

The Impact of Competitive Strategies on Hotel Performance Case Study of Five Stars Hotels in Northern Cyprus (Kyrenia)

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Abstract. The main purpose of this article is to examine the impact of competitive advantage strategies on the performance of hotels. Five hotels in Turkish Republic of North Cyprus (kyrenia city) have been taken as a case study. Three kinds of competitive strategies have been studied; cost leadership, differentiation, and focus strategy. A questionnaire has been designed for the study and data of 112 responses from executive managers, vice-managers and the head of all departments have been analyzed by using the SPSS program. Our findings show that: (a) the competitive strategies impact positively on the financial performance, (b) the competitive strategies impact positively on the non-financial performance.

Keywords: differentiation strategy, focus strategy, cost leadership strategy, performance, competitive strategies.

1 INTRODUCTION

Competition is considered to be healthy when approached ethically. It is also in the interests of each organization as it can have an impact on increasing the customer base and therefore creating higher revenues or sales, leading to increased company profits (Barney's, 1991). Globally successful companies follow a specific competitive strategy, and it should be noted that the operating companies in industrialized countries each adopted a strategy that led to success in the global market (Enz, 2008). The above refers to theoretical literature in the field of study where Porter prepared three competitive strategies of the reality of the business, which works to improve the competitive position of the company with the supply of goods or local service and global markets cited Porter (Porter, 1980). The three competitive strategies are: Cost leadership, differentiation strategy and focus strategy. Porter pointed out that the adoption of a competitive company specific strategy would achieve overall success. Also, Mintzberg (1978) mentioned the importance of this, as competitive strategy would be a great method to lead a company to domination. The choice of competitive strategy and a proper process would enhance a company's position in the market and its ability to continually grow. Therefore the improvement and development of the competitive position of these companies depends on the application of a set of elements that are critical to success, which involves adopting the appropriate strategies to stand out (Porter, 1980). In this context, this study is to understand the reality of applying Porter's competitive strategies in five star hotels in Kyrenia and its relationship to the development of the performance of those hotels. Many hotels develop competitive strategies that are designed to ensure a strong position logistically and achieve progress and profitable results. According to preview studies focused on the effect of competitive strategies on a hotels performance, most of them did not differentiate between financial and non-financial performance in the same study. Hansen's (2009) focused on studying the impact of market strategy on the performance of the primary forest industry and find that there is a positive effect of competitive strategies on the performance of the industry, but he did not difference between financial and non-financial performance. There is also a lot of pervious study in other business sectors focused on about the influence of competitive strategy directly and non-directly in Firm Performance (Gupta and Lonial 1998; Williams et al. 1995; Ward and Duray 2000; Amoako and Acquaaah, 2008). This research focused on both of those perspectives (financial and non-financial). This study aims to investigate the relationship between the competitive strategies and the performance (financial and non-financial) and we focus on the following research question:

To which extent do competitive strategies (Cost leadership, differentiation strategy and focus strategy) effect the financial and non-financial performance in five stars hotels in Northern Cyprus?

2 HOTELS IN NORTH CYPRUS

Hotels in North Cyprus are affected by many challenges because of rapid changes in the economic development, which swept the world economy to the present time. The Turkish Republic of Northern Cyprus (TRNC), based on its Gross Domestic Product (GDP) and Gross National Income (GNI) amongst other factors, is currently defined as an (LDC) less developed country (Taylor and Francis, 2003; The World Bank Group, 2016). Limited research has been conducted on the tourism industry of the TRNC, and the majority of information that can be gained is primarily through the local Ministry of Economy and Tourism (2014). Moreover, large disorders which happened in northern Cyprus because of the increasing price of goods due to the decrease in the country's currency's value (TL) which is in contrary with hotel's that seek to reduce costs. From that comes the problem of our research. And the problem of study maximizes because of the important role which hotels play in the economics of the country. According to the state planning organization of North Cyprus the net revenue from the tourism sector increased from \$ 229, 8 million in 2008 to \$ 739.2 million in 2014 and the shared percentage of the tourism sector in GDP increased from 5.25% in 2008 to 8.9% in 2013 and 8.3 % in 2014 (Gross National Product, 2014). This provides a significant challenge to hotels, which is reflected on their performance, especially in the strategies for marketing their services. This research comes to highlight variables, which could affect performance according to market changes. The importance of this research comes from the important role that the tourism sector plays in Northern Cyprus, especially in five star hotels in Kyrenia. The number of bed capacities for five stars in Kyrenia is contributed (51.6%) from the total number capacities for five stars hotel, the total number of employees in five stars hotels in Kyrenia is 2,862 thousand and this contributes to 49.09% from the total number of Tourist Accommodation Establishments, such as hotels and apartments in north Cyprus (6.346) (Tourism Planning Department, 2015).

