THE IMPACT OF STRATEGIC PURCHASING PRACTICES ON FIRM
PERFORMANCE: AN ANALYSIS IN HOSPITALITY SECTOR

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ABSTRACT

THE IMPACT OF STRATEGIC PURCHASING PRACTICES ON FIRM PERFORMANCE: AN ANALYSIS IN HOSPITALITY SECTOR

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Increasingly, firms realize that rather than just being a tactical function focused on day-to-day operations, purchasing function also helps firms to generate competitive advantage by adopting more strategic purchasing practices. Previous research mostly suggests that strategic purchasing practices improve firm performance. However, majority of these studies are conducted in the manufacturing context. In this thesis, the service context was examined, and specifically the hospitality sector was investigated. Three types of strategic purchasing practices – *supplier selection, supplier relationship, and supplier development* – were identified, and their effect on hotel performance was examined. In order to test the hypotheses, data from 71 hotels in Turkey collected by means of a survey was used. First, a cluster analysis was performed and two types of purchasing strategies were identified based on supplier selection criteria: *Traditional* vs. *Strategic*. Then, via partial least squares (PLS) method, the effects of collaborative relationships, supplier development and environmental supplier development on hotel performance were tested. Results show that in general, long-term relationships have a negative effect on both market and financial performance. Additionally, it was found that supplier development

has a positive effect on performance, but only for hotels that have a traditional purchasing strategy. Interestingly, it was found that environmental supplier development has a positive effect on financial performance in hotels with a traditional purchasing strategy, but a positive effect on market performance in hotels with a strategic purchasing strategy.

Keywords: strategic purchasing, supplier selection, supplier development, supplier relationship management, hospitality industry

ÖZ

STRATEJİK SATINALMA UYGULAMALARININ FİRMA PERFORMANSINA ETKİSİ: KONAKLAMA SEKTÖRÜNDE BİR ANALİZ

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Gün geçtikce şirketler satınalmanın günlük işlemlere odaklanan taktiksel bir işlev olmaktan ziyade, stratejik satın alma uygulamaları benimsenerek rekabet üstünlüğü yaratılacak bir fonksiyon olduğunun farkına varmaktadır. Önceki araştırmalar çoğunlukla stratejik satın alma uygulamalarının firma performansını iyileştirdiğini göstermektedir. Bununla birlikte, bu çalışmaların çoğu üretim sektörü alanında gerçekleştirilmektedir. Bu çalışmada ise hizmet sektörü ve özellikle konaklama sektörü incelenmektedir. Buna bağlı olarak, üç tür stratejik satınalma uygulaması – *tedarikçi seçimi, tedarikçi ilişkileri* ve *tedarikçi geliştirme* – belirlenmiş ve otel performansına etkileri incelenmiştir. Mevcut çalışma kapsamında, hipotezlerin test edilmesi amacıyla Türkiye'de bulunan toplam 71 adet otelden anketler aracılığıyla veri toplanmış ve çalışmada elde edilen veriler kullanılmıştır. Öncelikle, Kümeleme analizi kullanılarak tedarikçi seçim kriterleri açısından iki tür satınalma stratejisi belirlenmiştir: *geleneksel* ve *stratejik*. Ardından Kısmi Kareler Yöntemi ile işbirliğine dayalı ilişkiler, tedarikçi geliştirme ve çevresel tedarikçi geliştirmenin otel performansı üzerindeki etkisi test edilmiştir. Sonuçlar genel olarak işbirliğine dayalı

ilişkilerin hem pazar hem de finansal performans üzerinde olumsuz bir etkisi olduğunu göstermektedir. Ek olarak, tedarikçi geliştirmenin performans üzerinde olumlu bir etkiye sahip olduğu, ancak bu etkinin yalnızca geleneksel bir satınalma stratejisine sahip olan oteller için geçerli olduğu tespit edilmiştir. İlginç bir şekilde, çevresel tedarikçi gelişimi geleneksel satınalma stratejisine sahip otellerde finansal performans üzerinde olumlu bir etkiye sahipken, stratejik satınalma stratejisine sahip otellerde ise pazar performansına olumlu bir etkisi olduğu görülmüştür.

Anahtar Kelimeler: Stratejik satınalma, tedarikçi seçimi, tedarikçi geliştirme, tedarikçi ilişkileri yönetimi, konaklama sektörü

To My Beloved

Family and Friends

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CHAPTER 1

INTRODUCTION

Purchasing is defined as "an orderly, systematic exchange between a seller and a buyer" (Feinstein & Stefanelli, 2002, p.1). Purchasing is considered as a fundamental job of buyer companies and these companies have to search for best possible goods, services and suppliers to meet their requirements (Feinstein & Stefanelli, 2002; Chen, Paulraj & Lado, 2004).

Traditionally, purchasing was considered as a complementary operational activity with minor importance on firm's performance (Apostolova, Kroon, Richter & Zimmer, 2015). The main function of purchasing department was to respond to buying orders of other departments and acquire products and services with lowest cost (Gadde & Hakansson, 1994). However, the effects of purchasing on business performance were discovered and the concept of purchasing seemed to be tactical during 1980's (Apostolova et al., 2015). In the following years, purchasing was found to be a strategic process since it plays a key role between external suppliers and internal dynamics in creating and delivering value to customers (Chen et al., 2004; Lawson, Cousins, Handfield, & Petersen, 2009).

Figure 1. Evolution of Purchasing (Source: Apostolova et al., 2015)

The conventional purchasing included buying the materials of good quality at the right quantity, at the right place from the right source with lowest possible cost (Apostolova et al., 2015; Chen et al., 2004).) However, as Figure 1 shows, the evolution of purchasing revealed a vital concept, strategic purchasing, which is defined as:

> The process of planning, implementing, evaluating and controlling strategic and operating purchasing decisions for directing all activities of the purchasing function toward opportunities consistent with the firm's capabilities to achieve long term goals (Carr and Smeltzer, 1997, p.201).

As the definition includes, strategic purchasing has eliminated the weaknesses of traditional approach since it focuses on reactive, strategic, relational, and long-term oriented characteristics of purchasing (Apostolova et al., 2015). Therefore, the concept involves not only acquiring the required product/service with the lowest cost, but also managing all of the purchasing activities to achieve long-term benefits. According to Stanley and Wisner (2001), purchasing develops strategies to effectively buy quality materials and services which are transformed into final products for external customers. Similarly, strategic purchasing significantly affects buyers' performance since it creates value through management of suppliers (Lilien and Wong, 1984; Yeung, 2008; Lawson et al., 2009).

Emergence of strategic purchasing and its effects on business performance have encouraged firms to efficiently and effectively manage their supply chains (Monczka, Handfield, Giunipero & Patterson, 2009). Concurrently, the term supply chain management was introduced in 1980s (Chen & Paulraj, 2004). The concept of supply chain means:

> A set of three or more entities directly involved in the upstream or downstream flows of products, services, finances, or information from a source to a customer (Mentzer, DeWitt, Keebler, Min, Nix, Smirth, & Zacharia, 2001).

Supply chain management (SCM) includes management of all activities in the supply chain as it is defined above. Therefore, SCM is associated with purchasing and supply, logistics and transportation, marketing, organizational behavior, network, strategic management and operations management (Chen & Paulraj, 2004). Accordingly, Chen and Paulraj (2004) constructed a theoretical framework regarding supply chain management by reviewing related articles in the literature to aid researchers for further studies. As Figure 2 shows, SCM involves various research topics. In order to narrow it down to conduct a research, the main industry of the study should be considered.
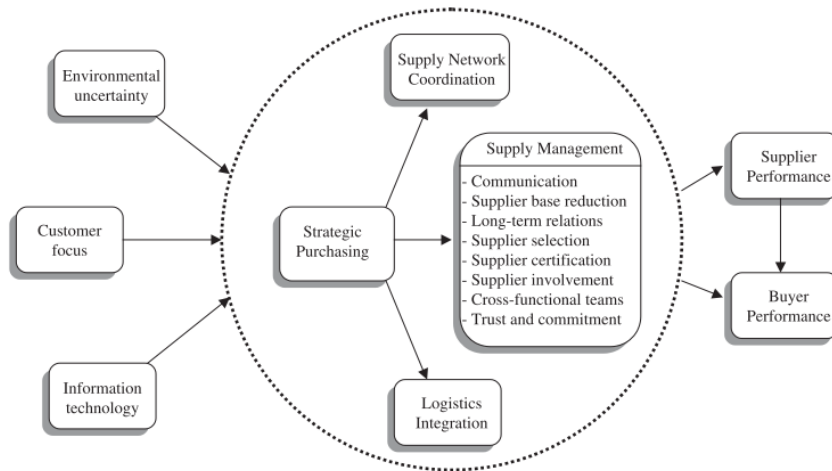
Figure 2. Concept of Supply Chain Management (Source: Chen & Paulraj, 2004)

Additionally, Monczka (1999) showed that purchasing excellence can be acquired by firstly deciding the insourcing or outsourcing. Afterwards the developing and managing supplier relationship is a key remark. It is followed by integrating suppliers into product development and order processes. The last step of the chain of purchasing excellence is supplier development and managing costs (see Figure 3). Similar to the purchasing excellence model, Beske, Land and Seuring (2013) grouped supplier

selection, supplier relationship management and supplier development under supply chain continuity with respect to hospitality industry perspective.
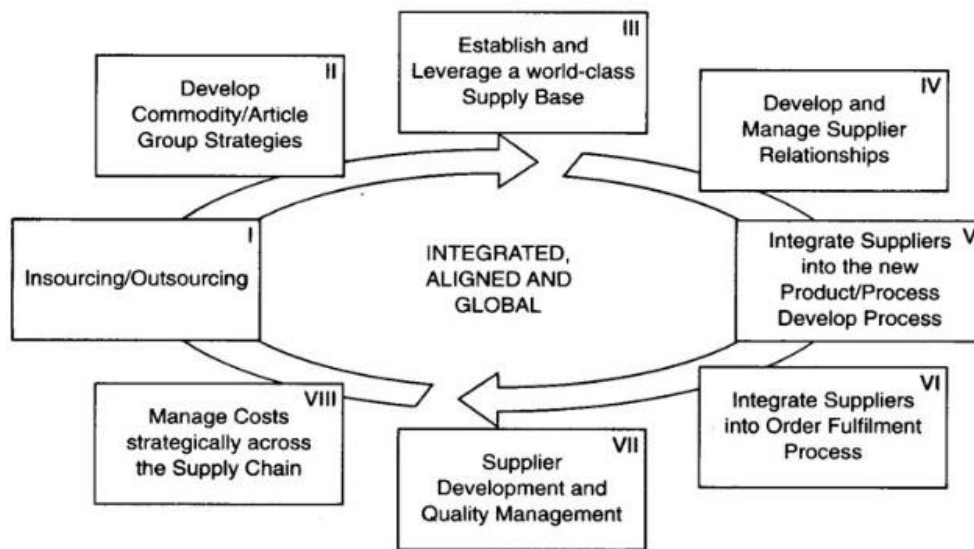
Figure 3. Purchasing Excellence Model (Source: Monczka, 1999)

The hospitality industry is a growing line of business and had $500 billion retail value in 2018 (Langford, Welssenberg, & Gasdla, 2019). Additionally, hotels in US had revenue over $200 billion in 2018 (Langford et al., 2019). Similarly, Turkish hospitality industry had welcomed over 46 million tourists in 2018 which is the highest number of foreign visitors in Turkey (Ministry of Culture and Tourism, 2019). Moreover, tourism industry contributed 4% of GDP of Turkey in 2018 (Ministry of Culture and Tourism, 2019). As the hospitality industry is a crucial business for many countries in the world, it has gained attention during past years. Consequently, there are studies that have investigated the industry in terms of many aspects such as strategic management, service quality, brand loyalty etc. (Olsen & Roper, 1998; Wong Ooi Mei, Dean & White, 1999; Tepeci, 1999). Additionally, strategic purchasing and supply chain management practices were examined as well in terms of hospitality

industry, but to a much lesser extent. Önder and Kabadayı (2015) examined supplier selection criteria, and Fantazy, Kumar and Kumar (2010) investigated supplier relationship management in hospitality industry. Kim (2006) focused on supplier development activities and its effects on performance in hospitality industry. However, the limited studies in hospitality industry primarily focus on manufacturing industry and there is a gap in the literature to test those concepts in service industry.

1.1 Research Question

As the strategic purchasing literature primarily discusses manufacturing industry, there is a need for more research in the service context. The aim of this thesis is to examine the strategic purchasing practices and its effects on firm performance in the context of hospitality industry. Therefore, the main research question is as follows:

- *What is the impact of strategic purchasing practices on hotel performance?*

In order to do so, three key strategic purchasing practices are identified via an extensive literature review: supplier selection, supplier relationship management, and supplier development. Supplier relationship management is examined by focusing on arm's length vs. collaborative relationships (Hoyt & Huq, 2000; Fantazy et al., 2010) Supplier development is conceptualized as two types: overall supplier development practices vs. environmental supplier development practices (Kim, 2006; Aboelmaged, 2018). In line with this, the following sub-questions are formulated:

- *What is the effect of collaborative relationships on hotel performance?*

- *What is the effect of supplier development practices on hotel performance?*

- *What is the effect of environmental supplier development practices on hotel performance?*

The literature suggests that different organizations and different industries have different business objectives. Differences in business strategy also translate into differences in purchasing strategy (Baier, Hartmann & Moser, 2008). In this thesis, purchasing strategies are identified via focus on supplier selection criteria. In other words, it is argued that hotels have different purchasing strategies based on their emphasis on different supplier selection criteria. It is also argued that depending on the purchasing strategy, the effect of strategic purchasing practices on hotel performance might also differ; thus, purchasing strategy acting as a moderator. Therefore, we also formulate the following sub-questions:

- *Can hotels be classified based on their supplier selection criteria?*

- *Do these classifications play a moderating role on the effects of strategic purchasing activities on hotel performance?*

1.2 Research Objectives

1.2.1   Theoretical Objectives

The link between strategic purchasing, supply chain management practices and business performance was studied by many authors. Accordingly, strategic purchasing and supply chain management practices were proved to be effective on increasing financial and non-financial performance of organizations (Tracey & Tan, 2001; Chen et al., 2004).

This study employs an in-depth approach to investigate strategic purchasing in hospitality industry. The majority of related literature mainly focused on manufacturing industry (Krause, Pagell & Curkovic, 2001; Chen et al., 2004) and there is limited number of studies regarding service supply chains (Véronneau, Roy & Beaulieu, 2015; Chathoth & Olsen 2003). Additionally, there is no such study that comprehensively examined the link between strategic purchasing and hotel performance. In order to fill this gap, similar to the study of Beske et al. (2013), this thesis focuses on three key strategic purchasing practices: supplier selection, supplier relationship, supplier development activities in relation to hotel performance. Furthermore, in line with the recent emphasis on sustainability strategies and practices in hospitality industry (Aboelmaged, 2018; Odoom, 2012), we also differentiate between general supplier development activities and environmental supplier development activities.

Firstly, supplier selection phenomenon was studied in terms of relative importance of selection criteria and mathematical methods to determine the weights of those criteria (Önder & Kabadayı, 2015; Davras & Karaatlı 2014). Therefore, this study will contribute to the literature by examining the existence and properties of different groups in hotels that use different strategic purchasing approaches. Secondly, supply relationship management was studied in hospitality industry and found to be associated with business performance. This study will test theories related to supply relationship management in a developing country which has a huge tourism income. Thirdly, there is a strong connection between supplier development and business performance in service industry (Sanchez-Rodriguez, 2009; Kim, 2006). This study will contribute to the existing literature by testing the existing theory regarding service industry by including hospitality industry. Moreover, environmental sustainability is gaining substantial popularity during past years (Aboelmaged, 2018; Bohdanowicz, 2006). This study will play a part to the existing literature by investigating environmental supplier

development policies of hotels and its effects on performance. Last but not least, this study will contribute to the literature by testing the hypotheses in different strategic groups of hotels, identified based on their emphasis on various supplier selection criteria.

1.2.2 Managerial Objectives

According to Feinstein and Stefanelli (2002), managers and supervisors in hospitality industry should be aware of the relationship between strategic purchasing and other related activities. Therefore, this study will reveal the current situation of the industry in Turkey regarding those practices and will set a course for hotels to improve their performance.

Firstly, if there are different groups of hotels that use different approaches to purchasing, hotels managers may take advantages of knowing the strengths and weaknesses of the related group. Additionally, this study will help hotels to manage their relationships with suppliers. Moreover, this study will provide guidance for hotels to make a decision to apply (environmental) supplier development activities. As supplier development practices are often considered as costly investments, it would be useful for hotel managers to know whether they can get valuable outcomes from them.

Secondly, this study will provide concrete results in terms of supplier selection process of hotels. Accordingly, suppliers of these organizations may also use the information to increase their performance to meet the requirements of the hotels

Finally, environmental sustainability has become an attractive topic in recent years. In addition to efforts of non-governmental organizations and academia, states increasingly put more importance on creating a sustainable environment while performing business. Therefore, this study will provide

the current condition of the tourism industry regarding adoption of environmental practices in relation to their suppliers.

CHAPTER 2

LITERATURE REVIEW

This section consists of three main parts: supplier selection, supplier relationship management, and supplier development. Firstly, a historical overview of studies examining various supplier selection criteria is provided Secondly, supplier relationship management is discussed by first discussing relevant theories (i.e. transaction cost economics, relational view) and then stating key findings about performance effects of different types of supplier relationships. Finally, both general supplier development practices as well as environmental supplier development practices are examined. In all these sections, concepts are discussed in detail in the context of manufacturing industry, service industry, and more specifically, hospitality industry.

2.1 Supplier Selection

Purchasing has a significant effect on customer satisfaction, market share, quality and profitability and thus selection of suppliers has become the center of interest (Chegraghi, Dadashzadeh & Subramanian, 2004). Supplier selection is a strategic evaluation process that affects firm performance through supplier's performance (Luthra, Govindan, Kannan, Mangla, & Garg, 2017). Hence, firms try to have correct supplier selection approaches enabling them to achieve low cost, consistent high quality, and flexibility (Vonderembse & Tracey, 1999), and maintain competitive in the market and deliver products to customers on time (Kusi-Sarpong, Gupta, & Sarkis, 2019). Effective selection and evaluation of suppliers will result in better firm performance and customer satisfaction (Tracey & Tan, 2001).

Therefore, supplier selection stands for a key concept for companies that want to be successful in the market (Gencer & Gurpinar, 2007).

In this section, we first discuss the key supplier selection criteria, by adopting a chronological view. Then, we summarize the key findings related to supplier selection criteria. Finally, we discuss the link between strategic purchasing and supplier selection criteria.

2.1.1 Evolution of Supplier Selection Criteria

As the evaluation of suppliers has been gaining importance, many studies were made to reveal the priorities of different firms in the literature. For instance, one of the first texts that examined purchasing operations of Howard Lewis (1943) has stated that among the all duties of purchasing staff, the most important single factor is the selection of the proper source. Therefore, selection of suppliers has been investigated by academicians since 1960's (Weber, Current, & Benton, 1991). Dickson (1966) has gathered the list of 23 factors to determine the ranking of supplier selection criteria. Since companies' evaluation of suppliers for different products would be different, there were four different cases for the purchasing officers to rank their factors of evaluation. These cases included four types of products (paint, desk, computer, artwork) aiming to differentiate supplier selection criteria of participants regarding product type. As a result, the basis of the traditional supplier selection criteria was formed with the comprehensive participation of US and Canada purchasing officers. The results showed that the most important factor is the quality of the product while it was followed by delivery, performance history, warranties, capacity and price. Although quality was on the top of the list, they also found that in some industries other supplier selection criteria were emphasized more. For example, for buying a computer quality was the most important aspect

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whereas for buying a desk or for an artwork price and delivery were more important (Dickson, 1966).

After the classification of Dickson (1966), the field of supplier selection has gained interest of academicians and many studies were made to discuss these selection criteria (e.g. Hakansson & Wootz, 1975; Dempsey, 1978; Monczka & Trecha, 1988). In the beginning of 1980's price and delivery were found to be the most important criteria (Evans, 1981); however, as the time passes supplier selection process had shifted away from price (Bevilacqua & Petroni, 2002). Therefore, in contrast to Dickson's first classification, the relative importance of criteria was adressed differently as the time passes and new trends emerge. For example, according to the review of Weber et al. (1991), which has gathered and compared the related literature after Dickson's work, geographical location which was rated as "average importance" by Dickson was adressed as much as production facilities and capability which both was rated as "considerable importance". While some criteria were acquiring popularity in the field, some criteria such as warranties and claim policies was not adressed. Additionally, Weber et al. (1991) argued that categories of supplier selection may be based on perception and be different for each authority. To illustrate "performance history" may be included in "delivery" or "quality" (Weber et al. 1991).

The review of Cheraghi et al. (2004) showed the evolvement of the supplier selection factors of the period after 1990 by comparing the trends with Weber et al. (1991). Accordingly, the delivery saved its place but there was a significant change between price and quality. Firms percieved quality as much more important than price when compared to the past. This was due to link between customer satisfaction and quality (Cheraghi, et al. 2004). In addition to these traditional factors, new criteria have entered to supplier selection such as reliability, flexibility, consistency and long-term

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relationship (Cheraghi, et al. 2004). Table 2.1 illustrates the evolution of supplier selection criteria.

Among the more recent studies, Ustun and Demirtas (2008) used Analytical Network Process to identify the way to select best supplier. Cost, quality, flexibility, and reliability were the criteria to solve complex decision problem. Similarly, traditional supplier selection criteria – cost, quality, delivery – are still being used by many recent studies (e.g. Sarkar & Mohapatra 2006; Florez-Lopez, 2007; Thanaraksakul & Phruksaphanrat, 2009). Therefore, it can be concluded that traditional criteria are still essential.

Furthermore, as it is stated previously, new criteria emerge as the time passes. Accordingly, in todays world, supplier selection criteria have become growingly complex since environmental, social, and customer related factors have been included into pre-defined factors such as quality, delivery, and cost (Taherdoost & Brard, 2019). To illustrate, Huang and Keskar (2007) have used environmental, and safety aspects in addition traditional criteria to evaluate suppliers, since companies have to select their suppliers by evaluating sustainability because of globalization, pressure to adopt sustainability, and high competition (Khan, Kusi-Sarpong, Arhin, & Kusi-Sarpong, 2018).

Although the majority of studies about supplier selection focus on manufacturing industry, the importance of this phenomenon has also been discussed in the context of service industry. Göçen, Albeni, Yirik, Yildiz, & Akdere (2017) have interviewed hotel managers in Antalya and determined that product quality, cost, price and delivery are the most important factors to select suppliers in tourism industry. The other finding of the study is that supplier companies that have been founded earlier have more contracts than

Table 2.1. Evolution of Supplier Selection Criteria

Supplier Selection Criteria	Dickson (1966)	Weber et al. (1991)	Cheraghi et al. (2004)
		Rank	
Quality	1	3 (-2)	1 (+2)
Delivery	2	2 (0)	2 (0)
Performance History	3	10 (-7)	13 (-3)
Warranties and claim policies	4	23 (-19)	Passe
Production facilities and capacity	5	4 (+1)	6 (-2)
Cost	6	1 (+5)	3 (-2)
Technical capability	7	6 (+1)	5 (+1)
Financial Position	8	9 (-1)	7 (+2)
Procedural Compliance	9	16 (-7)	17 (-1)
Communication system	10	18 (-8)	12 (-6)
Reputation and position in industry	11	8 (+3)	29 (-21)
Desire for business	12	21 (-9)	Passe
Management and organization	13	7 (+4)	8 (-1)
Operating controls	14	14 (0)	Passe
Repair service	15	11 (+4)	4 (+7)
Attitude	16	12 (+4)	11 (-1)
Impression	17	20 (-3)	18 (+2)
Packaging ability	18	13 (+5)	Passe
Labor relations record	19	17 (+2)	30 (-13)
Geographical location	20	5 (+15)	14 (-9)
Amount of past business	21	22 (-1)	Passe
Training aids	22	15 (+7)	Passe
Reciprocal arrangements	23	19 (+4)	19 (0)
Reliability	-	-	9
Flexibility	-	-	10
Consistency	-	-	15
Long-Term Relationship	-	-	16
Process Improvement	-	-	20
Product Development	-	-	21
Inventory Costs	-	-	22
JIT	-	-	23
Quality Standards	-	-	24
Integrity	-	-	25
Professionalism	-	-	26
Research	-	-	27
Cultural	-	-	28

those have been founded later in terms of many purchase categories (Göçen et al., 2017). Thus, this finding could be associated with reputation and reliability of the suppliers in the market in addition to the findings related to traditional criteria.

