



Article Title

The growth strategies in the hospitality industry from the perspective of the forgotten effects.

Citation

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Abstract

This paper, using fuzzy incidence matrix, determines the causes why of major hotel chains in the world by number of rooms have used certain growth strategies for implement their international expansion. Both direct cause and second generation causes have been identified. In fact, determining the second generation effects (or forgotten effects) is one of the main contributions of this study as it shows that those causes that are usually not foreseen, at least in the first instance, affect notably in the expansion strategies of hotel chains in the medium and long term.

Summary

This study shows that non-equity growth strategies are the most widely used by the world's top hotel chains in terms of size and room portfolio when operating outside their country of origin. In fact, the top 10 most globalized hotel chains in terms of the number of countries in which they operate and the top 10 with the biggest room portfolios (Hotels 2011) have both expanded through growth strategies that do not involve capital outlays.

This study has brought to light variables that encourage a greater trend toward non-equity agreements by the world's top hotel companies. These include control of new markets, economies of scale, economic liberalization, making the most of cultural and linguistic barriers, increasing the size of the hotel chain, technological progress and greater recognition of the hotel chain's brand name