaside of Durres.
- To identify the main internal factors affecting the hospitality industry of Durres seaside.
- To measure in what extent the performance of hospitality industry is effected by each of the internal factors such as: Exceptional Service; Technological Innovation; Management Capability; Strategic Alliances; Niche marketing & Advertising; Pricing Tactics; Environmental Program; In-house animation & Outdoor Events; Highly motivated Staff; Coastline Distance.

1.5 Research questions.

Throughout this research, the following issues are enlightened.

- How is the level of the performance of hospitality industry in the coastline of Durres?

- On which level does the exceptional service affect the performance of hospitality industry?
- On which level does the technology innovation affect the performance of hospitality industry?
- On which level does the management capability affect the performance of hospitality industry?
- On which level do strategic alliances affect the performance of hospitality industry?
- On which level do Niche marketing & advertising affect the performance of hospitality industry?
- On which level do pricing tactics affect the performance of hospitality industry?
- On which level does the Environmental programs affect the performance of hospitality industry?
- On which level does In-house animation& outdoor events affect the performance of hospitality industry?
- On which level does the highly motivated staff affect the performance of hospitality industry?
- On which level does coastline distance affect the performance of hospitality industry?
- Which is ranked as the most important factor that influence the high performance of hospitality industry on the coastline of Durres?

1.6 Importance of the study.

The possibility of identifying and suggesting variables that will contribute to the economic success of the hospitality enterprises will be very attractive to hoteliers, especially nowadays that the hospitality industry together with the economy of Albania are facing somehow a financial blizzard.

Secondly the aim of this study is to expand the investigation that is related with the main factors impacting the overall performance of hospitality industries on Albanian Coastline.

Rated as the third intention on this study is the result that will and can be used by managers of Hospitality Industry, specifically those extending along Coastline of Durres. The importance that

will be given to the factors that influence the performance on this industry will be specified in the conclusion.

Taking into consideration the importance of hospitality industry such as Hoteliers, to the economic development of a country, this research done is determinative in putting managers of this sector through finding a solution for the hospitality business fortitude.

2 CHAPTER 2

Literature Review

2.1 Hospitality Industry`s weight in overall economy

According to the World Tourism Organization in 2015 the tourists' number along the globe rose up to 1.235 billion last years. According to the head of United Nations World Tourism Organization Talep Rifai, the people number of traveling in tourism aim is bloated 3.9 percent during the year of 2016 comparing with the previous year. The number of people who travel raise year to year approximately up to 1.235 billion. It is also mentioned and specified by Rifai that this profitable sector also contributes on solving a numerous problems regarding to the sector of labor market. It is a big contributor on creating new jobs and on improving this sector (Rifai, 2015). According to one report done by the World Travel and Tourism council in 2015, tourism sector created 284 million jobs in the global labor market. Since the global economic crisis on the year 2009 the tourism sector continuously has been enlarged despite the economical and geopolitical factors which were a big obstacle for it. According to the report which is named "Economic Impact Annual Update Summary" and is done from World Travel and Tourism council, (Rifai, 2015) the amount of money that is generated by Travel and Tourism during 2015 reached US\$7.2 trillion (9.8% of global GDP). The region with the highest arrivals of tourists (\$441 billion) continuous to remain the European Continent, which maintains the major share of the worldwide tourism market (Rifai, 2015).

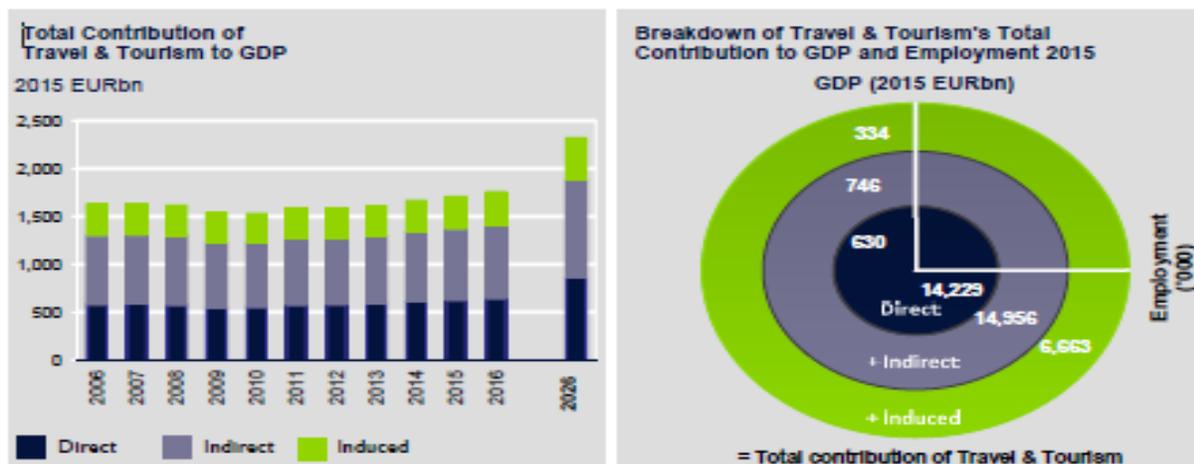


Figure 1. Total Contribution of Travel & Tourism to GDP

Source: (Report, 2015).

2.2 Importance of Hospitality Industry on Albanian Economy

According to World Travel & Tourism Council (Rifai, 2015) the total contribution of Travel & Tourism to Gross Domestic Product was ALL 291.6bn (21.0% of GDP) in the year 2014, and it is forecasted to fall 2.1% in 2015, and to rise 4.0% to ALL 424.4bn (21.8% of GDP) in 2025.

The total Contribution of Tourism sector according to Travel & Tourism Council (Rifai, 2015) in employment for the year 2014, including jobs indirectly expressed that it was generated ALL191.5bn (30.4% of total exports) It is forecasted that this will fall by 2.8% in 2015, and will grow by 3.9% from 2015-2025, to ALL273.1bn in 2025 (24.2% of total).

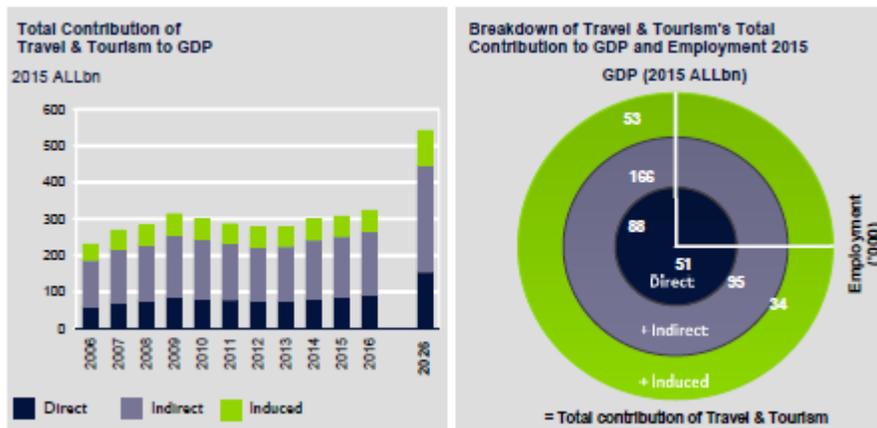


Figure 2 Total Contribution of Travel & Tourism to GDP

Source: (Report, 2015).

2.3 Albanian Coastline

In its entire length Albanian coastline is 427 km and is separated in two different zones: the Adriatic and the Ionian zone. The Adriatic coastline is 273 km long, which has narrow water and long sandy shores, which reach up to approximately 5 km each. The depth of the sea increases very gradually, which makes this beach very safe for families and kids. The Durrës coastline consists on three major beaches, which are: the beach of Currila in the North of Durrës, which is deeper and is quite protected by warm wind directed from the land. In the South of Durrës there are found two other beaches. The Golem beach and Mali i Robit, with similar characteristics to the beaches around the city of Durrës coast area. The furthestmost of this coastline is rich on pine forest.

The Ionian coast is the southern coastline, which is up to 154 km long, being rocky, with gentle backdrops to fine white sandy beaches. The beaches are smaller and rockier here, and the water is deep right from the shore.

2.4 Future expectations of Hospitality Industry

United Nations World Tourism Organization forecasts that the arrivals of tourists to Central/Eastern Europe are expected to raise quickly and by this rapid growth in 2020 nearly one between three visitors to Europe will most probably choose a Central or Eastern Europe destination (World Bank, 2009). This shows that the opportunities for Albanian tourism area to grow are very high, and in specific, the Western Balkans states such as Albania, Montenegro and Croatia which share a piece of the Adriatic coastline which are called by the industry of tourism as “the new Mediterranean frontier”. By this fact the future of Hospitality Tourism in Albania dependent on this is very bright. It can be easily assumed that if this sector is maintained as it should it can offer too much for Albania and its economy (World Bank, 2009).