Davras & Karaatlı (2014) used Analytical Hierarchy Process to identify the relative importance of supplier selection criteria to determine the right firm for a hotel. Accordingly, it was found that quality, price, reliability, delivery, and references were respectively important for the organization. Similarly, Önder & Kabadayı (2015) studied supplier selection criteria of hotels and found the priorities related to suppliers in tourism industry. Analytical Network Process (ANP) was used to determine the relative importance of supplier evaluation criteria and criteria such as delivery standards, past experience with suppliers, delivery due dates were found to be at the top for hotel managers. Those factors were followed by cost of goods/services, reputation of a supplier and environmental policies of a supplier (Önder & Kabadayı, 2015). Hence, it is possible to conclude that similar traditional criteria that have been evolved throughout years are also being used by tourism supply chains. Additionally, the importance of environmental orientation of suppliers was revealed in terms of hospitality industry.

As a result, supplier selection criteria for tourism industry were determined as *quality, cost, delivery, flexibility, innovation, proximity, references* and *environmental sustainability* by combining different studies (Krause, Pagell, & Curkovic, 2001; Önder & Kabadayı, 2015; Zeller & Drescher, 2017). Table 2.2 illustrates these supplier selection criteria and related studies.

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2.1.2   Supplier Selection Criteria in Hospitality Industry

Quality refers to ability of a supplier to provide reliable and durable products or services that conform the specifications of the buying firm (Weber et al., 1991). In this era, quality offered to visitors is improving, and the tourism activity is developing to serve to prevent errors that occurred in past (Alvarez-Ferrer, Campa-Plana, & Gonzales-Bustos, 2018). Additionally, Cho, Lee, Ahn, and Hwang (2012) stated that suppliers directly contribute to the production of services and interact with customers. Quality management was identified as one of most key success factor for hotels (Alvarez-Ferrer et al., 2018) Therefore, purchasing and serving high-quality products or services to visitors in tourism industry is a crucial aspect. Many studies regarding hospitality industry included quality as a supplier selection criterion (e.g. Davras & Karaatlı, 2014; Önder & Kabadayı, 2015).

Cost includes all expenditures regarding purchasing of product or services such as unit price, transportation, testing, and return (Krause et al. 2001). Hotels should have a cost structure that can handle its cost to survive (Alvarez-Ferrer et al., 2018). Furthermore, a proper supplier selection would decrease purchasing costs (Taherdoost & Braard, 2019). Consequently, cost has been using as a critical supplier selection criterion for decades in all industries (Weber et al., 1991; Cheraghi et al., 2004).

Delivery involves quickness of a supplier to deliver a normal or a rush order (Krause et al., 2001) and supplier's performance to conform the delivery standards of the buying firm (Önder & Kabadayı, 2015). Besides, Önder and Kabadayi (2015) found that the most important criterion for hotels regarding supplier selection is the ability of a supplier to meet delivery standards. For this reason, delivery is a vital dimension regarding supplier selection in hospitality industry.

Table 2.2. Supplier Selection Criteria in the Literature

	Quality	Cost	Delivery	Innovation	Flexibility	Proximity	References	Environment	Industry
Dickson (1966)	x	x	x			x	x		MAN
Krause et al. (2001)	x	x	x	x	x				MAN
Kannan & Tan (2002)	x	x	x	x	x	x	x		MAN
Sundtoft & Ellegaard (2011)	x	x	x	x					SER
Kuo & Lin (2012)	x	x	x	x	x			x	MAN
Davras & Karaatlı (2014)	x	x	x				x		HOS
Önder & Kabadayı (2015)	x	x	x	x	x	x	x	x	HOS
Taherdoost & Braard (2019)	x	x	x	x	x	x	x	x	MAN

MAN: Manufacturing, SER: Service, HOS: Hospitality

Flexibility means the ability of a supplier to respond changes in order quantity or product type (Krause et al., 2001). This dimension was also discussed under a construct titled "responsiveness" in supplier selection literature (Huang & Keskar, 2007). Flexible suppliers enable buyer firm to react demand changes in market (Schuster, Bassok & Anupindi, 2002). Moreover, flexibility is an inevitable aspect for a successful supply chain since the environment is uncertain (Beamon, 1999). Additionally, in hotel sector, this dimension was found to be the most important supplier selection criterion after quality and delivery (Önder & Kabadayı, 2015).

Innovation is the suppliers' technological capability to design new products or perform changes in existing products (Krause et al., 2001). This topic was studied as "new product development" as well in different studies (Cho, Bonn, Giunepero & Jaggi, 2017; Cheraghi et al., 2004). According to Adhikari (2014), visitors in tourism industry have objective and subjective decision making processes to determine willingness to pay for a product and hence, hotels should use this insight for new product development. Additionally, visitors may pay more than the utility itself to creative designs (Adhikari, 2014). Therefore, innovation or new product development is considered as a critical factor for hotels and for their suppliers.

Proximity refers to the geographical location and global or national coverage of a supplier (Zeller & Drescher, 2017). Dickson (1966) has also included this dimension to first supplier selection criteria of literature as "location of the supplier" and Zeller and Drescher (2017) used it including global or national coverage. In restaurant industry, top companies put higher emphasize on global or national coverage while smaller ones care about geographical location (Zeller & Drescher). Therefore, it is possible to conclude that emphasis on proximity of a supplier depends on hotel's position in market and should vary in terms its strategy.

References include reputation of a supplier in the industry and recommendations about a supplier (Önder & Kabadayi, 2015). It was the eighth most important criteria in study of Weber et al. (1991). Reputation of a supplier is a way to assess trust and an indicator of reliability for outsiders (Bennett & Gabriel, 2001). Hence, before choosing a supplier, organizations use positive recommendations as supplier selection criteria to have reliable suppliers.

Environmentally sustainable supplier selection has been discussed by many authors (Jain & Khan, 2016; Winter & Lasch, 2016). Mohammed, Setchi, Filip, Harris, and Li (2018) noted that sustainable supplier selection has become a key factor to have an effective supply chain. Since the purchasing stage is at the beginning of green supply chain, efforts to achieve sustainability goals will be pointless without having purchasing strategy. As a result purchasing managers should consider the relationship between supplier selection and environmental factors (Min & Galle, 1997). To illustrate, Yu and Huo (2019) stated that companies should choose suppliers with environmental standards such as supplier that have ISO 14001. Therefore, including environmental dimensions in supplier selection criteria has become a mandatory factor in recent years.

2.1.3 Strategic Purchasing and Supplier Selection Criteria

The process of supplier selection enables suppliers and buyers to collaborate to share costs, benefits, experience and to understand each other's strengths and weaknesses (Bhutta & Huq, 2002). Additionally, purchasing develops strategies to buy quality materials and services which are transformed into final products for customers (Stanley & Wisner 2001), and thus purchasing's role on customer satisfaction is important since it creates value by managing relationships with suppliers including evaluation and selection (Lilien & Wong, 1984). As suppliers directly affect the service delivery,

supplier evaluation has a significant role in service supply chains (Baltacioglu, Ada, Kaplan, Yurt, & Kaplan, 2007) and selecting wrong suppliers may spoil activities of whole service supply chain (Cho et al., 2012). Zeller & Drescher (2017) determined that Top 100 restaurant companies put higher significance on supplier evaluation processes and put less importance on criteria aiming short-term success. At this point, emphasis given by hotels on supplier selection phenomenon should be examined in detail. However, limited studies on supplier selection in hospitality industry only focused on the relative importance of certain supplier selection criteria and mathematical models to evaluate those criteria (e.g. Önder & Kabadayı, 2015; Davras & Karaatlı, 2014). In other words, we have limited information regarding how supplier selection is associated with other purchasing practices as well as performance implications.

A strategic approach to purchasing is likely to encompass a new set of criteria for supplier selection (Scott & Westbrook, 1991). Nevertheless, supplier selection criteria and importance of these criteria change according to perceptions of managers (Verma & Pullman, 1998). Additionally, the supplier selection approaches differ from industry to industry and also from company to company (Deng, Hu, Deng, & Mahadevan, 2014).

Purchasing strategy is dependent on company's strategy (Eshtehardian, Ghodousi, & Bejanpour, 2013) different requirements are important for different companies with different organizational and management strategies. Similarly, Chegraghi et al. (2004) stated that as companies turn their strategy into having collaborative suppliers based on long term relationship, the selection of suppliers became a vital decision for managers, and the selection and retention of suppliers is a fundamental and strategic purchasing task that reveals the purchasing function's competitive priorities (Krause et al., 2001). To illustrate, Fu, Chu, Chao, Lee and Liao (2011) found that hotels have different strategies. Among 26 hotels, focus on

competitive goals and market positions were different. Accordingly, hotels may have differentiate their strategy and focus on different competitive priorities such as internalization, innovative management, differentiation (Fu et al., 2011). Therefore, one can expect that hotels should differentiate in terms of their strategies. Similarly, a differentiation in purchasing strategies regarding supplier selection criteria can be expected.

At this point, as it is presented above, supplier selection in hospitality industry has been discussed in different studies with similar criteria. However, there is no such study that examines supplier selection criteria in terms of purchasing strategy of hotels. As it is known that emphasis on supplier selection criteria differ for each organization and these organizations have different strategies, hotels can be divided into different groups regarding their supplier selection criteria with corresponding strategy. Therefore, first hypothesis of the study is as follows.

H1: Hotels can be classified into different groups based on their emphasis on supplier selection criteria.

It is expected that based on their supplier selection strategy, hotels would also differentiate between other strategic purchasing practices adopted. Therefore, this study specifically focuses on two types of such practices: supplier relationship management and supplier development, which are discussed in detail in the following sub-sections.

2.2 Supplier Relationship Management

Supplier relationship management is being evolved for many years. There are two main approaches that have been discussed: arm's length or traditional relationships and cooperative or long term relationships (Hoyt &

Huq, 2000; Landeros & Monczka, 1989). Yoshino and Rangan (1995) defined these relationships as traditional and non-traditional contracts.

This section firstly explains two supplier relationship approaches – arm's length and cooperative relationship – and briefly expresses supplier relationship management regarding three theoretical frameworks: transaction cost economics (Hansen & Schutter, 2009), resource based view (Barney, 1991), and relational view (Dyer & Singh, 1998). Finally, cooperative and long term oriented relationship concept in relation to performance outcomes is discussed by reviewing the literature in terms of manufacturing, service and hospitality industry.

2.2.1 Theories about Supplier Relationship Management

Arm's length relationship aims to achieve competitive supply with short term orientation (Parker & Hartley, 1997). It relies on the selection of the goods or services from multiple suppliers to achieve best price where buyer firm tries to have "win-lose" situation (Lamming and Cox, 1995). It was defined as open market bargaining by Landeros and Monczka (1989), and it was stated that this approach may enable buyers to have uninterrupted flow of materials from various suppliers by using price-oriented approaches such as competitive bidding, "win-lose" negotiations, and cost-reduction analysis (Landeros & Monczka, 1989).

Since being dependent to one supplier or a few suppliers was considered disastrous because it gives chance to the supplier to exploit the buyer firm (Newman, 1988), the short term oriented supplier relationship practice was remained as a priority for buyer firms. Hoyt and Huq (2000) stated that in 1980's transactions between buyers and sellers tended to depend on arm's-length agreements based on market price while after in 1990's trust based collaborative relationships took place. The short-term oriented approach

may provide the opportunity to acquire the lowest cost in the market; however, it has many disadvantages such as lack of trust, "win-lose" outcomes, high number of suppliers, frequent tendering and complex contacts (Lamming & Cox, 1995). Short term oriented arm's length buyer-supplier relationship based on prices can prevent supply management capabilities, create distrust, and force companies to control opportunistic behavior of the partner in a complex structure (Ghoshal & Moran, 1996).

Because of the disadvantages stated above, firms shift their strategy to create cooperative long-term inter-organizational relationships to achieve many advantages such as single sourcing, mutual benefits as "win-win" situation, trust and commitment, sharing of risk and rewards, and coordination (Lamming and Cox, 1995). Cooperative relationship aims to have fewer suppliers with the intention of continuing business and not switching supplier in the short term (Landeros & Monczka, 1989). The aim of this approach is to increase the performance of whole supply chain rather than finding the lowest cost (Landeros & Monczka, 1989). For example, Ford Motor Company reduced its number of direct suppliers 2500 to 900 to have longer contracts with less suppliers (Imrie & Morris, 1992). Similarly, Walmart, Proctor and Gamble, Lucent Technologies, and Sara Lee have cooperative relationship with their suppliers to work together in operations of planning, forecasting, and replenishment (Hoyt & Huq, 2000).

Transaction cost economics (TCE), resource based view (RBV) and relational view (RV) are organizational theories that are used to explain similar dimensions such as success, characteristics of firm, decisions to made in a firm (Hansen & Schutter, 2009). As these three theories may represent strategies of firms regarding supplier relationship and business performance, in this section a brief explanation is provided to examine the concepts of arm's length and cooperative relationships.

Transaction cost economics (TCE) basically means minimization of transaction cost when making a transaction (Hansen & Schutter, 2009). The founder of the theory, Coase (1937), used price orientation in the market to determine the actions to do. This enables the evaluation of an idea to do or not by comparing related cost. To illustrate, for a manufacturing firm producing or outsourcing is a strategic decision that can be evaluated with the help of comparing possible costs (Coase, 1937). Similarly, TCE evaluates the cost of transactions and activities that are handled internally and externally (Dinesen & Saetre, 2018).

TCE can be linked to supply chain management since the fundamental decision outsourcing - make or buy – can be determined by transaction cost approach (Schwabe, 2013). Additionally, TCE identifies the type of relationship that a firm should have in the market by combining economic theory with organizational theory (Garfamy, 2012). For example, firms make decisions by including various factors to determine which activities are critical for the firm and effective on business performance (Garfamy, 2012).

TCE can also be considered and associated with arm's length relationship since both deals with decisions regarding the total costs. TCE may be used to perform changes in the market to achieve cost reduction by monitoring and managing transactions in terms of costs (Chatnoth & Olsen, 2003). Therefore, having arm's length relationship with suppliers may provide firms to achieve cost reduction as it is the ultimate goal of this approach. However, the question is that achieving cost reduction is improving business performance of firms by itself since having lower costs is not the only criteria to determine whether a firm is successful or not.

At this point, resource based view (RBV) and relational view (RV) are also deemed important to discuss. Since the fundamental aspect of this study is

to evaluate business performance of hotels, these theories can be helpful to understand differences in performance of firms. As academicians try to explain why some organizations perform better than others, these two theories emerged (Barney & Arikan, 2017; Dyer & Singh, 1998).

RBV examines the relationship between internal strengths and weaknesses of a firm and performance by excluding external factors (Barney, 1991). The term *resource* represents all capabilities, knowledge, assets, information owned by a firm to have effective and efficient strategy (Barney, 1991). As it is named resource based view, this theory explains the differences in business performance of firms with value creation through internal resources (Hansen & Schutter, 2009).

RBV advocates if resources of a firm are valuable, immobile, and hard to be substituted, that firm can achieve a sustained competitive advantage with respect of its competitors (Hansen & Schutter, 2009); because competitive advantage can be acquired by creating more value than competitors in the market (Peteraf & Barney, 2003). This theory can be used as a substitute of TCE since it asserts that firms have to use own resources to achieve better performance (Hansen & Schutter, 2009). However, RBV was criticized as it is only focuses on the capabilities or resources within a single firm (Dyer & Singh, 1998). As this study deals with external factor, supplier relationship, another theoretical framework should be examined.

Unlike the RBV, unit of analysis of RV is the network of a firm (Dinesen & Saetre, 2018). RV argues that critical resources can be acquired through different firms and better outputs can be obtained with relation-specific investments (Dinesen & Saetre, 2018). Firms can gain abnormal profit via jointly constructed exchange relationship and this positive outcome may not be acquired by those firms separately (Dyer & Singh, 1998). Additionally, firms can cooperatively originate sustained competitive advantage through

relation specific assets, knowledge transfer, complementary resource and capability sharing (Dyer & Singh, 1998).

According to RV, in a specific market, the network of a firm can perform better than the firms that do not want to cooperate (Dyer & Singh, 1998). Additionally, these positive outputs can be generated with joint ventures, strategic alliances, and cooperative relationship (Dinesen & Saetre, 2018). As this theory emphasizes business-to-business relationship, cooperative relationship with suppliers is also associated with this theory. Similarly, cooperative relationships were revealed as a precipitating factor in supply chain management since it increases business performance by enhancing resource, knowledge and information sharing (Yang, Wang, & Wong, 2008).

To sum up, Figure 4 illustrates these theories by combining arm's length and cooperative relationships. When the three theories were considered together, it can be concluded that if a firm want to just have cost reduction strategy, it can direct itself to minimize its cost and have arm's length relationship as TCE suggests. However, as RBV posits, if a firm wants to increase business performance it should create a value through its resources. In the context of supply chain, value could be generated through cooperative relationships with suppliers as RV proposes. Therefore, if a sustainable competitive approach is the strategy of a single firm, cooperative relationships should be created. Accordingly, the next section discusses cooperative relationships and its effects on performance in related literature.

2.2.2 Collaborative Supplier Relationships and Business Performance

When the transition of firms from arm's length to collaborative relationships has taken place, the interest of the literature on this topic has increased simultaneously. As Day (2000) stated, if the members of the supply chain

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tend to work together and create a relationship, they become prone to make interpersonal and inter-organizational investments which result in development of close relationships. Petersen, Handfield, & Ragatz (2005) stated that close buyer-supplier relationship has many advantages such as suppliers can become motivated for new product development, reduction of product costs, improvement in product quality and refined customer service issues. Similarly, Landeros and Monczka (1989) noted that cooperative buyer supplier relationship includes credible commitment between suppliers and buyers because there is an intense effort to improve quality and reduce overall costs. To illustrate, some local suppliers of U.S automotive industry have worked closely to design and manufacture products with buyer firms which led to cost savings that were shared by both the supplier and the buyer firm (Landeros & Monczka, 1989). Accordingly, building close relationships with key suppliers enables firms to eliminate many obstacles that cause delays in obtaining materials and services from suppliers (Carr & Smeltzer, 1999).

Companies try to take advantage of supplier to get aid to achieve a stronger competitive position and this competitive position can be obtained only by developing sustainable competitive advantage through collaborative oriented relationships with supply chain partners (Ganesan, 1994). Furthermore, Stanley and Wisner (2001) has collected data from 118 senior purchasing managers to investigate the effects of buyer-supplier relationship on customer satisfaction since there were many studies that have showed that cooperative buyer-supplier partnerships are effective on quality (Hendrick & Ellram, 1993; Krause, Handfield, & Scannell, 1998). As Gitlow and Wiesner (1998) stated, management of suppliers with mutual organizational factors are considered to be decisive on service capability. As a result of the study, it was found that firms with better relationship quality had better purchasing performance and thus better results in terms of customer satisfaction (Stanley & Wisner, 2001). Accordingly, Choi and

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Transaction Cost
Economics

Resouce Based View

Relational View
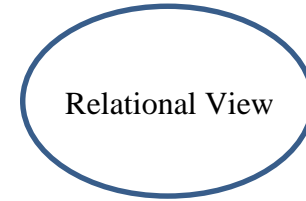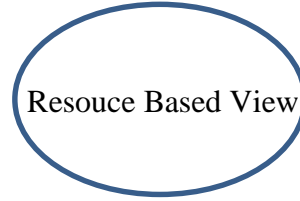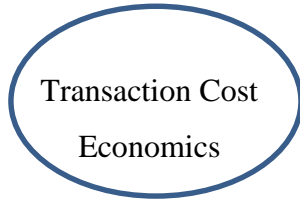
Arm's Length Relationship

Cooperative Relationship

Minimization of costs of transactions

- Ultimate goal is cost reduction
- Non-specific asset investment
- Minimal exchange
- Low transaction costs
- Minimal investment

Creation of value through internal resources and capabilities

Ultimate goal is sustained compatitive advantage by using in-house abilities

Creation of value through colloborative network, other firms

- Ultimate goal is sustained competitive advantage by using inter-firm abilities
- Relation-specific investment
- Substantial exchange, joint learning
- Medium transaction costs
- Combination of joint resources and

Figure 4. Comparison of Theoretical Frameworks (Self-created based on Dyer & Singh, 1998)

Hartley (1996) noted that through long term relationship supplier became a part of the supply chain; hence have a persistent effect on the competitiveness of the entire chain.

Han, Wilson and Dant (1993) stated that establishing long-term relationships with the key suppliers can lead to improvement in firm's financial performance. Afterwards, Carr and Pearson (1999) examined the link between cooperative relationship and financial performance with 739 respondents. The sample does not only contain manufacturing executives (55%) but also managers from non-manufacturing (45%) industries. They found that as the level of cooperative relationship between buyers and key suppliers increase, the buyer firms have higher level of financial performance in terms of return on investment, profit, net income and present value. Hence, firms can achieve a competitive advantage with collaborative relationships with their key supplier because it is able to reduce costs of both parties of the chain (Carr & Pearson, 1999) as Larson (1994) suggested that coordination of activities with key supplier can affect total costs. Therefore, cooperative relationship between members of a supply chain establishes the base of the continued long term development of quality improvement, cost reduction, and service improvement (Landeros & Monczka, 1989).

Watts, Kim and Hahn (1992) noted that short term oriented buyer-supplier relationship is not consistent with long term strategy aiming to achieve organizational benefit and therefore there should be a cooperative relationship between buyers and suppliers. Supply chain partners are more willing to share challenges and rewards and main the relationship over a long period of time through close relationships. There may be situation that stronger side of the chain that controls the major portion and the only reward of the weaker side is doing business. This outcome is not expected in collaborative relationships since the key point of collaborative relationships

is to have mutual advantageous relationship (Cooper & Ellram, 1993). Similarly, Dwyer et al. (1987) emphasized continuity of relationship of buyers-sellers and noted that as long as firms perceive benefit from the relationship they continue in the cooperation.

Cannon and Perrault (1999) analyzed the types of buyer-seller relationships. The aim of the study was to reveal the characteristics of relationships in accordance with the perceptions of the managers. It is important to determine the resulting relationship for different situations between suppliers and buying firms such as dependency, importance of supplied good etc. As a result of the study, a scheme that shows the position of 7 types of relationships was generated. According to this scheme, it was found that cooperation between parties, which was defined as buyer and seller work together for individual and mutual benefits, increases when the importance of the supplied product or service increases. As Landeros and Monczka (1989) stated, price driven tactics, which is discussed as arm's length approaches, provide buyers to have lowest price to obtain cost leadership. However, these approaches are ineffective when the buyer firm does not have cost leadership strategy but product differentiation strategy. When this is the case, buyer firms may not achieve the required characteristics of strategic products or services with lowest cost approach. Long-term oriented cooperative relationship reduces quality variability (Landeros & Monczka, 1989). Accommodation service offered by a hotel can be easily substituted; therefore hotels may have differentiation strategy to cope with this situation (Odoom, 2012). In addition, suppliers of hotels directly contribute to service delivery and they even contact with customers (Önder & Kabadayı, 2015). In light of this information, hotels are expected to have close relationships with their suppliers.

