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**52nd ERSa Congress  
21-25 August 2012 Bratislava**

**SUPPLIER LINKAGES OF ACCOMMODATION SECTOR:  
THE CASE OF MANAVGAT IN TURKEY**

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Realizing the significance and contribution of the tourism sector to the regional/local economy, the number of studies which analyze the impacts of tourism on economic development has increased. Several approaches and methodologies have already been developed for this purpose. The economic impact analysis mostly focuses on the spending of tourists, however it is not simple not only because of the data availability, but also because of reliability since the cycle of spending has become more complex in the economy.

In this paper, the accommodation sector has been taken into consideration as one of the main components of the tourism sector. Supplier linkages of accommodation units have been examined in order to evaluate the demand of tourism, linkages among different economic sectors and regional-spatial impacts of these linkages. Manavgat, one of the main destinations within Antalya (the Mediterranean region), has been selected as the case study. The number, the size, the time period of being a supplier and the location of the suppliers are defined as the main factors based on the different branches of service and activities of the accommodation sector. The findings of the analysis put forward that most of the suppliers are located in Antalya rather than Manavgat. Therefore, the demand of the accommodation sector could not create an expected capacity for supply in Manavgat, and the economic impacts remain relatively low within the local economy.

**Key words:** tourism, accommodation, supplier, economic impact, Turkey

## **1. Introduction**

Tourism has been considered one of the main sources of economic development for both developed and developing countries. The impact of tourism on other sectors within the economy has become a significant research agenda Mathias et al. (2011) points out that the diversity in the tourist sector poses a real challenge to economic researchers to develop methodologies for tourism impact assessment. Many economic impact studies focus on the multiplier effect which is concerned with the way in which expenditures on tourism filter throughout the economy, stimulating other sectors (Pearce, 1989; Archer, 1982). The economic impacts of tourism are usually classified as either primary or secondary. Primary or direct impacts are economic impacts of direct consequences of visitor spending, while secondary impacts would be either indirect or induced. Secondary impacts are generally considered the spending of local businesses from the suppliers, while induced ones are those arising from the additional income generated by further consumer spending (Hall and Page, 2002; Cooper et al., 2005). The fundamental problem of measuring the economic impact of tourism is that tourism does not exist as a distinct sector in any system of national accounts. However, according to Fletcher (1994), tourism is an activity that is defined by consumers at the point of consumption. It is very well known that a large portion of visitor expenditure goes into identifiable tourism sub-sectors such as transport, hotels, etc. But it seems that the spatial aspect of a multiplier analysis has mostly been neglected.

In this paper, the accommodation sector has been taken into consideration as one of the main components of the tourism sector in order to analyze the secondary impacts. The accommodation sector is defined as primary infrastructures of the tourism sector, along with transportation and other service sectors, in addition to the natural and cultural attractions of destinations. Since tourism is the type of sector that combines several goods and services, the linkages between different sectors have become significantly more competitive. Even though the supplier linkages or the term of supply chain has been mostly studied in the field of industry for two decades, this topic has remained limited in the service and tourism sector (Zhang et al., 2009). There have been several studies emphasizing the role of a strong supply chain system on a competitive advantage of firms (Xinyue and Yongli, 2008; Chen, 2009; Zhang et al., 2009). Accommodation, transportation, entertainment sectors are defined at the first visible stage of the supply chain since they provide goods and services directly to the consumers. On the other hand, the second stage suppliers which provide goods and services to first stage supplier need to be examined in order to explore the linkages and impacts on the

local economy (Font et al., 2008; Huang et al., 2010).