3 HYPOTHESES DEVELOPMENT

3.1 Definitions of Constructs

Performance

Performance is the output and goals that management seek to achieve it in a particular period of time. Ecclec (1991) defined performance as a reflection of the organization's capabilities and its appetite for achieving its goals. Both of Robins and Wiersema (1995) agree with that definition and they defined it as the ability of an organization to achieve its long-term goals. Dubnick (2005) defined performance as the following: "outside of any specific context, performance can be associated with a range of actions from the simple and mundane act of opening a car door, to the staging of an elaborate reenactment of the broadways musical 'Chicago'. In all these forms, performance stands in distinction from mere "behavior" in implying some degree of intent. Wouter (2014) added that performance is about international behavior, which can be an individual or an organization. Both Miller and Brommiley (1990) defined performance according to resources and they considered performance as the results of the organization's ability in exploiting its resources and directing them toward desired goals. Some writers noted and expressed the view that business operations have an increasingly key role in this. Also Lynch (2000) theorized that financial performance will remain as a benchmark for an organizations success. The organizations failure to achieve financial performance at a basic level displays the existence and continuity of risk. From another angle beyond relying on financial performance, Eccels (1991) emphasizes the need to find a new axes of performance appropriate with the new strategies, and points to conduct research as the concept of performance between a narrow focus through its focus on financial goals, and the wider framework that attempted to accommodate the concept of a more holistic performance that is linked to many goals. This was more focused on the financial and operational performance axes (Venkatraman and Ramanujam, 1986). We can take a look into performance more deeply: Different conditions of doing business, including financial and non-financial performance management, and performance measuring to improve performance. It plays an important measure performance have unique roles in the Organization's management. It contributes to clarify Strategy in behaviors and desired outcomes, and communicates with these expectations, monitors progress, provides feedback, and motivates employees through rewards and punishments based on performance (Chow and Van der Stede, 2006; Škrinjar, Vesna, & Mojca, 2008).

Financial performance

The financial success is the extent to which companies can maximize the wealth of its owners to obtain the highest possible return on their investment. It includes financial instruments most commonly used in general return on assets (ROA) and return on equity and return on investment (ROI), profit margin, and earnings per share and the value of each employee. These measures are used in many studies (Mahoney and Roberts, 2007; Fauzi et. al. 2007; Waddock and Graves, 1997). Performance measurement is usually a strong influence of traditional financial reports in certified companies. Although they used to be very popular, this is no longer seen by traditional financial instruments as an appropriate means to exercise effective management control (Neely, 2007). Their weaknesses are well documented in the literature and include failing to convey strategies and priorities effectively within an organization (Najmi et al., 2005).

Sharma and Upneja (2005) found the impact of financial performance in small hotels in Tanzania within both internal factors (staff training and investment in equipment, and availability financing options) and external factors (institutional environment and service product Standardization) systems. The results showed many factors that affect the financial performance of small hotels in Tanzania, which included: The low volume and low rooms rentable rates, the high cost of sold goods, high control expenses as a percentage of sales and limited investment in technology and equipment. Claver and his colleagues (Claver-Cortés, Molina-Azorín, & Pereira-Moliner, n.d., 2007) presents a way to define strategies and competitive advantages within the hotels in Alicante (Spain) and also suggests strategic actions for top management to improve the performance of their hotels. So in summary, the hotel should aim to achieve the highest levels of performance, preferably medium or large size, belong to the chain, and increase the competitive category and the adoption of a strategy to improve the dimension.

