

## **AFFECTING FACTORS OF APPLICATION OF STRATEGIC ACCOUNTING METHODS IN THE HUNGARIAN HOTEL INDUSTRY - RESULTS FROM EMPIRICAL RESEARCH**

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**ABSTRACT:** *Today's changing economic environment (COVID-19), the increasing intensity of the competitive environment in various industries, and the compulsion to meet consumer expectations draw the attention of both theoretical and practical professionals toward strategic managerial accounting. Strategic managerial accounting appeared as an answer to adapt to a changing economic environment. Strategic managerial accounting has very different practical relevancies among participants in different industries. The study presents the results of empirical research conducted among the participants of the hotel industry in Hungary, which is a very sensitive area of the service industry. The evaluation of the questionnaire survey's answers is carried out by the SPSS crosstab analysis. The aim of the paper is to map the factors influencing the application of strategic managerial accounting methods among the participants of the Hungarian hotel industry, in line with the focus of international research. The added value of the study is that it complements the range of factors included in the study for the role of headquarters (countryside vs. center) as well as lower quality units with a narrower supply portfolio, which is unique internationally, these factors were not included in the international research. The findings of the study show that those using the strategic management accounting methods show a moderately strong significant relationship with those with foreign ownerships, with large room capacities, hotel chain members, and those with a high-quality rating. The analysis did not find a statistically significant relationship between the geographical location of the hotel and using the strategic managerial accounting methods.*

**Keywords:** *Strategic cost accounting, lodging industry,*

**JEL Codes:** L21

### **Introduction**

The purpose of establishing the strategic accounting methods was to help and increase the enterprises' adaptation to the today's changing economic environment. Strategic accounting as strategic managerial accounting appears in the literature in the early 1980s.<sup>2</sup> While accounting professionals focus on the past orientation, short-term, operational nature of financial accounting, professionals emphasize the forward-looking perspective of managerial accounting and its supportive role in planning, control, and long-term decision-making processes. Financial information is limited in nature and they are not sufficient to exploit competitive advantages that presuppose a long-term approach on their own. The primary purpose of strategic accounting is to support management decisions with long-term consequences through financial analysis.

The use of strategic accounting methods is increasingly attracting the interest of professionals involved in the hotel industry. Nowadays, more and more studies are being published (Pavlatos, O., Paggios, I., 2009; Cheng-Hua, W., Kuan-Yu, C., Shiu-Chun, C. 2012; Cadez, S., Guilding, C., 2012;

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<sup>2</sup> The terminology was first mentioned by Simonds in a journal called „Management Accounting” in 1981

Gomes et al., 2013; Yldirim, 2013; Jean-Francois, H., Olivier, B., Maieer-Josee, R., 2016; Michael, J. T., Sean, A. W., Demian, H., Wiardarda, W., 2017) to explore the relationship between the performance, efficiency, market perception (consumer satisfaction and loyalty) of the hotel industry, competitiveness, the ability to adapt to hectically changing economic conditions and the methodology of strategic accounting, which show a favorable picture of the application of modern accounting techniques.

The present study attempts to identify the factors influencing the commitment of the Hungarian hotel industry's participants to strategic accounting, the exploration, and the application of the tools.

### **The role of cost and strategic accounting in decision support**

The business processes of the hotel industry together create a complex, dynamic, stochastic, and open system, which must be coordinated and managed by a manager. Specific work processes in the hotel industry, ie production (eg food preparation) - service (eg accommodation, service) - retail (eg minibar) in the supply of activities, and the service elements are realized in a simultaneous mass and individualized nature. The service process is characterized by a high degree of dynamics and seasonal oscillation exposure that is not divisible in space and time. Coordination over processes requires the availability of accurate, complete, understandable, and timely information to support management decisions.