2.5 Factors influencing Hospitality Industry

The victory of a hotel company depends on various external and internal factors. The external factors involve some macro-environments such as economic, demographic, natural, technological, etc., and for this reason companies find it hard to control over these factors (Gursoy, 2007). On the Internal factors effecting hospitality performance, could be included as below; various kind of knowledge, production equipment, the buildings, personnel working for the company, financial and non-financial capital, marketing capabilities possessed, and other identified company resources that may influence the company level of performance, which means companies success. These internal factors can be labeled company competencies (Harmsen, 2000). Even though the external environment impacts company success, kept competitive advantages obtain from the internal resources and capabilities also mentioned as the core competencies, that a company owns (Barney, 2001). Hence, hotel managers should focus on identifying, creating or developing competitive advantages that can be utilized in order to enhance the company’s economic performance and lowermost line. Both external factors and internal factors play a driving role of the companies through success. There are various theories and different researches which among all have as the main purpose to identify the key external and internal factors influencing the

performance. Different research methods are used for this purpose. In the research below a summary of some of the most important, famous and effectual key factors will be seen.

2.5.1 The Macro-Environment Factors Influencing the Performance on Hospitality Businesses

The enterprise is not just doing business. It operates a larger context than that, by its surroundings. The context is called Macro Environment which dwells of all the forces that create possibilities but also threatens the company. Same as in other organizations or companies, also in hospitality sector the DESTEP Analysis takes place effectively. Demographic, Economic, Socio-Cultural, Technological, Ecological, and Political forces, are six different forces which can be easily remembered as DESTEP model. This model helps in considering the different factors of the Macro Environment and by analyzing those macro environmental factors we can summarize an overall effect that could be seen later on different businesses.



Figure 3. The Macro Environment- Six Forces in the Environment of a Business

Source: (Vliet, 2013)

2.5.1.1 Demographic Forces in the Macro-Environment

Demographic forces are people related forces. As a name it refers to Demography but as a latter it refers to humans' population study which means the size, age, gender, density, occupations or other statistics. People are important on the business existence because of their needs and because they are the aim for the progress of markets. Different and large particular sectors of population, give opportunities as well as challenges for hotelier industry. The study of people is critical for markets specifically when the world population grows rapidly, and most all the demographic changes and the reason of changing those demographics means changing markets. Additionally, changing the markets means the need of adjusted market strategies. So the marketers on the hospitality industry should always keep an eye on demographics because this includes all kinds of characteristics of the population targeted (Vliet, 2013).

Some of the crucial demographic drifts that affect hospitality industries are:

- World population growth.

The world's population is growing briskly. It reached 7 billion in 2011, currently it reached 7.5 billion, and in 2030 it is expected to reach 8 billion and in the end of this century is likely to double. Still the biggest grows is on countries where wealth and stability is nearly absent in the next 40 years the world population is expected to grow by 70% more outside of the 20 richest countries on earth. From this the requirements for nominal marketing strategies must be considered more (Claessens, 2016).

- Changing age structure.

Another critical factor influencing marketing is the changing age structure of the world population. There will be countries with a lot more preferred age structures than other counties in the future. Albania is the country which has the youngest populations on Europe currently and it is reassumed that that status will be kept for a long time. The median age of Albania will be 28 years by 2020. In opposition with other countries of EU and USA that have to face an aged population today already. This factor forces a reduction in hiring an aged population group and makes possible hiring of young energized and dynamic employees (Claessens, 2016).

- Changing family structures.

Families are changing also and this means that the marketing strategies for hotel hospitality must undergo an adjustment. The traditional western countries the family consists of husband, wife and children while nowadays there are more couples without children or single parent. Another factor that effects hospitality particularly in European nations is the rapid growing number of women working full time. Changing family structures together with other forces require the marketing strategy in hotelier hospitality to be changed (Vliet, 2013).

- Geographic shifts in population.

The only and the most important factor of geographic changes is immigration. The global migration is estimated to double by 2050 and this has a great effect on both the location and the nature of demand for hotelier services. The reason is that the need of the people has changed because of new situations and because the place where they can be reached has changed also. From

this fact also the preference for families' vacations destinations is always on change. Another crucial factor is the ethnic diversity that gives new opportunities as well as urbanization (Claessens, 2016).

2.5.1.2 Economic Forces in the Macro-Environment

A hospitality sector company must never start operating on a country and on a specific area before having analyzed how many people will be able to spend because the economic forces relate to the factors that marks the clients spending ability and spending varieties. They should have a clear targeted group of customers who will be able to book their vacations on that specific area. Important criteria to be analyzed by the managers of the hotels which lead to this, are "GDP (Gross Domestic product) of a specific country targeted, the real growth rate, GNI (Gross National Incomes), rates of sales tax/VAT, the Unemployment, the Inflation, the Spending Patterns and the Dispensable Personal Income. (Nieuwenhuizen, 2008)

2.5.1.3 Socio-Cultural Forces in the Macro-Environment

Factors that affect a society's' basic values, its preferences and behaviors are related to Socio-Cultural forces. The fact that people are part of a society and cultural group that form their beliefs and values is the basis that these factors are formed. A lot of cultural mistakes take place due to the lack of success of hotelier businesses in understanding the foreign cultures. Some symbols or different ways of communication that are accepted in a culture may have a negative meaning in another one. If this factor is not known, and it's not valued with the needed attention by the hotel manager, it may cause the biggest obstacle in maintaining the business successful (Trehan, 2010).

2.5.1.4 Technological Forces in the Macro-Environment

Another important influence in the Macro Environment around hospitality industry are the Technological forces. The fast changes that create new technologies affect in offering new products and market opportunism. The development of wireless communication technique phone, smart phone and tablets are a technological force everyone can think nowadays. The rapid changes influence in opportunities for a business but it should be in mind that always a new technology replaces an older one. So the hotelier hospitality providers must be careful watching the technological environment carefully and adjust in order to keep up or otherwise the service provided will soon be like old-fashioned and the hotel will soon loose new gadgets and better hospitality possibilities (Hill, 2009).

2.5.1.5 Ecological Forces in the Macro-Environment

Ecological, or natural forces in the Macro Environment are very significant because they are about the natural assets that are needed as inputs by hoteliers or that are affected by their hoteliers' activities. Environmental concerns have tremendously grown in the recent years and because of this the ecological force has become a crucial factor to be considered. The hotel managers should keep a trajectory of the trends in ecological environment because air, and water pollution are the banners every hotelier should be aware of. Hoteliers need to consider more than ever the ecological issues and implement environmental sustainability and they should support the environment by using renewable energy sources. They support not only the preservation of greenery but also the respond to the clients for ecologically friendly area (Groucutt, 2004).

2.5.1.6 Political Forces in the Macro Environment

Every hotelier business is restricted by the political environment because it involves the government agencies, the laws and the pressure groups. Hotel industry choices and decisions are crucially affected and influenced by the progresses in the political environment. Before even building a hotel in a country the owner must know entirety about the legal and political environment. The owner should carefully analyze what rules they need to follow and what laws may limit the hotel's capability to be successful. For instance, the pricing limits, competition, environmental protection, location policies etc. The Macro Environment includes varieties of different forces which can form possibilities for the hotel but even can pose threats. The hoteliers should recognize and keep an eye to the progress in the Macro Environment to make their business grown in long term (Trehan, 2010).

2.5.2 Internal Factors Influencing the Performance on Hospitality Businesses

Managing a successful hospitality business involves building a loyal client base in which guests view the company as the most dedicated hostess willing to please everyone. The key to construction that relationship with visitors is to understand and accomplish their needs. The major competitive methods of the hotel industry companies include: new product development; strategic alliances; the repositioning of brand name; the new and latest technological innovation; marketing based on collection of data; the tactics on pricing tactics; varieties; service quality on management; employees as most important assets of the company; in-room sales and the entertainment offered for the clients; conservation and ecological programs; and management information systems (Olsen, 1998). Some companies are successful because of the identification of the right factors and right implementation of new competitive methods which lead to success, while others fail because of inability to identify and to implement the proper successful strategies. Between the internal strategic factors, the human resources, the product development, the innovation, technology, the customer service, and marketing strategies are considered to have a key significant impact on a company's financial success (Gursoy, 2007). According to S.T Kapiki (Kapiki, 2010) on the study

“Factors enhancing economic performance in Hospitality. The Paradigm of Greek Hotel Companies”, it is stated that there are many different researches that bring out many Internal Factors that indicate the hospitality business performance. The largest number of studies by different authors as stated in the Kapiki’s research are referred at the top Internal Factors that have the main influence on a hospitality business performance. Among all there are chosen 9 most used internal factors to be studied on the research. The factors are as below:

2.5.2.1 Exceptional Service

The understanding of the service or the product selling, fulfilling promises done to customers, respecting and interacting with customers outside the business parameters, going beyond the customers’ expectations are involved in exceptional service.