Non-Financial Performance

Maskell (1992) suggests that performance measures should be used primarily and non-financial performance and techniques will change over time as the company needs to change. It is also important to involve qualitative indicators, such as customer service and satisfaction, product quality and learning and innovation (Kaplan and Norton, 1996; Neely et al., 2002). However, there was a change in the school of thought in the mid-1980s. There was no focus on purely financial factors and organizations began the implementation of performance metrics that are increasingly non-financial, such as customer retention, customer satisfaction, employee turnover, and a number of new products developed. However, it should be stressed that localization defined strategy in goals that direct operational procedures require both financial and non-financial procedures. Instead of selecting only one type of financial and non-financial measure it should be seen as complementary to each other (Chow and Van der Stede, 2006; Kihn, 2010; Norton and Kaplan, 1992; Phillips, 1999; Keegan, Eiler, and Jones, 1989). Non-financial Performance measures appropriate in case performance results are difficult to measure in addition to those where there is an apparent and causal relationship between the activities and outcomes (Botten and McManus, 1999). For example, Donovan and others (2004) argued that stimulus welfare service workers (such as satisfaction and commitment) is important and is reflected through the desire of these workers "to commit to the organization, satisfaction with her work, and improve business performance" (Pimtong, Hanqi, and Zhang, 2012).

Competitive Strategies

We can define strategy as the integration process of the internal analysis with the external analysis by adopting the weakness and strong points with opportunities and threats in the organization. Johnson and Scholes (2008) focused on the long term of the strategy and defined it as the direction and extent of a company which gets success in making advantages for the company through its arrangement of resources in the challenging environment, to subvert the needs of markets and to satisfy partners' anticipation. According to Enz (2011), a strategy should focus on the long-term direction of the organization as it is comprised of cost leadership, differentiation and focus. Porter (1980, 1985) saw this as closely related to the framework which uses customer's needs, customer groups, and distinctive competencies developed by (Abell, 1980), but more related to our study in the hospitality sector. A competitive strategy is a strategy that aims a firm's portfolio of products and services in a way to bring together its unique

resources and capabilities to gain advantage in the markets (Olsen, 2008). There are three kinds of competitive strategy.

The Differentiation Strategy

This strategy derives from the company's goal in offering and providing unique products and services to its customers compared to its competitors. A competitive advantage is achieved when the company is able to compete with a companies' excellent commands or selling prices more beyond a product at a particular price (Olsen, 2008). Porter (1985) provides that the variations are companies being able to "receive the benefits such as greater parity buyer loyalty during periods of stagnation periodic or seasonal ". The differentiation strategy has been used widely by organizations and hospitality all over the world. Starwood Hotels and Resorts Worldwide, have more than 400 hotels, and is one such company that has effectively used the differentiation strategy since 1997. The creation of strategic business units (SBUs) to target different segments of the market strategies, are entities that depend on the resources, capabilities and product offerings of services (Olsen, 2008). In this study the differentiation strategy can be defined as the following: What hotels provide have distinguished unique attributes from the competitors and work on developing the positive image of the hotel in the customer's mind and also processes customer's requests quickly.

Cost Leadership Strategy

Provides customers with standard products and services at the most competitive prices so that firms can lower prices to match or beat their rivals and still make profits (Santos-Vijande et al., 2012). This strategy supports the use of the competitive advantage on the basis of least cost by eliminating waste and targeting large markets so that they can price their products less than their competitors with the ability to achieve a certain profit margin (Wheelen and Hunger, 2002). The primary focus of the company is to achieve high efficiency and productivity so it improves the cost of production. In service companies, this tackles human resources in the production process to improve resource-related efficiency and productivity (Teeratansirikool and Siengthai, 2009). It should be noted that the service companies are leaders in the market cost by reducing the number of joint activities in the production and delivery of products and services. In a study of the impact of strategies to compete on financial and non-financial performance of hotels in Jordan show that hotels are using workers more in summer and winter due to seasonal demand in an attempt to reduce the cost of sending workers on annual holidays (Mohamad, 2012). In this study the Cost Leadership Strategy can be defined as the following: Hotel management concentrates widely on lowering costs. Hotels work on reducing the number of employees, salaries and stationery vacations.

Focus Strategy

This strategy is based on choosing a limited competitive field where the focus is on a certain part of the market and intensifies the activities of the organization in the area of that part, either in leading costs or differentiating inside the targeted market (Kotler, 1985, p.506). In the hospitality industry luxury hotels that offer the unique product package service in the distribution market seek to focus the differentiation strategy in that they have only one type of product service offering in one market segment (Olsen, 2008). For example, in North Cyprus some hotels have casinos within and therefore have the market share of casino customers from Turkey.