The uniform opinion of a group of accounting professionals (Cooper, R., Slagmulder, R., 1997; Stenzel and Stenzel, 2003; Horngen et al., 2003; Blocher et al., 2019) is that the information needs of management decisions are mostly attenuated by cost information. According to Stenzel and Stenzel (2003), an efficient accounting information system is shaped by the internal needs, requirements, and cost structure of the specific characteristics of the company. Stenzel and Stenzel (2003) emphasized the need to align the elements of the accounting information system with the technology used, the human resources available, to support efforts to improve the quality of products and services and processes and to promote competition based on low cost, high quality and fast response times. Blocher et al. (2019) studies view cost information as the primary information base supporting a company's strategic decisions.

In-depth knowledge of the cost structure of business processes and activities and the products and services that create the supply portfolio is essential to support management decisions. Based on the specifics of the hotel industry, tourism professionals (Kolins, 1999; Mia and Patiar, 2001) emphasize the importance of a consumer-orientation approach. Due to the nature of the supply structure of the industry, they are perishable on the one hand, while they are intangible in nature, highly heterogeneous, and highly vulnerable to fluctuations in needs and the intensity of human resources required to produce them. Furthermore, the sector is characterized by a very complex and intense global market competition. Therefore, it is the responsibility of managers to explore and meet consumer needs as accurately as possible.

### ***Relevance of the accounting information system that forms the basis of decision-making and includes the specifics of the sector***

The information that can be extracted from the accounting information system tailored and operated to the specific activities and characteristics of the companies is at the service of decision support. Internal stakeholders with responsibilities at different levels and areas (departments) of the hotel follow the data and reports on costs and revenues and financial results with special interest.

Several hotel professionals (Mia and Patiar, 2001; Kovačić and Ivankovič, 2006) question the availability of a well-developed accounting information system that takes into account the specificities of the sector and can be used to support decision-making. At the same time, to reduce uncertainty, its role in high-quality decision-making and exploiting competitive advantages is

appreciated (Downie, 1997). In the literature, this shortcoming is due to factors influencing the integrity of the managerial responsibilities of the industry (Harris, Brown, 1998):

- The production process is based on repeatable, pre-established standards and technical processes, while the activities of the hotel vary fundamentally depending on the sensitivity of the relationship between the customer and the service provider.
- The quality of the individual, personal services can be traced back to the hotel staff, so the supervision and control of the quality of the services is the determining factor.
- Due to their nature, the hotel's products and services are immediately available and intangible. Thus, they are highly vulnerable to demand variability, unused capacities represent an irreplaceable loss of revenue, which is a source of potential loss (e.g. unused room or free table capacities).

The study by Invanković and Jerman (2010) acknowledges the practical relevance of an accounting information system “endowed” with sector specifics. The efficiency of the hotel's offer portfolio and the achievement of the target groups in the target market and their satisfaction depend on the application of the information system. As the hotel is operated through people management, financial profitability can ultimately be explained by employee performance, new product developments, and customer satisfaction. Timely and useful information provided by the accounting information system, combined with proper cost analysis and supply portfolio, contributes to achieving outstanding performance and reducing the occurrence of losses.

An empirical study of the mentioned research covers 2 different periods (a relatively calm 2004 and 2008 with full of economic challenges). The results of the survey show that managers of high-quality (4 and 5 stars) and high-capacity hotels (more than 150 rooms) with different levels of hierarchy and departments prefer accounting information to support the profitability of departments and the system. On the other hand, department heads prefer to use (non-financial) information that reflects consumer satisfaction. In long-term decisions, senior management uses information that increases department profitability and customer satisfaction, while department managers prefer to use the opportunities provided by the Management Information System to achieve customer satisfaction.

### **Strategic accounting and strategic accounting methods**

The literature is consistent that strategic accounting was brought to life by the need to adapt to global economic conditions. However, opinions are already divided on its direction. Tsuji A. and Garner P. (1995) mention strategic accounting as a practical methodology for achieving efficiency gains in an ever-changing economic environment. Research by Bromwich and Bhiman (1989) emphasizes the interrelationship between accounting and marketing to identify the strategic position of the company as accurately as possible in the interrelationship between competitors and its environment. The Roslendar (1996) study complements the marketing orientation of accounting with a social approach.

