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PERFORMANCE ANALYSIS OF THE RESTAURANT AND HOTEL INDUSTRY: EVIDENCE FROM BORSA ISTANBUL

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Abstract

Purpose - The aim of this study is to apply factor analysis to financial ratios of companies in Restaurant and Hotel industry by showing up the best ratio among each factor group and to detect the performance differences between restaurants and hotels. **Methodology** - The sample data cover between the years 2009 and 2018 of 13 observed companies at Borsa Istanbul. This study works on the financial ratios of the companies as performance variables. Factor analysis and the discriminant analysis is applied. **Findings** - The results reveal that cash, return on equity, accounts receivable and inventory turnover are the key ratios. Moreover, hotels are differentiated by their high liquidity, receivables, and turnover ratios, where restaurants are differentiated by their profitability and solvency ratios. **Conclusion** -, the restaurants are more capable to satisfy their long-term debts. They have equal or even better performance when compared with their profit-oriented counterparts.

Author Keywords

Ratio analysis, Discriminant analysis, Performance analysis, Borsa Istanbul, Restaurant and hotel industry

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