Every hotel relies on a different method of controlling the market (Katircioglu, Arasli, & Ekiz, 2007). This helps develop the performance of the hotel and attracts customers by offering a wide market segment related to casinos (Şafakli, 2004). In this study the Focus Strategy can be defined as the following: Hotel management focusing on achieving customer satisfaction by studying their requirements and providing a wide variety of services to achieve the needs and wants of the largest customer segment. In this case, a casino would help hotels to achieving a competitive advantage.

3.2 IMPACT OF COMPETITIVE STRATEGIES ON HOTEL PERFORMANCE

To theoretically justify the nature of the relationship between competitive strategies and performance, we turn back to some revise studies, which focused on studying that relationship.

Many authors studied the relationship between competitive strategy and firm performance as Kwasi (2008) did in his study about manufacturing strategies, competitive strategies and firm performance. He found that there is no direct relationship between competitive strategy and the performance of the organization, but it impacts the performance indirectly through quality. These results opposed with Teeratansirikool and Siengthai (2009), who also studied the relationships between competitive strategies and the organizational performance and found a positive relationship between both variables of the study. He found that the competitive strategies help in enhancing the organizational performance through performance measurements. He also found that the differentiation strategy not only has a direct impact on performance, but also it has an indirect effect on the performance through financial measures. However, cost leadership strategy was not found to have a direct impact on performance in the same study. Several previous studies verified the positive relationship between cost leadership, differentiation strategies and the organizations performance (Acquaah and Yasai, 2008; Caroline, 2008). The researcher reviewed the previous studies and built his hypothesis upon them.

“The impact of competitive strategies such as cost leadership, differentiation strategy and focus strategy is statistically significant on hotel performance (financial and non-financial performance) at the significant level ($\alpha=0.05$).”

From that comes the following sub-hypotheses:

H₁: The impact of competitive strategies such as cost leadership, differentiation strategy and focus strategy is statistically significant at the financial performance of hotels at the significant level ($\alpha > 0.05$)

H₂: The impact of competitive strategies including cost leadership, differentiation strategy and focus strategy is statistically significant at the non-financial performance of hotels at the significant level ($\alpha=0.05$)

Depending on our mean and sub-hypothesis, the model of the study will be as in figure 1.

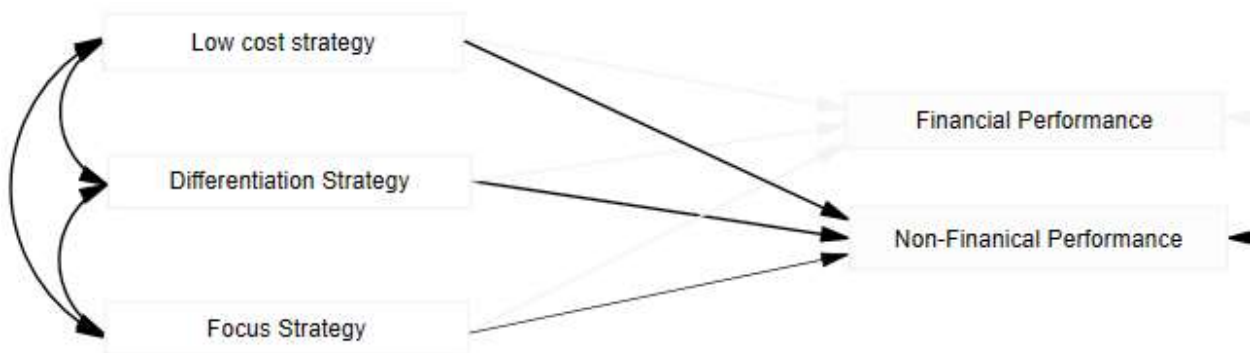


Fig. 1. The conceptual framework of the Study.

4 METHODOLOGY

Research Design

To understand the impact of competitive strategies on the financial and non-financial performance of hotels in North Cyprus, we developed a questionnaire by reviewing questionnaires in other relevant research and modified them to measure the purpose of this research.

The developed questionnaire consists of 25 items divided into five aspects. The aspects and the number of items for each aspect is clarified in the following table 1.

Table 1. Number of items for each aspect in the questionnaire.