Strategic accounting supports the proactive (forward-looking) use of accounting information while enhancing the role of non-financial information. When measuring performance and costs, the output approach is replaced by the identification of input elements (eg production factors used, measures implemented, etc.).

A circle of professionals (Stenzel and Stenzel, 2003) does not differentiate between the fields of cost accounting and managerial accounting. Horngen et al. (2003) share his view that modern cost accounting is managerial accounting since the primary users of cost information are managers. The accounting literature does not draw a clear line between the two terms. Others treat cost accounting as a subset of managerial accounting, while the third group of professionals interprets it as an independent part of the accounting information system.

Despite the differing opinions, it can be stated that strategic cost accounting plays a key role in achieving the goal of strategic accounting. Strategic cost accounting contributed to the development of a new toolkit and methodology for the interpretation and identification of costs.

Shank J. K. and Govindarajan V. (1993) emphasize the need to develop new accounting procedures for the preparation of strategically oriented accounting information, which primarily include value chain analysis, strategic situation analysis, and cost-benefit analysis. The empirical research of Rigby, D. (2001) identified the following procedures: scenario planning, mission statement, strategic planning, Benchmarking, Outsourcing, Balance Scorecard (BSC), Core competence, Supply Chain Management, full Total Quality Management, BCG matrix, SWOT analysis, Customer Relationship Management, strategic alliances. One of the most comprehensive studies in the field can be related to the research of Cadez and Guilding (2009). In their work, they explore 16 strategic accounting toolkit elements and procedures, which are classified into five groups.

Table 1

**Grouping of strategic accounting tools and techniques**

<b>Strategic accounting groups</b>	<b>Strategic accounting tools and techniques</b>
<i>a) Strategic cost calculations</i>	1. Cost calculation of product attributes
	2. Life cycle costing (whole-life-costing)
	3. Quality based costing
	4. Target cost calculation
	5. Value chain costing
<i>b) Strategic planning, control, and performance management</i>	1. Benchmarking
	2. Integrated performance management
<i>c) Strategic decision making</i>	1. Strategic cost management
	2. Strategic pricing
	3. Brand value monitoring and calculation
<i>d) Competitor analysis</i>	1. Competitor cost estimation
	2. Competition situation monitoring
	3. Competitor performance evaluation
<i>e) Consumer evaluation</i>	1. Customer profitability analysis
	2. Life cycle customer profitability analysis
	3. Valuation of the customer base as an asset

Source: Cadez, S., Guilding, C. (2009): Organizational Configurations of Strategic Choices and Strategic Management Accounting, Working Papers 0902, Department Empresa, Universitat Autònoma de Barcelona, revised Feb 2009.

The practical scope of the modern methodology set seems to be unified in the hotel industry literature, which includes the following methods and techniques (Pavlatos, O., Paggios, I., 2009; Sevim, A., Korkmaz, E., 2014):

- *Activity-Based Costing (ABC),*
- *Target Costing (TC),*
- *Total Quality Management (TQM),*
- *Life Cycle Costing (LCC),*
- *Eco-Costing,*
- *Benchmarking,*
- *Balance Scorecard (BSC),*
- *Customer Relationship Management.*

There is a consensus on the opinion of strategic costing methods and techniques, according to which they permeate the entire process of management accounting, contribute to its widespread application, as it allows easier cost identification, inventory value determination, and financial control, more favorable and more efficient use of available resources.

**Literature review**

While the analysis of the factors influencing the application of strategic accounting orientation and strategic accounting tools among the participants of the hotel industry is still rudimentary, in

recent years more and more researchers have shown interest in the topic. Studies that have come to light in recent years (Cadez, S., Guilding, C., 2012; Urquidi, A.C., Ripoll, V.M., 2013; Pavlatos, O., 2015; Pavlatos, O., 2018) confirm the relevance of the topic through empirical studies. Analyzes and studies focus on the relatively modest spectrum of influencing factors.