Development and maintenance of cooperative relationship is more likely to be established when firms retire from traditional cost based orientation

(Baker, 1990). In order to minimize costs and attain mutual benefits companies form long term relationship at a strategic level (Johnston & Lawrence, 1988). Parker and Hartley (1997) placed orientation of cooperative relationship as the step before vertical integration of supply chain. Madhok and Tallman (1998) stated that long term partners are more like to focus knowledge development and increase investment in mutual assets.

Even if there are many studies that advocates the advantages of cooperative relationships, there are limited number of works in the literature that oppose to this concept. Burt (1992) argued that redundant relationships create structural holes in the network which leads to difficulty in attaining useful information. Accordingly, Heide and Miner (1992) stated that there are examples where excessive cooperative relationship between supply chain partners led to collusion in Japan. Having tight or close relationships with suppliers may not be always beneficial and create rigidity for the members of the chain and this rigidity may prevent the development of creative and independent operations (Anderson & Jap, 2005). Das, Narasimhan, and Talluri (2006) found that companies that have better performance results invest in relationship less than the non-high performing companies. Furthermore, ideal companies in terms of supplier relationship were found to have worse performance (Das et al., 2006). Mariotti (1999) found that over 50% of the U.S firms still employed arm's length method. In addition to these findings, Appleby and Twigg (1998) discovered that arm's length approach was being used and many suppliers did not want to invest in customer specific technologies because it generates more costs for the suppliers. Even if there are still firms that prefers arm's length relationship with their supplier to minimize the costs; there is a consensus in the literature that companies should establish long term inter-organizational relationships (Cooper & Ellram, 1993; Landeros & Monczka, 1989). Therefore, there are still opposing views against creating long-term

relationships with suppliers. Hence, it is important to examine and reveal whether there are positive outputs gained by having long term oriented relationships with suppliers. Accordingly, the next section discusses studies related to orientation of collaborative relationships in service and hospitality industry.

2.2.3 Supplier Relationship Management in Service and Hospitality Industry

Although the majority of the supplier relationship management literature focuses on manufacturing industry, there have also been a few studies that examine service industries. Being one of these studies, Véronneau et al. (2015) examined supply chain management practices in cruise ship industry which is considered as a typical supply chain. The data was collected with semi-structured interviews from managers and directors to reveal the current situation of this industry regarding the relationships with suppliers. Ships cannot sail away without having right product with right quality at the right time (Véronneau et al., 2015). Therefore, cruise ship industry has many similar aspects with hotels as both industries are addressed as hospitality industry. The findings of the study showed that cruise companies close supplier relations are strength of this business since purchasing manager require a constant level quality in a flexible manner. Some of the managers participated in the study noted that collaborative approaches enable them to detect and solve problems with suppliers to acquire better service quality. In addition, the change in quantity or the type of supplied product is vital and requires flexible suppliers to meet these demands. It was revealed that close relationships with supplier provide flexibility in meeting those volatile demands since supplier tend to solve their close partners' problem with a fast pace (Véronneau et al., 2015). One of the participants also stated that they were improving every aspect of relationship every day by learning from past suppliers (Véronneau et al., 2015)

Establishment of cooperative relationship regarding the hospitality industry was also discussed by Chatnoth and Olsen (2003). Developing partnerships in hospitality industry is a key point and both side of those alliances come together to share knowledge to enhance their competitive positions (Chatnoth & Olsen, 2003). Collaborative relationships in hospitality industry could be with other hotels, restaurants or suppliers (Chatnoth & Olsen, 2003). For instance, Marriott and their furniture designer and manufacturer have started collaborative approach to design unique products. As a result, this cooperative strategy helped Marriott to increase customer satisfaction and better competitive position with respect to its rivals (Chatnoth & Olsen, 2003).

Fantazy et al. (2010) conducted a study on strategic purchasing and supply chain management practices in Canadian hospitality industry. The aim was to fill the gap of these disciplines in the service industry. As Stanley and Wilsner (2001) proved that relationship with suppliers affect customer satisfaction, one hypothesis of Fantazy et al. (2010) is that the relationship with suppliers also affects customer satisfaction in the context of hotels. Accordingly, 105 usable questionnaires were collected from hospitality organizations including hotels, motels, bed and breakfasts, and other kinds of traveler accommodations. As a result of the study, they proved that the level of relationship with suppliers positively affects service quality and hence customer satisfaction performance. In addition, it was also found that there is a correlation between service quality and financial performance. Therefore, it is possible to conclude that supplier relationship management positively affects financial and non-financial performance of hotels (Fantazy et al., 2010). Furthermore, it was noted that many hotels in Canada had arm's length relationship with their suppliers based on price and these organizations learned lessons from other industries to invest in relations with their suppliers (Fantazy et al., 2010). The reasons behind this transition are that close relationship with suppliers can provide several benefits

including supplier flexibility in quantity and quality, and ability of suppliers to identify and solve problems of hotels (Fantazy et al., 2010). To sum up, literature on relationship approaches still have some opposing arguments in it. Even if there is a common view that having long term oriented cooperative relationship with suppliers should have positive outputs in manufacturing literature, there is only limited number of studies in hospitality industry in this context. Therefore, hospitality industry should be investigated in terms having cooperative relationships with suppliers. As reviewed articles asserted that having collaborative with suppliers (see Table 2.3) is crucial to achieve success, it is expected that hotels in Turkey should have close relations with their suppliers to have better financial and non-financial performance. Considering the arguments in the previous section about the positive impact of collaborative relationships on performance discussed in other studies in manufacturing sector, as well as the more specific findings related to hospitality sector, we hypothesize that:

H2: Hotels that have collaborative relationship with their suppliers have better financial performance.

H3: Hotels that have collaborative relationship with their suppliers have better market performance.

2.3 Supplier Development

Efforts of firms to concentrate on core competencies, downsize and outsource of mostly result in increased dependence on suppliers for products and services (Krause et al., 1998). This dependence on suppliers directs buyer firms to effectively manage and develop their supply chain. Krause et al. (1998) defined supplier development as effort by buying firm to increase its supplier's performance in order to meet buying firm's objectives. Supplier development practices include supplier monitoring, assistance and

training, provision of incentives for continuous improvement, and supplier organizational integration (De Toni & Nassimbeni, 2000).

Representatives of buying firms emphasized the need for improvement of suppliers in areas of quality, delivery, cost reduction, new technology adoption, financial health and product design (Krause et al., 1998). Carr and Pearson (1999) stated that the buyer firm may extensively manage their suppliers to reduce costs and acquire more cooperative relationship. This extensive management strategy enables companies to perform activities such as exchange of personnel, training and education. These activities may provide many advantages including lower costs, better communication, coordination and quality (Carr & Pearson, 1999). Monczka and Morgan (1993) also indicated that developing suppliers gives power to buyer firms to gain positive outcomes such as motivating suppliers to cooperate.

Existing literature suggests that one advantage of performing supplier development activities is helping suppliers to increase their performance in terms of quality, delivery, cost etc. (Humphreys, Li, & Chan, 2004). Nagati and Rebolledo (2013) noted that supplier development positively contributes to suppliers' performance improvement. Supplier development activities are related to improved product quality, reduced cost, shorter lead times, and higher supplier flexibility (Nagati & Rebolledo, 2013). In addition to these contributions, it was found that suppliers' participation to these development activities were also effective on performance outcomes (Nagati & Rebolledo, 2013). Humphreys et al. (2004) tested effects of supplier development activities on suppliers' performance. As a result, it was found that direct supplier development increases suppliers' performance (Humphreys et al., 2004).

Table 2.3. Studies Related to Collaborative Relationship with Suppliers

Article	Argument Related to Collaborative Relationship with Suppliers
Landeros & Monzcka (1989)	Increases cost savings and joint product development, differentiation
Campbell (1997)	Increases non-financial performance of buyers
Duffy & Fearne (2004)	Increases performance and cost savings
Petersen et al. (2005)	Increases cost savings and joint product development, differentiation
Fantazy et al. (2010)	Positively affects financial & non-financial performance of hotels
Véronneau et al. (2015)	Increases supplier flexibility, joint problem solving
Kähkönen et al. (2017)	Positively affects firm performance and innovativeness

Richardson (1993) stated that Japanese auto firms work closely with their suppliers to develop supplier technology and management skills. Similarly, Clark (1989) found that Japanese auto companies develop their suppliers through investments, sharing of knowledge and joint problem solving. These activities encourage suppliers to meet the needs of the buying firms and thus create value for the buying firms. Tracey and Tan (2001) found that involving suppliers in developing new products and continuous improvement programs has significant effect on service delivery and financial performance of the buying firms. Moreover, Nevins and Whitney (1989) showed that involvement of suppliers of suppliers in the production phase results in shortened design cycle, faster introduction and additional sales revenue. Increasing suppliers' performance is a way to have a competitive advantage in the market (Hahn & Watts, 1990). Similarly, as Tan, Kannan and Hanfield (1998) empirically proved that suppliers' performance in a supply chain management strategy increases firm performance in the market. Therefore, supplier development activities not only increase suppliers' performance but also enhance buyers' position in the market.

As Hahn & Watts (1990) stated, crucial objective of supplier development is to link purchasing strategy with competitive strategy of buying firms. Therefore, buyer firms are expected to have competitive advantage over other firms in the market. Accordingly, Krause, Scannell and Calantone (2000) found that supplier development activities, which were called supplier involvement in the study, have significant effect on performance improvement. This supplier involvement category included training of supplier personnel and site visits by buyer firms to supplier to achieve performance improvement (Krause, et al., 2000). In addition, supplier assessment tools were found to allow buyer firms to evaluate performance of a supplier, compare it with other suppliers and provide direction to suppliers to achieve performance objectives (Krause, et al., 2000).

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Similarly, De Toni and Nassimbeni (2000) discovered that there is a significant connection between supplier development and operational activities of companies. For instance, use of formalized tools for supplier monitoring has effect on quality while supplier assistance initiatives and supplier integration is correlated with logistics (De Toni & Nassimbeni, 2000).

Sanchez-Rodriguez, Hemsworth and Martínez-Lorente (2005) found that three different levels of supplier development activities (basic, moderate, advanced) significantly affect purchasing performance of buying firms. All three types of initiation of supplier development (basic, moderate, advanced) have significantly positive effect on performance of buyer firms. Similarly, another study of Sanchez-Rodriguez (2009) argued that purchasing performance is directly related with strategic purchasing while supplier development has moderating effect on this correlation.

In sum, majority of the literature supports the view that supplier development practices have a positive effect on performance. Before formulating our hypothesis, in the next sub-section we also examine supplier development in service sector, specifically.

2.3.1 Supplier Development in Service Industry

After the study of Krause et al. (2000), which was conducted with manufacturing firms, similar research was made by Krause and Scannell (2002) to explore supplier development activities of firms in both manufacturing and service industries. Consequently, 312 responses were collected from manufacturing firms and 200 responses were collected from service-based firms. As a result of the study, it was found both types of firms have similar orientation towards supplier development. In order to attain competitive advantage and performance improvement, firms in

service industry use supplier development activities such as training supplier's personnel, using supplier assessment tools and or investing in supplier's operation. However, it was also found that firms in the service industry use supplier development activities less than firms in manufacturing industry (Krause & Scannell, 2002). Therefore, it can be stated that firms in service industry may use supplier development activities to achieve higher outcomes as of the firms in manufacturing industry.

The fact that hospitality firms' ability to provide defect-free products to their customers depends on the suppliers make those firms to rely heavily on their suppliers (Kim, 2006). Capabilities of suppliers have critical role in product and service quality, cost and delivery (Kim, 2006). Therefore, suppliers that have low quality or do not meet requirements of buying firms encouraged firms in service industry to search for alternative solutions as firms in manufacturing industry (Kim, 2006). As a result, service supply chains also use supplier development activities (Kim, 2006).

Table 2.4. Studies Related to Supplier Development

Article	Argument Related to Supplier Development
Krause & Scannell (2002)	SD is used by manufacturing firms more than service firms
Humphreys et al. (2004)	SD increases performance of buyers and suppliers
Sanchez-Rodriguez et al. (2005)	Different levels of SD increases performance
Kim (2006)	SD increases performance of restaurants
Modi & Mabert (2007)	SD increases suppliers' performance
Sanchez-Rodriguez (2009)	SD activities increases purchasing performance
Lawson et al (2015)	SD activities increases suppliers' performance

In addition to concrete findings that proved the link between supplier development activities and firm performance in the context of manufacturing supply chains, Kim (2006) conducted research to reveal whether this information is also valid for a service supply chain. Accordingly, the aim of the study was to determine the effects of supplier development activities on performance of restaurants in the US. Results of the study showed that effective communication between buyer and supplier firms positively affects delivery performance, product and service quality. Moreover, buyer firms' involvement was found to have significant effect on delivery performance, product and service quality as well (Kim, 2006). In addition to these performance parameters, suppliers with performance improvements were found to be effective in financial performance of the buying restaurants. To conclude, Kim (2006) suggests creating close relationships with supplier and putting significant efforts into developing competent supply networks. As it can be seen from Table 2.4, positive effects of supplier development activities on business performance are widely accepted. However, there is limited number of studies regarding service industry in terms of supplier development and there is no such study that examined effects of this phenomenon in terms of tourism industry. Therefore, it is important to determine the effects of supplier development practices on performance of the companies in tourism industry. Since both restaurants and hotels are included in hospitality industry and have many similar aspects in terms of business dynamics, hotel managers should also care about supplier development activities to improve their financial and non-financial performance.

H4: Hotels that use supplier development activities have better financial performance than hotels that do not use those activities.

H5: Hotels that use supplier development activities have better market performance than hotels that do not use those activities.

2.3.2 Environmental Supplier Development

In order to investigate impact on the environment, Brundtland Comission under United Nations released a report in 1987. Accordingly, human behavior creates huge negative impacts on earth and this situation is not sustainable (Brundtland Comission, 1987). This explanation was accepted by many authorities and 192 countries (Elliot, 2011). As a result, the term of sustainability or environmental sustainability was emerged and many changes were made in terms of social, political and economic practices to achieve environmental sustainability (Elliot, 2011). Therefore, sustainability has become an emerging subject of research and many scholars have studied this concept in recent years (Bai, Kusi-Sarpong & Sarkis, 2017). The aim of sustainable supply chain management, which includes integrating environmental, social and economic goals to the supply chain, is to attain sustainable outcomes from the supply chain (Koberg & Longoni, 2018).

Environmental sustainability was introduced by World Bank (World Bank, 1992). It includes strategies to improve human welfare by protecting resources and minimizing waste that is harmful to humans (Goodland, 1995).

Danso, Adomako, Lartey, Amankwah-Amoah and Owusu-Yirenkyi (2019) argued that firms that want to improve their financial performance should engage in environmentally sustainable orientation and stated that environmental and financial performances of firms are positively correlated. Additionally, Rao and Holt (2005) concluded that there is a strong relationship between environmental management and firm performance. Green, Zelbst, Meacham, and Bhadauria (2012) discovered that environmentally sustainable supply chain management practices decrease cost, reduce waste and, hence affect performance of the company.

Accordingly, Yang, Wee, Chung, and Ho (2010) stated environmental strategies and practices provide competitive advantage over rivals in terms of cost, delivery and service quality. Environmental management is a strategic factor to achieve success in performance (Zhu & Sarkis, 2006). Yu and Huo (2019) noted that supplier green management is an effective tool for reducing wastes, preventing pollution, and thus promoting sales, increasing market share and consequently, having better financial performance.

2.3.2.1 Environmental Sustainable Development in Tourism Industry

Environmental sustainability also has become an important aspect for hotels since they consume vast amount of resources (Aboelmaged, 2018). Tourism industry has been blamed because of its activities that use significant amount of water resources and materials that is harmful to the nature such as plastics, non-recyclable containers, cleaning agents etc. (Rodriguez-Anton, Alonso-Almeida, Celemin & Rubio, 2011). In addition to the consumption of these resources including water, food, energy and unfriendly materials (Bohdanowicz, 2006), hotels try to handle environmental pressures from internal and external stakeholders (Aboelmaged, 2018). Similarly, it was stated that hotels adopt environmental management policies mainly for internal reasons and has lower external pressures when compared to other sectors (Alvarez-Gil, Burgos-Jimenez & Cespedes-Lorente, 2001).

In addition to sustainable supplier selection, which was discussed in the first section, the other way of achieving sustainable suppliers is to develop performance of current suppliers. Environmental supplier development was defined as "all activities that buyer firm helps its suppliers to reduce their negative environmental impact" (Ehrgott, Reimann, Kaufmann & Carter, 2013, p.131). Environmental supplier development practices include assessment and monitoring of the environmental performance of the

suppliers, collaboration of buyer and supplier to achieve improvements together (Wee, & Quazi, 2005), resource transfer, knowledge transfer (Bai, & Sarkis, 2010).

Rusinko (2007) noted that many firms adopt green practices due to environmental regulations and pressures from different stakeholders. Since customers, governments and regulatory bodies have become informed about environmental concerns sustainable supply chains has gained more importance. Moreover, Rivera (2002) showed that hotels that have environmental management systems are able to charge higher prices than hotels that do not have these systems. Additionally, Sancha, Longoni and Gimenez (2014) defined three types of pressures that drive companies to adopt environmental supplier development strategies. Mimetic pressures, which include imitating successful competitors in the same industry, were found to be significantly effective on adoption of sustainable supplier development programs. In other words, customers may prefer firms that have environmental friendly companies and competitors of these firms initiate similar strategies to achieve same success (Sancha et al., 2014). To illustrate, hotel customers in US showed positive intentions (e.g. revisiting, recommending to others, willingness to pay a premium) to environmentally sustainable hotels (Lee, Hsu, Han, & Kim, 2010). Severe competition among hotel supply chains drives hotel managers to take advantage of reducing, reusing, and recycling activities to adopt sustainable competitive strategy (Anton, Deltas & Khanna, 2004) Consequently, hotel managers seek innovative approaches to minimize the negative environmental impact of their operations (Aboelmaged, 2018).

In terms of the tourism industry, environmental orientation has an important effect on long-term goals and profitability (Stegerea, Petre, & Chis, 2014). Similarly, Fraj, Matute, and Melero (2015) stated that competitive advantage is achieved by adopting green practices. In addition, Aboelmaged

(2018) proved that hotel managers should allocate required resources to shift firm strategy towards environmental integration. In this way, it will be possible for hotels managers to achieve better financial and market performance through environmental practices. Consequently, more firms in hospitality industry adopt environmental practices. For example, Marriott International has a sustainable purchasing guide which considers social responsibility and environmental factors (Odoom, 2012). Green Restaurant Association pointed out the importance of ISO 14001 to promote restaurants to adopt green practices (Wang, Chen, Lee, & Tsai, 2013). Similarly, some hotels require ISO 14001 or a similar certificate from its suppliers (Jabbour & Jabbour, 2009) as Ford Motor Company has been doing since 2003 (Ageron, Gunasekaran, & Spalanzani, 2012).

As Fu, Zhu and Sarkis (2012) stated there are two options to make a sustainable supply chain: selection of existing sustainable suppliers and helping current suppliers to improve performance by requiring these suppliers to acquire certain certificates and sustainable practices. Similarly, Ağan, Kuzey, and Acar (2014) stated that there are three major processes to measure environmental performance of suppliers: supplier selection based on environmental criteria, monitoring environmental activities of suppliers and environmental supplier development.

Yu and Huo (2019) stated that green supply will provide green outputs which may increase customer satisfaction, increase sales, and improve profit. Eventually, companies should internally encourage green practices and work on environmental collaboration with suppliers (Yu, & Huo, 2019). However, as Xu and Gürsoy (2015) stated, most of the previous studies focused on hotels and restaurants in the context of hospitality industry. As, sustainability can not be achieved with the efforts of just hotels and restaurant and it requires long-term collaboration of whole hospitality

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supply chain which includes suppliers, retailers, and customers (Xu, & Gürsoy, 2015).

Menezes and da Cunha (2016) noted that hotels can use new products (e.g. treatment plants, solar panels, garbage separation, recycling) to save resources such as water, energy, waste. Font, Trapper, Schwartz and Kornilaki (2008) stated that sustainability in tourism industry depends on development of better supply and demand network. In order to achieve this goal, hotels collaborate with their suppliers (Ku, Wu & Lin, 2011) and expect their suppliers to adapt their environmental requirements and provide environmentally friendly products (Rodriguez-Anton et al. 2013). Contrary to these studies, Montabon, Sroufe & Narasimhan (2007) noted that firms are reluctant to adopt aggressive approaches in terms of environmental management since these firms do not see evidence that the benefits are greater than the costs.

To sum up, sustainability is an enormously popular concept in recent years and many firms taking actions to have sustainable supply chain. Therefore, it is important to determine whether hotels in Turkey use environmental supplier development approaches and whether these approaches improve financial and non-financial performance of hotels. Consequently, hotels that use environmental sustainable supplier development approaches are expected to have better performance.

H6: Hotels that use environmental supplier development have better financial performance.

H7: Hotels that use environmental supplier development have better market performance.

2.4 Proposed Conceptual Model

After reviewing related literature, concepts of *collaborative relationship, supplier development, and environmental supplier development* were found as the predictors of business performance. Therefore, hotels in Turkey are considered to have better financial and market performance through implementing strategies regarding *collaborative relationship, supplier development, and environmental supplier development*. Additionally, as firms may have different emphasis on supplier selection criteria, this might also affect also affect the collaborative relationships and supplier development practices they adopt, as well as the effectiveness of these practices on business performance. Therefore, we first hypothesize that hotels can be categorized based on their supplier selection criteria. Additionally, we propose that collaborative relationships with suppliers, supplier development, and environmental supplier development practices have a positive effect on performance, yet we also take into account that these effects might vary based on hotel strategy defined in terms of supplier selection criteria (Hypothesis 8; this approach is explained more in Method section). In sum, we formulate the hypotheses below. Figure 5 illustrates the conceptual model.

H1: Hotels can be classified into different groups based on their emphasis on supplier selection criteria.

H2: Hotels that have collaborative relationship with their suppliers have better financial performance.

H3: Hotels that have collaborative relationship with their suppliers have better market performance.

H4: Hotels that use supplier development activities have better financial performance

H5: Hotels that use supplier development activities have better market performance

H6: Hotels that use environmental supplier development activities have better financial performance.

H7: Hotels that use environmental supplier development activities have better market performance.