Hotel industries cannot interest customers just by offering special offers or great discounts but by offering high customer service and values by which the customer satisfies and becomes loyal to the business. A lot of successful hotels build a way of system of service that everything done is to satisfy the customers. They spend a lot of money to attract new customers when in reality they should try to provide excellent services to keep the existing customers. The target of hotels should be in finding the right service for the clients and to establish long term customer relationships and accomplishment of the goals is a reflection of the success (Mullins, 2007). Providing exceptional services acts as a competitive gain for a number of hotels and by giving priority to the customer service and constructing strong relationships the hotel can enlarge its profits.

A customer’s fulfilment, loyalty and corporation profits have a relation which increases with the length of time is a customer remaining in the relationship. The breakdown of nearly all hotels is a result of low customer contentment service level (Fondo, 2011). Low pricing or the focusing on a specific group of clients or geographical placement of the hotel can be a plus of competitive benefit (Calvez, 2008).

Capital resources and exceptional human skills can effect on the performance of hotels by giving satisfactory services to the clients and as the service industry work intensively. Well trained, informed and competent personnel through the right attitude to provide particular and reliable services with the help of modern supplies and information technology can be a plus in competitive advantage and success to organizations (Schmitt, 2012).

2.5.2.2 Technological Innovation

Nowadays high speed internet access (HSIA) became a must for hotels hospitality because over 90% of business travelers are bringing a laptop and leisure travelers access social media and other site by their smart phones, tablets or laptops and 86% of guests expect free Wi-Fi so offering it free is an advantage on guests' entire hotel experience. But to offer free internet access is not enough even because the guests expect their rooms or everywhere on the building to provide the same level of speed. And in fact HSIA is becoming a differentiator between hotels as most of the guests specifically ask for it by making it one of the top factors in choosing where to stay (Narapareddy, 2015).

A nowadays trend is the guest demand for bandwidth which is rapidly increasing. Hotels now need to get bandwidth requirements of multiple devices in each room. Providing bandwidth rich HSIA increases the guest's satisfaction which is by building a solid structured cable infrastructure. This infrastructure allows a property to give HSIA to guests which eliminates issues like dissatisfaction in general, changing rooms etc (Narapareddy, 2015).

- Social Media Marketing and overlapping Customer

The fastest growing applications for internet industries is social media. Nearly 25% of world's population uses various forms of social media regularly. From a lot of hotel enterprises that want to be viral uses social media to have deeper relations with the customers online by hiring marketing professionals to give valuable information about promotions. But this new tool can be even harmful because the customers may complain about an unpleasant service issue experienced during the stay in a very public way. Before trying to go viral in social media the hotels marketing

managers must be prepared to face those reviews in the most appropriate and prompt way (Rossow, 2007).

- **Intelligently Integrated Hospitality Management Systems**

A lot of hotels use various types of a customer relationship management tools for years. But nowadays there are more and more sophisticated tools which results in improved levels of integration. Many hotels input different tips of the services providing into their databases in purpose for the customers to have a personalized experience upon their stay. This points include tips to mention as for example the room beverage choices, the amount of hangers in the closet, or the normal temperature of the room. By visiting the guests can approve or review on those tips given and this type of data can be linked to the system (Brotherton, 2008).

- **Increase accessibility with mobile devices**

The clunky desktop computer hardware became extinct nowadays and it got replaced with tablets or smart phones. Many hotels find that mobile fits their strategic viewpoint and by this the hotels replace the desktops with faster mobile computing devices which are sometimes less expensive to buy and maintain that desktop computers (Brotherton, 2008).

2.5.2.3 Management Capability

Management is a complicated development with a lot of elements and involves of a series of activities that drive to achieving of the objectives. Managers are assets in an enterprise that requires human, technical, conceptual skills to be proficient and effective (Boone, 1995). Management cannot be named as a personal talent but as a skill that is skilled and taught in repetitive way (Daft, 1994). The development of the managerial skills in general and specific strategic management of individuals and the management of material resources can have innovative impact on the society. Some nations with high standards of living have high business management knowledge and skills. According to ancient records management has been known and practiced by mankind from earliest times but in the 19th century large business enterprises requiring systematic administrations started emerging. The classical theory of management includes various scientific theories supported by

Fredrick Taylor (1856-1917) which is the utilization of scientific method of study and diagnosis to problem solving in enterprises (Strauss, 2006). The efficiency of the employees was viewed as the greatest cause of unskillfulness in production which still nowadays is the existing relationships between the employees and owners of the hotels or any company. He gave priority to the ideas that the adjustment of scientific approach and a greater control by managers can lead to benefiting for both the employees and the managers. In the management theory supported by Henry Fayol the managerial practice divided into parts can be analyzed and identified. By believing that management was not a born talent but a skill accomplished and taught in repeated way he made a list with fourteen principles of management by his personal experience. The Neo-Classical Theory of management was interested more with people and their relationships with the company colleagues and the job. There are two levels in which managers operate, the Theory X and the Theory Y (Mullins, 2007). The behaviors and attitude toward other people are an impression of the guesses we make about people. The managers should consider practices such as job enrichment, flexibility while working, performance evaluation and adopting sources of motivation. In hospitality industry managers should apply more the method of managing by walking around. It is very important to control the situation in every minute because this type of business is strongly related with direct customer service, which is a point to never give less attention. Managers by being near to the customers and employees all the time have the situation under control. They may interfere in each inconvenient situation, and can directly do something more to accomplish the customer needs and desires. In the same way the manager have also under control the companies employees and can evaluate their professionalism in every time.

2.5.2.4 Strategic Alliances

The relationship between different companies that agree to cooperate but still keep their identities and functions is called alliance. Strategic alliance became an important factor on business activity in a lot of companies, especially in tourism and travel agencies which are competing on a global area, as various analyst says, globalization fosters alliances. Through alliances the hospitality companies can gain the dominance of markets and reach goal that a firm can create and sustain alone (Buhalis, 2012).

Despite the alliances between hotels and airlines in travel industry are other alliances such as the alliances of airlines with car-rental or with cruise liners companies. In traveling industry, the aim is formatting global alliances between companies of different types as for example the hotels with airlines companies. Alliances is a powerful dynamic force in the global hospitality business. The traditional model of businesses network seems to be unable to support maintained profitability under few but the most preferable economic conditions. Hotels should find new competing advantages and utilize non-core services as they work with the frame work of their operations (Fyall, 2000).

Changes in the world's climate have basically affected the forming of alliances in hospitality industry because it has not only altered the way vocations were done but also the way and purpose an enterprise could be formed. Most of the clients by the lack of the time needed for planning their vacations, nowadays seek more for all-inclusive type of vacations which may not be reached without aligning with other companies. Selecting the right partner is a risky and very important part for making an alliance work. A few researches argue that alliances of strong and weak partners hardly work because those alliances are unsuccessful on giving the missing attributes needed for raising, and because of this they lead to mediocre performance (Morgan, 2009).

Making sure that the partners provide complementary strengths is the element key, but care should also be measured to find firms with adapted styles and objectives. The possibility of conflict between the companies and the risk of dependence to one another can happen during alliances. Also alliances can bring complications in performance evaluation because it is often hard to see whose performance should be measured and to agree on the time for evaluation. Another issue than alliances can bring is the tension invariably it creates and partners to be must be mindful of the issues that tension can bring (Morgan, 2009).

2.5.2.5 Niche Marketing and Advertising

There are a lot of advantages and disadvantages of niche marketing. A niche marketing is a set that is a part of a larger set of a market on which a specific service or product is focused. Niche marketing in hospitality industry characterizes service appearance, qualities of the service, price

range and demographics to satisfy particular marketing needs. Niche marketing in hospitality industry is about offering the service into a specific segmented target group of customers. It's about offering the service for which the people have an interest in receiving them. This can help to redefine the hospitality businesses, driving it in a new service direction. (Wong, 2008).