Aspects	Author(s)	Number of Items
Low-cost strategy	(Olsen, 2008; Claver-Cortes , Molina-Azorín, & Jorge, 2007; Mohamad, 2012)	5
Differentiation strategy	(Kwasi 2008: Phillips, 1999; Sharma, 2005;Mohamad, 2012)	5
Focus strategy	(Olsen, 2008; Mohamad, 2012 ;Sharma, 2005)	5
Financial performance	(Škrinjar, Vesna, & Mojca, 2008: Mahoney & Roberts, 2007; Fauzi et. al. 2007; Waddock and Graves, 1997: Pimtong, Hanqi, & Zhang, 2012)	5
Non-financial performance	(Škrinjar, Vesna, & Mojca, 2008: Chow & Van der Stede, 2006; Kihn, 2010; Pimtong, Hanqi, & Zhang, 2012)	5
Total		25

The researcher used the Likert Scale in the questionnaire, which was distributed to all hotels. The research included an explanation of the objectives of the study by the researcher to the applicable segment. 135 questionnaires were distributed in the sample of study, which were executive managers, vice-managers and the heads of all departments. 118 questionnaires were returned, and 112 questionnaires were analyzable which about 82% was of the total amount of questionnaires distributed.

Sample design and experimental procedure

The sample of research consists of workers in 5 hotels in North Cyprus (kyrenia city) in departments concerned with the subjects of research. Table 2 indicates the hotels that were included in our study.

Table 2. Hotels included in the research (kyrenia).

No	The Hotel Name	Capacity	Location
1	Cratos Premium Hotel	406	Kyrenia
2	Vuni Palace Hotel	352	Kyrenia
3	Merit Part Hotel	299	Lapta
4	Acapulco Hotel	1578	Kyrenia
5	Grand Pasha Hotel	256	Kyrenia
6	Malpas Hotel	342	Kyrenia
7	Merit Part Hotel	606	Lapta
8	Merit Crystal Cove	632	Lapta
9	Rocks Hotel	314	Kyrenia
10	Savoy Hotel	256	Kyrenia
11	The Colony Hotel	200	Kyrenia
12	K. Jasmine Court Hotel& Casino	392	Kyrenia

Source: (SPO, 2015)

Table 2 shows that 11 hotels were present in our sample study. The researcher distributed 12 questionnaires to each of the above hotels.

The researcher chose the sample from the research community by taking a stratified sample from the research community. This sample comprised of 112 executive managers, vice-managers and the heads of all departments.

Measurement of Variables

The reliability of the questionnaire has been confirmed by using the Cronbach's Alpha coefficient by a pilot study of 30 questionnaires and the reliability coefficient of the questionnaire is demonstrated in Table 3.

Table 3. Cronbach's Alpha.

Aspects	Cronbach's Alpha
Cost leadership	0.893
Differentiation strategy	0.799
Focus strategy	0.771
Non-financial performance	0.921
Financial performance	0.896
The Total Cronbach's Alpha Degree	0.856

From the table, we see that the composite reliability exceeds 0.856, which is a very high level. This means that our questionnaire has an acceptable reliability coefficient.

Descriptive Statistics and Correlation Matrix for Competitive Strategies and Hotel Performance

Table 4 shows the correlations among the variables of the study. The correlations between the variables are in general quite high; the lowest ones are the financial performance and differentiation strategy, which is 0.54. Also, it shows that the value of the reliability test (Cronbach's alpha) is between 0.77 and 0.92, which is considered as a high result.

Table 4. Means, standard deviation, correlations and reliability coefficient.

		1	2	3	4	5	Mean	SD
1	Cost Leadership Strategy	0.89	0.66	0.72	0.64	0.76	2.93	1.00
2	Differentiation Strategy		0.79	0.64	0.54	0.69	3.21	0.91
3	Focus Strategy			0.77	0.74	0.79	3.22	0.90
4	Financial Performance				0.86	0.82	3.07	0.94
5	Non-Financial Performance					0.92	3.33	1.00

5 HYPOTHESIS TESTING AND RESULTS

The researcher depends on statistical methods to test the hypothesis; he used multiple regression analysis to find out the impact of competitive strategies (Cost leadership, differentiation strategy, and focus strategy) on the financial and non-financial performance of hotels as a dependent variable. We also used the Cronbach's Alpha coefficient to check the reliability of the research tool.

The main hypothesis: "The impact of the competitive strategies mentioned is statistically significant at the hotel performance (financial and non-financial performance) at the significant level ($\alpha \leq 0.05$)"

- H_1 : The impact of competitive strategies is statistically significant at the financial performance of hotels at the significant level ($\alpha \leq 0.05$).

To test this hypothesis we used the multiple regression method in order to check the impact of competitive strategies on the financial performance of the hotel as a dependent variable.