H8: Supplier selection strategy moderates the effect of collaborative relationships with suppliers, supplier development activities, and environmental supplier development practices on financial and market performance.
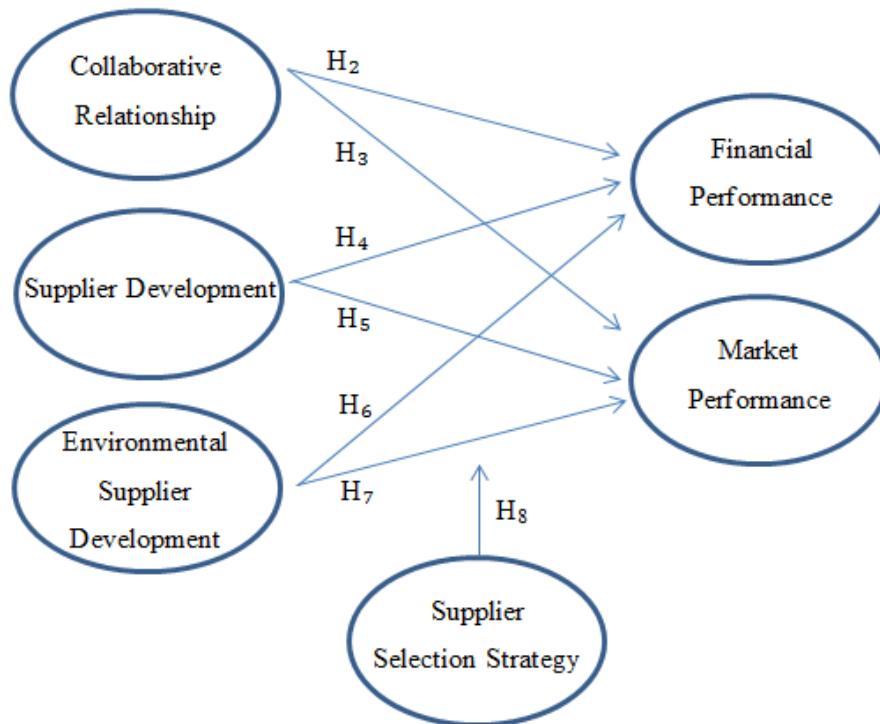
Figure 5. Proposed Conceptual Model

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Approach

This study adopts the theory testing approach. Theory testing includes specifying theory to be tested, forming a set of conceptual propositions, and restating these propositions as testable hypothesis (Devaus, 1991). Colquitt and Zapataphelan (2007) stated that theories should be evaluated with observations by empirical studies and theory testing is important since most introduced theories remain unsupported. Theory testing is the suitable method because this study aims to determine existing theories related to strategic purchasing practices and their performance implications in the context of tourism industry.

Correlational/associative studies aim to derive interpretations about the extent of certain concepts related to each other and to measure the strength of the association between variables (Burns & Burns, 2008). As this research aims to measure the relationships between strategic purchasing practices and performance, it is a correlational study.

To empirically test the hypotheses, cross-sectional survey approach was employed. Cross-sectional design refers to the collection of data on more than one case to obtain data associated with two or more variables, at a single point in time (Bryman & Bell, 2007). Usually, questionnaires are used to collect data in a cross-sectional design. Questionnaires have many advantages such as being less expensive, creating identical questions for each respondent, minimizing subjectivity errors compared to interviews, and

freedom of respondents regarding time and pace (Bryman & Bell, 2007). Considering these advantages, in this thesis a detailed questionnaire was designed and data were collected from a sample of hotels in Turkey.

3.2 Research Design

3.2.1   Unit of Analysis

This study focuses on the strategy of hotels in Turkey regarding supplier selection, supplier relationship and supplier development activities as well as the performance of the hotels. Therefore, the unit of analysis in this research is hotels. Data is collected from purchasing managers or purchasing staff of related hotels, who are knowledgeable about their organization's policies. However, in some cases, purchasing department may be merged with other departments or may not exist. Therefore, employees from other departments (e.g. accounting department) or senior employees (e.g. general manager) were included in which purchasing department does not exist or is unavailable to respond. Additionally, in both cases, participants were asked whether they have sufficient knowledge related to procurement policies to ensure reliability of data.

3.2.2   Sampling Design

The concepts that are discussed in this research were generally studied in manufacturing industry (Tracey & Tan, 2001; Chen et al. 2004). Even if there are studies regarding hospitality industry, these studies were conducted mainly in developed countries such as Canada and USA (Fantazy et al., 2010; Kim, 2006). Considering that hospitality industry has a major contribution to Turkish national economy (Ministry of Culture and Tourism, 2019) and there is limited research about strategic purchasing in this context, hotels in Turkey were selected as the population of the research.

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In this thesis, research sample was obtained via two sources. Firstly, we jointly worked with Hotel Purchasing Managers Education Association (OSMED). Executives of this association sent online questionnaire to its members and 38 responses were collected. Additionally, a member of this association administered printed questionnaires during a meeting of the organization. As a result, 11 completed questionnaires were collected as hardcopy. With the help of OSMED a total of 49 responses were gathered. As the majority of the OSMED sample was from Antalya region, as a second approach we also identified a sample that includes hotels from Istanbul, Izmir, and Ankara taking into account the percentages of those in population. Since there are over 600 hotels in Istanbul, 50 hotels were randomly selected and online questionnaires were sent to participants via direct mail or LinkedIn. As a result, 10 participants responded. Additionally, we used convenience sampling for Izmir and Ankara. For Izmir, 19 of 40 hotel executives had been contacted via LinkedIn and 4 of them completed the survey. Moreover, the researcher visited 20 of 42 hotels in Ankara and administered 8 printed questionnaires. With this approach, we were able to obtain an additional 22 responses. The final sample consists of 89 hotels. Table 3.1 illustrates the main descriptive statistics of the sample.

Table 3.1. Descriptives of Sample

	Contacted	Responded	Stars		Response Rate
			4-Star	5-Star	
Istanbul	50	10	22	28	20%
Ankara	20	8	2	18	40%
Izmir	19	4	9	10	21%
Total	89	22			24%

	Collected	4-Star	5-Star
Second Approach	22	9	13
OSMED	49	9	40
Total	71	18	53

As it can be seen from Table 3.1 response rate was calculated without including responses collected from OSMED. Because it is confidential information, we could not access the mail list or number of online questionnaires sent to members of OSMED.

Non-response bias can be checked by comparing characteristics of respondents who completed survey and non-respondents who failed to complete survey (Whitehead, Groothuis, & Blomquist, 1993). To check non-response bias, 22 hotels that did not complete the survey were randomly chosen. Those hotels were compared with our sample in terms of Tripadvisor scores, number of rooms and hotel stars. Table 3.2 shows comparison in terms of variables and there is no significant difference between those two groups, leading us to conclude that non-response bias is not a concern in this study.

Table 3.2. Non-response Bias Test

Variable	Response Type	N	Mean	Std. Dev	Significance
Stars	Respondents	22	4.591	0.503	
	Non-respondents	22	4.636	0.492	0.764
	Total	44	4.614	0.493	
Trip Advisor Scores	Respondents	22	4.273	0.336	
	Non-respondents	22	4.136	0.414	0.236
	Total	44	4.205	0.379	
Number of Rooms	Respondents	22	190.23	101.953	
	Non-respondents	22	173.14	96.210	0.570
	Total	44	181.68	98.345	

3.3 Measurement

First of all, questions were prepared based on extensive literature search. The questionnaire consists of two parts (see Appendix A). The first part has

questions aiming to determine general information about hotels and the executive who completes the questionnaire. The second part consists of several questions with five-point Likert scale, with answer options ranging from "1-Strongly disagree" to "5-Strongly agree". Accordingly, policies of hotels in terms of *Supplier Selection (SS), Supplier Relationship (SR), Supplier Development (SD), Environmental Supplier Development (ESD), Market Performance (MP)* and *Financial Performance (FP)* were measured with these Likert-type questions. Measurement items of each construct are briefly discussed in following chapters and presented in Table 3.4.

Additionally, survey was prepared in two versions: online and printed. Both have an introductory part that clearly describes the aim of the study, privacy of information and contact details. Additionally, online version had an e-mail template which also includes an extra informative description before the link of the survey.

3.3.1 Supplier Selection

Supplier selection is one of the major procurement activities enabling firms to have a high purchasing performance (Weber et al., 1991). Supplier selection is complicated because firms need to consider various criteria (Weber et al., 1991) which might also change with respect to industry (Dickson, 1966). In order to identify key supplier selection criteria, studies regarding hospitality industry were reviewed (e.g. Önder & Kabadayı, 2015; Göçen et al. 2017, Zeller & Drescher, 2017), and the related supplier selection criteria were determined as *quality, cost, delivery, flexibility, innovation, proximity, references*, and *environmental sustainability*. Studies of Zeller and Drescher (2017) and Önder and Kabadayı (2015) were used for the dimensions of *cost, delivery, proximity, references* and *sustainability*. Additionally, items of Krause et al. (2001) were used to create dimensions

of *quality, flexibility, and innovation* and also to increase the number of items for the *cost* dimension as well.

3.3.2   Collaborative Relationship with Suppliers

This part of the questionnaire aims to measure hotels' policy on having collaborative or in other words cooperative relationship with their suppliers. There are several studies measuring relationship with suppliers in the hospitality industry. However, these studies focus on other dimensions related to supplier relationship management such as relationship quality, trust and dependence (Shi & Liao, 2013), creating alliances (Chathoth & Olsen, 2003), or the taxonomy of supplier characteristics (Véronneau et al. 2015). In this study, we specifically focus on relationship duration. Fantazy et al. (2010) measure the effects of long-term relationship on service quality and financial performance of Canadian hotels. Therefore, items of Fantazy et al. (2010) were chosen to evaluate long-term orientation of hotels on managing their relationships with their suppliers.

3.3.3   Supplier Development

Supplier development means efforts of the buying firm to increase performance of their supplier to meet the goals of the buying firm (Krause et al., 1998). Studies aiming to evaluate supplier development activities of buying firms have used items related to monitoring, assessment of suppliers' activity and also guidelines related to performance improvement and training of suppliers (Krause & Scannel, 2002; Krause et al. 2000). Additionally, Kim (2006) used similar items to evaluate supplier development activities and its effects on performance of buyer firms in the context of hospitality industry. Consequently, items of Kim (2006) were used in order to measure supplier development activities of hotels.

3.3.4 Environmental Supplier Development

Similar to supplier development, environmental supplier development aims to improve performance of suppliers regarding environmental issues (Ehrgott et al., 2013). The concept of environmental supplier development was discussed similar to supplier development as monitoring, assessing, helping and training suppliers to achieve better environmental performance (Ağan et al., 2016; Liu, Zhang, Hendry, Bu, & Wangh, 2018; Vachon & Klassen, 2008). Eventually, items related to environmental supplier development were used from the study of Ağan et al. (2016) where effects of environmental supplier development policies on financial and non-financial performance of related firms were examined.

3.3.5 Financial and Market Performance

In this study, we adopt subjective measures to assess hotel performance. Use of subjective measure to evaluate hotel performance is commonly adopted in the literature since they are strongly represented by growth, income or return on investment (Tallon, Kraemer, & Gurbaxani, 2000). Additionally, Sin, Tse and Yim (2005) stated that objective and subjective measures are highly correlated.

Benavides-Velasco, Quintana-García, & Marchante-Lara (2014) defined hotel performance as the level of achievement of the goals of the firm. In order to determine the financial performance of a specific firm, various parameters are used in the literature (see Table 3.4) Most of the studies include *ROI* or *ROA*, *Market Share, Growth of Sales or Revenue, Average Costs, Profitability* and *Net Income* or *Profit* to measure financial performance of related firms. For the present study, items related to *Market Share, Profitability, Net Profit* were selected and G*rowth of Sales or Revenue* was merged as *Annual Growth.* Since the target respondents were

purchasing specialist of hotels, we thought that financial terms such as *ROI* or *ROA* might be confusing and could create a bias. Therefore *ROI* and *ROA* were not included in the questionnaire.

Similar to financial performance, studies use common measures to identify market performance of a specific firm. *Customer satisfaction, Customer loyalty, Product or Service Quality* and *Competitiveness* were frequently used dimensions (Kim, 2006; Fantazy et al., (2010); Berezan et al., (2013). Consequently, all of those parameters were included in the study. However, after the pre-test phase, *Competitiveness* was removed since participants may tend to give higher scores than their actual thoughts. Additionally, a self-constructed item related to *Sustainability Performance* was included to measure market performance.

3.4 Pre-testing

Before starting data collection stage, the survey was pre-tested for content validity in two phases. Since most of the items were translated into Turkish from related articles, these items have to be tested in terms of understandability. Firstly, an academician was asked to evaluate the questionnaire in terms of suitability, clarity and ambiguity of items used for each construct. Secondly, Purchasing Manager of a 5-star hotel in Ankara was interviewed to critique the items in the survey with a point of view of a participant from the hospitality industry. Wording and meaning of items, clarity, readability, required time of the survey was discussed.

Based on the reviews and recommendations of the two experts, some of the questions were removed, added and edited. Additionally, initial hotel performance part was planned to be measured by referencing competitiveness and participants were expected to evaluate their position by

Table 3.3. Performance Parameters

Article	Subject	Industry	Financial Performance						Market Performance			
			ROI/ROA	Market Share	Growth	Cost	Income/ Profit	Profitability	COMP	CL	CS	PQ/SQ
Tracey & Tan (2001)	SCM on Performance	MAN	x	x	x				x		x	x
Li et al. (2004)	SCM on Performance	MAN	x	x	x			x	x			
Ağan et al. (2016)	SD on Performance	MAN	x	x		x	x		x			x
Chen et al. (2004)	SP, SCM on Performance	MAN	x				x	x			x	
Xu & Gürsoy (2015)	Sustainability on Performance	HOS				x	x			x	x	
Aboelmaged (2018)	ESD, SD on Performance	HOS	x	x			x				x	
Berezan et al. (2013)	Sustainability on Performance	HOS								x	x	
Kim (2006)	SD on Performance	HOS	x				x	x				
Fantazy et al. (2010)	SCM on Performance	HOS	x				x					x

SCM: Supply Chain Management, SD: Supplier Development, ESD: Environmental Supplier Development, SP: Strategic Purchasing,

ROI: Return on Investment, ROA: Return on Assets, COMP: Competitiveness CL: Customer Loyalty, CS: Customer Satisfaction,

PQ: Product Quality, SQ: Service Quality, MAN: Manufacturing, HOS: Hospitality

Table 3.4. Survey Questions

Question	Construct	Scale
Please mark the importance of criteria below for selecting key suppliers	Supplier Selection	1:Not important at all - 5: Very important
Item	**Code**	**Reference**
Ability to provide reliable product/service	QUA1	Krause, Pagell & Curkovic (2001)
Ability to provide durable product/service	QUA2	Krause, Pagell & Curkovic (2001)
Ability to conform your specifications	QUA3	Krause, Pagell & Curkovic (2001)
Ability to deliver a consistent level of quality	QUA4	Zeller & Drescher (2017)
Presence of ISO 9001/22000 or similar certificate	QUA5	Önder & Kabadayı (2015)
Unit cost of product/service	COS1	Zeller & Drescher (2017)
Total procurement cost (including transport, control etc.)	COS2	Zeller & Drescher (2017)
Willingness of the supplier to share cost structure	COS3	Zeller & Drescher (2017)
How quickly a supplier can deliver an order	DEL1	Krause, Pagell & Curkovic (2001)
Ability to meet delivery due dates	DEL2	Önder & Kabadayı (2015)
Ability, willingness of a supplier to expedite a rush order	DEL3	Krause, Pagell & Curkovic (2001)
Ability of the supplier to design new products or change existing products	INNO1	Krause, Pagell & Curkovic (2001)
Level of technological capabilities the supplier possesses and is willing to use for your products	INNO2	Krause, Pagell & Curkovic (2001)

Table 3.4. (cont'd)

Question	Construct	Scale
Please mark the importance of criteria below for selecting key suppliers	Supplier Selection	1:Not important at all - 5: Very important

Item	**Code**	**Reference**
Ability, willingness and cost for a supplier to change order volumes	FLEX1	Krause, Pagell & Curkovic (2001)
Ability, willingness and cost for a supplier to change the mix of ordered items	FLEX2	Krause, Pagell & Curkovic (2001)
Regional proximity of a supplier	PROX1	Zeller & Drescher (2017)
Regional or national coverage of the supplier	PROX1	Zeller & Drescher (2017)
Supplier's reputation in industry	REF1	Önder & Kabadayı (2015)
Recommendations about supplier	REF2	Önder & Kabadayı (2015)
Environmental policy of a supplier	ENV1	Önder & Kabadayı (2015)
Presence of ISO 14001 or similar certificate	ENV2	Önder & Kabadayı (2015)
Recycling policy of the supplier	ENV3	Önder & Kabadayı (2015)

Question	Construct	Scale
Please select the most suitable statement for you	Collaborative Relationship	1: Strongly Disagree - 5: Strongly Agree

Item	**Code**	**Reference**
Our hotel views our suppliers as an integrated part of the supply chain	CR1	Fantazy, Kumar & Kumar (2010)
Our hotel expects our relationship with key suppliers to last long time	CR2	Fantazy, Kumar & Kumar (2010)
Our hotel cooperates with key suppliers to improve the chain quality in the long run	CR3	Fantazy, Kumar & Kumar (2010)
Our hotel develops a partnership program with our key suppliers for the benefit of the whole supply chain	CR4	Fantazy, Kumar & Kumar (2010)

Table 3.4. (cont'd)

Question	Construct	Scale
Please select the most suitable statement for you	Supplier Development	1: Strongly Disagree - 5: Strongly Agree
Item	**Code**	**Reference**
Our hotel formally assesses suppliers' performance	SD1	Kim (2006)
Our hotel visits suppliers to help improve their performance	SD2	Kim (2006)
Our hotel helps suppliers to solve their performance problems	SD3	Kim (2006)
Our hotel provides feedback to improve suppliers' performance	SD4	Kim (2006)

Question	Construct	Scale
Please select the most suitable statement for you	Environmental Supplier Development	1: Strongly Disagree - 5: Strongly Agree
Item	**Code**	**Reference**
Our hotel sets environmental performance goals for our suppliers	ESD1	Ağan, Kuzey & Acar (2016)
Our hotel evaluates our suppliers' environmental performance	ESD2	Ağan, Kuzey & Acar (2016)
Our hotel provides feedback regarding suppliers' environmental performance	ESD3	Ağan, Kuzey & Acar (2016)
Our hotel cooperates with suppliers to solve environmental problems	ESD4	Ağan, Kuzey & Acar (2016)
Our hotel encourages suppliers for environmental friendly products/services	ESD5	Ağan, Kuzey & Acar (2016)
Our hotel provides training to suppliers on environmental capabilities	ESD6	Ağan, Kuzey & Acar (2016)

Table 3.4. (cont'd)

Question	Construct	Scale
Please evaluate your hotel's performance for last two years with respect to your goals	Financial Performance	1: Much below our goals -5:Much above our goals
Item	**Code**	**Reference**
Net Income	FP1	Kim (2006)
Total Profitability	FP2	Kim (2006)
Market Share	FP3	Aboelmaged (2018)
Annual Growth	FP4	Xu & Gürsoy (2015)
Average Cost	FP5	Xu & Gürsoy (2015)

Question	Construct	Scale
Please evaluate your hotel's performance for last two years with respect to your goals	Market Performance	1: Much below our goals -5:Much above our goals
Item	**Code**	**Reference**
Customer Satisfaction	MP1	Berezan, Raab, Yoo & Love (2013)
Customer Loyalty	MP2	Berezan, Raab, Yoo & Love (2013)
Product/Service Quality	MP3	Fantazy, Kumar & Kumar (2010)
Sustainability Performance	MP4	Self-Constructed

comparing themselves with close competitors. After pre-testing stage, this part was edited and finalized by asking participants to evaluate their organizations' performance by comparing with their own goals and expectations for the past two years.

3.5 Ethical Considerations

Since the questionnaire asks participants to evaluate their hotels' performance and strategic purchasing practices, privacy of the information had great importance to have reliable data in data analysis stage. Therefore participants were briefly introduced about confidentiality with the description of the study and by the researcher as well.

The aim of the study was clearly explained and each of the constructs was introduced to inform participants about the framework of the study. Moreover, voluntary basis of the survey was emphasized in introductory part, e-mail template, and during the personally administered survey. Participants were totally free to join the study or leave whenever they want during administration.

Furthermore, the data collection tool was presented to the METU Applied Ethics Research Center (AERC). Human Subjects Ethics Committee (HSEC) which is linked to AERC evaluates data collection tools prior to data collection stage. This evaluation includes whether data collection tool (e.g. surveys, interviews, experiments) is appropriate in terms of ethical concerns. As a result of this evaluation, data collection tool of the present study was approved (see Appendix B). Therefore, it is concluded that survey does not have any problems regarding ethical concerns.

CHAPTER 4

RESULTS

4.1 Descriptive Statistics

There are 71 completed questionnaires by executives of hotels in Turkey. Over 95% of participants work for the purchasing department of their organization. Hotels that have participated in the study are in different cities of Turkey, and the number of collected responses is in parallel with the number of hotels in those cities. To illustrate, among the locations of participated hotels, Istanbul, Ankara, Antalya and Muğla are the most common cities in the survey. Ankara and İstanbul are the top two cities that have highest population and Antalya and Muğla are touristic destinations for summer holidays. Additionally, according to the report of Ministry of Culture and Tourism (2019), the highest number of hotels in Turkey is located in Antalya followed by İstanbul, Muğla, İzmir and Ankara respectively. There are 53 five-star and 18 four-star hotels in the study.

Table 4.2 summarizes the descriptive statistics of participant hotels. Additionally, descriptive statistics regarding key dimensions is presented in Table 4.1. Normality is referring to the shape of the data distribution for a variable in terms of its correspondence to normal distribution (Hair, Black, & Babin, 2010). The shape of distribution can be characterized by kurtosis and skewness values (see Table 4.1). Kurtosis refers to the flatness; skewness describes balance of the distribution compared to normal curve (Hair et al., 2010). Normality can be determined by examining histograms (see Appendix D) and also by conducting statistical tests for skewness and kurtosis. Hair et al. (2010) stated that statistical values (z) of kurtosis and

skewness should not exceed ±2.58 (0.1 significance level). As it can be seen from Table 4.1 most of the data distributions are normal in terms of kurtosis. However, there are many values out of limit in terms of skewness. Therefore, it is possible to state that data is as flat or peak as normal curve. However, as most of the skewness values are negative, it is possible to conclude that distributions are right skewed.

4.2 Exploratory Factor Analysis

Two separate reliability and validity analyses were conducted for the study. This section involves the results of the pre-analysis results regarding reliability and validity which was performed in terms of exploratory factor analysis via SPSS before starting data analysis. Second reliability and validity analysis that was conducted via SmartPLS will be discussed in following sections.