Niche marketing is an approach where the money spent are never thrown away hoping for returns but it makes it easier to save the marketing moneys. With niche approach it is possible to reach a larger percentage of people who are more probably going to use the services advertised.

It is a market segment which is very specialized and which targets a niche of specific addict and focuses on surviving between the competitions from many super companies. Niche marketing is a useful method which can help the companies increase their financial have other limits. Niche marketing is highly cost effective. If the marketing manager understands the market, the niche marketing can work really well. By understanding the market means that the marketing manager is able to define the unique needs of the potential audience, provide new and fascinating service, and adapt the service in the right way. He should effectively communicate with the target ground to see how he/she will stand against the competitors. Some of the advantages of niche marketing is crating less competition in market among others. Different from generalized marketing where market competition is static, niche marketing has less competition for the reasonable customers purchasing the service. Niche marketing creates also a brand loyalty in customer's section by allowing the company to give them products and services that they need (Kotler P. , 2008). In the industry of Hospitality it is very important to target your group of customers and to canalize your service adjusted to this specific target clients. For example niching can start from selecting the right menu to customers. After analyzing the target customers, their lifestyles, their food preferences, their culture the entire hotel can be adjusted according to them. This is the key of a positive performance in hospitality industry.

2.5.2.6 Pricing Tactics

The guests define what the business becomes because the guests change the economic resources into wealth when they rent the hotel rooms or other goods. What the guests see as value and think they are purchasing determines what the business really is, what it offers and if it will succeed. The most important and difficult part of the job of hospitality's manager is the advertisement planning and achieved sales. Sales are the most important measures of the success of a business. By establishing the suitable sales promotion program a hospitality organization can gain a colossal success. The amount of encouraged is extremely important. The promoting, distributing and the conditions of the participations should be decided and there should be set a promotion date and decide the budget of promotion sales (Schindler, 2012).

Sales-Promotion tools are samples, packages, coupons, premiums, patronage rewards, displays, point-of-purchase, sweepstakes, contests and games. The sales effect in hospitality is that the firm helps secure corporate clients. This sector is perfectly achieved through direct sales. Direct sales are also a perfect way to understand the service needs of various clients - helps personalize the offer (Schindler, 2012).

Advantages of Sales Promotions can be seen on facilitating and making easier the management of advertising and increasing sales. It makes possible increasing the ability to get prompt feedback. It increases the ability to include excitement to what is being offered by the destination. It makes possible the adjustment on time and it is more efficient. Using the right tactics in pricing in hospitality industry may lead to a grater success. Different offers in different periods of the year and differing from number of persons are very important. The manager should be very flexible in pricing and should have varieties of packages in the same time to make possible maintain the client. If a customer has specific needs for his vacations the manager should be ready to offer a specific package too. Flexibility is the most important asset on managing properly a hospitality business.

2.5.2.7 Environmental Program

The social responsiveness of environmental cases, along with the regulations that are produced led the organizations to change their behaviors towards environmental protection. A lot of organizations have changed from short term position in resolving environmental inefficiencies to proactive environmental behaviors that allow competitive advantages. But the environmental management methods are not the same because they depend on various determinants, such as organizational resources, the circumstances of the market and industry or the management values, and this brought up two types of behavior, reactive and proactive (Reinhardt, 2000).

The reactive behaviors are the short-sighted and mainly include familiarizing the organization to basic environmental regulations. Proactive approaches ask that companies voluntarily go further the regulations to put in action avoiding environmental dilapidation. So on the other hand the adoption of environmental programs by companies has been increasing as regulations have been created. Various mandatory guidelines charge the companies to embrace environmentally friendly actions. There are directories in Europe calculated to evaluate the effects of certain public and private projects on the environment. The greatest resolution of this policy is to involve environmental issues, such as the adept use of the resources and the sustainability, the climate change and its risks for accidents and disasters, the protection of biodiversity, as important elements in the process of result and evaluation. Furthermore, public and private projects must search for possibilities and limit their impact on the land, particularly its status and specifically organic, erosion, stock, compaction and sealing among others (Groucutt, 2004).

A greater focus is placed on the enforcement of states to ensure that mitigation measures and apply compensation and the launch of right procedures for monitoring compelling unfavorable effects that may surprisingly arise so that they can take the right corrective action, still only in a rule the door is left open for non-application of assured issues: for example if given by national law, EU Member States may decide not to apply the Directive to parts of projects or projects whose the only objective is the defense of projects whose the main objective is the response to a civil emergency if they consider that such an application , it can have altered effects on those objectives. At the state level, uncountable local regulations set up rules that govern the environmental evaluation of plans programs and project that can have significant effects on the environment,

guaranteeing the entire Albanian territory a high level of environmental protection to provide sustainable development. Despite the latest issue for the environmental, social and economic aspects of sustainability, not much is known about the managers of sustainability in companies. Some authors discuss that environmental administration continues to have strategic and competitive importance in nearly all the sectors. Through the environmental management the companies may become more efficient and meet the need of ecological consumers that appreciate the environmental issue of companies and its impact on their products. The firms adopt the environmental program aiming to achieve operational improvements, such as the use of government subsidies for achieving more sustainable production methods or such as the cost savings, improvements in employee health and safety (Narapareddy, 2015).

Particularly in the hotel sector the adoption of the environmental program generally also helps the hotels efficiency and results to get improved. It is suggested by some authors that the environmental program in hotels contributes to cost savings more related to energy and water. In addition, the adoption of the Environmental Program can contribute also to the improvement of the competitiveness of the business by improving its image, from internal and external point of view, and helping as a factor of differentiation. So businesses adopt the EPs to get a new class of customers with a greater environmental awareness to make sure a better position for the enterprise in the market and to make the employees more committed to the company by making them more motivated. Putting those practices in the Hotel sector can also allow a differentiation among hotels. Lately the tourists are more demanding, forcing the hotels to adapt to their particular preferences and tastes, including a greater respect for the environment. In this way by adopting the EP the hotels can improve the image of the business and customer loyalty. For the level of small businesses the adoption of Environmental Program helps to create a good public image of the business and also grants an immediate and visible improvement in the efficiency of the management (Hoffman, 2000).

2.5.2.8 In-house animation and Outdoor Event

The literature suggests that the animation and events contribute to improving the visitor experiences (Bowdin, 2011). It is the process of programming interpretive characters or events organized that come with an appealing atmosphere. In sea destinations animation services became an important part in hotels aiming at providing an integrated holidays experience. These services have an important function in resorts considered like a business asset able to offer direct and indirect profit and to keep a competitive advantage. Museums, heritage sites and theme parks also develop programs of events. The advantages of animation are understood from the facilities and attraction points all over the world. Hotel and other tourism related businesses offer nearly the same animation programs in order to be more enjoyable for their guests. It should be said that hotels “borrowed” some various ideas from entertainment techniques and methods applied since 1970’s by all-inclusive resorts and holiday clubs. (Getz, 2005)

The term “hotel animation” is continuously used to characterize recreational services provided by sea shore resorts (Mikulic, 2011). Its special function circumscribes every activity offering joy, movement, leisure and spectacle, such as sports, games, shows events etc. (Laloumis, 2000). This activities are classified in two areas: Performing Arts and Sports and their aim is twofold : 1. To fulfill the guests needs for fun and entertainment, 2. To offer them opportunities for better communication and social contact. Obviously the achievement of business objectives is a function of right management, facilities and human resources.

2.5.2.9 Highly Motivated Staff

A company’s success depends to a great extent on the skill, knowledge and motivation of its work force which also depends a lot on the opportunities of learning and practicing new skills. McGregor’s theory X, (Boone, 1995). Engagement is exhibited by empowerment where people have the authority to make decisions on what they this is best and right on having control of their work and on risking and learning through mistakes and promoting change. Empowerment asks for sincere belief and for trust in people by the administration, so an understanding of the most

important factors that can drive work such as motivation needed for the company to do well and succeed (Armstrong M. , 2001).

The organizational cultures are designed in a manner to promote efficiency, cooperation, innovation, skill sharing, performance based competition identifying reward and encourage provides a high performance motivated workforce. Getting the right employees and training them excellently will ensure a reliable, responsive, competent and credible work force for the hospitality company and a quality customer service (Armstrong M. , 1989).

A hospitality company should give priority to gratifying people for achieving results related to creating value for its guests and not just a work performing, set duties and tasks create a work environment that is result oriented. It is wrong managements to hold down the encouragement and rewards to satisfactory performance of duties instead of preferred business outcome and hospitality company accomplishments. It is important for the hotel enterprises and people to adjust motivation and reward system with strategic priorities and be committed to completing the strategies (Armstrong, 1989). Quality control between hotels and restaurants can be undertaken by choosing right employees and training them excellently. Better trained employees are courteous, competent and honorable and make fewer mistakes. The top management should develop an engagement to quality and give a structure to support it engagement that includes all the employees and this cannot occur without organizational work.