Urquidi, A.C., Ripoll, V.M., (2013) examine the factors influencing the application of strategic accounting methods among high-quality (4 and 5 stars), touristy, operating in a privileged location, operating independently, and among hotel chain members. The scope of their studies is based on the intensity of the competitive situation and the applied competition priorities. Based on their conclusions, the intensification of competition and the pursuit of a discriminatory competitive strategy defined by Porter prove to be a significant influencing factor, however, due to the modest sample size, the capacity of the hotel unit is not considered an explanatory variable.

Gomes et al. (2013) draws the most important findings of its research from the results of a questionnaire survey containing the responses of 61 hotel units in Portugal. The main conclusions of the research are that the most influential factors for the implementation of strategic cost accounting methods are the uncertainty of business environment, the intensity of competition, the decentralized organizational structure, formalization and standardization.

Pavlatos, O. (2015) also examined the role of 7 factors (uncertain economic environment, organizational structure, quality of accounting information system, life cycle, performance, strategy, size) among high-quality, luxury hotels (4 and 5 stars). The research revealed a positive relationship between the application of several strategic accounting procedures and the unpredictability of the economic environment. It also found a positive significant relationship between the decentralized organizational form, the higher level of development of the accounting information system, the maturity stage of the business life cycle, and the strategic accounting orientation and practice of below-performing hotels.

Pavlatos, O. (2018) repeated his study after 5 years. The study focused on the unpredictable economic environment, organizational structure, life cycle, performance, and organizational size, which was carried out among 88 hotel units. As a result of the statistical processing, a positive significant relationship could be detected between the strategic accounting methodology and the examined factors.

In line with the focus of international research, the study aims to map the factors influencing the application of the strategic accounting toolkit, taking into account the Hungarian economic conditions. The study examines the effects of foreign ownership, room capacity, hotel status (independent or member of a hotel chain), supply portfolio (up to 3 or at least 4-star rating), and hotel geographical location on the application of strategic accounting process. The added value of the study complements the range of factors included by the role of the headquarters (countryside vs. center) and the lower quality units with a narrower supply portfolio, which is unique internationally, and these factors have not been examined in other researches.

### **The examined hypotheses**

In the analysis carried out among the participants of the Hungarian hotel industry, the study takes into account the local and regional peculiarities when examining the influencing factors. At the end of the eighties and the beginning of the nineties, as a result of the change of regime, in addition to the inflow of foreign capital, Hungarian studies also discussed the introduction of various management methods and procedures. In Hungary, foreign capital investments played a decisive role in the appearance and development of the hotel industry, therefore they presumably influence the practice of modern procedures and methods in the field of accounting (Szukits, Á., Bodnár, V., 2019). Therefore, the first hypothesis of the study is:

- (1) *H<sub>0</sub>: A relationship can be assumed between the share of foreign capital and the application of the strategic accounting methods*

Examining the business structure of the Hungarian economy, it can be stated that the numerical superiority of small and medium-sized enterprises (SMEs) dominates. The study differs from the headcount identification used by the EU and uses an international unit of measure typical of the hotel industry, the unit of room capacity. In the international literature, units with a capacity of fewer than 300 rooms are considered small and medium-sized enterprises, while in Central and Eastern European research, the value of 100 rooms is the limit (Ivankovič, G., Jerman, M., 2010; Bordean, O.N., Borza, A., 2014). The use of strategic accounting tools presupposes the existence and application of an accounting information system with a certain level of development, which requires an adequate level of IT equipment and human resources. In view of the financing situation and headcount data of Hungarian SMEs, the following hypotheses are formulated:

(2) *H<sub>0</sub>: Relation can be assumed between the hotel's capacity and the application of the strategic accounting methods*

(3) *H<sub>0</sub>: Relation can be assumed between the status of the hotel (independent or member of a hotel chain) and the application of the strategic accounting methods*

The advantages of using a modern cost accounting procedures, methods appear for those with higher proportion of overheads. If we assume that the classification into a higher quality class implies an increase in the supply portfolio and the level of capacity, we can assume that the main beneficiaries of the application of the strategic accounting tools can be classified in the higher quality category.