The result shown in Table 5 confirms that there is a statistically significant effect of competitive strategies on the financial performance of hotels in North Cyprus. The correlation coefficient reached 0.76 at the significant level $\alpha \leq 0.05$ and the determination coefficient (R Square) was 0.582, which means, as it can see from table 5, that the independent variables (competitive strategies) are 58.2% of the variance in the dependent variable (financial performance). This comes from the change in the interest level of competitive strategies in its 3 aspects. The beta value was 0.19 in LCS, 0.04 in DS, and 0.64 in FS, which means there is a change of one degree in the interest level of competitive strategies in its 3 aspects leading to increasing financial performance by about 0.19 in LCS, 0.04 in DS, and 0.64 in FS but p value for both L.C.S and D.S was not statistically significant where it was for low-cost strategy $0.07 > 0.05$ and 0.51 for differentiation strategy.

The value of (F), which is 97.32 confirm the significant of that effect which is significant at level ($\alpha \leq 0.05$), this confirm the validity of first sub-hypothesis and according to that we reject the null hypothesis and accept the alternative hypothesis which is:

(The impact of competitive is statistically significant in the financial performance of hotels at the significant level ($\alpha \leq 0.05$))

Table 5. Regression results for financial performance.

D.V	R	R ²	F	DF	Sig	Beta	T-Value	Sig		
Financial Performance	.763	.582	97.32	Regression	3	.00	L.C.S	.18	2.70	.007
				Residual	108		D.S	.04	0.658	.511
				Total	111		F.S	.65	8.58	.000

Notes: N=112, L.C.S= Low Cost Strategy, D.S= Differentiation Strategy, F.S= Focus Strategy.

Upon depending on the table 5 and after studying the correlations between CL, DS, and FS we build the following path analysis for the financial performance aspect

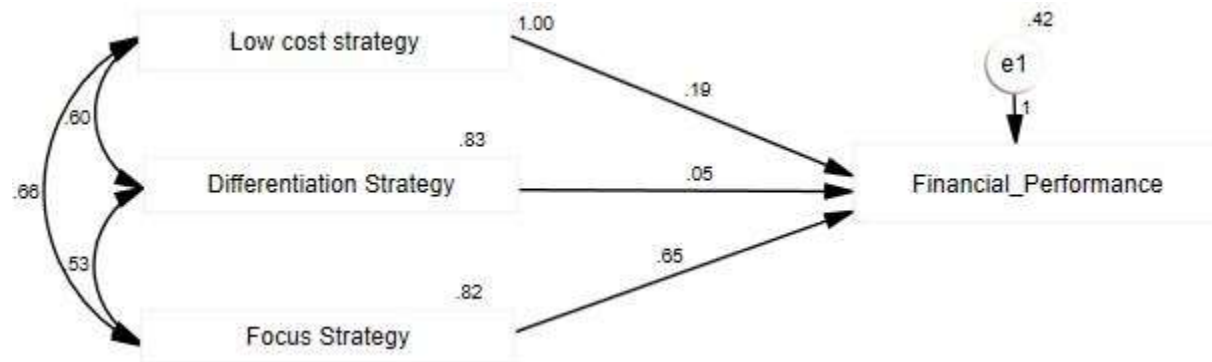


Fig. 2. Path analysis of Financial Performance.

From Figure 2 we see that the regression formula between financial performance and the competitive strategies is:

$$\text{Financial Performance} = 0.189(\text{C.L}) + 0.41(\text{D.S}) + 0.65(\text{F.S}) + 0.41$$

H₂: The impact of competitive strategies is statistically significant in regards to the non-financial performance of hotels at the significant level ($\alpha \leq 0.05$)

To test this hypothesis we used the multiple regression methods to check the impact of competitive strategies on the non-financial performance of hotels as a dependent variable.

The results shown in Table 6 confirm that there is a statistical significant effect of competitive strategies on the non-financial performance of hotels in North Cyprus, where the correlation coefficient reached 0.852 at the significant level $\alpha \leq 0.05$. As it can see from the table 6 that explains what the independent variable (competitive strategies) of (72.7%) of the variance in the dependent variable (not- financial performance) comes from the change in the interest level of competitive strategies in its 3 aspects. The beta value was 0.288 in LCS, 0.213 in DS, and 0.462 in FS,

which means there was a change of one degree in the interest level competitive strategies in its three aspects leading to an increase in the non-financial performance of about 0.288 in LCS, 0.213 in DS, and 0.462 in FS. The value of (F), which is 186.06 confirms the significance of that effect, which is significant at level ($\alpha \leq 0.05$). This confirms the validity of the first sub-hypothesis and according to that we reject the null hypothesis and accept the alternative hypothesis which is:

(The impact of competitive strategies (Cost leadership, differentiation strategy, and focus strategy) is statistically significant at the non-financial performance of hotels at the significant level ($\alpha \leq 0.05$))

Table 6. Regression results for nonfinancial performance.