The only value an hotel enterprise can ever create is the value that comes from the visitants which are the ones that the company has currently or in the future. Business succeeds by keeping, getting and growing customers as cited by (Kotler, 2007).

The question in creating high performance cultures is to strengthen , inspire high loyalty and dedication on the part of the employees so they become energized to do their best and to do things right. The managers need to boost positive behaviors by rewarding top performers and noticing their weakness and strength so as to match talent and ability.

“Psychological contract” is one of the less explored parts of human management, which is a high level contract and which is invisible but dwells of unspoken opportunities at the work place of the employees and how they are accomplished or satisfied. Most of the employees would be motivated if most of their expectations are well met. Top managers expended a lot of their work to understand and to fulfill the need they employees have at the work place (Mullins, 2007). Managing a

noticeable contact is the minimum that the employers can provide to their employees as they need to do additional by managing the unnoticeable contract. The employers should ensure that the employees are not frustrated at emotional level because the ones that are let down by the employer will also let down the worker or the company (Armstrong, 1989).

2.6 Related Studies on Hospitality Industry and Business Performance

A number of different studies have been undertaken to establish the relationship between the factors that influence the performance of businesses in hospitality sectors. Those factors are studied in two separations, as internal factors and as external factors who effect the business performance. The external factors according to different studies have shown the impact on hospitality business companies and they are strongly related with the performance. But those factors are external and uncontrollable by the directors of the companies. It is not on the hand of the managers to change any of those factors. Different to those factors the internal factors are controllable and are totally manageable by the businesses managers. The internal factors differ from one study to another but in general they are similar from studies. Below it is shown one comparative table which shows two top selected studies in this area. The first study is done by a student (Anna Zalefska) in Norway in 2010. She collected information in financial yields from the state publisher in different years and she came up in the conclusion that the main factor who influenced the companies financial performance was increasing the number of labors and training them the best way possible.

Another study was done by S.T.Kapiki in year 2010 also in Greece. S.T.Kapiki studied the relationship of internal factors that influence the business performance in Hospitality Industry. The Paradigm of Greece showed that one of the most important factors was offering exceptional service to clients which lead more to success comparing with other factors.

Table 1 Literature Review Summary Table

Author	Topic/Focus Question	Model	Method/Data Analysis	Sample	Findings
Anna Zalewska(June 2010)	Factors Affecting Hospitality Industry's Economic Performance Financial yield as an element of sustainable development of the industry Case study of Rogaland region, Norway	Regression and correlation analysis	Financial Statements Analysis, Descriptive Analysis, Factor Analysis, Reliability and Validity Tests and Pearson Correlation Coefficient, were carried out using SPSS and Microsoft Excel	Sample of 644 businesses registered by the National Registry of Brønnøysund Financial Statements based on National Registry of Brønnøysund	Location of business is not significant to the average pay of Employees and to overall financial performance Increases in net incomes are positively correlated with increasing numbers of employees The company's size (based on the number of its employees is significant to its average financial performance; Type of business is significant to its financial performance
S.T Kapiki (2010)	Factors enhancing economic performance in hospitality. The paradigm of Greek hotel companies	Benchmarking Analysis	Data collection and calculation Benchmarking as well as empirical analysis	Developing and sending a questionnaire to 104 hotels among the most well-known and successful companies in Greece.	Positive impact of Internal Factors on Performance of Hotel Companies

3 CHAPTER 3

Methodology

3.1 Introduction

The literature review which is related with the factors influencing the Performance of Hospitality has been reviewed in the previous chapter. In this chapter it will be shown a clear view of how this study was carried out. The idea, plans and the different instruments used for collecting data are described in following sections. In addition, the chosen sample size and population are explained in the following part of thesis

3.2 Research Design

To accomplish this study, the research design was based on quantitative studies, measuring opinions of respondents which were the main directors or the managers of the hotels located in the seaside of Durres. The study is focused on analyzing the internal factors on Hospitality Industry and their influence on Business Performance.

As a measuring instrument was used the structured questionnaire that is divided in three main sections: demographic section, internal factors section and business performance section. The questionnaire contained a total of 36 standardized questions aiming to test the position and statements of each respondents about internal factors and business performance. The data was collected in one month period from November 2016 until January 2017. Among the respondents were managers or the owners who were managing directly the business The questionnaires were mostly send online in electronic version via e-mail of each company, and the other part was filled out in paper based.

3.3 Questionnaire design and Measures.

The questionnaires are analyzed with SPSS (Statistical Package for the Social Science). The questions are considered to be clear and easy to comprehend. The questionnaire is based on one similar study done before in Greece as mentioned in the thesis. S.T. Kapiki was the author who did one similar research on the internal factors that were influencing the Hospitality businesses on Greece in the year 2010 after the economic crisis. It was a valid research which came up with interesting results to be used by the Hospitality businesses. In this study, the questionnaire begins with demographic section which is formed by 10 questions raised concerning demographic data of hoteliers in Durres Coastline such as: age, gender, education, job title, business structure, size, rating, etc. and years of working in the relevant hospitality industry followed with response choices for different categories such as; level of education? *1. High school, 2. Bachelor degree, 3. Master degree.* In the second section respondents which were the managers or the directors of the hotels were asked to give their opinions regarding the internal factors and the value they give to each of the factor. Two respective questions were asked for each of the factors with the intention to evaluate how do those business leaders evaluate and give importance to them. The third section was built in order to measure the business performance. 10 questions were asked with the main intention of evaluating how the performance of the business was going on that time was. In both sections except the demographic section, were used measurement scales using a 5-point Likert scale (5 = extremely important, 1 = not important at all) and rankings with statements from; 1=Low, 2=Middle, 3=High. . Performance is measured as a dependent variable. In terms of the independent variables, the questionnaire included 9 internal factors together with their subcategories, which are considered to increase the hotel business performance. According to the research study done by (Kapiki, 2010) and used in this research the internal factors are as follows: Exceptional service, Technological innovation, Management capability, Strategic alliances, Niche marketing and advertising, Pricing tactics, Environmental program, In-house animation and outdoor events, Highly motivated Staff.

4 CHAPTER 4

Results and analysis

4.1 Sample population profile

The data was collected from each of the respondents who had an important role on decision making on the Hospitality Industry. Hotel Managers or directly the owners were answered properly to the questionnaire. A sample of 100 questionnaires were send but just a total of 80 could be collected. The questionnaires were filled out by the respondents located in the coastline of Durres.

4.2 Descriptive Analysis

In the analyses below it will be shown the descriptive information regarding to the samples collected by the answers of the interviewers. Concretely those are the statistical information taken in the 80 Interviewers in the Seaside of Durres. By analyzing further the reader may have a clear view of demographic information gathered below.

4.2.1 Gender Sample

The figure below illustrates the gender distribution of 73, 8% male respondents and 26, 3% female respondents among the companies' managers.

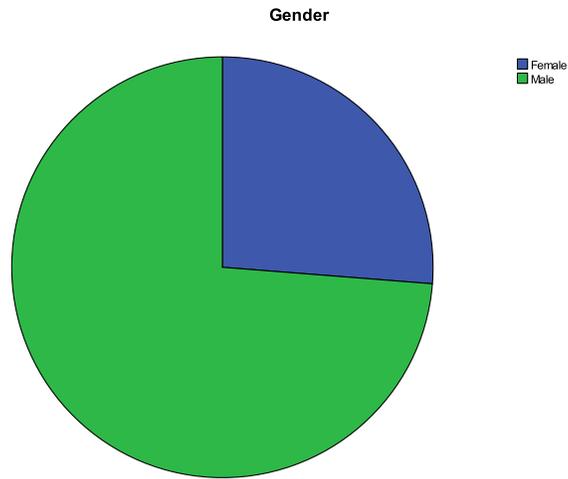


Figure 4 Gender

Table 2 Gender

		Frequency	Percent
Valid	Female	21	26.3
	Male	59	73.8
	Total	80	100.0

4.2.2 Age Sample

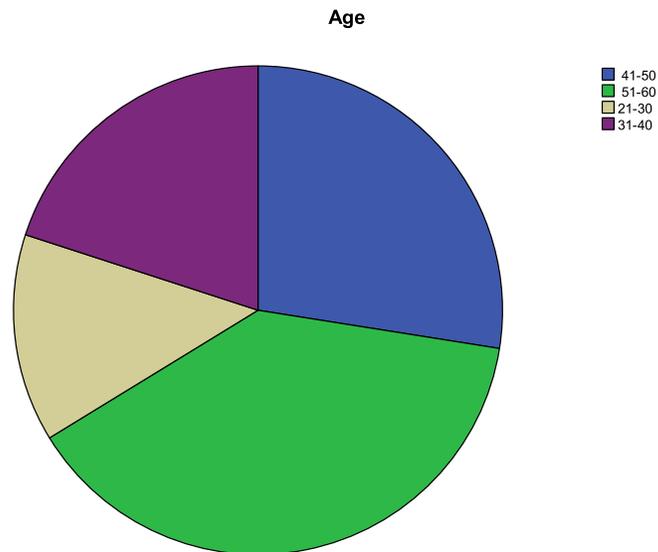


Figure 5 Age

Table 3 Age

	Frequency	Percent
Valid 41-50	22	27.5
51-60	31	38.8
21-30	11	13.8
31-40	16	20.0
Total	80	100.0

