ABSTRACTS OF PRESENTATIONS AT THE 2014 ANNUAL AHFME RESEARCH SYMPOSIUM
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WHO ARE THE BULLS AND BEARS IN GLOBAL LODGING MARKETS?
Albert A. Barreda and Murat Kizildag

ABSTRACT. This article looks at the values of market-based equities (common stocks) based on the relative investment valuation analyzed with several earnings multiples in global lodging markets in 2014. To be specific, we compare the value of various common stock portfolios sorted for four geographical regions with those relative value investment metrics in order to make a solid judgment about bullish and bearish markets demonstrating investors’ confidence or stagnancy, anomalies in prices indicating under- and overvalued stocks, and outperforming lodging portfolios in global markets. Common stock prices in portfolios are standardized utilizing earnings parameters such as (a) Current Price/Earnings Ratio (PE, hereafter) and its variants (Trailing and Forward PE), Price/Earnings to Growth (PEG, hereafter), and The Market Value of Debt and Equity free of Cash-to-EBITDA (Value/EBITDA). Linking the relative value with earnings proxies and the stock portfolios, which are extracted in a homogenous industry but are sorted from heterogeneous regions, primary findings of this article reveal that western and eastern markets have outperformed the Latin markets in regard to future earnings estimate, earnings growth, and excessive returns from the invested capital.

A COMPARATIVE ANALYSIS OF THE PERFORMANCE OF HOTELS AS AGAINST TRADITIONAL COMMERCIAL PROPERTY IN A MIXED-REAL ESTATE PORTFOLIO
Nicholas Worsley

ABSTRACT. This article considers the role of hotels in a mixed-real estate portfolio. Using hitherto unexamined IPD data for leased hotels in the United States and the United Kingdom between 2001 and 2013, it investigates whether hotels provide diversification benefits and seeks to critically reassess the view that hotels are uniformly high-risk assets. The study finds, by comparison to more “traditional” property types, that hotels have received little attention from property researchers and tend to be overlooked in the asset allocation process. This might be a result of the commonly held perception that hotels are “alternative” and “high-risk.” Based on results from a portfolio optimization analysis, it was found that hotels in the United States are more volatile than traditional property types but do not contribute to the efficient frontier for the period reviewed. By contrast, the empirical results for the United Kingdom indicated that hotels are much less risky than expected and contribute to the efficient frontier at lower-risk levels. This was confirmed by the de-smoothed results using the individual correlation coefficient for each property type. Consequently, it was concluded that hotels are an attractive real estate subsector offering credible diversification benefits. Furthermore, it is suggested that hotels are not necessarily deserving of their reputation as uniformly high-risk. This has important practical implications for institutional investors seeking to diversify their portfolios.

EXPLORING THE FINANCIAL IMPACT OF E-COMMERCE ON MIDSCALE HOTELS: A MATCH SAMPLE ANALYSIS
Nan Hua

ABSTRACT. The literature is dominated by studies founded on the assumption that the deployment of resources toward e-commerce is helpful for the performance of the organization.
However, the hospitality literature does not provide a clear answer to the conjecture that IT deployment influences positively the financial performance of the hospitality organization. Moreover, the literature outside of hospitality also documents inconclusive results with regard to the above relationship. To clarify this relationship in the context of the hotel industry and, thus, to address this major shortcoming of the extant literature, the study's goal was to examine the relationship between e-commerce expenses and the number of indicators of hotel performance in the context of upper-midscale hotels in the United States. More specifically, using the same store data available for U.S.-based upper-midscale properties, this study compared financial performance indicators of hotel properties that had reported e-commerce related expenses with properties that did not report such expenses. To this end, the study had two specific objectives: (a) examine the differences in financial performance between hotels with and without e-commerce expenses; and (b) examine the role of e-commerce expenses in predicting both room revenues and gross operating profit.