After completing data collection process, exploratory factor analysis was conducted. Six items (QUA3, QUA4, QUA5, COS3, INNO2, ENV2) were dropped from Supplier Selection Criteria. Additionally, first item of *Innovation* (INNO1) was included in *Flexibility* dimension since the question – *Ability of the supplier to design new products or change existing products* – seems to be perceived as a requirement of a flexible supplier according to the factor loadings. Additionally, items of *Supplier Development* (SD1, SD4), *Environmental Supplier Development* (ESD5, ESD6), and *Financial Performance* (FP5) were seemed problematic and excluded from the study. The detailed information related to exploratory factor analysis is presented in Table 4.3. For simplicity, only loadings above .40 are displayed. In the final exploratory factor analysis, all remaining items had the highest factor loading with their respective factors, and the majority of the items had factor loadings higher than or close to the

63

Table 4.1. Descriptive Statistics

	Sample Size	Mean	Median	Std. Deviation	Skewness	Kurtosis	ȥ Skewness	ȥ Kurtosis
Quality (QUA)	71	4.698	4.8	0.309	-1.068	0.412	-3.67	0.71
Cost (COS)	71	4.464	4.333	0.489	-0.775	0.544	-2.67	0.94
Delivery (DEL)	71	4.723	5	0.39	-1.328	0.738	-4.57	1.27
Innovation (INNO)	71	4.19	4	0.739	-0.908	0.777	-3.12	1.34
Flexibility (FLEX)	71	4.549	5	0.586	-1.617	3.917	-5.56	6.74
Proximity (PROX)	71	3.577	4	0.876	-0.881	0.958	-3.03	1.65
References (REF)	71	4.535	5	0.562	-0.946	-0.064	-3.25	-0.11
Environmental (ENV)	71	4.146	4	0.689	-0.6	-0.083	-2.06	-0.14
Collaborative Relationship (CR)	71	4.331	4.5	0.597	-0.636	-0.166	-2.19	-0.29
Supplier Development (SD)	71	4.095	4	0.595	-0.514	0.239	-1.77	0.41
Environmental Supplier Development (ESD)	71	3.535	3.667	0.812	-0.259	-0.693	-0.89	-1.19
Financial Performance (FP)	71	3.428	3.4	0.65	-0.485	1.547	-1.67	2.66
Market Performance (MP)	71	4.021	4.25	0.741	-1.093	2.447	-3.76	4.21

Table 4.2. Distribution of Participants regarding Job Title, City, Hotel Stars, Number of Employees, Number of Rooms

City	Frequency	Percentage	Stars	Frequency	Percentage
Antalya	22	31.0%	5-Stars	53	74.6%
İstanbul	21	29.6%	4-Stars	18	25.4%
Ankara	9	12.7%	**Total**	**71**	**100%**
Muğla	6	8.5%			
İzmir	4	5.6%	**Number of Employees**	**Frequency**	**Percentage**
Aydın	2	2.8%	0-100	22	31.0%
Bursa	2	2.8%	101-250	30	42.2%
Afyon	2	2.8%	251-500	13	18.3%
Gaziantep	1	1.4%	500+	6	8.5%
Samsun	1	1.4%	**Total**	**71**	**100%**
Trabzon	1	1.4%			
Total	**71**	**100%**	**Position**	**Frequency**	**Percentage**
			Purchasing Manager	42	59.2%
# of Rooms	**Frequency**	**Percentage**	Purchasing Staff	24	33.8%
0-100	8	11.3%	Assist. Purchasing Man.	2	2.8%
101-250	34	47.9%	Director of Finance	1	1.4%
251-500	25	35.2%	Operations Manager	1	1.4%
500+	4	5.6%	General Manager	1	1.4%
Total	**71**	**100%**	**Total**	**71**	**100%**

suggested 0.7 level (Shevlin & Miles, 1998). In a few items high cross-loadings were observed (0.4-0.5); however, these items were not taken out due to loss in conceptual clarity. Furthermore, later reliability analyses in structural equation model confirmed that there are no issues regarding reliability of these items.

4.3 Cluster Analysis

The first hypothesis of the study predicts that hotels can be grouped in terms of their supplier selection criteria. In order to do so, cluster analysis was used. Cluster analysis is a combination of multivariate techniques aiming to group objects based on their characteristics (Hair et al., 2010). As the result of this classification, objects (e.g. respondents, products etc.) exhibit high internal homogeneity (within-cluster) and high external (between-cluster) heterogeneity (Hair et al., 2010). Therefore, if there are successful clusters, there would be meaningful classifications.

Hair et al. (2010) stated that four decisions should be made to perform cluster analysis: i) choice of relevant variables, ii) selection of similarity measurement, iii) choice of grouping criteria and iv) validation of classification. To select relevant variables supplier selection criteria of hotels were used in line with the literature as Hair et al. (2010) stated that the researcher should have a strong conceptual basis to understand and explain the groups that will form after the analysis. This selection is based on following supplier selection priorities: cost, quality, delivery, flexibility, references, proximity and environmental considerations (Zeller & Drescher, 2017; Önder & Kabadayı, 2015; Krause et al., 2001).

Table 4.3. Factor Analysis Results

	1	2	3	4	5	6	7	8	9	10	11	12
					Component							
QUA1	**.856**											
QUA2	**.876**											
COS1		**.876**										
COS2		**.821**										
DEL1			**.784**									
DEL2			**.838**									
DEL3		.468	**.517**									
INNO1				**.777**								
FLEX1				**.816**								
FLEX2				**.808**								
PROX1					**.829**							
PROX2					**.755**							
ENV1						**.724**						
ENV3					.533	**.623**						
REF1							**.597**					
REF2		.496					**.414**					
CR1								**.777**				
CR2								**.686**				
CR3								**.566**	.540			
CR4								**.496**		.462		
DEV2									**.767**			
DEV3									**.886**			
EDEV1										**.817**		
EDEV2										**.927**		
EDEV3										**.887**		
EDEV4										**.741**		
FPER1											**.937**	
FPER2											**.910**	
FPER3											**.756**	
FPER4											**.661**	
MPER												**.775**
MPER												**.866**
MPER												**.839**
MPER												**.775**

Second decision is the selection of similarity measurement method. Similarity represents the degree of correspondence between variables regarding all of the characteristics used in the analysis (Hair et al. 2010). There are three types of methods to measure similarity between objects: correlation measures, distance measures and association measures (Hair et al. 2010). Association measures are used for nonmetric data whereas correlation measures and distance measures are used for metric data. Correlation measures focus on patterns across the variables rather than magnitude, although most applications of cluster analysis emphasize magnitudes of objects. Consequently, distance measures are the most suitable methods since the study has metric data and correlation measure are rarely used due to its emphasis on patterns (Hair et al. 2010). Among types of distance measures *Squared Euclidian Distance* method was selected. This method basically calculates the distance between variables with the length of hypotenuse between points and is recommended method for Ward's clustering which is selected as agglomeration method in next step (Hair et al. 2010).

The next step is the selection of clustering algorithm. There are three types of algorithms that are being used in cluster analysis: hierarchical methods, nonhierarchical method and combination of these two. Hierarchical method divides data by the number of observations and then group the most similar ones one by one until there are two clusters left. Defining agglomeration method is a sub-step of hierarchical clustering. It determines how divided groups will be combined to form new groups to achieve final solution. There are five types of agglomeration method which differs in terms of calculating distances between groups before combining those (Hair et al. 2010). Nonhierarchical cluster method which is referred as K-means aims to determine the best groups by requiring the number of clusters as an input (Hair et al. 2010). Accordingly, two-step procedure can be used. Initial means of cluster objects and number of clusters is determined by

hierarchical clustering and best groups are acquired with the final result of K-means. Two-step procedure is very common among the literature to determine specific groups in a sample. To illustrate, Lorentz, Hilmola, Malmsten, and Srai (2016) found three different manufacturing strategies and studied effects of those strategies on business stability and business performance. Additionally, Luzzini, Caniato, Ronchi, and Spina (2012) used the same method to determine purchasing categories and revealed four different categories. Afterwards, those four groups were evaluated in terms of focus of strategies such as cost, quality, innovation, efficiency, and sustainability. (Luzzini et al., 2012).

Hair et al. (2010) stated that the number of clusters should be between $n/30$ and $n/60$. Therefore proper number of clusters for this study seems to be two. Additionally, Pseudo-F statistics proposed by Calinski and Harabasz (1974) was used to determine the number clusters. Pseudo-F is the ratio of between cluster variance to within cluster variance and largest Pseudo-F means better separated clusters (Wilkinson, Engelman, Corter, & Coward. 2000). As it can be seen from Table 4.4 highest pseudo-F was acquired with solution with two clusters. Therefore, number of clusters was selected as two.

Table 4.4. Pseudo-F Comparison

	Number of Clusters				
	2	**3**	**4**	**5**	**6**
Pseuodo-F	182.75	112.53	86.81	92.55	96.95

Lorentz et al. (2016) tested different types of agglomeration methods and selected Ward's method since the optimal solution was acquired with this method. Similarly, all of possible methods were tested and Ward's method was selected for the analysis since this method creates similar number of observations in groups, and the highest heterogeneity between clusters was acquired compared to other four methods. After determining the number of

clusters and method, first step clustering was conducted by using Hierarchical clustering. By using the means of hierarchical clustering as initial means for K-means clustering, the final clusters were determined via SPSS Statistics 22. Combination of hierarchical and K-means clustering by using Squared Euclidian Distance and Ward's methods was used by many researchers (Lorentz et al., 2016, Luzzini et al. 2012). The results of clustering process are presented in Table 4.5. Accordingly two groups of clusters were formed. First cluster has 38 hotels and was labeled "Strategic" and second cluster has 33 hotels and was labeled "Traditional". The properties of each cluster are explained briefly in the following sections.

Table 4.5. Cluster Analysis Results

Supplier Selection Criteria	Mean	C1. Strategic	C2. Traditional	F-Statistics	Significance
Cost	4.74	4.76	4.71	0.62	0.435
Quality	4.89	4.91	4.86	0.36	0.548
Delivery	4.73	4.87	4.56	13.35	0.000
Flexibility	4.44	4.66	4.19	13.15	0.001
References	4.53	4.82	4.21	28.24	0.000
Proximity	3.58	4.12	2.95	55.21	0.000
Environmental	4.15	4.57	3.67	42.06	0.000
N	71	38	33		

Cluster 1, Strategic (N=38), represents a group of hotels that try to use all of the selection criteria. All seven supplier selection criteria were evaluated as important by the members of this cluster as more than the average. In addition to high scores of traditional selection criteria – quality, cost, and delivery – references of suppliers also has high score. This means past experiences or reputation of a supplier is quite significant. Flexibility, proximity, and environmental qualifications of suppliers seem to be perceived vital as well. In other words, hotels in this group choose their

suppliers not only by requiring qualified products with lower prices but also adaptive suppliers with flexible, environmental friendly products. Also regional proximity and coverage is an important aspect for the hotels in that cluster. As all supplier selection criteria are ranked as above average, this cluster is named as "*Strategic*". A cluster that has higher scores than others is usual in literature related to manufacturing taxonomy. To illustrate, "*Mass Servers*" of Zhao, Sum, Zhang, and Lee (2006) is similar to this cluster as both have highest score compared to other clusters. Also, this cluster has similar characteristic as "*Collaborative*" group of Choy et al. (2005) where innovation, reputation, level of technology, flexibility were included in addition to price, delivery, and quality.

Furthermore, this cluster can be associated with strategic sourcing as well. Carr and Pearson (2002) defined strategic purchasing as planning, evaluating, implementing, and controlling sourcing decisions to achieve long-term goals. As Araz and Özkarahan (2006) stated strategic purchasing includes not only cost, quality, delivery but also many other criteria such as innovativeness and supplier's capabilities etc. Consequently, it is possible to conclude that hotels in the first cluster use strategic sourcing decisions by putting great importance on all of the selection criteria regarding hospitality industry.

Cluster 2, Traditional (N=33), refers to the traditional group. As it can be seen from Table 4.5, there is no significant difference between Cluster 1 and 2 in terms of cost and quality. Hotels in this group emphasize cost and quality as much as those in Cluster 1. Moreover, the third most important dimension in selection of suppliers is delivery performance. References and flexibility of suppliers have moderate score. However, environmental qualifications and regional proximity of suppliers seem to have low score.

Firms that have traditional purchasing strategy focuses on having highest possible quality with lowest cost in a fast pace manner (Das et al., 2006) Therefore, this cluster is labeled as "Traditional" since the main focus is on cost, quality and delivery. Additionally, members of this group try to find flexible and referenced supplier after meeting their traditional requirements. Environmental orientation and regional coverage of suppliers is not as important for this group as other traditional selection criteria. Moreover, this cluster is similar to "*Specialized Contractors*" of Zhao et al. (2006) in which speed, cost, and quality are the main priorities of manufacturing firms. Also, in contrast to "*collaborative*" group which is associated with Cluster 1, this cluster can be related to "*competitive*" group of Choy et al. (2005) in which only cost, quality, and delivery were considered.
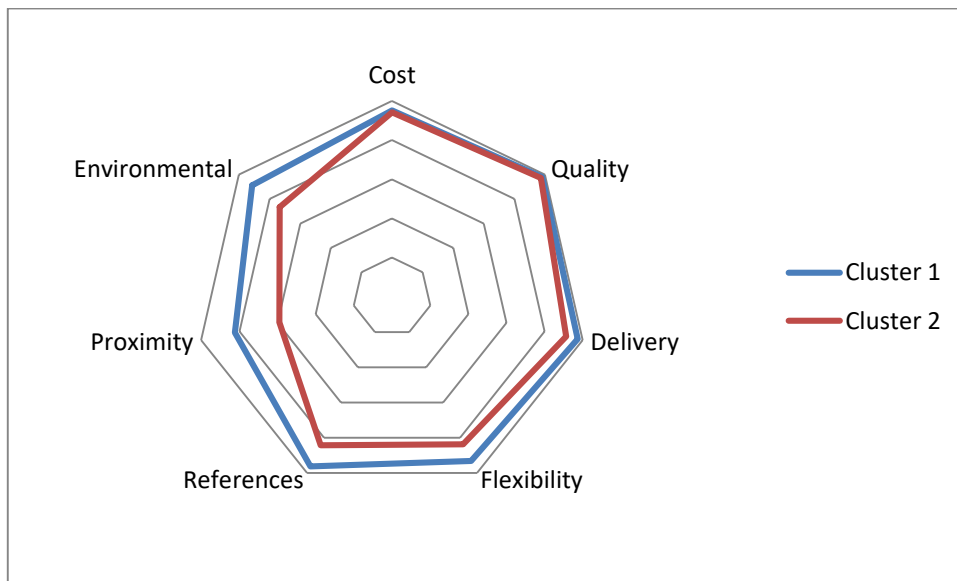

Figure 6. Cluster Analysis Results

4.4 Partial Least Squares (PLS)

Structural Equation Modeling (SEM) is used to determine relationships among observed variables by using various types of models (Lomax &

Schumacker, 2008). Moreover, various theoretical models can be tested in SEM and it enables to determine how variables define constructs and relationship between those constructs (Lomax & Schumacker, 2008). SEM gives opportunity to (I) model relationships among multiple predictor and criterion variables, (II) construct unobservable latent variables, (III) model errors in measurement, (IV) test theoretical assumptions with empirical data (Chin, 1998). Moreover, SEM is popular among researchers since it (I) allows complex models to be statistically modeled and tested, (II) gives greater recognition for validity and reliability, (III) enables analysis of advanced models such as multiple-group SEM models, (IV) has software which are quite user-friendly (Lomax & Schumacker, 2008).

Partial Least Squares (PLS) is an approach of SEM which enables conducting analysis when data is not normally distributed (Chin, 1998). In addition, data with small sample size can be analyzed with PLS method since it gives an opportunity to create subsamples which is called bootstrapping (Streukens & Leroi-Werelds, 2016). The review of Ali, Rasoolimanesh, Sarstedt, Ringle, & Ryu (2017) showed that combination of SEM and PLS is very popular among hospitality management literature. Furthermore, 62% of the studies between 2001 and 2015 on hospitality management reported reasons of using PLS-SEM method as non-normality of data and small sample size (Ali et al., 2017).

PLS-SEM approach seemed suitable and selected for the present study since the data is non-normal and sample size is small. SmartPLS 3.0. software was used to perform PLS-SEM method. PLS-SEM method has two stages:

i)   Evaluation of the reliability and validity of measurement model
ii)   Evaluation of the structural model

4.5 Reliability and Validity

In addition to exploratory factor analysis which was conducted before cluster analysis, second reliability and validity analysis was conducted via SmartPLS. As item of *Supplier Selection* were evaluated in exploratory factor analysis section, this part includes items of *Collaborative Relationship, Supplier Development, Environmental Supplier Development*, *Financial* and *Market Performance.*

Convergent validity refers to the extent that a construct is measured by different methods and discriminant validity refers to the extent where constructs are different (Carmines & Zeller, 1979). In order to ensure convergent validity, item loadings should be higher than 0.7 for corresponding construct. Moreover, Average Variance Extracted (AVE) is used to determine amount of variance captured by a construct and whether there is a measurement error. Values above 0.7 are considered very well and level of 0.5 is acceptable (Fornell & Larcker, 1981). Since some items (*SD1, SD4, ESD5, ESD, FP5*) were excluded in exploratory factor analysis stage, only *CR4* and *ESD4* constituted problem and hence, those items were dropped. Additionally, internal consistency is determined by Cronbach's alpha coefficient and composite reliability (Junior et al. 2014). Cronbach's alpha shows internal consistency reliability and values of 0.7 or 0.6 considered as good or adequate (Clark & Watson, 1995). Also, Composite reliability is considered as satisfactory when is higher than 0.7. All criteria related to reliability and convergent validity are valid except item CR3 (see Table 4.6). However, the value of this item (0.685) is quite close to the cut off value and studies accept values over 0.6 as valid (Matzler, Renzl, Müller, Herting & Mooradian, 2008). Moreover, in order to ensure discriminant validity, square root of AVE should be higher than inter-construct correlations (Chin, 1998). As it can be seen from Table 4.7 all of the constructs are solid in terms of discriminant validity.

Table 4.6. Reliability and Validity Properties

Construct	Item	Item Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Collaborative Relationship	CR2	0.833	0.692	0.819	0.602
	CR3	0.685			
	CR4	0.803			
Supplier Development	SD2	0.728	0.744	0.854	0.749
	SD3	0.983			
Environmental Supplier Development	ESD1	0.898	0.920	0.949	0.862
	ESD2	0.953			
	ESD3	0.934			
Financial Performance	FP1	0.894	0.899	0.93	0.767
	FP2	0.893			
	FP3	0.881			
	FP4	0.835			
Market Performance	MP1	0.803	0.869	0.909	0.715
	MP2	0.849			
	MP3	0.904			
	MP4	0.823			

Table 4.7. Latent Variable Correlation Matrix

	Collaborative Relationship	Supplier Development	Environmental Supplier Development	Financial Performance	Market Performance
Collaborative Relationship	**0.776**				
Supplier Development	0.511	**0.865**			
Environmental Supplier Development	0.253	0.148	**0.929**		
Financial Performance	-0.058	0.196	0.287	**0.876**	
Market Performance	-0.168	0.069	0.247	0.432	**0.846**

Note: Square Root of AVE is on the diagonal

4.6 Cluster Comparison

Before testing hypothesis for the two cluster groups, it would be useful to compare these two groups in terms of their emphasis on collaborative relationship, supplier development and environmental supplier development. Table 4.8 illustrates mean scores of the two clusters from the points of collaborative relationship, supplier development and environmental supplier development. Accordingly, even if Cluster 1 (Strategic) seems to have higher scores than Cluster 2 (Traditional), there is no significant difference between groups regarding their attitude towards collaborative relationship. Similarly, both groups have close scores in terms of supplier development activities and the difference is non-significant. However, the group of hotels in *Strategic* group has significantly higher scores than the *Traditional* group regarding environmental supplier development activities.

Table 4.8. Comparison of Clusters

	Mean	C1. Strategic	C2. Traditional	F-Statistics	Significance
Collaborative Relationship	4.295	4.377	4.202	1.274	.263
Supplier Development	3.9718	4.0132	3.924	0.217	.642
Environmental Suppler Development	3.525	3.798	3.212	6.293	.014

4.7 Structural Model

As it is stated in the previous chapter as an advantage of PLS-SEM method, bootstrapping is used to create subsamples. Chin (1998) recommended higher number of subsamples and conducted analysis with 50-100.

However, as the time passes and computational power increases, researchers begun to use higher number subsamples. To illustrate, Fink, Harms and Kraus (2008) and Landau and Bock (2013) used 500 subsamples. Moreover, Hair et al. (2011) suggested rules of thumb for PLS-SEM and stated that bootstrapping samples should be 5000. Therefore, option of bootstrapping was selected as 5000.

Additionally, Hair et al. (2011) stated that sample size should be equal or greater than (I) ten times the largest number of formative indicators used to measure one construct, (II) ten times the largest number of structural paths directed at a particular latent construct in the structural model. The sample size of the study meets both requirements for PLS-SEM method since proposed model have at most 4 reflective indicators to measure one construct and 3 structural paths directed at a particular construct. Proposed model is presented in Figure 7 and figure of the software interface with indicators can be seen in Appendix C.

The results of the analysis are presented in Table 4.9. Accordingly, *Collaborative Relationship* is expected to be positively effective; however, it is found that it has a significant negative effect on both *Financial Performance* ($\Upsilon=-0.290$, p=0.099) and *Market Performance* ($\Upsilon=-0.349$, p=0.062). Therefore, H_2 and H_3 are not supported. Additionally, *Supplier Development* is found to be positively effective on both *Financial Performance* ($\Upsilon=0.297$, p=0.115) and *Market Performance* ($\Upsilon=0.202$, p=0.306); however, these findings are not statistically significant. Therefore, H_4 and H_5 are not supported. As it is expected, *Environmental Supplier Development* has significantly positive effect on both *Financial Performance* ($\Upsilon=0.316$, p=0.004) and *Market Performance* ($\Upsilon=0.305$, p=0.002), H_6 and H_7.
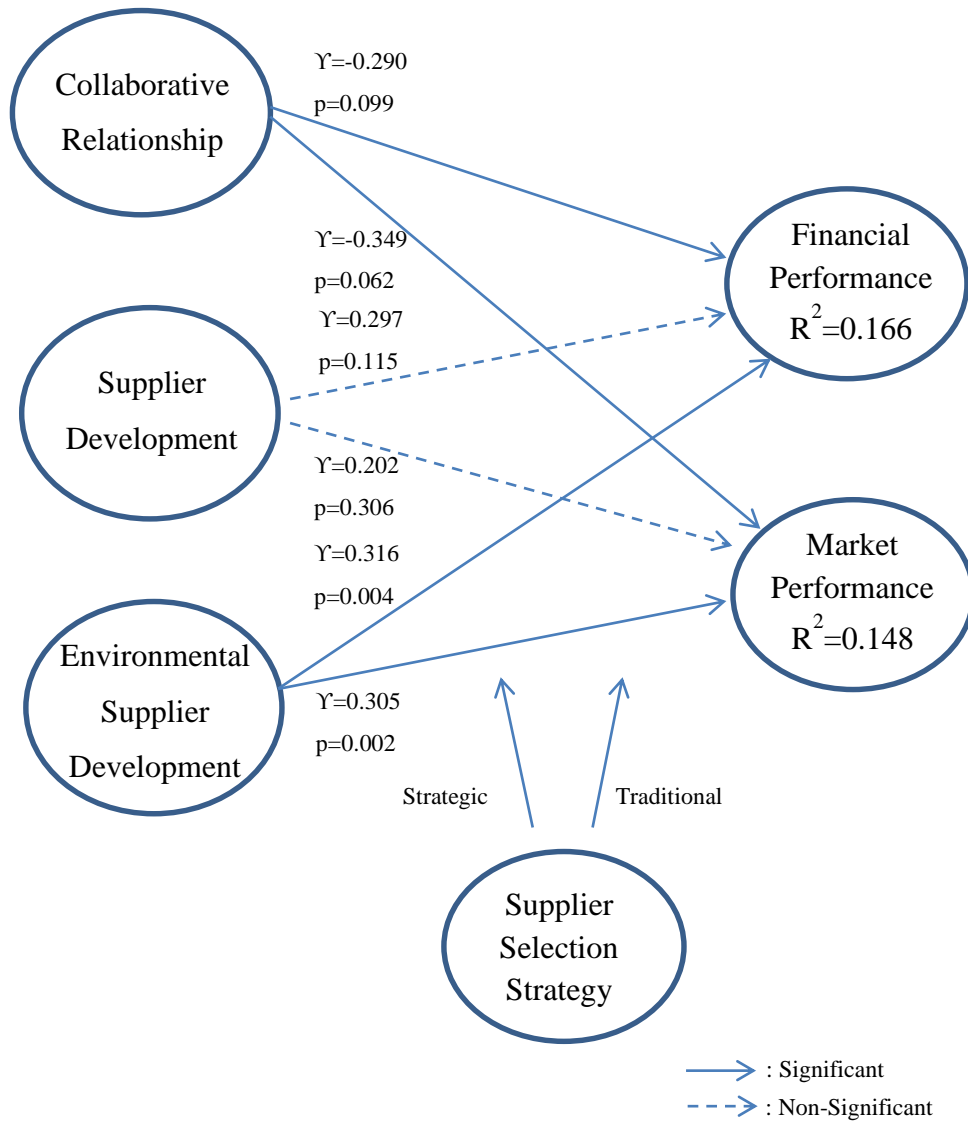
Figure 7. Structural Model

Table 4.9. Results of PLS-SEM Analysis

Path	Hypothesis	Path Coefficients	T Statistics	P Values	Result
Collaborative Relationship » Financial Performance	H_2	-0.290	1.626	0.099	Not Supported
Collaborative Relationship » Market Performance	H_3	-0.349	1.866	0.062	Not Supported
Supplier Development » Financial Performance	H_4	0.297	1.578	0.115	Not Supported
Supplier Development » Market Performance	H_5	0.202	1.024	0.306	Not Supported
Environmental Supplier Development » Financial Performance	H_6	0.316	2.862	0.004	Supported
Environmental Supplier Development » Market Performance	H_7	0.305	3.079	0.002	Supported

In order to check the predictive power of the model explained variances (R^2) were evaluated. R-square, also called coefficient of determination is the overall size measure for a structural model. Cut-off values for R-square were stated as 0.67, 0.33 and 0.19 by Chin (1998) as "substantial", "moderate" and "weak" respectively. However, Garson (2016) stated that these values are quietly relative in PLS-SEM analysis since it strongly depends on the type of the field and a value of 0.25 could be considered as "high" for a specific field. Therefore, it is thought that R-square outputs of two endogenous variables (Financial Performance: R^2=0.166, Market Performance: R^2=0.148) are highly useful values since these two measures in tourism industry may primarily be affected by many other factors.