It is obvious in this table the age sampling between the managers who participated in this questionnaire. 13, 8% of them were aged 21-30, that is a total of 11 people. 20% of respondents are aged 31-40 which counts 16 employees and the remaining 27,5% are aged 41-50 with the number of 22 people, and lastly a frequency of 31 people was left which belong to 38,8% at the age 51-60. By this analyze we can conclude that the most frequent age group of individuals who were managing the hotels are between the age 41-60. This can be as a result that mainly the entrepreneurs of hospitality businesses on Coastline of Durrës are also the managers of the

businesses. The probability to build and maintain a hotel in this area by the young age group is seen as more difficult in comparison with the elder one because the lack of capital for investment.

4.2.3 Educational Sample and Mean Score

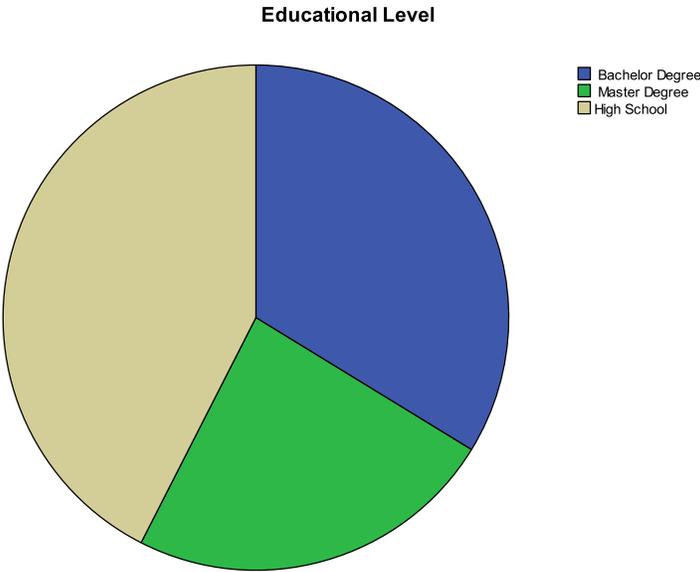


Figure 6 Educational Level

Table 4 Educational Level

		Frequency	Percent
Valid	Bachelor Degree	27	33.8
	Master Degree	19	23.8
	High School	34	42.5
	Total	80	100.0

As seen in the tables above and in the below charts we can observe and we can make a comparison between the level of education and the position held on the company of each participant. 42.5% out of 100% of participants were with High School Education Level, 33.8 % had the Bachelor

degree and 23.8% were with Master Degree Educational Level. Comparing to this 25% of them held the position of the Owner on the companies. 23, 8% were the managers of the companies and a major of 51.2% were holding the position of owner and manager at the same time. From this we can see that more than half of those Hospitality Businesses located on this are were directed by the owner who were holding also the position of the manager on their own companies. By those result we can conclude that just a small part of businesses trusted and left their businesses on the professional hand of managers.

Table 5 Mean Score for Educational Level

Educational level	Performance
Bachelor Degree	2,44
Master Degree	2,38
High School	2,33

By analyzing the mean scores of each of the groups sampled by the level of education, it can be concluded that the business performance is strongly related with the right level of education. The larger group with the lower level of education 34 % explains the lack of the proper knowledge in managing the hotels. It is needed a proper level of education in management and the proper experience in order to be successful in the business performance.

4.2.4 Position on Company Sample and Mean Score

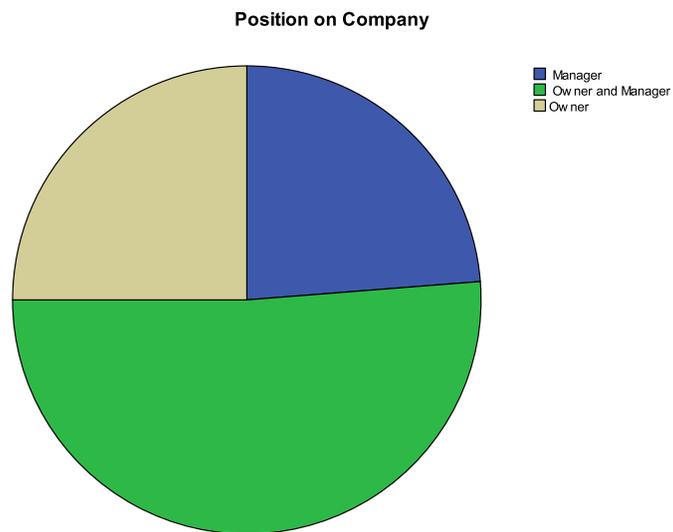


Figure 7 Position on Company

Table 6 Position on Company

		Frequency	Percent
Valid	Manager	19	23.8
	Owner and Manager	41	51.2
	Owner	20	25.0
	Total	80	100.0

Table 7 Mean Score for Position on Company

Position on Company	Performance
Manager	2,51
Owner&Manager	2,28
Owner	2,27

From the figures and the tables above it is clear that 41% of the hospitality businesses in Durres Seaside are directed by owners together with managers. This shows also the results in the mean

score table which are reliable with this fact. The mean of the performance in the owner& manager group is 2.28 that compared with the performance mean of the companies who were managed by the managers is very low. The performance of the companies managed by managers is 2.51 which is the highest of other groups. This can conclude that Durres Coastal Hotels have problems in the management area. The owner mostly manage by their own their businesses and by the fact it was concluded also that they had a lack on the right education for managing. If this could change by a little obviously that performance result would be higher.

4.2.5 Experience in Company Sample and Mean Score

Table 8 Experience in Company

	Frequency	Percent
Valid 5-10 years	3	3.8
More than 10 years	18	22.5
15-20 years	26	32.5
Less than 3 years	17	21.3
More than 5 years	16	20.0
Total	80	100.0

It can be analyzed by this table below the years of experience of each of the participants on this study. The highest percentage belongs to 15-20 years of experienced managers which take place in 32.5 % out of 100%. By this we can conclude that approximately 20 years directing the company

can be measured as long enough to have the best experience needed in order to make the best on managing the company.

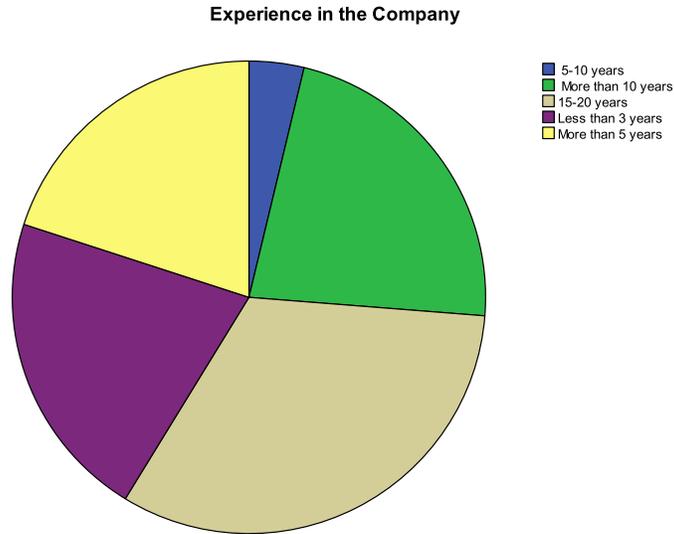


Figure 8 Experience in the Company

Table 9 Mean Score for Experience in Company

Experience in company	Performance
5-10 years	2,37
More than 10 years	2,38
15-20 years	2,42
Less than 3 years	2,3
More than 5 years	2,35

By the table of the mean score of the performance in different group samples according to the years of experience in managing the same company it is clear that the highest mean of 2.42 in performance is made of the sample group between 15-20 years of experience. So experience is very important in positive performance according to the results for Durres Seaside Hospitality Businesses.