D.V	R	R ²	F	DF	Sig	Beta	T-Value	Sig		
Non-financial Performance	.852	.727	186.06	Regression	3	.00	L.C.S	.30	5.397	.00
				Residual	108		D.S	.20	4.044	.00
				Total	111		F.S	.44	8.037	.00

Notes: N=112, L.C.S= Low Cost Strategy, D.S= Differentiation Strategy, F.S= Focus Strategy.

Upon acknowledging the information on table 6 and after studying the correlations between CL, DS, and FS the path analysis for non-financial performance was as in figure 3.

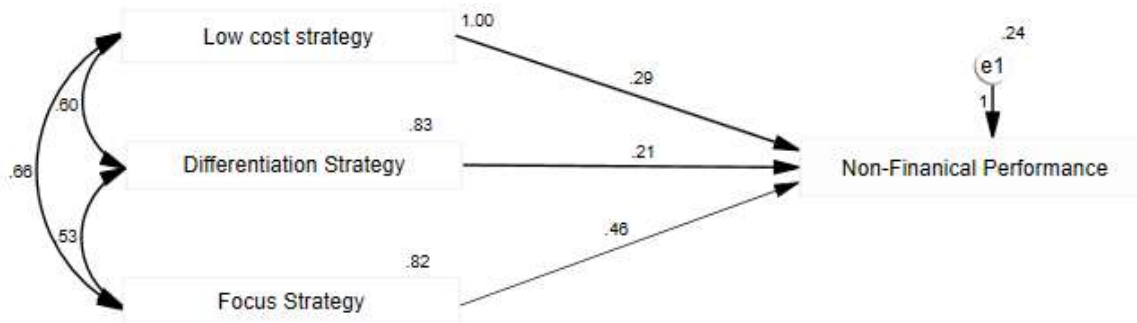


Fig. 3. Path analysis of non-financial Performance.

From Figure 3 we can see that the regression formula between the non-financial performance and the competitive strategies is:

$$\text{Non-Financial Performance} = 0.30(\text{C.L}) + 0.20(\text{D.S}) + 0.44(\text{F.S}) + 0.23$$

6 DISCUSSION & RECOMMENDATION

The research tried to answer many questions and showed many hypothesis to find the relationship effect between the competitive strategies and performance. The result of the study contributed to solving the problem of the study, answering its questions, and testing its hypothesis.

The research finds that there is a positive relationship between the competitive strategies and the financial and non-financial performance and it is significant statistically at a level $\alpha \leq 0.05$. and this results agree with Mohamad, 2012; Pimtong, Hanqi, & Zhang, 2012. The results not agree with Caroline, 2008; Claver-Cortés, Molina-Azorín, &

Pereira-Moliner . 2007; Santos-Vijande, Ángel López-Sánchez, & Trespalacios, 2012 , Further to this, the effect of competitive strategies explains that there is 72% of variance in regards to non-financial, while 58% of the variance is a dependent variable based on financial performance.

Based on the findings of the research, a few things are suggested (1) Emphasizing the role of competitive strategies on the organization performance by making hotels provide its service at competitive prices in comparison to competitor hotels, seeking to build a strong self-identity for hotels focusing on providing unique services. Moreover, targeting a specific segment by special offers to fit the high-quality needs of customers. (2) Keep up with development in competitive information systems and competitive databases in a way enable hotels in TRNC to increase its efficiency in using that system to improve competitive performance. (3) Caring for employees training in all departments of the hotel by using competitive information systems. (4) Due to the prohibition of casinos in Turkey, create an active marketing plan to attract more customers to benefit from the weather and visiting for gambling. These could all contribute to an advancement of tourism, subject to the availability of the following conditions, including (1) Revoking the ban of Southern Cyprus and the international community to attract investment (2) Create an effective and clear plan (3) Benefit from many archeological sites and places of nature (4) Interest in transportation and public utilities.

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