(4) *H<sub>0</sub>: Relation can be assumed between the quality category of the hotel and the application of the strategic accounting methods*

The intense competitive situation experienced by the hotel units operating in a privileged geographical location, which attracts tourists, rather draws the attention of the managers towards the application of modern cost calculation procedures. According to the data of the Hungarian Central Statistical Office (HCSO), more than 90% of the accommodation turnover of foreigners in Hungary can be attributed to accommodation units located in the capital and its narrower catchment area.

(5) *H<sub>0</sub>: Relation can be assumed between the location of the hotel and the application of the strategic accounting methods*

### **Methodology**

The basic population of the national survey consisted of hotels with membership in the Hungarian Hotel and Restaurant Association (HHRA). The evaluation of the empirical results at the national level is based on the data of a total of 74 respondents. The survey was completed at the end of December 2016, when the number of hotel units with HHRA membership was 398, so the share of the sample population is significant in the ratio of all operating hotels (not only those with HHRA membership, according to the HCSO data the number is 946), which is approximately 7.82%.

By the practice followed in the international literature, the examination of the strategic accounting methods applied by the participants of the Hungarian hotel industry came within the scope of the analysis.

The analysis does not cover the effects of using two or more procedures at the same time (so-called integrated procedure), so 35 hotel units (47.29% of the sample population) of the 74 samples apply at least one of the strategic accounting methods.

Table 2

**Application of strategic accounting methods among the participants of the hotel industry in Hungary**

Methods	Applied (pc)	Proportion (%)	All answers (pc)	Proportion (%)
Target cost calculation	14	18,9	74	100,0
Activity-based costing	5	6,8	74	100,0
Quality based costing	17	23,0	74	100,0
Eco-cost calculation	3	4,1	74	100,0
Life cycle costing	1	1,4	74	100,0
Benchmarking	25	33,8	74	100,0

Source: Own performance

As the backbone of the empirical research is the application of strategic accounting procedures and the exploration of the factors influencing its application, the hotels included in the analysis can be divided into two groups based on what type of methods they use: traditional procedures or strategic procedures. The definition of the grouping criterion is based on the fact that the use of (at least one) strategic method (even in addition to the traditional methods) may already affect one of the influencing factors.

Characterization of the sample population according to the constructed hypotheses:

1. *hypothesis*: in 17 hotel units of the sample population, the share of foreign capital exceeds 50.0%, which is 22.97% of the surveyed sample.

2. *hypothesis*: examining the distribution of the capacity level of hotels, it is clear that hotels have a modest level of room capacity. 2/3 of the sample population (68.90%) has up to 100 room to rent, which is in line with the diversification of the hotel’s supply portfolio.

3. *hypothesis*: in terms of the status of the respondents, it is predominantly an independent (64.86%) commercial accommodation service unit. Among the members of the hotel chain (33.78%), the share of the members of the domestic hotel chain is determinate (27.03%).

4. *hypothesis*: in the examination of the quality category, the majority of the hotel units included in the analysis can be classified into 4 (35 units, ie 47.29%) and 3 (30 units, ie 40.50%) star quality categories. This is followed by 5-star ratings (5 units, ie 6.80%) and 2 or non-rated ones (4 units, ie 5.40%). For the present hypothesis test, the study follows a division of at least 4 and at most 3 stars.

5. *hypothesis*: In terms of examining the hypothesis, the geographical location of the hotels' headquarters follows the grouping of Budapest and its catchment area (Pest county) and countryside.