4.2.6 Star Rating Sample

Table 10 Star Rating of Business

		Frequency	Percent
Valid	4 Stars	35	43.8
	5 Stars	12	15.0
	3 Stars	33	41.3
	Total	80	100.0

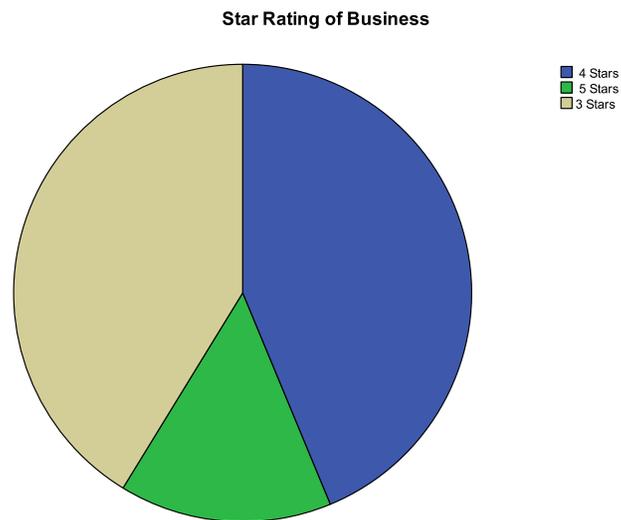


Figure 9 Star Rating of Business

The largest part of the businesses who took place in this study were approximately rated as four stars businesses, specifically with 43.8 % of shares comparing with the second large group which were three star rated businesses with 41.3 % of the market studied living place to the last category of five star rated hotels which have 15% of the businesses on hospitality sector.

4.2.7 Number of Rooms and Bed Capacity Samples

Table 11 Number of rooms

		Frequency	Percent
Valid	10-15 rooms	10	12.5
	16-20 rooms	16	20.0
	21-25 rooms	30	37.5
	26-30 rooms	12	15.0
	More than 30 rooms	12	15.0
	Total	80	100.0

Figure 10 Number of Rooms

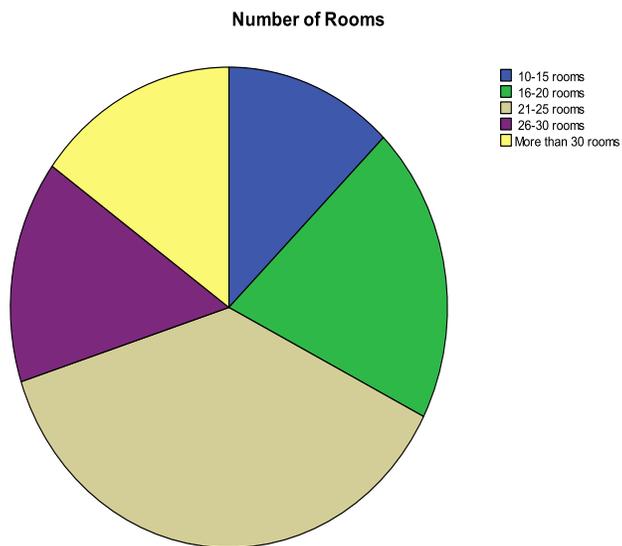


Table 12 Bed Capacity

	Frequency	Percent
Valid More than 80 beds	12	15.0
Nearly 40 beds	10	12.5
Nearly 60 beds	16	20.0
Nearly 70 beds	30	37.5
Nearly 80 beds	12	15.0
Total	80	100.0

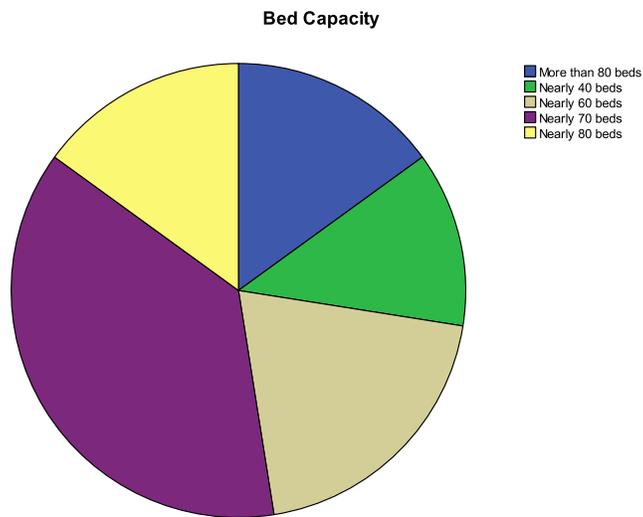


Figure 11 Bed Capacity

From those two tables it can be observed also the relation between the numbers of rooms of each hotel and comparing with the number of rooms we can conclude approximately the number of beds on each room. In the highest percentage of all the hotels interviewed it can be concluded that 21-25 room hotels took the largest place in the market with 37.5 %. According to the subdivision the approximate number of 70 beds hotels ranked between the first ones, which mean 37.5 % of the market. By this knowing fact it may be concluded that the hotel rooms are approximately 3 beds respectively to the room.

4.3 Mean Score for Internal Factors in Hotels Performance

According to the table below, analyze of mean scores for each of the factors can be done. According to the means of each of the factors that influence in performance we can rank on the top of all the importance of exceptional service among all. It is given a high importance to this sector from the results of analyze done in Albanian case, specifically on coastline of Durres. The second ranked factor is highly motivated staff, and after that management capability is ranked as the third impacting factor. With a mean of 3.513 pricing tactics take place in the fourth row in ranking between another internal factors that influence the performance of hospitality businesses on Durres area. Technological Innovation is the fifth ranked according to the results given by the managers which mean it also have a valuable importance on positive performance. The sixth ranked factor with a light effect is Niche marketing and advertising leaving behind seventh factor which is in-house animation and outdoor event. Eighth with a low effect is environmental program and after that ranked as the ninth and the less importance is strategic alliances.

Table 13 Descriptive Statistics

	Mean	Std. Deviation	N
Performance	2.385	.3501	80
Exceptional Service	4.175	.7296	80
Technological Innovation	3.369	.9303	80
Management Capability	3.706	.8062	80
Strategic Alliances	2.463	.6645	80
Niche Marketing and Advertising	3.275	.7543	80
Pricing Tactics	3.513	.7504	80
Environmental Program	2.888	.9105	80
In house animation and outdoor events	3.050	.9195	80
Highly Motivated Staff	3.994	.7692	80

4.4 Regression Analysis

In the next step, linear regression analyze is conducted to examine the impact of each of the internal factors on business overall performance. To test this relationship the internal factors are used as independent variables or the predictors of performance which is used as the dependent variable. The regression coefficients, model fit and ANOVA are the techniques used for this model.

Table 14 Model Summary

Model Summary ^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.849 ^a	.721	.685	.1965

a. Predictors: (Constant), Highly Motivated Staff, In house animation and outdoor events, Management Capability, Pricing Tactics, Technological Innovation, Environmental Program , Strategic Alliances, Exceptional Service, Niche Marketing and Advertising

b. Dependent Variable: Performance

From the results of the table it can be concluded that the value of R^2 is relatively high. This statistics states that there is a strong linear relationship in the model for this case. R Square in the model is 0.849, which means that 84.9% of the variation of the values of Performance is explained by internal factors. This means that 84.9% of the expected values fall in the regression equation stated above.