Therefore, in this paper the linkages between the suppliers and the accommodation units have been examined in order to evaluate the demand of tourism from different economic sectors and regional-spatial impacts of these linkages. In Turkey, tourism actually started to take off during the 1980s with the tourism incentive policies. The process stimulated the number and size of the investments on the accommodation sector in order to increase the bed capacity, especially on the Mediterranean coast. From this point, the increasing number of accommodation units would be an interesting research field not only related to their potentials for the supply side of tourism, but also their economic impacts (secondary) by demanding goods and services from other sectors within the local economy. Manavgat, one of the main destinations within Antalya (the Mediterranean region), has been selected as the case study. Thus, we explored to what extent the accommodation sector generates a demand within the local (Manavgat district) or regional (Antalya province) economy.

The following section includes the methodology of the analysis, while the third section displays the findings of the analysis with respect to the features of surveyed hotels and the suppliers. In conclusion, the results are highlighted for a further research agenda.

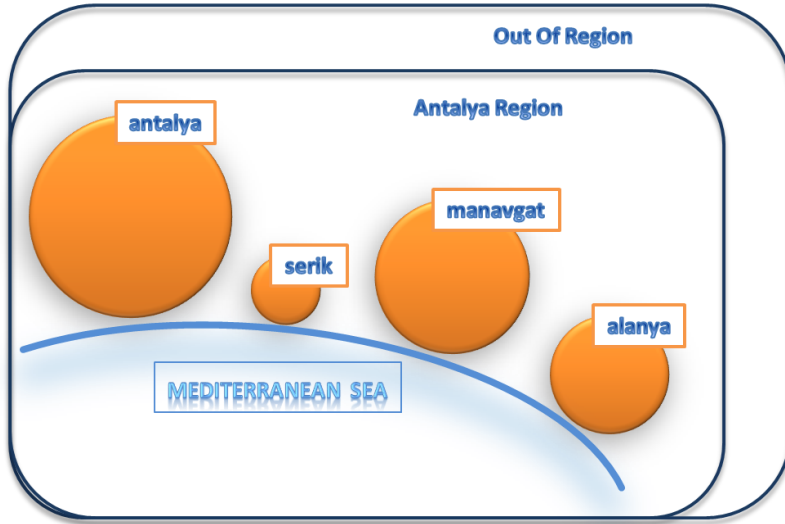
## **2. Methodology and the data**

Significant expected contributions of tourism to the local economy are employment generation and direct economic demand from the local economy. Therefore, considering the accommodation sector, the assumptions are defined as follows:

- hotels are employment generation units within the local region.

- hotels demand goods and services from the local region and create a multiplier effect within the local economy.

Thus, one of the main purposes of the paper is to explore whether the suppliers of the hotels are mainly within the region or not (Figure 1). The number, size, time period of being a supplier and the location of suppliers are defined as the main factors based on the different branches of service and activities of the accommodation sector. Furthermore, how and based on which factors they choose their suppliers would be another question of the paper.



**Figure 1:** Spatial definition of supplier analysis

The number of the hotels and their bed capacities are defined based on the official data of the Ministry of Culture and Tourism. From 132 total ministry-licensed hotels in the Manavgat district, 36 hotels were removed in order to avoid duplications since they are either owned by the same chain/group or investor and have a common purchasing department. Later, the survey was conducted with 33 hotels as 38% of the total bed capacity (27.221/70.986).



**Figure 2:** Spatial distribution of surveyed hotels and their bed capacities

Figure 2 indicates the spatial distribution of sample hotels with their bed capacities according to the sub-districts. The questionnaire is structured based on two sections: the first one includes the general features of the hotels, the second part focuses on the supplier information based on the different departments. Frequencies and correlation analysis are used regarding the purpose of the research.

### **3. The Analysis for the Case of Manavgat**

Tourism highlights the western coastal development pattern of Turkey, since Antalya has not only the highest number of visitors but the longest stays as well. Therefore, tourism is considered as the basic sector of the regional/provincial economy.

In the 1980s increasing investment incentives were oriented on coastal regions, especially the Mediterranean and Aegean coasts which already had adequate infrastructure and potential for tourism development by encouraging large-scale tourism complexes. Coastal provinces get a larger share of Turkish tourism shown by the statistics of foreign tourist nights spent (95.96%).