**Results of the study**

In the study we applied the SPSS software package to test the hypotheses. The aim of the study is to explore the relationship between two variables (the use of strategic/traditional methods or various factors). To examine the relationship between non-metric (nominal and ordinal) variables, we can use crosstab analysis.

Application of strategic accounting methods /Factors	Share of foreign capital (%)		Capacity (number of the rooms)		Status (member of the hotel chain)		Quality class (star)		Headquarters	
	max. 49,9	min 50	max. 100	min. 101	No	Yes	max. 3	min. 4	Countryside	Center
yes	38,6	76,5	35,3	73,9	30,6	80,0	20,3	70,0	40,4	59,3
no	61,4	23,5	64,7	26,1	69,4	20,0	79,7	30,0	59,6	40,7
Sum(%)	100	100	100	100	100	100	100	100	100	100

Figure 1: Application of strategic accounting methods and affected factors (percentage among respondents)

Source: Own edit from the SPSS program

If the percentage distribution of the answers according to the factors can be determined, it can be stated that the established hypotheses are confirmed.

From the above-mentioned figure (Figure 1) we can make the following statements, by factor:

Examining the *foreign capital* factor, it is clear that among the users of the strategic accounting methods, the foreign share has a majority share in the ownership structure of 13 units (17.6%), while in the case of 22 respondents (29.7%) domestic interest dominates. The application of traditional procedures is mainly related to those who have a domestic ownership structure (35 units 47.3%; compared to 4 units 5.4%). Based on the distribution of responses according to the factor, 76.5% of the respondents (13 units in total) use at least one of the strategic tools within the units financed mainly with foreign capital (13 units), while those with predominantly domestic capital financing, which is 61.4% (35 units from the 57), use one of the traditional methods.

Regarding the built-in *room capacity*, 33 units (44.6%) belong to the group of small and medium-sized enterprises using traditional accounting methods, compared to those who use modern techniques of the same size category (18 units, 24.3%). High-capacity hotel units are more likely to use modern procedures (17 units, 23.0%; compared to 6, 8.1%). Based on the distributions along with the factor, it can be stated that within the group of SMEs (51 units) 64.7% (33 units) use the traditional, while among those with high capacity (23 units) 73.9% (17 units in total) use a modern accounting methods.

*Hotel chain* membership indicates the application of a strategic accounting tools (20 units, 27.0%; compared to 5 units, 6.8%), as opposed to the dominant practice of independent units (15 units, 20.3%, compared to 34 units, 45.9%). Among the independent units (49 units) the application of the traditional procedure is the established practice (69.4%, ie 34 units), while in the case of the hotel chain members (33.8%, a total of 25 units) the use of modern accounting techniques is the determining factor (80%, a total of 20 units).

In terms of *classification* into a higher quality class, there is a clear advantage over those who use strategic accounting techniques (28 units, 37.8%; compared to 12 units, 16.2%). Those with a lower quality score are characterized by the practice of traditional procedures (27 units 36.5%; compared to 7 units 9.5%). Based on the factor, the proportion of responses within the high-quality class (40 units, ie 54.1%) is dominated by those using the strategic accounting tools (28 units, ie 70%, compared to 12 units, ie 30%), while the lower representatives of the quality class (34 units, 45.9%) prefer the traditional accounting methods (27 units, 79.4%, compared to 7 units, 20.6%).

The examination of the registered *headquarters* shows that the share of the units located and operating in the busy, competitive, privileged place (Pest county) does not imply a direct explanation of the application of the modern procedure (16 units, 25.7%; compared to 28 units, 37.8%). Rural units use a higher proportion of modern accounting tools (19 units, 21.6%; compared to 28 units, 14.9%).

The Pearson's Chi-square ( $\chi^2$  test) pointer can be used to explore deeper relationships between variables. Examining the relationships between the row variable (using a modern/traditional method) and the column variables (quality category, room capacity, location, foreign capital, and status) that give a different characterization of the hotel, the following results are obtained.