Table 15 Coefficients

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		
	B	Std. Error	Beta			Lower Bound	Upper Bound	
	(Constant)	1.407	,479				2.939	,000
1	Exceptional Service	,054	,057	,113	4,352	,000	,114	,307
	Technological Innovation	,016	,044	,042	3,470	,005	,097	,358
	Management Capability	,042	,055	,098	2,707	,004	,029	,194
	Strategic Alliances	,089	,061	,170	,043	,966	-,048	,051
	Niche Marketing and Advertising	,075	,058	,161	2,190	,032	,012	,266
	Pricing Tactics	,050	,054	,106	1,642	,005	-,011	,113
	Environmental Program	-,031	,045	-,081	-1,893	,063	-,072	,002
	Inhouse animation and outdoor events	-,030	,045	-,080	,907	,367	-,026	,069
	Highly Motivated Staff	,021	,054	,046	2,840	,003	,036	,206

a. Dependent Variable: Performance

Y - Performance

X₁ – Exceptional Service

X₂ – Technological Innovation

X₃ – Management Capability

X₄ – Strategic Alliances

X₅ – Niche Marketing and Advertising

X₆ – Pricing Tactics

X₇ – Environmental Program

X₈ – In house animation and outdoor events

X₉ – Highly Motivated Staff

$$Y=1.407+0.054X_1+0.016X_2+0.042X_3+0.089X_4+0.075X_5+0.050X_6-0.031X_7-0.030X_8+0.021X_9$$

This model suggests that for an increase of 1 unit of exceptional service, holding other variables constant the performance is positively affected by 0.054 units. Similarly a change by 1 unit in technological innovation would result in an increase of 0.016 units of performance. An increase of 1 unit in management capability would increase performance by 0.042 units and an increase of 1 unit in strategic alliances would increase performance 0.089 units. An increase of 1 unit of niche marketing and advertising, holding other variables constant the performance is positively affected by 0.075 units. Similarly a change by 1 unit in pricing tactics would result in an increase of 0.050 units of performance. An increase of 1 unit in environmental program would decrease performance by 0.031 units and an increase of 1 unit in in-house animation and outdoor event would decrease also performance 0.030 units. Lastly an increase on 1 unit of highly motivated staff would increase also 0.021 units of performance. In the table above in the significance column we can check the significant of each variable.

For a confidence interval of 95% Strategic Alliances, Niche Marketing Advertising, Environmental Program and In house animation-Outdoor events shows an insignificant slope coefficient, while the other coefficients and intercept are all significant, indicating valid relationships in the model. Note that, the values in the significant column are significant only if they fall in the interval [0-0.5].

Table 16 ANOVA

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.947	9	.105	.843	.000 ^a
	Residual	8.735	70	.125		
	Total	9.682	79			

a. Predictors: (Constant), Highly Motivated Staff, Strategic Alliances, Niche Marketing and Advertising, Pricing Tactics, Technological Innovation, Exceptional Service, Environmental Program , In house animation and outdoor events, Management Capability

We should undertake an F-test in order to test if the overall model is significant, i.e. the significance of the R^2 statistic. SPSS makes possible to interpret the significance by the Sig. column in the ANOVA table. Since this value is very low (almost 0) we can approve that our model is significant for 95% confidence interval.

CHAPTER 5

Conclusions and Recommendations

The possibility of identifying and suggesting variables contributing to the economic success of the hotel businesses is very attractive to hoteliers nowadays, especially that the hospitality industry including the entire economy of Albania are undergoing a light financial crisis.

The findings in the study done suggest that if hoteliers and owners want to be successful and to increase their businesses performance among all also to be profitable, they should provide a qualified and an exceptional service among all. The managers should pay a very strong attention on keeping their staff motivated and qualified in order to have positive feedbacks by the customers which play the most important role on overall performance of a business. Applying contemporary managerial methods and pricing tactics, such as providing special offers and various packages based on demand of customers lead to company accomplishment. Investing in new technology systems such as offering a good quality of internet, as well as increasing the level of the systems reservations and hotel sales bring also an important effect on sales. Cooperating formally with other tourism enterprises such as: airlines, land and sea transporters, mobile network etc. it's also important on maximizing occupancy and profits. Organizing various events and activities such as offering water activities in order to keep the guests and also the revenues within the premises should be also a point in which the managers should pay attention. Applying maintainable practices that obtaining benefit of the environment, also attracts guests and reduces the operating costs and increases the profitability rates. And finally a sector in which managers should be careful is the advertising and marketing area. The use of the social media, word of mouth advertisement, the travel websites, hospitality organizations etc. in order to help the hotels attracting new guests and also showing the best quality that they offer leads in increasing hospitality performance. According to the first research objective which was, determining which is the most important among the factor that have the main effect on the high performance on the tourism based businesses that are found in the seaside of Durres, a result on rating the Exceptional Service, Highly motivated staff and Management capability as the top three dominant is concluded.

As a measurement the internal factors such as: Exceptional Service; Technological Innovation; Management Capability; Pricing Tactics; Highly motivated Staff; shows a positive relationship of correlation with the performance of hospitality industry, which means that performance is positively affected by each of the above factors. Throughout this research, the following factors such: Niche marketing & Advertising; In-house animation & Outdoor Events; Environmental Program; Strategic Alliances shows no correlation with the performance in Durres Coastline case.

It could be concluded also that the level of the performance of hospitality industry in the coastline of Durres is not very high, taking into consideration the mean analysis which is almost 3 in a maximum of 5. This can be related to the external factors which influence the hotels performance, and also with the lack of proper management of internal factors.

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APPENDIX

1. Demographic information

1. Gender

- Female
- Male

2. Age

- 21-30
- 31-40
- 41-50
- 51-60

3. Educational Level

- High School
- Bachelor Degree
- Master Degree

4. Which is your position on the company?

- Owner
- Manager
- Owner & Manager

5. How many years have you been working on this company?

- Less than 3 years
- More than 5 years
- 5-10 years
- More than 10 years
- 15-20 years

6. How is your business classified?

- With 3 stars
- With 4 stars
- With 5 stars

7. How many rooms does your hotel have?

- 10-15 rooms
- 16-20 rooms
- 21-25 rooms
- 26-30 rooms
- More than 30 rooms

8. How much is the bed capacity of your hotel?

- Nearly 40 beds
- Nearly 60 beds
- Nearly 70 beds
- Nearly 80 beds
- More than 80 beds

2. Internal Factors that affect the performance of business.

Likerty Scale starts from 1 (not important at all) up to 5 (very important).

1. Exceptional Service

1. How important is the hosting and your behavior towards a client?

1 2 3 4 5

2. How much importance do you give to personalized service towards your clients?

1 2 3 4 5

2. Technological Innovation

3. Do you think that providing high speed internet is important for your clients?

1 2 3 4 5

4. How much importance do you give to new methods of reservations (like booking online etc.)?

1 2 3 4 5

3. Management Capability

5. How much importance do you give to the direct interaction with your employees and also the clients of your business?

1 2 3 4 5

6. How do you value the importance of multicultural knowledge's before taking managerial decisions?

1 2 3 4 5

4. Strategic Alliances

7. Do you think that making alliances with different airline companies and ferries is important in achieving the best performance on your company?

1 2 3 4 5

8. How much important is making alliances with telecommunication companies for offering their services to your clients?

1 2 3 4 5

5. Niche Marketing& Advertising

9. How much importance do you give to interaction in different forums or discussions with your clients, in order to understand their specific needs?

1 2 3 4 5

10. How much do you value advertising your company in media?

1 2 3 4 5

6. Pricing Tactics

11. Do you think that discounts are the key to success on your company?

1 2 3 4 5

12. How important is applying all inclusive packages and different offers in accomplishing your business objectives?

1 2 3 4 5

7. Environmental Program

13. Do you think that applying a program that defends the nature is importance on your business performance? Example: To make clients more conscious in order to spend less water with the purpose of saving natural reserves?

1 2 3 4 5

14. How important do your think that is involvement on individual programs for nature defense? Example: Planting and defending greenery, cleaning the beach etc..

1 2 3 4 5

8. In house animation& outdoor events

15. How much importance do you give in offering water sports toward all ages of your clients during the time of their stay in your hotel?

1 2 3 4 5

16. How much importance do you give to entertainment of your clients with live music or other activities?

1 2 3 4 5

9. Highly Motivated Staff

17. How much importance do you give in training your staff?

1 2 3 4 5

18. Do you think that communicating and valuing your staff is one of your strong points toward being successful?

1 2 3 4 5

3. Business Performance

Comparing your business performance with other companies in tourism sector, how would you evaluate the successfulness of your company in those fields:

1. How is the quality service provided by you?

- Low
- Middle
- High

2. What is the evaluation of the motivation and willingness that your employees have during the work process?

- Low
- Middle
- High

3. What is the evaluation of the performance according to the work of the employees?

- Low
- Middle
- High

4. How is the number of your fiddle clients?

- Low
- Middle
- High

5. How is the amount of selling the rooms the last year comparing it with 2 years before?

- Low
- Middle
- High

6. How do you evaluate the fulfillment of your targets according to accomplishment of them?

- Low
- Middle
- High

7. How are your expected earnings?

- Low
- Middle
- High

8. How is the number of new clients toward your hotel?

- Low
- Middle
- High

9. How high is the evaluation of the clients toward the satisfaction taken during the stay on your facilities?

- Low
- Middle
- High

10. How do you evaluate your general business performance?

- Low
- Middle
- High