



## **Journal of Recreation and Tourism Research**

Journal home page: [www.jrtr.org](http://www.jrtr.org)

ISSN:2148-5321

### **THE EFFECT OF COST LEADERSHIP STRATEGY ON BUSINESS PERFORMANCE: A STUDY ON IATA MEMBER TRAVEL AGENTS**

Ramazan KAYA<sup>a</sup>

Mehmet Akif ÖNCÜ<sup>b</sup>

Muammer MESCI<sup>b</sup>

<sup>a</sup>Duzce University, School of Akcakoca Tourism and Hotel Management, Duzce, Turkey (ramazankaya@duzce.edu.tr)

<sup>b</sup>Duzce University, Business Faculty, Duzce, Turkey (mehmetakifoncu@duzce.edu.tr)

<sup>c</sup>Duzce University, School of Akcakoca Tourism and Hotel Management, Duzce, Turkey (muammermesci@duzce.edu.tr)

#### **EXTENSIVE SUMMARY**

The purpose of this study is to examine the impact of the cost leadership strategy on business performance. In addition, the relationship between cost leadership strategy and business performance will be explored. In this context, research has been conducted on IATA member travel agencies.

Quantitative research method was used in the study. For the collection of data, face-to-face survey technique was applied. The main reason for deciding on a quantitative research method is that the results of the research can be generalized in the context of the research content. The obtained data were analyzed by statistical analysis techniques which examines effect and relation. The universe of the research forms IATA member travel agencies operating throughout Turkey. The research universe constitutes a total of 569 IATA member travel agencies. The whole universe was reached and surveys were sent. However, there were only 180 travel agencies answered questionnaires.

The questionnaire consists of three parts. The first part consists of statements about the cost leadership strategy that consists of 10 questions. It is benefited from the researchs of Yamin et al., (1999), Porter, (2008), Akçagün, (2011) and Akci, (2012). In the second part, there are 20 questions about the dimensions of the balanced scorecard used to measure business performance. Kaplan and Norton (1992, 1996, 1999) 's work has been used to create performance - related questions. In the third chapter, there are statements about the demographic characteristics of travel agencies managers. While creating the questionnaire form, the questionnaires were formed by taking the opinions of the 5 expert academicians.

In the study, regression analysis was used to analyze the impact of the cost leadership strategy on business performance. As a result of the analysis, it has been determined that the cost leadership strategy has a positive effect on the business performance. On the other hand, participants, primarily, have shown importance to performance evaluation dimensions. In terms of performance evaluation dimensions, the most important dimensions respectively are customer (Avg. = 4.53), learning and development (Average = 4.36), financial performance (Average = 4.34) and internal process (Avg. = 4.25). Participants were found to attach importance to the cost leadership strategy after the dimensions that make up the performance appraisal (Average = 4,15).

As a result, it is understood that IATA member travel agencies implement the cost leadership strategy. In addition, it has been determined that the cost leadership strategy has an impact on business performance. Besides, it has been found that there is a positive relationship between the cost leadership strategy and the dimensions of business performance. It is also found that there is a positive relationship between cost leadership strategy and business performance dimensions. In addition, all the hypotheses formed within the scope of the study had been confirmed.

The limited number of data received from only 180 IATA travel agencies within the scope of the study is a major constraint in the study. As a result of the work, it became clear that IATA member travel agencies implemented the cost leadership strategy and that this strategy had an effect on business performance positively.