In addition to predictive power of the model, model fit was assessed as well. Firstly, Goodness of Fit (GoF) which was proposed by Tenenhaus, Amato, & Esposito Vinzi (2004) was calculated. It is the square root of product of Communality (AVE) by R^2 and was calculated as 0.34 for the present study. Additionally, Standardized Root Mean Square Residual (SRMR) is another parameter to evaluate model fit. It is the square root of the difference between residuals of the sample covariance matrix (Hooper, Coughlan, & Mullen, 2008). It was attained as an output of SmartPLS. Value of SRMR as 0.084 is acceptable and lower than the cut off value of 0.1 (Hu and Bentler, 1999). Finally, Normed Chi-square model fit was calculated. It is an alternative of Model Chi-square which is the traditional measure for evaluating overall model fit. Since Model Chi-square has some limitations regarding sample size, many researchers uses alternatives such as Normed Chi-square (Hooper et al. 2008). Normed Chi-square is calculated by dividing χ2 by degrees of freedom (*df*). *df* was calculated as 96 with Rigdon's (1994) formula which is used to calculate *df* for SEM. As a result Normed Chi-square was found as 2.51 which is quite fine since it should be lower than 3 for a good fit (Schreiber, Nora, Stage, Barlow, & King, 2006). All model fit results are presented in Table 4.10.

Table 4.10. Model Fit Results

	Value	Cut-Off	Formula
Goodness of Fit (GoF)	0.340		$\sqrt{\overline{AVE} * \overline{R^2}}$
Standardized Root Mean Square Residual (SRMR)	0.084	≤0.1	SmartPLS
Normed Chi-Square	2.51	≤3	$\chi2/df$

4.7.1 Multi-group Analysis

By using the outputs of cluster analysis, two groups of hotels - *Strategic* and *Traditional* – are analyzed by using PLS-SEM. The hypothesis of actual model was used to detect whether results are different for each specific group. Hypotheses are recoded for this analysis (i.e. H_{1a} means *Supplier Development* positively affects *Financial Performance* for *Cluster 1: Strategic*). The results for each group are presented in Table 4.11.

For the Cluster 1 (Strategic) group, Supplier Development is found to be negatively associated with both Financial Performance (Υ=-0.323, p=0.312) and Market Performance (Υ=-0.231, p=0.238), however, it is not statistically significant. Hence, H2a and H3a are not supported and it is concluded that Supplier Development has no effect on performance in Strategic group. Unlike it was found for actual model, performing Supplier Development activities for Cluster 2 (Traditional) positively affects both Financial (Υ=0.491, p=0.004) and Market Performance (Υ=0.461, p= 0.094) of hotels, supporting H2b and H3b.

Similar to results of actual model, Collaborative Relationships negatively affects Market Performance (Υ=-0.233, p=0.215) as well and has nearly no effect on Financial Performance (Υ=-0.060, p=0.791) in Cluster 1. Consequently, H4a and H5a are not supported. As it is the case for Cluster

1, Collaborative Relationship with Suppliers seems to negatively affect both Financial (Υ=0.345, p=0.170) and Market Performance (Υ=-0.410, p=0.212) of hotels that use traditional selection criteria, where the results are not significant. Therefore, H4b and H5b are not supported.

As it was found for whole data set, for the Strategic Cluster Environmental Supplier Development has significantly positive affect on Market Performance (Υ=-0.476, p=0.004) supporting H7a, while positive effect on Financial Performance (Υ=0.180, p=0.364) is not significant, not supporting H6a. For the Traditional group, Financial Performance (Υ=0.368, p=0.018) is significantly affected while positive effect on Market Performance (Υ=0.174, p=0.501) is not significant. Therefore, H6b is supported while H7b is not.

Table 4.11. Results of Multi-group Analysis

Path		Cluster 1 (Strategic)				Cluster 2 (Traditional)				
	Hypo.	Path Co.	T Statistic	P Values	Result	Hypo.	Path Co.	T Statistic	P Values	Result
Collaborative Relationship » Financial Performance	H_{2a}	-0.060	0.265	0.791	Not Supported	H_{2b}	-0.345	1.372	0.170	Not Supported
Collaborative Relationship » Market Performance	H_{3a}	-0.233	1.240	0.215	Not Supported	H_{3b}	-0.410	1.248	0.212	Not Supported
Supplier Development » Financial Performance	H_{4a}	-0.323	1.010	0.312	Not Supported	H_{4b}	0.491	2.619	0.009	Supported
Supplier Development » Market Performance	H_{5a}	-0.231	1.181	0.238	Not Supported	H_{5b}	0.461	1.675	0.094	Supported
Environmental Supplier Development » Financial Performance	H_{6a}	0.180	0.908	0.364	Not Supported	H_{6b}	0.368	2.361	0.018	Supported
Environmental Supplier Development » Market Performance	H_{7a}	0.476	2.917	0.004	Supported	H_{7b}	0.174	0.674	0.501	Not Supported

CHAPTER 5

CONCLUSION

5.1 Findings

This study has examined the key strategic purchasing practices highly discussed in the literature – supplier selection, supplier relationship management, supplier development – in a less conventional setting, namely hospitality sector in service industry. Therefore, findings of this study may provide an important guidance for both academicians and practitioners in hospitality industry. Accordingly, as this study tested theories found in other industries or in other environments, results of this study have both similar yet different findings compared to the literature.

First of all, hotels are divided into two significant groups – *Strategic* and *Traditional* – in terms of their supplier selection processes. When the dimensions of supplier selection criteria are examined, it is found that the two groups do not have significant difference in terms of *cost,* and *quality.* This finding is similar to the study of Önder & Kabadayı (2015) and Davras & Karaatli (2014) where these criteria were found to be the top ones through supplier selection process in Turkey. Moreover, *cost* and *quality* are fundamental aspects of supplier selection process and considered as traditional criteria (Cheraghi et al. 2016). Therefore, it is an expected finding and it can be concluded that hotels in Turkey put emphasis on *cost* and *quality* while selecting their suppliers as traditional criteria.

Additionally, the two groups are significantly different in terms of *delivery, proximity, references, flexibility* and *environmental sustainability. Strategic*

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has significantly higher scores in all of those criteria than *Traditional. Delivery* is considered as a fundamental dimension in supplier selection procedure (Cheraghi et al., 2016) and found to be one of the most important criteria in hospitality industry (Önder & Kabadayı, 2015). Even there is a significant difference between the groups; *delivery* seems to be the most important criterion after *cost* and *quality.* However, *proximity* and *flexibility* found to have significantly higher scores for *Strategic.* These findings may be associated with the desire of *Strategic* group to have geographically close and flexible suppliers to meet changes in demands and have suppliers that can respond their organization quicker. Moreover, *references* is also significantly higher for *Strategic.* This may be due to the strategy of hotels in that group seeks reputable and well-known suppliers to have problem-free business to provide qualified products/services to customers. Last but not least, the most significant difference between *Strategic* and *Traditional* is found in terms of *environmental sustainability.* As it was proven that customers develop positive attitudes – loyalty, willingness to pay more, and recommendations – towards environmentally sustainable hotels (Lee et al., 2010); this is an expected finding. Therefore, hotels in *Strategic* group focus on environmentally sustainable supply chain to provide environment-friendly products/services to attract customers and gain competitive advantage.

Eshtehardian et al., (2013) noted that purchasing strategy is associated with company's strategy and different requirements are important for different companies with different organizational and management strategies. Therefore, it can be stated that hotels in *Strategic* use all criteria in accordance with their organizational strategy while hotels in *Traditional* group only focus on purchasing good quality products/services with lowest costs. Hence, the two groups represent hotels that use traditional and strategic purchasing decisions.

Second, creating collaborative relationship with suppliers is found to have significantly negative effects on financial and market performance. This is an unexpected and interesting finding since Fantazy et al. (2010) found that creating collaborative relationships with suppliers positively affects financial and non-financial performance of buyer hotels. Similarly, many studies advocate that collaborative or long-term oriented relationships with suppliers have positive effects on both suppliers' and buyers' performance (Kähkönen et al., 2017; Duffy & Fearne, 2004). The fact that most of these studies were conducted in developed countries such Canada, Finland makes us to consider origin of this study, developing country, might be the first reason of the difference of this finding. Öztüren and Sevil (2009) studied collaborative relationships of hotels in North Cyprus which has a similar environment to Turkey. Accordingly, they found that hotels tend to collaborative with customers to increase their performance and do not attach importance to create collaborative relationship with suppliers. Additionally, there is no significance between collaborative relationship with suppliers and performance parameters such as net profit, customer satisfaction and annual growth (Öztüren & Sevil, 2009). It is important to take cultural differences into account while considering relations (Villena, Revilla & Choi, 2011). Therefore, the difference of the finding of this study compared to general accepted view could be due to the difference of locations and corresponding business procedures, cultures etc.

This finding also could be associated the judgment and opinions of managers of hotels in Turkey. Öztüren and Sevil (2009) stated that hotel managers do not consider collaborative relationship as a means of performance improvement. Similarly, Villena et al. (2011) noted that collaborative or long-term oriented relationships enables one side of partnership to abuse relationship and negatively affect performance of both sides. Additionally, threat of exploiting interpersonal relationships should be considered. Meyer, Niemann and Kotze (2017) stated that interpersonal

relations of managers of both parties may result in undesired outcomes such as disclosing or withholding information from each other. Additionally, some participants stated that managers may create relationship that exceeds the boundaries of the work (Meyer et al., 2017). As one of the hotel managers stated during the pretesting stage, in Turkey, long-term oriented relationships with suppliers may be perceived as fraud or corruption. Therefore, purchasing managers in Turkey may not want to create collaborative relationships not to face such accusations.

Although negative effect of collaborative relationships may be associated with cultural differences or personal opinions, it may be directly related to the strategies of hotels. As Transaction Cost Economics (TCE) advocates, organizations may want to decrease costs by minimizing costs of each transaction. Having multiple suppliers with arm's length relationship may be perceived as the best strategy to have better financial performance. Garfamy (2012) noted that firms make decisions by including various factors to determine which activities are critical for the firm and effective on business performance. If creating collaborative relationship is considered as unnecessary and not critical for the business performance, hotels may use cost reduction strategy by comparing prices of different suppliers and selecting the best option.

Many studies argued that supplier development activities increases performance of suppliers (Modi & Mabert, 2007; Lawson et al., 2015) and buyers (Kim, 2006; Humphreys et al., 2004). Even if supplier development was found to be positively effective on financial and market performance on main structural model, results are not significant. However, the multi-group analysis revealed that supplier development has positive effects on financial and market performance of *Traditional* cluster. In other words, members of *Traditional* group can benefit from supplier development activities while those of *Strategic* can not.

Supplier development activities in this study include evaluating, visiting and helping suppliers to increase their performance. Therefore, suppliers have to be able to improve their business processes, product quality, delivery performance etc. In other words there should be room for improvement to have solid outputs after performing development activities. Therefore, positive effects of supplier development on performance of *Traditional* group may be associated with the suppliers' capability and availability for improvement. As *Strategic* group focus on all selection criteria, it can be concluded that this group make strategic decisions to find optimal suppliers with higher capability and capacity. It does not mean that suppliers of *Strategic* are totally perfect but development activities do not significantly affect those suppliers to increase buyers' performance. However, *Traditional* group primarily considers cost and quality. Therefore, they may not have contracts with capable suppliers and their suppliers may have many aspects that can be improved. Consequently, it is possible for *Traditional* group to invest in development activities to increase suppliers' performance, and hence increase their own financial and market performance.

Additionally, there is no significant difference between the two groups in terms of use of supplier development activities (see Table 4.8). Both groups use supplier development activities equally while only *Traditional* group is able to gain advantage. Hence, the reason behind this can also be related to the estimation that efforts of *Strategic* may be associated with consistent level of supplier performance. In other words, members of *Strategic* use supplier development activities not to develop but to maintain the present performance of suppliers.

Finally, as it is expected, environmental supplier development has significantly positive effects on financial and market performance of hotels. This finding supports the studies in the literature. Aboelmaged (2018) stated that competitive advantage can be achieved by adopting green practices and

environmental strategies and practices provide competitive advantage over rivals in terms of cost, delivery and service quality (Yang et al., 2010), Similarly, Green et al. (2012) stated that environmentally sustainable supply chain management practices affect performance of the company positively. This study also revealed that environmental supplier development practices should be conducted in order to have better financial and market performance. Therefore, it can be concluded that hotels should invest in environmental supplier development practices to have better performance.

Although main structural model proves there is a link between environmental supplier development and performance, cluster analysis showed that there is a significant difference between *Strategic* and *Traditional* groups in terms of using environmental supplier development activities (see Table 4.8). Hotels in *Strategic* group significantly use environmental supplier development practices more than those in *Traditional* group. This may be due to the cost-oriented strategy of the *Traditional* group. Even if the literature puts solid findings that supports the relationship between environmental management and performance (Rao & Holt, 2005; Danso et al., 2019); Montabon et al. (2007) argued that firms are unwilling to adopt aggressive approaches in terms of environmental management because these firms do not believe that benefits would be greater than the costs. Therefore, *Traditional* group can be considered as the group of hotels that do not want to invest in such activities to decrease costs.

Moreover, the reasons behind adopting environmental management practices should be discussed to understand difference between these two clusters. Firstly, firms adopt environmental management practices because of regulations and pressures of different stakeholders such as customers, governments or non-governmental organizations (Rusinko, 2007). Moreover, it is proven that in the hospitality industry, environmental management policies are adopted mainly due to internal reasons rather than

external pressures compared to other industries (Alvarez-Gil et al., 2001). Similarly, Sancha et al. (2014) noted that imitating other successful competitors in the same industry is the most influencing factor on employing environmental supplier development. In the light of this information, the reason behind the difference between the two clusters in terms of using environmental supplier development activities can be explained by comparing sources of motivation. *Traditional* group may apply environmental management practices at a certain level just to meet those regulations and expectations. However, after meeting requirements of regulatory bodies or non-governmental organizations, adoption of further environmental policies is optional and dependent on strategy of the firm. Therefore, hotels in *Strategic* use significantly more environmental supplier development activities willingly while hotels in *Traditional* only aims to meet and evade regulations and pressures.

Interestingly, multi-group analysis showed that *Strategic* can benefit from environmental supplier development in terms of market performance while *Traditional* can take advantage of the policy in terms of financial performance. This finding may be related to the type of environmental development. In the context of hotels, the outsourced products/services in terms of environmental management have a great mix. These products may be used to preserve water (e.g. sewage treatment plant, reuse of treated water for cooling), energy (e.g. low temperature systems in laundry, use of sensors in lightning, solar panels), waste (e.g. waste management, waste separation, recovery of oils from waste food) or may be related to other resources (Menezes & da Cunha). Therefore, customers may not even see or interact with all of these products since plenty of them are used at the back stage. Hotels in *Traditional* group may use and encourage their suppliers to produce or supply environmental friendly products/services related to cost saving. Therefore, the only outcome would be effective on financial performance while customers do not even realize. However, hotels in

Strategic group use significantly more environmental supplier development practices than *Traditional*. Consequently, it is possible to make reasoning to expect that the cost-saving product/services used by *Traditional* group may have already been adopted by *Strategic* group. The main present goal may be attracting customers by promoting environment-friendly products. As it is proven that customer are willing to pay more and revisit environmental friendly hotels (Lee et al., 2010), hotels in *Strategic* group strategically focus on products/services that customers interact, use or consume. Therefore, *Strategic* group can gain better market performance.

5.2 Theoretical Contributions

Extensive literature review showed that studies mainly focused on manufacturing industry while exploring strategic purchasing practices. The concepts related to strategic purchasing and supply chain management – supplier selection, supplier relationship management, and supplier development – were studied many times in detail, hence recent researches focus on the specific unexplored subjects such as mathematical models or risk factors (Sarkis & Talluri, 2002; Chan & Kumar, 2007). However, in the context of service industry or service supply chains, studies fall behind compared to the manufacturing industry. Hospitality industry, which is considered as a service industry, is also affected from this fact as well. There is a limited number of studies related to hospitality industry regarding strategic purchasing and there is no study that comprehensively examined the phenomena in detail. Additionally, researches in hospitality industry focused on developed countries such Canada, Finland, US and there is lack of study that examines strategic purchasing activities in a developing country. Therefore, this master thesis contributes to the literature by testing theories generated from manufacturing industry in hospitality industry and also testing theories related to hospitality industry in a different context.

Firstly, this study shows that hotels can be divided into two different groups in terms of their supplier selection (purchasing) strategy. Accordingly, by examining relative importance of such criteria and significant differences between groups, purchasing strategies of hotels are identified. This finding expands the work of Önder and Kabadayi (2015) in which relative importance of supplier selection criteria was presented in the context of hospitality industry. Additionally, this study shows that hotels have significantly different supplier selection (purchasing) strategy.

Second, contrary to generally accepted view, it is found that creating collaborative and long-term oriented relationship with suppliers is negatively associated with financial and market performance of hotels. Fantazy et al. (2010) found that creating collaborative relationship positively affects performance of hotels in Canada. However, this study creates a new discussion topic that shows collaborative relationships are not always related to positive performance outcomes and might change in accordance with the environment. Even if there is an accepted view, there are some studies that noted the dark-side of collaborative relationship. To illustrate Appleby and Twigg (1998) noted that many firms do not prefer collaborative relationships because of additional costs resulting from customer specific investments. Similarly it was found that better performing firms have less orientation on collaborative relationships (Das et al., 2006). Also, Anderson and Jap (2005) stated that having close relationship with suppliers may not be always beneficial and it prevents development of creative and independent actions. Therefore, this study contributes to these debates related to collaborative or traditional relationships with suppliers by revealing hospitality industry.

Moreover, supplier development has been remained in the background in the context of hospitality literature. As Krause & Scannell (2002) stated, service industries use supplier development activities less than

manufacturing industries. Kim (2006) noted the positive outcomes related to firm performance resulting from supplier development in restaurant sector. Even if this study could not support this finding in terms of whole sample, sub-group that uses traditional purchasing strategy is found to be positively affected from supplier development practices. Therefore, this study contributes to the limited number of studies in hospitality industry by expanding the research area by including hotel sector.

Finally, environmental supplier development is one of the most popular research topics for recent years. Many studies revealed that adopting environmental supplier development activities positively affects firm performance (Rao & Holt, 2005; Danso et al., 2019). Organizations in hospitality industry were also found to acquire positive outcomes from environmental supplier development activities (Aboelmaged, 2018). This thesis also tested these theories related to hospitality industry and found similar results. Additionally, this study contributes to the existing literature by testing the relationship between environmental supplier development and firm performance in different sub-groups.

5.3 Managerial Contributions

This master thesis tested theories related to strategic purchasing practices with extensive literature review. Fantazy et al. (2010) stated that managers in hospitality industry have recognized the importance of those practices to improve their organizations' performance. Turkish hospitality industry hosted over 46 million visitors in 2018 and had 4% of GDP in the same year (Ministry of Culture and Tourism, 2019). Managers in hospitality industry should realize the importance of strategic purchasing and other related activities (Feinstein & Stefanelli 2002). As hospitality is an indispensable industry, hotel managers in Turkey have to be aware of strategic purchasing practices and its effects on their performance. At this point, this study

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presents contributions to managers of hotels, suppliers and also regulatory bodies.

Unlike the literature, this study showed that better performing hotels do not create collaborative relationships with their suppliers. In light of this information, hotel managers can approach creating collaborative relationship cautiously to have better financial and market performance. Additionally, supplier development practices are significantly associated with business performance for hotels that have *Traditional* purchasing strategy. Hence, managers in this group should take advantage of adopting supplier development activities. Moreover, environmental supplier development activities are positively related to hotel performance. Tourism industry has been blamed because of its activities that use significant amount of resources (Rodriguez-Anton et al., 2011). This study shows the potential improvement areas regarding environmental management to break down the prejudices. Manager should allocate required resources to shift firm strategy towards environmental integration (Aboelmaged, 2018) and invest in environmental supplier development activities to increase financial and market performance. In doing so, managers should consider their purchasing strategy as well. Hotels with traditional purchasing strategy should increase environmental management practices to increase their performance. Because, hotels that have traditional purchasing strategy can increase their financial performance while hotels that use strategic purchasing decisions may improve their market performance.

From the point of suppliers, this study provides useful information as well. Suppliers may improve their performance in accordance with supplier selection criteria of hotels. Additionally, managers of suppliers may encourage hotel managers to invest in supplier development activities by promoting positive outcomes for hotels that use traditional purchasing strategy. Regardless of purchasing strategy, environmental supplier

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development is found to be positively related to hotel performance. Therefore, suppliers should give countenance to hotel managers to jointly adopt environmental management practices.

Finally, Turkish hospitality industry has great objectives for the future. Accordingly, Turkey aims to be one of the top 5 countries in 2023 in terms of annual visitors and tourism revenue (TUSİAD, 2012). Hotels that have environment-friendly system are able to charge higher prices. Lee et al. (2010) noted that customers revisit and recommend hotels that have environmentally sustainable hotels. This study also supports that environmental supplier development increase financial and market performance of hotels. Therefore, regulatory bodies should promote environmental management and supplier development practices to be able to achieve the goal in following years.

5.4 Limitations and Future Research

This study employs a comprehensive perspective towards strategic purchasing practices in Turkish hospitality industry. However, it has some limitations and these limitations can be improved for future research.

Firstly, this study has a limited sample size (n=71). Even though participants were informed about aims of the study and confidentiality of information, many practitioners preferred not to join to the survey. At this point, many responses were acquired with the help of OSMED. Because of the mailing lists of OSMED are confidential; it was not possible to calculate response by including responses from OSMED. Therefore, response rate was calculated with the online and printed questionnaires collected by the researcher. Although, the sample size is limited, we tried to care about the sample to reflect the population. As a result, locations of collected responses are proportional to actual number of hotel population in those cities.

Second, cluster analysis was used to find significant groups in the sample. As number of clusters is directly related to the number of observations, two significant groups of hotels were identified. However, if higher number of observations were acquired, there would be an opportunity to determine more sub-groups and corresponding purchasing strategies. Therefore future studies may increase the sample size to detect other purchasing strategies.

There is no study that comprehensively investigated strategic purchasing activities in hospitality industry. In order to do so, this study includes three main dimensions – supplier selection, supplier relationship management, supplier development – related to the concept. Therefore, these broad dimensions were asked to the participants in a holistic manner. To illustrate, supplier development activities have many sub-dimensions in itself such as assessments, feedbacks, monitoring, involvement, knowledge transfer, information sharing, joint production etc. (Dyer & Singh, 1998; Bai, & Sarkis, 2010). Since this studies' aim is to develop extensive strategic purchasing framework, it does not focus on sub-dimensions but key dimensions with a holistic approach. Therefore, future studies can examine sub-constructs of collaborative relationship, supplier development, and environmental supplier development in detail.