The research, which looked at the relationship between the socio-economic development and tourism development in the western coastal districts of Turkey, finds four different main groups and indicates that the variables related to tourism have changed the development level of districts either positively or negatively (Gezici et al., 2006). Manavgat is in the first group with the districts of Kemer, Marmaris, Alanya, and Bodrum, which are relatively developed ones (Figure 3). The level of socio-economic development is increasing as well, when tourism parameters are added. These districts are the places where tourism demand is the most intense and periods of stay are the longest. Kemer and Manavgat (Side) are the destinations, which were developed based on mass tourism and large-scale accommodation facilities by Tourism Development Projects. Moreover, these districts are the main destinations for the foreign tourists. They have high accessibility with the advantages of proximity to the airports.



**Figure 3:** Location of Manavgat and other coastal destinations (Gezici, et al., 2006)

Manavgat indicates higher length of stay and occupancy rate, not only from the average of Turkey, but average of Antalya province as well (Table 1).

**Table 1:** Tourism indicators of the districts in Antalya (Ministry of Culture and Tourism, 2009)

	The number of tourists	Total nights spent	Average length of stay	Occupancy rate (%)
Alanya	1 448 725	8 304 329	5,7	58,33
Finike	18 945	109 488	5,8	66,66
Kaş	8 558	30 765	3,6	20,21
Kemer	1 853 555	9 355 123	5	58,24
Kumluca	8 164	54 499	6,7	22,24
<b>Manavgat</b>	<b>1 341 001</b>	<b>7 594 659</b>	<b>5,7</b>	<b>62,8</b>
Serik	1 572 346	8 242 030	5,2	59,23
Side	674 887	4 317 230	6,4	66,14
Kalkan	12 228	51 410	4,2	34,75
Muratpaşa	1 501 444	5 182 538	3,5	56,57
Konyaaltı	388 796	561 896	1,4	34,55
Kepez	11 853	23 486	2	28,88
<b>Total</b>	<b>8 840 502</b>	<b>43 827 453</b>	<b>5</b>	<b>58,9</b>
<b>TURKEY</b>	<b>26526820</b>	<b>82916475</b>	<b>3,1</b>	<b>48,9</b>

### 3.1.The main features of hotel units and employment

Manavgat is the main concentration area of 5-star hotels in Antalya. Therefore the surveyed ones are mainly 5- (60%) or 4-star hotels (27%). 54% of them have 501-1000 bed capacity (Table 2), 94% are all inclusive hotels and 51.5% are open during the whole year. The size-bed capacity and the year usage of the hotel have a positive impact on tourism employment as a parameter of continuity rather than a seasonal impact. The region has a long season (April to October) due to the climate advantage, while the hotel capacities and standards give opportunities for the purpose of congresses and meetings as well.

**Table 2 :** Bed capacity of the hotels

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 500 and below	4	12,1	12,1	12,1
501-1000	18	54,5	54,5	66,7
1001-1500	6	18,2	18,2	84,8
1501-2000	5	15,2	15,2	100,0
Total	33	100,0	100,0	

Management origin of the hotels points out that 45,5% of them from Manavgat district, while 45,5% is out of the Antalya province (Table 3). The proportion of the managers from out of province shows the significance of big cities like Istanbul. On the other hand, the managers of 10 of 16 family hotels are originally from Manavgat district.

