



### Article Title

Early Mover or Late Mover Advantage for Hotels?

### Citation

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### Abstract

Theories on early and late mover advantages predicate that competitive operating advantages can occur with respect to the relative timing of market entry. Suspecting that “early mover” hotels can preempt desirable micro-locations for hotel operations, the current study tests for early mover advantage created by locations not fully imitable. Estimation of spatial econometric model reveals evidence of an early mover advantage. We also find that the effect of depreciation of older hotels may serve as a competitive advantage for new entrants with new facilities, although there was no considerable benefit for late movers. Furthermore, through additional tests we find the early mover advantage consistently significant for both chain and independent hotels. Implications and suggestions for future research are discussed

### Conclusion

Nevertheless, the current study contributes significantly to the understanding of hotels’ market entry timing by testing the effects of early and late mover advantages, which have been questioned by the management and marketing literature for decades. The significant presence of early mover advantages can be extended to the advantage of industry practitioners when entering a new market or penetrating an occupied market, as well as that of researchers when extending or testing theories on the location choice of hotels and related outcomes.