Collaborative relationships with suppliers are widely accepted to have positive outcomes. However, this study argues the opposite view. Even if possible reasons are presented, these reasons could be explored by future studies. One explanation could be that cultural or regional difference of the study. Additionally, it may be directly related to the hotels' strategy on not having collaborative relationships. Hence future studies may reveal the reasons behind.

One of the main decisions of studies in strategic purchasing literature is investigation of concepts with comprehensive approach or classification of

product categories. To illustrate, Hemmington and King (1998) examined outsourcing process of hotels only in terms of food and beverage category. Similarly, Göçen et al. (2017) studied supplier selection and market structure of hotels in terms of different product groups such as cleaning products, dairy products, fruit and vegetables etc. However, as this study adopts comprehensive approach by including four different construct into discussion in the context of hotels, investigation of suppliers in terms of product types was considered as infeasible. Therefore, future studies may examine these concepts by evaluating suppliers regarding product types.

Finally, even if it is widely used in the literature, we consider that collection of independent (practices) and dependent (performance parameter) variables from the same participant is not an objective approach. As this study asked participants to evaluate their own performance, participants may have responded subjectively. Therefore, future studies might investigate the concepts with objective data sources such as financial reports or customer reviews.

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APPENDICES

A. SURVEY

This survey is part of the study conducted within the **Middle East Technical University Department of Business Administration**, which investigates the impact of strategic purchasing practices on hotel performance in the tourism sector. The aim of this study is to determine the effects of hotels' supplier selection criteria, supplier relationship management, and supplier development policies on hotel performance. Participation in the study is entirely voluntary. The answers of the participants will be kept completely confidential and will only be evaluated by the researchers. The information obtained will be used for scientific purposes only.

In order for the questionnaire to contribute to the study, it is important that the participants fill in the required information **completely and accurately**. In order to achieve this, the participants are expected to express their real thoughts clearly in the survey. Questionnaires do not include questions that may cause personal discomfort. The survey duration is approximately **10-15 minutes**.

Participants who want to learn more about the study can reach the researcher Oğuz Aksoy, whose contact information is given below. Thank you in advance for allocating time to contribute to this study.

MBA Student   Supervisor
Oğuz Aksoy   Asst. Prof. Dr. Melek Akın Ateş
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1.Dear Participant, please fill in the hotel details:

Hotel Name:

Stars:

Number of Employees:

Position:

E-mail:

2. Please mark the importance of criteria below for selecting key

suppliers from 1 (Not important at all) to 5 (Very important)

1. Ability to provide reliable product/service	1	2	3	4	5
2. Ability to provide durable product/service	1	2	3	4	5
3. Ability to conform your specifications	1	2	3	4	5
4. Ability to deliver a consistent level of quality	1	2	3	4	5
5. Presence of ISO 9001/22000 or similar certificate	1	2	3	4	5
6. Unit cost of product/service	1	2	3	4	5
7. Total procurement cost (including transport, control etc)	1	2	3	4	5
8. Willingness of the supplier to share cost structure	1	2	3	4	5
9. How quickly a supplier can deliver an order	1	2	3	4	5
10. Ability to meet delivery due dates	1	2	3	4	5
11. Ability, willingness of a supplier to expedite a rush order	1	2	3	4	5
12. Ability of the supplier to design new products or change existing products	1	2	3	4	5
13. Level of technological capabilities the supplier possesses and is willing to use for your products	1	2	3	4	5
14. Ability, willingness and cost for a supplier to change order volumes	1	2	3	4	5
15. Ability, willingness and cost for a supplier to change the mix of ordered items	1	2	3	4	5

16. Regional proximity of a supplier	1	2	3	4	5
17. Regional or national coverage of the supplier	1	2	3	4	5
18. Supplier's reputation in industry	1	2	3	4	5
19. Recommendations about supplier	1	2	3	4	5
20. Environmental policy of a supplier	1	2	3	4	5
21. Presence of ISO 14001 or similar certificate	1	2	3	4	5
22. Recycling policy of the supplier	1	2	3	4	5

4. For each statement, please mark the most suitable option for you on the scale from 1 (Strongly disagree) to 5 (Strongly Agree).

1. Our hotel formally assesses suppliers' performance.	1	2	3	4	5
2. Our hotel visits suppliers to help improve their performance.	1	2	3	4	5
3. Our hotel helps suppliers to solve their performance problems	1	2	3	4	5
4. Our hotel provides feedback to improve suppliers' performance.	1	2	3	4	5
5. Our hotel sets environmental performance goals for our suppliers.	1	2	3	4	5
6. Our hotel evaluates our suppliers' environmental performance.	1	2	3	4	5
7. Our hotel provides feedback regarding suppliers' environmental performance.	1	2	3	4	5
8. Our hotel cooperates with suppliers to solve environmental problems.	1	2	3	4	5
9. Our hotel encourages suppliers for environmental friendly products/services.	1	2	3	4	5
10. Our hotel provides training to suppliers on environmental capabilities.	1	2	3	4	5
11. Our hotel views our suppliers as an integrated part of the supply chain.	1	2	3	4	5
12. Our hotel expects our relationship with key suppliers to last long time.	1	2	3	4	5
13. Our hotel cooperates with key suppliers to improve the chain quality in the long run	1	2	3	4	5
14. Our hotel develops a partnership program with our key suppliers for the benefit of the whole chain	1	2	3	4	5

5. Please evaluate your hotel's performance for last two years with respect to your goals from 1 (Much below than our goals) to 5 (Much above our goals)

1. Net Income	1	2	3	4	5
2. Total Profitability	1	2	3	4	5
3. Market Share	1	2	3	4	5
4. Annual Growth	1	2	3	4	5
5. Average Cost	1	2	3	4	5
6. Customer Satisfaction	1	2	3	4	5
7. Customer Loyalty	1	2	3	4	5
8. Product/Service Quality	1	2	3	4	5
9. Sustainability Performance	1	2	3	4	5

You have reached the end of the survey.

Thank you very much for your time and participation

If you have any opinions and thoughts about the study, please fill in

B. HSEC APPROVAL

ORTA DOĞU TEKNİK ÜNİVERSİTESİ
MIDDLE EAST TECHNICAL UNIVERSITY

Sayı: 28620816 / 3L2

06 Haziran 2018

Konu: Değerlendirme Sonucu

Gönderen: ODTÜ İnsan Araştırmaları Etik Kurulu (İAEK)

İlgi: İnsan Araştırmaları Etik Kurulu Başvurusu

Sayın Melek Akın ATEŞ

Danışmanlığını yaptığınız Oğuz AKSOY'un **"Turizm sektöründe tedarikçi sürekliliğinin otel performansına etkisi"** başlıklı araştırması İnsan Araştırmaları Etik Kurulu tarafından uygun görülerek gerekli onay **2018-SOS-115** protokol numarası ile **23.06.2018 - 30.12.2018** tarihleri arasında geçerli olmak üzere verilmiştir.

Bilgilerinize saygılarımla sunarım.

Prof. Dr. Ş. Halil TURAN
Başkan V

Prof. Dr. Ayhan SOL
Üye

Prof. Dr. Ayhan Gürbüz DEMİR
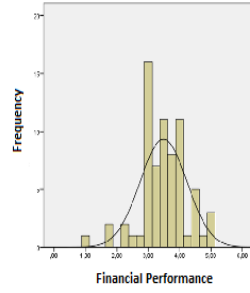Üye

Doç. Dr. Yaşar KONDAKÇI
Üye

Doç. Dr. Zana ÇITAK
Üye

Doç. Dr. Emre SELÇUK
Üye

Dr. Öğr. Üyesi Pınar KAYGAN
Üye

D. HISTOGRAMS

Collaborative Relationship

Supplier Development

Environmental Supplier Development

Financial Performance

Market Performance
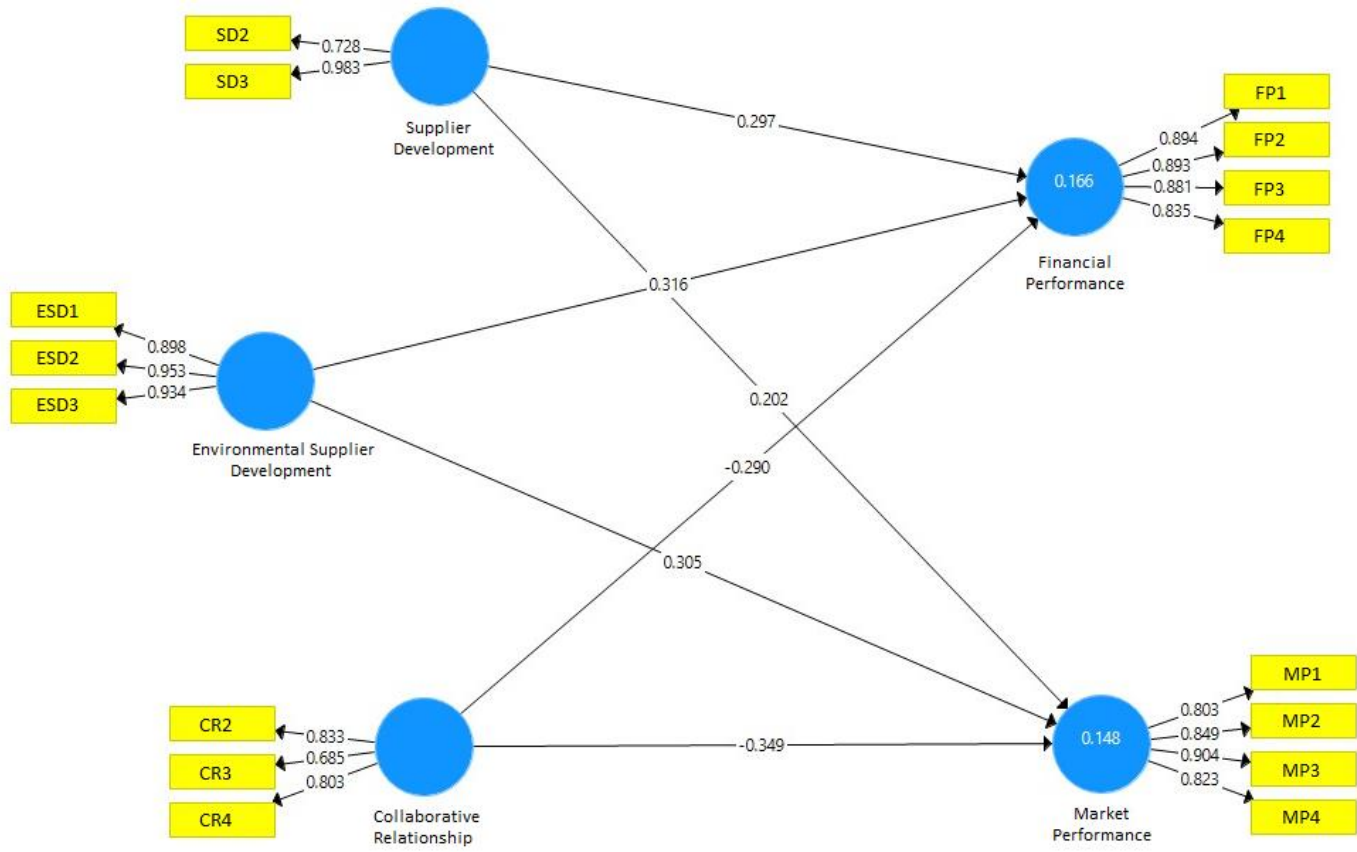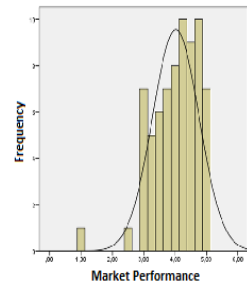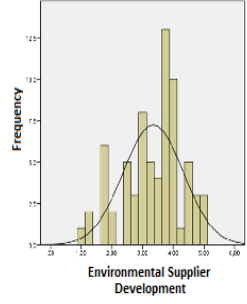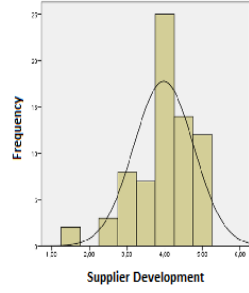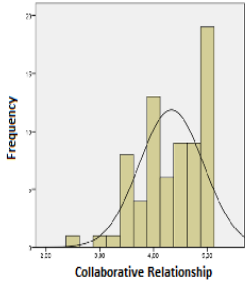
E. TURKISH SUMMARY / TÜRKÇE ÖZET

1. Giriş

Satınalma, "satıcı ve alıcı arasında düzenli, sistematik bir değişim" olarak tanımlanmaktadır (Feinstein ve Stefanelli, 2002, s.1). Satınalma, alıcı şirketlerin temel işi olarak kabul edilir ve bu şirketler, gereksinimlerini karşılamak için mümkün olan en iyi mal, hizmet ve tedarikçileri aramak zorundadır (Feinstein ve Stefanelli, 2002; Chen, diğ., 2004).

Geleneksel olarak satınalma, firmanın performansına önem vermeyen tamamlayıcı bir operasyonel faaliyet olarak kabul edilmekteydi (Apostolova diğ., 2015). Satınalma departmanının temel işlevi, diğer departmanların satınalma siparişlerine yanıt vererek, en düşük maliyetle ürün ve hizmetler elde etmektir (Gadde ve Hakansson, 1994). Bununla birlikte, satınalma işleminin işletme performansı üzerindeki etkileri keşfedilmiş ve satınalma kavramı 1980'lerde taktiksel olarak önemli hale gelmiştir (Apostolova ve diğ., 2015). Sonraki yıllarda, dış tedarikçiler ile iç dinamikler arasında müşterilere değer yaratma ve sağlamada kilit rol oynadığından, satınalma stratejik bir süreç olarak kabul görmüştür (Chen ve diğ., 2004). Bununla birlikte stratejik satınalma konsepti doğmuş ve "firmanın uzun vadeli hedefleri ile bağdaşan fırsatları değerlendirmek amacıyla, firmanın stratejik ve operasyonel satınalma işlevlerini yönlendiren planlama, uygulama, değerlendirme ve kontrol süreci" olarak tanımlanmıştır (Carr ve Smeltz1997, s.201).

Araştırmaya konu işkolu, konaklama sektörü, 2018'de perakende değer olarak 500 milyar doları aşmıştır (Langford diğ., 2019). Ek olarak, ABD'deki oteller 2018'de 200 milyar doların üzerinde gelir elde etmiştir (Langford ve diğ., 2019). Benzer şekilde, Türk konaklama sektörü, 2018'de

bugüne kadarki en yüksek sayıya ulaşarak, 46 milyondan fazla turisti ağırlamıştır (Kültür ve Turizm Bakanlığı, 2019). Ayrıca, turizm sektörü 2018'de Türkiye GSYİH'nın % 4'üne katkıda bulunmuştur (Kültür ve Turizm Bakanlığı, 2019). Konaklama endüstrisi dünyadaki birçok ülke için çok önemli bir sektör olduğu için son yıllarda dikkat çekerek araştırmalara konu olmaktadır.

Stratejik satınalma literatürü daha çok üretim sektörünü ele alınmakta ve özellikle konaklama sektöründe stratejik satınalma konusunda sınırlı sayıda çalışma bulunmaktadır. Buna bağlı olarak, çalışmanın amacı, konaklama endüstrisi bağlamında stratejik satınalma uygulamalarının ve bu uygulamaların firma performansına etkilerini incelemektir.

1.1 Araştırmanın Amaçları

Stratejik satınalma, ve iş performansı arasındaki bağlantı birçok araştırmacı tarafından incelenmiştir. Buna göre, stratejik satınalmanın, kuruluşların finansal ve finansal olmayan performansını artırmada etkili olduğu kanıtlanmıştır (Tracey ve Tan, 2001; Chen ve diğ., 2004).

Bu çalışma, konaklama endüstrisinde stratejik satınalma uygulamalarını araştırmak için derinlemesine bir yaklaşım kullanmaktadır. İlgili literatürün çoğunluğu temel olarak üretim sektörüne odaklanmıştır (Krause, Pagell & Curkovic, 2001; Chen ve diğ., 2004) ve hizmet sektöründeki tedarik zincirleriyle ilgili sınırlı sayıda çalışma bulunmaktadır (Véronneau, Roy ve Beaulieu, 2015; Chathoth & Olsen 2003). Ayrıca, stratejik satınalma ile otel performansı arasındaki bağlantıyı kapsamlı bir şekilde inceleyen bir çalışmaya rastlanmamaktadır. Bu boşluğu doldurmak için bu çalışma, tedarikçi seçimi, tedarikçi ilişkileri, tedarikçi geliştirme aktiviteleri ve otel performansını incelemektedir. Satınalma altında bu konular daha önce Beske ve diğ. (2013) tarafından gruplanmış ve incelenmiştir. Ayrıca,

konaklama endüstrisinde sürdürülebilirlik stratejileri ve uygulamalarına artan ilgi ile birlikte (Aboelmaged, 2018; Odoom, 2012), bu çalışma genel tedarikçi geliştirme faaliyetleri ile çevresel tedarikçi geliştirme faaliyetleri ayrı ayrı ele almaktadır.

Turizm sektöründe tedarikçi seçimi, seçim kriterlerinin göreceli önemi ve bu kriterlerin ağırlıklarını belirlemek için matematiksel yöntemler açısından incelenmiştir (Önder ve Kabadayı, 2015; Davras ve Karaatlı 2014). Bu nedenle, bu çalışma farklı stratejik satınalma yaklaşımları kullanan otellerde farklı grupların varlığını inceleyerek literatüre katkı sağlayacaktır. İkincisi, literatürde, konaklama endüstrisi tedarik ilişkileri yönetimi açısından incelenmiş ve işletme performansı ilişkisi ortaya konmuştur. Bu çalışma, büyük turizm gelirine sahip gelişmekte olan bir ülkede tedarikçi ilişkileri yönetimi ile ilgili teorileri test edecektir. Üçüncüsü, hizmet sektöründe tedarikçi gelişimi ile iş performansı arasında güçlü bir bağlantı bulunmaktadır (Sanchez-Rodriguez, 2009; Kim, 2006). Bu çalışma, konaklama endüstrisi ve hizmet sektörü ile ilgili mevcut teoriyi test ederek mevcut literatüre katkıda bulunacaktır. Ayrıca, çevresel sürdürülebilirlik son yıllarda büyük önem kazanmaktadır (Aboelmaged, 2018; Bohdanowicz, 2006). Bu çalışma, otellerin çevresel tedarikçi geliştirme politikalarını ve bu politikaların performans üzerindeki etkilerini araştırmayı da hedeflemektedir. Ek olarak, bu çalışma, çeşitli tedarikçi seçim kriterlerine açısından farklı otel gruplarını inceleyip, teorileri test ederek literatüre katkıda bulunacaktır.

Teorik katkılara ek olarak yönetimsel katkılar da hedeflenmektedir. Stratejik satınalma ve tedarik zinciri yönetiminin olumlu sonuçları literatürde açıkça ortaya konulmuştur. Bu çalışma, kapsamlı bir literatür taraması ile ilgili teorileri ortaya koymayı ve konaklama sektöründeki bu teorileri kapsamlı bir şekilde test etmeyi amaçlamaktadır. Feinstein ve Stefanelli'ye (2002) göre, konaklama endüstrisindeki yöneticiler ve yetkililer, stratejik satınalma

ve diğer ilgili faaliyetler arasındaki ilişkinin farkında olmalıdır. Bu nedenle, bu çalışma Türkiye konaklama sektörünün bu uygulamalarla ilgili mevcut durumunu ortaya koyacak ve otellerin performanslarını iyileştirmeleri için bir yol haritası çıkaracaktır. Çevresel sürdürülebilirlik maliyetli yatırım olarak görüldüğü için kazanılabilecek pozitif sonuçların yöneticiler tarafından bilinmesi önemlidir.

Satınalmada farklı yaklaşımlar kullanan farklı otel grupları bulunuyorsa, otel yöneticileri, işletmelerinin bulunduğu ilgili grubun güçlü ve zayıf yönlerini bilmenin avantajlarından yararlanabilir. Ek olarak, bu çalışma otellerin tedarikçilerle ilişkilerini yönetmelerine yardımcı olacaktır. Ayrıca, bu çalışma otellere, tedarikçi geliştirme ve çevresel tedarikçi geliştirme faaliyetlerini uygulama kararları için rehberlik edecektir. Ek olarak, bu çalışma otellerin tedarikçi seçim süreci açısından somut sonuçlar sağlayacaktır. Buna göre, otel tedarikçileri, otellerin gereksinimlerini karşılamak için performanslarını artırmak amacıyla bulunacak sonuçları ve bilgileri kullanabilir. Son olarak, çevresel sürdürülebilirlik son yıllarda ilgi çekmektedir. Akademisyenler ve sivil toplum kuruluşlarının çabalarına ek olarak, devletler de sürdürülebilir bir çevre sağlanmasına büyük önem vermektedir. Bu nedenle, bu çalışma çevre uygulamaları ile ilgili turizm endüstrisinin mevcut durumunu ortaya koyacaktır.

1.2 Araştırma Sorusu

Stratejik satınalma literatürü öncelikle üretim sektörünü ele aldığından, hizmet sektörü bağlamında daha fazla araştırmaya ihtiyaç vardır. Bu tezin amacı, konaklama endüstrisi bağlamında stratejik satın alma uygulamalarını ve firma performansına etkilerini incelemektir. Bu nedenle, ana araştırma sorusu aşağıdaki gibidir:

Stratejik satınalma uygulamalarının otel performansı üzerindeki etkisi nedir?

Bunu yapmak için, kapsamlı bir literatür taraması ile üç temel stratejik satın alma uygulaması belirlenmiştir: tedarikçi seçimi, tedarikçi ilişkileri yönetimi ve tedarikçi gelişimi. Tedarikçi ilişkileri yönetimi, geleneksel ile işbirliğine dayalı ilişkilere odaklanarak incelenir (Hoyt ve Huq, 2000; Fantazy ve diğ., 2010) Tedarikçi gelişimi, iki tür olarak kavramsallaştırılmıştır: genel tedarikçi geliştirme uygulamaları ve çevresel tedarikçi geliştirme uygulamaları (Kim, 2006; Aboelmaged, 2018). Buna paralel olarak, aşağıdaki alt sorular formüle edilmiştir:

İşbirlikçi ilişkilerin otel performansı üzerindeki etkisi nedir?

Tedarikçi geliştirme uygulamalarının otel performansı üzerindeki etkisi nedir?

Çevresel tedarikçi geliştirme uygulamalarının otel performansı üzerindeki etkisi nedir?

Literatür, farklı organizasyonların ve farklı endüstrilerin farklı iş amaçlarına sahip olduğunu göstermektedir. İş stratejisindeki farklılıklar aynı zamanda satın alma stratejisindeki farklılıklara da dönüşmektedir (Baier, Hartmann ve Moser, 2008). Bu tezde, tedarikçi seçim kriterlerine odaklanarak satın alma stratejileri belirlenmiştir. Diğer bir deyişle, otellerin farklı tedarikçi seçim kriterlerine vurgularına dayanarak farklı satın alma stratejileri olduğu iddia edilmektedir. Ayrıca satın alma stratejisine bağlı olarak, stratejik satın alma uygulamalarının otel performansı üzerindeki etkisinin de değişebileceği; Böylece, moderatör olarak hareket eden satın alma stratejisi. Bu nedenle, aşağıdaki alt soruları da araştırmaya dahil edilmiştir.