As a result, between the row and column variables at the significance level of 0.01 (1 percent), except the headquarters variable ( $\chi^2_{\text{HEADQUARTER}}=2.440$ ,  $df=1$ ,  $p=0.118$ ), a significant relationship can be assumed for all examined factors by rejecting the null hypothesis. Based on the expected values, the examined crosstabs are reliable. Regarding the strength of the relationship between the row and the different column variables, we can identify moderately strong significant relationships (Cramer  $V_{\text{QUALITY CATEGORY}}=0.493$ , Cramer  $V_{\text{CAPACITY}}=0.358$ , Cramer  $V_{\text{STATUS}}=0.468$ , Cramer  $V_{\text{FOREIGNCAPITAL}}=0.319$ ). The results of the calculation are shown in Figure 2.

In view of the results of the analysis (Figure 2), among the factors influencing the application of strategic accounting methods the quality category of the hotel ("Up to 3 stars" and "At least 4 stars"

groupings), available room capacity ("Up to 100 rooms" and "At least 101 rooms" groupings), status ("Hotel chain member" or "Independent"), and the ratio of foreign capital ("Up to 49.9%" and "At least 50.0%") shows a significant difference with the (traditional/modern) methodology of the applied accounting methods. The analysis does not reveal a statistically significant relationship between strategic cost accounting and hotel headquarters.

Factors	Pearson Chi-square			Cramer's V	
	Value ( $\chi^2$ )	df	Asymptotic Significance (2-sided) (p)	Value	Approximate sig.
Foreign capital	7,535	1	0,006*	0,319	0,006*
Room capacity	9,484	1	0,002*	0,358	0,002*
Status	16,198	1	0,000*	0,468	0,000*
Quality category	18,001	1	0,000*	0,493	0,000*
Headquarter	2,44	1	0,118	0,182	0,118

\* p<0,01

Figure 2: *The result of the relationship between the application of the applied strategic accounting procedures and the influencing factors*

Source: Own edit from the SPSS program

Based on the values of Cramer's V-indicator, a deeper analysis of the relationships shows that those using modern, strategic accounting methods indicate a strong relationship separately with those: have at least 4 stars rating, have at least 101 room capacity, have a hotel chain member status and at least 50% proportion of foreign ownership.

The traditional method is used by a hotel unit with up to 3 stars, 100 rooms, a domestic ownership structure, and an independent or other status.

### Conclusions

The study aims to explore the application and explanation of the affecting factors of the application of strategic accounting methods through an empirical study conducted in the Hungarian hotel industry. The primary goal of the study was to explore the procedures of the strategic accounting toolkit used among Hungarian hotel units and to identify the factors influencing or facilitating their spread. The added value of the study is that it complements the range of factors included in the study for the role of headquarters (countryside vs. center) and for lower quality units with a narrower supply portfolio, which is unique internationally, these factors were not included in any previous research.

The findings of the study is that application of strategic accounting methods have a moderate strong significant relationship with at least 50% foreign ownership (acceptance of Hypothesis 1 H<sub>0</sub>), with at least 101 room capacities (acceptance of Hypothesis 2 H<sub>0</sub>), with hotel chain membership (acceptance of Hypothesis 3 H<sub>0</sub>) and with at least 4 stars rating (acceptance of Hypothesis 4 H<sub>0</sub>) separately. At the 5% significance level, the analysis did not find a statistically significant relationship between the geographical location of the hotel and implementation of strategic accounting methods (rejection of Hypothesis 5).

Overall, a favorable picture emerges among Hungarian hotel units about the implementation of strategic accounting tools, which can be explained primarily by foreign shareholdings, a diversified service portfolio, networking and the level of capacity. The leaders of the hotel industry need accurate, reliable, and timely information on the costs and structure of the complex, dynamic, stochastic, and open business processes that characterize the industry to make their long-term strategic decisions, that information is primarily provided by the accounting information system.

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