**Table 3 :** The origin of the manager

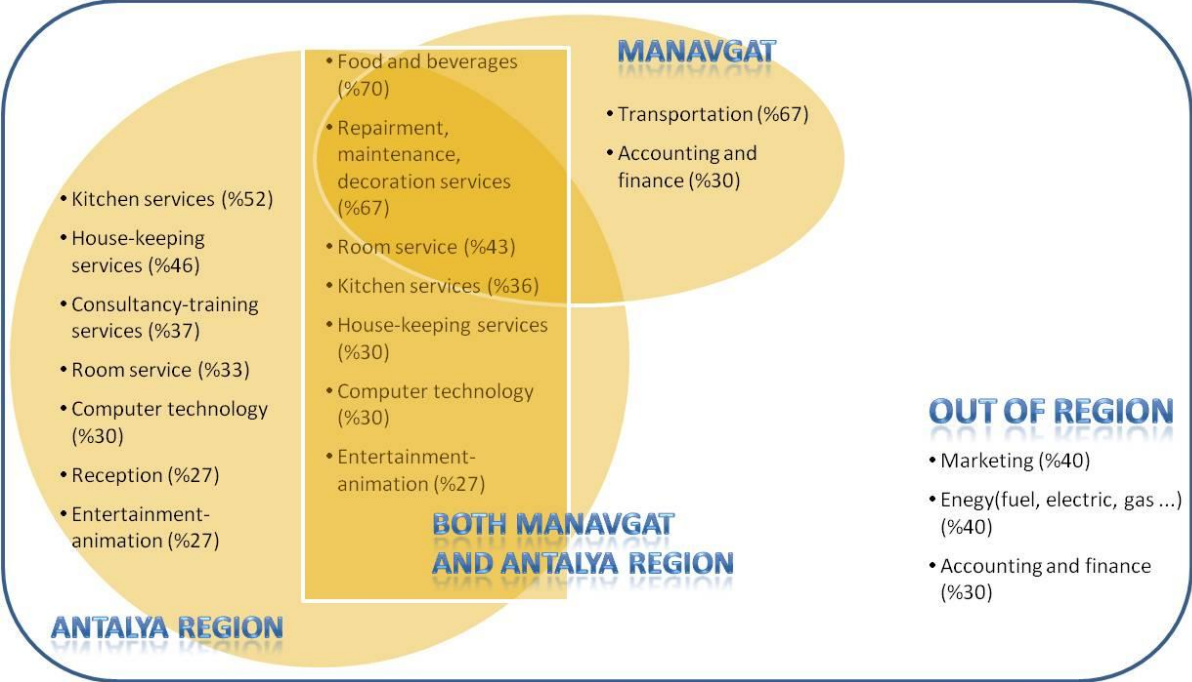
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Manavgat	15	45,5	45,5	45,5
Alanya	1	3,0	3,0	48,5
Antalya	2	6,1	6,1	54,5
others	15	45,5	45,5	100,0
Total	33	100,0	100,0	



The origin of employment is another important factor for the evaluation of the local impact of the hotel units. 21% of the hotels provide employment from only Manavgat, as 63% of them are from both Manavgat and other regions. Cross-analysis indicates that the hotels which are only providing employment from Manavgat are relatively small enterprises, while the big ones demand employment from outside the region as well.

**3.2. The findings of analysis on suppliers**

In order to explore the suppliers of hotels in relation to the different needs of goods and services, we defined 15 departments of activities and 4 spatial definitions as: 1) Manavgat, 2) the Antalya region excluding Manavgat, 3) the Antalya region including Manavgat, 4) out of region. Spatial definitions are based on the assumptions of the research to see the regional/local linkages and the impact of the accommodation sector on the local economy (Figure 1, Figure 4). The departments of activities are defined based on the demands of the accommodation sector, as basic goods and services such as kitchen, food and beverages, room services, cleaning, reception, security; advanced services such as computer technology, finance, marketing, management and organization, consultancy and training, research and development, entertainment; and more infrastructural ones such as transportation and repairment-maintenance and decoration services.



**Figure 4 :** The spatial distribution of suppliers for all departments

One of the highlighted findings is the services that do not need any supplier, instead the hotels provide them by themselves such as security by 67%, management and organization by 81%, research and development by 76%. Detailed interviews show that the hotels generally do not conduct any research and development activities.