Oteller tedarikçi seçim kriterlerine göre sınıflandırılabilir mi?

Bu sınıflandırmalar stratejik satınalma faaliyetlerinin etkileri üzerinde moderatör etkisi gösterir mi?

2. Stratejik Satınalma Aktiviteleri

Bu bölüm üç ana bölümden oluşmaktadır: tedarikçi seçimi, tedarikçi ilişkileri yönetimi ve tedarikçi gelişimi. İlk olarak, çeşitli tedarikçi seçimi ve konaklama sektörü, ardından tedarikçi ilişkileri yönetimi ilgili teoriler anlatılmaktadır. Son olarak, hem genel tedarikçi geliştirme, hem de çevresel tedarikçi geliştirme uygulamaları incelenmektedir.

2.1 Tedarikçi Seçimi

Satınalmanın; müşteri memnuniyeti, pazar payı, kalite yönetimi ve karlılık üzerinde sahip olduğu önemli etkiler nedeniyle tedarikçi seçimi önemli bir süreç haline gelmiştir (Chegraghi, ve diğ., 2004). Tedarikçi seçimi, tedarikçinin performansıyla firma performansını etkileyen stratejik bir değerlendirme sürecidir (Luthra, ve diğ., 2017). Bu nedenle, firmalar düşük maliyetli, yüksek kaliteye sahip ve esnek tedarikçilerle çalışmayı amaçlamaktadır (Vonderembse ve Tracey, 1999). Bu sayede, pazarda rekabet gücünü koruyabilmekte ve ürünleri müşterilere zamanında teslim etmektedir (Kusi-Sarpong, ve diğ., 2019). Tedarikçilerin etkin seçimi ve değerlendirilmesi, daha iyi firma performansı ve müşteri memnuniyeti ile sonuçlanacaktır (Tracey ve Tan, 2001). Bu nedenle tedarikçi seçimi, pazarda başarılı olmak isteyen şirketler için kilit bir kavram anlamına gelmektedir (Gencer ve Gürpınar, 2007).

Tedarikçi seçimi ile ilgili yapılan çalışmaların çoğunluğu üretim sektörüne odaklanmakta, dolayısıyla bu olgunun önemi hizmet sektöründe daha az

tartışılmaktadır. Göçen ve diğ. (2017) Antalya'da otel yöneticileriyle mülakatlar yaparak ve turizm sektöründeki en önemli tedarikçi seçim kriterlerini ürün kalitesi, maliyet, fiyat ve teslimat olarak belirlemiştir. Çalışmanın bir diğer bulgusu ise daha eski tedarikçilerin daha çok tercih edildiğidir. Dolayısıyla, geleneksel kriterlere ek olarak, tedarikçilerin pazardaki itibarı ve güvenilirliği de firmalar açısından önem arz etmektedir.

Davras ve Karaatlı (2014), doğru tedarikçiyi belirlemek amacıyla bir otelde çalışma yapmış ve tedarikçi seçim kriterlerinin göreceli önemini belirlemiştir. Buna göre, tedarikçi seçim kriterleri önemine göre kalite, fiyat, güvenilirlik, teslimat ve referansla olarak sıralanmıştır. Benzer şekilde, Önder ve Kabadayı (2015) otellerin tedarikçi seçim kriterlerini incelemiş ve turizm endüstrisinde tedarikçi seçimine ilişkin öncelikleri ortaya koymuştur. Tedarikçi değerlendirme kriterlerinin göreli önemini belirlemek için Analitik Ağ Süreci (ANP) kullanılmış ve teslimat standartları, tedarikçilerle olan geçmiş deneyimler, teslimat tarihlerine uyumun otel yöneticileri için en önemli kriterler olduğu tespit edilmiştir. Bu faktörleri mal/hizmet maliyeti, tedarikçinin itibarı ve tedarikçinin çevre politikaları izlemiştir (Önder ve Kabadayı, 2015). Dolayısıyla, yıllar boyunca geliştirilen benzer geleneksel kriterlerin turizm tedarik zincirleri tarafından da kullanıldığı sonucuna varmak mümkündür. Ayrıca, tedarikçilerin çevresel yönelimlerinin konaklama işletmeleri açısından önemi ortaya konmuştur.

Sonuç olarak, turizm endüstrisi için tedarikçi seçim kriterleri, farklı çalışmaları birleştirerek *kalite, maliyet, teslimat, esneklik, yeniliik, coğrafi yakınlık, referanslar* ve *çevresel sürdürülebilirlik* olarak belirlenmiştir (Krause ve diğ., 2001; Önder ve Kabadayı, 2015; Zeller ve Drescher, 2017).

Kalite, bir tedarikçinin, alıcı firmanın şartnamelerine uygun, güvenilir ve dayanıklı ürünler veya hizmetler sağlama kabiliyetini ifade eder (Weber ve diğ., 1991).

Maliyet, birim fiyat, nakliye, test ve iade gibi ürün veya hizmetlerin satın alınmasına ilişkin tüm harcamaları içerir (Krause ve diğ., 2001).

Teslimat, bir tedarikçinin normal veya acele bir sipariş verme hızını (Krause ve diğ., 2001) ve tedarikçinin, alıcı firmanın teslim standartlarına uyma konusundaki performansını içerir (Önder ve Kabadayı, 2015).

Esneklik, bir tedarikçinin sipariş miktarındaki veya ürün türündeki değişikliklere yanıt verme kapasitesi anlamına gelir (Krause ve diğ., 2001).

Yenilik, tedarikçilerin yeni ürünler tasarlama ya da mevcut ürünlerde değişiklik yapma kabiliyetidir (Krause ve diğ., 2001).

Referanslar, tedarikçinin sektördeki itibarını ve tedarikçi hakkındaki olumlu tavsiyeleri içerir (Önder ve Kabadayi, 2015).

Çevresel sürdürülebilirlik, tedarikçinin çevresel sürdürülebilirlik açısından kapasitesini içermektedir (Jain ve Khan, 2016).

2.2 Tedarikçi İlişkileri Yönetimi

Tedarikçi ilişkileri yönetimi uzun yıllardır işlenmektedir. Tartışılan iki ana yaklaşım bulunmaktadır: geleneksel ilişkiler ve işbirliğine dayalı uzun vadeli ilişkiler (Hoyt ve Huq, 2000; Landeros ve Monczka, 1989). Yoshino ve Rangan (1995) bu ilişkileri geleneksel ve geleneksel olmayan sözleşmeler olarak tanımlamıştır.

Geleneksel ilişkiler, kısa vadeli, rekabetçi tedarik sağlamayı amaçlamaktadır (Parker ve Hartley, 1997). Bu tarz ilişkiler alıcı firmanın en iyi fiyatı elde etmek için birden fazla tedarikçiyi karşılaştırarak mal veya hizmet temin

etmesine dayanmaktadır ve bu yöntem alıcı firmanın kazanırken kaybettirmeye odaklanması anlamına gelmektedir (Lamming ve Cox, 1995). Landeros ve Monczka (1989) bu yaklaşımın, maliyet analizi, pazarlık gibi fiyat odaklı yöntemlerle kesintisiz mal/hizmet sunacağını belirtmiştir. Ancak bu tarz ilişkilerde bir taraf kazanırken diğer tarafın kayba uğradığı belirtilmiştir (Landeros ve Monczka, 1989).

Yukarıda belirtilen dezavantajlar nedeniyle, firmalar, tek tedarikçi ile çalışma, "kazan-kazan" durumu, güven ve bağlılık, riskin ve ödüllerin paylaşılması gibi birçok avantaja erişmek için işbirliğine dayalı uzun vadeli ilişkiler kurma stratejisine odaklanmaktadır (Lamming ve Cox, 1995). İşbirliği ilişkisi, devam eden iş yapma niyetiyle daha az tedarikçiye sahip olmayı ve kısa vadede tedarikçiyi değiştirmemeyi hedeflememektedir (Landeros ve Monczka, 1989). Bu yaklaşımın amacı, en düşük maliyeti bulmak yerine tüm tedarik zincirinin performansını arttırmaktır (Landeros ve Monczka, 1989). Örneğin, Ford, daha az tedarikçi ile daha uzun sözleşmeler yapmak için doğrudan tedarikçilerinin sayısını 2500'den 900'e düşürmüştür (Imrie ve Morris, 1992). Benzer şekilde, Walmart, Proctor and Gamble, Lucent Technologies ve Sara Lee, planlama, tahmin ve ikmal işlemlerinde birlikte çalışmak için tedarikçileriyle işbirliği içindedir (Hoyt ve Huq, 2000).

Firmaların geleneksel yaklaşımdan işbirliğine dayalı ilişkilere geçişi ile birlikte, bu konuyla ilgili literatür de beraberinde gelişmiştir. Petersen ve diğ. (2005), yakın alıcı-tedarikçi ilişkisinin, tedarikçilerin yeni ürün geliştirme, ürün maliyetlerinde azalma, ürün kalitesi ve müşteri hizmetleri konularında iyileşme gibi birçok avantaja sahip olduğunu belirtmektedir. Şirketler daha güçlü bir rekabet pozisyonu elde etme amacıyla tedarikçilerinden faydalanmaya çalışır ve bu rekabetçi pozisyon ancak tedarik zinciri ortaklarıyla işbirliğine dayalı ilişkiler kurarak ve sürdürülebilir rekabet üstünlüğü geliştirerek elde edilebilir (Ganesan, 1994).

Konaklama endüstrisinde ortaklıklar geliştirmek çok önemlidir (Chatnoth ve Olsen, 2003). Konaklama endüstrisinde işbirlikçi ilişkiler, diğer oteller, restoranlar veya tedarikçilerle olabilir (Chatnoth ve Olsen, 2003). Örneğin, Marriott ve mobilya tasarımcısı, eşsiz ürünler tasarlamak için ortak çalışma başlatmıştır. Sonuç olarak, bu iş birlikçi strateji Marriott'un müşteri memnuniyetini arttırmasına ve rakiplerine göre daha iyi bir pozisyona sahip olmasına yardımcı olmuştur (Chatnoth ve Olsen, 2003).

Stanley ve Wilsner (2001) tarafından tedarikçilerle olan ilişkinin müşteri memnuniyetini etkilediğini kanıtladığından, Fantazy ve diğ. (2010) Kanada konaklama endüstrisinde stratejik satınalma ve tedarik zinciri yönetimi uygulamaları üzerine bir çalışma yürütmüştür. Sonuç olarak tedarikçilerle kurulan işbirlikçi ilişkilerin, otellerde müşteri memnuniyetini pozitif yönde etkilediği tespit edilmiştir. Ek olarak, tedarikçilerle olan ilişki düzeyinin hizmet kalitesini ve dolayısıyla müşteri memnuniyeti performansını olumlu yönde etkilediği kanıtlanmıştır. Ayrıca, hizmet kalitesi ile finansal performans arasında bir ilişki olduğu da tespit edilmiştir. Bu nedenle tedarikçi ilişkileri yönetiminin otellerin finansal ve finansal olmayan performansını olumlu yönde etkilediği sonucuna varmak mümkündür (Fantazy ve diğ., 2010). Ayrıca, Kanada'daki birçok otelin tedarikçileriyle uzun süreli ilişki kurduğu bulunmuştur (Fantazy ve diğ., 2010).

2.3 Tedarikçi Geliştirme

Alıcı firmalarının temsilcileri, tedarikçilerin kalite, teslimat, maliyet azaltma, yeni teknolojilerin benimsenmesi, finansal istikrar ve ürün tasarımı alanlarında iyileştirilmesi gerektiğini vurgulamaktadır (Krause ve diğ., 1998). Carr ve Pearson (1999), alıcı firmaların maliyetleri düşürmek ve işbirliğine dayalı ilişkiler kurmak için kapsamlı şekilde tedarikçilerini geliştirilebileceğini belirtmiştir. Tedarikçi geliştirme stratejisi, şirketlerin

personel değişimi, eğitim ve öğretim gibi faaliyetlerde bulunmasına olanak sağlar. Bu faaliyetler düşük maliyet, daha iyi iletişim, koordinasyon ve kalite iyileşmesi gibi birçok avantaj sağlayabilir (Carr ve Pearson, 1999). Monczka ve Morgan (1993), tedarikçi geliştirmenin, alıcı firmalara açısından pek çok kazanıma sebep olduğunu belirtmiştir.

Mevcut literatür, tedarikçi geliştirme faaliyetlerinin kalite, teslimat, maliyet vb. alanlarda performans iyileştirmelerine yardımcı olduğunu ileri sürmektedir (Humphrey ve diğ., 2004). Nagati ve Rebolledo (2013), tedarikçi gelişiminin tedarikçilerinin performans gelişimine olumlu katkıda bulunduğunu belirtmektedir. Tedarikçi geliştirme faaliyetleri, gelişmiş ürün kalitesi, düşük maliyet, daha kısa teslim süresi ve daha yüksek tedarikçi esnekliği ile bağlantılıdır (Nagati ve Rebolledo, 2013). Humphreys ve diğ. (2004), tedarikçi geliştirme faaliyetlerinin tedarikçilerin performansı üzerindeki etkilerini test etmiştir. Sonuç olarak, doğrudan tedarikçi gelişiminin tedarikçilerin performansını arttırdığı tespit edilmiştir

Konaklama işletmelerinin müşterilerine hatasız ürünler sunabilme amacı, tedarikçilerine büyük ölçüde bağlı olmalarına neden olmaktadır (Kim, 2006). Tedarikçilerin kapasiteleri, ürün ve hizmet kalitesi, maliyet ve teslimatta kritik bir role sahiptir (Kim, 2006). Bu nedenle, düşük kalitede olan veya alıcı firmaların gereksinimlerini karşılamayan tedarikçiler, bu firmaları alternatif çözümler aramaya teşvik etmiştir (Kim, 2006). Sonuç olarak, konaklama sektöründeki firmalar tarafından da tedarikçi geliştirme faaliyetleri kullanılmaktadır (Kim, 2006). Kim (2006) tedarikçi geliştirme faaliyetlerinin ABD'deki restoranların performansına etkilerini belirlemek amacıyla hizmet sektöründe bir çalışma yürütmüştür. Çalışmanın sonuçları, alıcı ve tedarikçi firmalar arasındaki etkin iletişimin teslimat performansını, ürün ve hizmet kalitesini olumlu yönde etkilediğini göstermiştir. Ayrıca, alıcı firmaların uyguladığı geliştirme faaliyetlerinin, teslimat performansı, ürün ve hizmet kalitesi üzerinde de önemli bir etkiye sahip olduğu tespit

edilmiştir (Kim, 2006). Ek olarak, tedarikçi geliştirme faaliyetleri yürüten restoranların finansal performanslarında iyileşme gözlenmiştir.

2.4 Çevresel Tedarikçi Geliştirme

Çevresel sürdürülebilirlik, ilk olarak Dünya Bankası tarafından ortaya konmuştur (Dünya Bankası, 1992). Bu konsept, kaynakları koruyup, insanlara zararlı atıkları en aza indirerek insan refahını iyileştirme stratejilerini içermektedir (Goodland, 1995).

Çevresel sürdürülebilirlik, büyük miktarda kaynak tüketildiğinden oteller için önemli bir unsur haline gelmiştir (Aboelmaged, 2018). Turizm sektörü, su tüketimi, temizlik malzemesi veya plastik gibi doğaya zararlı maddeler, geri dönüşümsüz ürünler gibi nedenlerden dolayı eleştirilmektedir (Rodriguez-Anton ve diğ., 2011). Birinci bölümde tartışılan sürdürülebilir tedarikçi seçimine ek olarak, sürdürülebilir tedarikçilere ulaşmanın diğer bir yolu da mevcut tedarikçilerin performansını geliştirmektir. Çevresel tedarikçi gelişimi "alıcı firmanın tedarikçilerinin olumsuz çevresel etkilerini azaltmalarına yardımcı olduğu tüm faaliyetler" olarak tanımlanmaktadır (Ehrgott ve diğ., 2013, s.131). Çevresel tedarikçi geliştirme uygulamaları, tedarikçilerin çevresel performansının değerlendirilmesi ve izlenmesini, birlikte iyileştirmeler elde etmek için alıcı ve tedarikçinin işbirliğini (Wee ve Quazi, 2005), kaynak transferi, ve bilgi transferi (Bai ve Sarkis, 2010) içerir.

Rivera (2002), çevre yönetim sistemlerine sahip otellerin, bu sistemlere sahip olmayan otellerden daha yüksek fiyatlar uygulayabildiğini göstermiştir. Ek olarak, Sancha ve diğ. (2014), aynı sektördeki başarılı rakiplerin taklit edilmesinin sürdürülebilir tedarikçi geliştirme programlarının benimsenmesinde önemli derecede etkili olduğu tespit

etmiştir. Başka bir deyişle, müşteriler çevre dostu tedarikçileri olan firmaları tercih edebilir ve bu firmaların rakipleri de aynı başarıya ulaşmak için benzer stratejiler uygularlar (Sancha ve diğ., 2014). Örnek olarak, ABD'deki otel müşterileri, çevresel açıdan sürdürülebilir otellere olumlu davranışlar (tekrar ziyaret etmek, başkalarına tavsiye etmek, ekstra ücret ödemeye razı olmak gibi) göstermişlerdir (Lee ve diğ., 2010). Sonuç olarak, otel yöneticileri, faaliyetlerinin olumsuz çevresel etkilerini en aza indirecek yenilikçi yaklaşımlar aramaktadır. (Aboelmaged, 2018). Yu ve Huo (2019) çevre dostu ürün ve hizmetlerin müşteri memnuniyetini, satışları ve karı artırabileceğini belirmiştir. Bu nedenle, oteller çevre dostu uygulamaları teşvik etmeli ve tedarikçilerle çevresel işbirliği üzerinde çalışmalıdır (Yu ve Huo, 2019).

3. Yöntem

Bu çalışma, Türkiye'deki otellerin tedarikçi seçimi, tedarikçi ilişkileri ve tedarikçi geliştirme faaliyetleri ile otel performansına ilişkin stratejisine odaklanmaktadır. Veriler, satınalma yöneticilerinden veya kurumlarının politikaları hakkında bilgi sahibi olan ilgili otellerin satınalma personelinden toplanmıştır. Hipotezleri test etmek için veri toplama aracı olarak anket kullanılmıştır.

Bu tez çalışmasında iki kaynaktan veri elde edilmiştir. Öncelikle, Otel Satınalma Müdürleri Eğitim Derneği (OSMED) ile ortak çalışılmıştır. Ek olarak, araştırmacılar tarafından basılı ve internet üzerinden olmak üzere veriler toplanmıştır. Bu iki yöntem sonucunda 71 kullanılabilir anket elde edilmiştir.

4. Bulgular

İlk olarak, oteller tedarikçi seçim süreçleri bakımından iki önemli gruba ayrılır: geleneksel ve stratejik. Tedarikçi seçim kriterlerinin boyutları incelendiğinde, iki grubun maliyet ve kalite açısından anlamlı bir farklılığa sahip olmadığı bulunmuştur. Bu bulgu, Önder ve Kabadayı (2015) ve Davras & Karaatlı (2014) çalışmalarına benzerlik göstermekte olup, bu kriterlerin tedarikçi seçim sürecinde Türkiye'de ilk sırada yer aldığı tespit edilmiştir. Ek olarak, iki grup teslimat, coğrafi yakınlık, referanslar, esneklik ve çevresel sürdürülebilirlik açısından anlamlı derecede farklıdır. Stratejik grup, bu kriterlerin hepsinde Geleneksel gruba göre çok daha yüksek puanlara sahiptir. Ayrıca, teslimatın, maliyet ve kaliteden sonra en önemli kriter olduğu saptanmıştır. Eshtehardian ve diğ., (2013), satınalma stratejisinin şirketin stratejisiyle ilişkili olduğunu belirtmiştir. Bu nedenle, *Stratejik* gruptaki otellerin stratejilerine paralel olarak tüm seçim kriterlerine önem verdikleri, *Geleneksel* gruptaki otellerin ise sadece en düşük maliyetle kaliteli ürün/hizmet satınalmaya odaklandığı söylenebilir. Dolayısıyla, iki grup geleneksel ve stratejik satınalma kararlarını kullanan otelleri temsil eder.

İkincisi, tedarikçilerle işbirliğine dayalı bir ilişki oluşturmanın finansal ve pazar performansı üzerinde anlamlı derecede olumsuz etkiye sahip olduğu bulunmuştur. Birçok çalışma, tedarikçilerle işbirliğine dayalı veya uzun vadeli odaklı ilişkilerin hem tedarikçilerin hem de alıcıların performanslarını olumlu yönde etkilediğini savunmaktadır (Kähkönen ve diğ., 2017; Duffy ve Fearne, 2004). Bu çalışmanın Türkiye gibi gelişmekte olan bir ülkede yapılmış olması bu bulgunun ilk nedeni olabilir. Buna ek olarak, Türkiye'deki otellerin işbirlikçi ilişkileri ekstra maliyet olarak görmesi ve düşük maliyet prensibiyle hareket etmesi de bu bulgunun altında yatan neden olabilir.

Ek olarak, pek çok çalışma, tedarikçi geliştirme faaliyetlerinin tedarikçilerin (Modi ve Mabert, 2007; Lawson ve diğ., 2015) ve alıcıların (Kim, 2006; Humphreys ve diğ., 2004) performansını artırdığını savunmaktadır. Çoklu grup analizi, tedarikçi gelişiminin *Geleneksel* grupta finansal ve piyasa performansı üzerinde olumlu etkileri olduğunu ortaya koymuştur. Başka bir deyişle, *Geleneksel* gruptaki oteller, tedarikçi geliştirme faaliyetlerinden yararlanabilirken, bu faaliyetler *Stratejik* grup otelleri için anlamlı bir etkiye sahip değildir. Ek olarak, tedarikçi geliştirme faaliyetlerinin kullanımı açısından iki grup arasında anlamlı bir fark yoktur. Her iki grup da tedarikçi geliştirme faaliyetlerini eşit oranda kullanırken, yalnızca *Geleneksel* grup avantaj elde edebilmektedir.

Son olarak, beklendiği gibi, çevresel tedarikçi gelişiminin otellerin finansal ve pazar performansı üzerinde önemli derecede olumlu etkileri vardır. Bu bulgu literatürdeki çalışmaları desteklemektedir. Aboelmaged (2018), çevre dostu uygulamalar benimseyerek rekabet avantajının elde edilebileceğini ve çevresel stratejilerin ve uygulamaların maliyet, teslimat ve hizmet kalitesi açısından rakipler karşısında rekabet avantajı sağladığını belirtmiştir. Bu çalışma aynı zamanda daha iyi finansal ve pazar performansına sahip olmak için çevresel tedarikçi geliştirme uygulamalarının yapılması gerektiğini ortaya koymaktadır. Bu nedenle, otellerin daha iyi performans için çevresel tedarikçi geliştirme uygulamalarına yatırım yapmaları gerektiği sonucuna varılabilir.

Her ne kadar ana yapısal model çevresel tedarikçi gelişimi ile performans arasında bir bağlantı olduğunu kanıtlasa da, kümelenme analizi, çevresel tedarikçi geliştirme faaliyetlerini kullanma açısından *Stratejik* ve *Geleneksel* grupları arasında anlamlı bir fark olduğunu göstermiştir. Stratejik gruptaki oteller çevresel tedarikçi geliştirme uygulamalarını Geleneksel gruptakilerden daha fazla kullanmaktadır. Bu, *Geleneksel* grubun maliyet odaklı stratejisi kaynaklı olabilir. Ek olarak, çoklu grup analizi, *Stratejik*

grubun çevresel tedarikçi geliştirmeden pazar performansı açısından fayda sağlayabileceğini, *Geleneksel* grubun ise finansal performans açısından bu politikadan yararlanabileceğini göstermektedir.

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