Marketing services are mostly demanded from out of region as advanced services (Table 4). Especially the origin of the firms is from both Istanbul and abroad, since they represent the tourism market and specialization. The Antalya region with Manavgat has a dominance for food and beverages, and repairment-maintenance-decoration services (Table 5 and Figure 4). It means that the accommodation sector has a positive impact on agricultural products and the construction sector within the region.

**Table 4:** The location of suppliers for marketing

		frequency	percent	valid percent	cumulative percent
Valid	Manavgat	2	6.1	6.1	6.1
	Alanya-Serik-Antalya	1	3.0	3.0	9.1
	Antalya region	2	6.0	6.0	15.2
	Out of region	13	39.4	39.4	54.5
	No supplier	6	18.2	18.2	72.7
	Both Antalya region and out of region	9	27.3	27.3	100.0
	Total	33	100.0	100.0	

**Table 5:** The location of suppliers for food and beverages

		frequency	percent	valid percent	cumulative percent
Valid	Alanya-Serik-Antalya	2	6.1	6.1	6.1
	Antalya region	23	69.7	69.7	75.8
	Out of region	2	6.0	6.0	81.8
	Both Antalya region and out of region	6	18.2	18.2	100.0
	Total	33	100.0	100.0	

The Antalya city center might be defined as a first order center for almost all departments except marketing. Not only being close to the location of hotels, but specialization and diversity of services in the Antalya city center influence the decision of hotels for suppliers.

The length of supplier relations is relatively longer in almost all departments, but especially it is more than 50% for repair-maintenance, food and beverages, kitchen services, computer technology and marketing. They have a longer period with their suppliers as a result of stability of the relations. The number of the suppliers changes due to the content of the goods and services, while repair-maintenance and food and beverages have more than five suppliers. The supplier selection factors of 33 accommodation units put forward that stability and the level of price are defined as the most important factors (Table 6).

**Table 6:** Supplier selection factors

	N	Mean	Std. Deviation	Std. Error Mean	3 Mean	4Mean	5 Mean
Stability	33	4,7879	0,73983	0,12879	0	0	<b>0,109</b>
Technical expertise	33	4,4242	0,96922	0,16872	0	<b>0,617</b>	0,002
Financial power	33	4,2121	1,21854	0,21212	0	<b>0,325</b>	0,001
Diversity of goods and services	33	4,1515	1,00378	0,17474	0	<b>0,392</b>	0
References	33	3,5455	1,43812	0,25034	0,037	<b>0,079</b>	0
Cultural relations	33	3	1,56125	0,27178	<b>1</b>	0,001	0
The level of price	33	4,8788	0,33143	0,0577	0	0	<b>0,054</b>
Technological facilities	33	4,2121	1,11124	0,19344	0	<b>0,281</b>	0
Quality certification	33	4,4242	1,19975	0,20885	0	<b>0,051</b>	0,01
Location	33	3,2121	1,45253	0,25285	<b>0,408</b>	0,004	0

#### 4. Conclusion

Economic impacts of tourism have long been an interesting research field with the improvement in methodology, however there are still the problems related to data availability, reliability and the complexity within the economy. In this paper, rather than applying a quantitative impact analysis, we explored the supplier linkages of the accommodation sector based on the different departments and spatial implications. The emphasis is on whether the demand of the accommodation sector creates an economic dynamism within the local area (Manavgat district) or the region as a larger area (Antalya province).

The findings of the analysis point out that the demand of the accommodation sector could not create expected capacity for supply in Manavgat and the economic impacts remain relatively low within the local economy. But it has a remarkable impact on the Antalya region with its specialization and diversification. This could be a further research agenda. The results would be evaluated positively, as Antalya has become a regional center with the impetus of the tourism sector. The hotels highlight that they make their decisions on supplier choice based on the quality, stability and convenient price, and Antalya meets all these criteria. Another finding is that the growing number of suppliers in Manavgat needs to increase their service quality in order to get the benefits of being close to the hotels.

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