

INTERNATIONALIZATION DYNAMICS IN THE HOTEL SECTOR: PROPOSAL FOR A THEORETICAL FRAMEWORK ON ENTRY STRATEGIES OF MULTINATIONAL ENTERPRISES (MNE) IN THE BRAZILIAN MARKET

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ABSTRACT

In recent years, foreign chains have reinforced investments in hotel services in Brazil. However, this expansion differs from other service segments due to its characteristics and the heterogeneity of the tertiary sector. This article explores the explanatory capacity of the different approaches in the literature on the internationalization of companies and aims to adapt them to the current dynamics of the Brazilian hotel market through a proposal of a theoretical framework that explains the recent entry strategies of international hotel chain companies in the country. The study, which uses a qualitative approach based on the study of multiple cases, analyzed with descriptive statistics, is based on data from STR Global on 17 foreign chains (505 hotels) in Brazil. It was observed that the entry of chains in the country is being increasingly determined by the exploration of relationship networks and directed to the provision of support services to the hotel activity.

Keywords: Internationalization of hotel chains; Entry strategies; Brazilian hotel market.

DINÂMICAS DE INTERNACIONALIZAÇÃO NO SETOR HOTELEIRO: PROPOSTA DE REFERENCIAL TEÓRICO SOBRE ESTRATÉGIAS DE ENTRADA DE EMPRESAS MULTINACIONAIS (EMN) NO MERCADO BRASILEIRO

RESUMO

Nos últimos anos, as redes estrangeiras reforçaram os investimentos em serviços hoteleiros no Brasil. No entanto, essa expansão difere de outros segmentos de serviços por suas características e heterogeneidade do setor terciário. Este artigo explora a capacidade explicativa das diferentes abordagens da literatura sobre internacionalização de empresas e tem como objetivo adequá-las à dinâmica atual do mercado hoteleiro brasileiro por meio de uma proposta de referencial teórico que explique as recentes estratégias de entrada de empresas redes hoteleiras internacionais no país. O estudo, que utiliza uma abordagem qualitativa baseada no estudo de casos múltiplos, analisados com estatística descritiva, é baseado em dados da STR

Global sobre as 17 redes estrangeiras (505 hotéis) no Brasil. Observou-se que a entrada de redes no país está sendo cada vez mais determinada pela exploração de redes de relacionamento e direcionadas para a prestação de serviços de apoio à atividade hoteleira.

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Palavras-chave: Internacionalização de redes hoteleiras; Estratégias de entrada; Mercado hoteleiro brasileiro.

1 INTRODUCTION

The number of studies dealing with international expansion of companies has increased in recent years. A portion of these works seeks to adapt the existing theories to the growth strategies of firms in the service sectors (GRÖNROOS, 1999; RAMMAL; ROSE, 2014). However, most often, these researches employ theories originally developed to explain the foreign investment of industrial companies and few deal specifically with hotel services (LITTELJOHN, 1997)

This meritorious effort stems from the growing importance of the tertiary sector in national and global economies and, in particular, by the increased participation of certain service activities in value chains. The new geography of manufacturing and the consequent reorganization of the international division of labor, with specific steps distributed by the countries according to their competencies and/or specializations, contributed decisively to the growth of service activities worldwide (PLA-BARBER; GHOURI, 2012).

Among other factors, the international expansion of service activities occurred by the decrease in international transport costs that promoted the increase not only in world trade flows, but also of tourism activity focused on leisure and business. In particular, technological advances that simplified reserves and marketing channels (ENDO, 2006) also supported the increase in demand from the tourism segment. The growth of services associated with tourism had a direct impact on lodging and hospitality services, both in the offer and type of services provided or in the expansion strategies of large hotel chains.

As a segment of tourist activity, hospitality is characterized by a service that cannot be experienced from a distance, as it requires social interaction between customers and suppliers for its implementation. This condition requires hotel chains seeking to internationalize their operations an effort to adapt to local culture that can be driven by learning and using knowledge about the local market (ANASTASSOPOULOS; FILLIPAIS; PHILLIPS, 2009).

The study of the internationalization of hotel chains became the focus of the attention of researchers after the seminal work of Dunning and McQueen (1981) on transnational corporations in tourism. This study, which detailed the growing internationalization of hotel groups in the 1970s, was the first major research of the world hotel industry. From the 1990s on, new approaches to the theme have emerged. Burgess *et al* (1995) summarized some of the different perspectives and proposed a multidisciplinary approach to analyze the factors of success in the expansion of hotel groups.

Currently, most of the studies that analyze the internationalization of hotel companies direct their efforts to the effects related to the locality and the latter on the local market (JOHNSON; VANETTI, 2005; GRAF, 2009; ZHANG; GUILLET; GAO, 2012; LEE et al,

2014; ASSAF; JOSIASSEN; OH, 2016; WOO et al, 2019). However, such approaches do not seek a broader perspective, which would make it possible to point out the central elements of a reference for the international expansion of the hotel industry. In complement, as seen in Pla-Barber, León-Darder and Villar (2011), there are also differences between manufacturing and services firms' entry modes that could be strategic to the companies.

Thus, this article explores the explanatory capacity of the different approaches in the literature on the internationalization of companies and aims to adapt them to the current dynamics of the Brazilian hotel market through a proposal of a theoretical framework that explains the recent entry strategies of international hotel chain companies in the country. This proposal is justified by the absence of studies in the country, in addition to the growing importance of understanding the phenomenon of internationalization applied to the hotel sector.

2 THEORETICAL FRAMEWORK

2.1 Internationalization Theories

Caves (2007, p. 14) analyzes the role of multinationals in the service industries, which have an "almost contractual relationship with their customers", because "if services need to be provided locally, the service firm internationalizes itself to follow its client". In this sense, the expansion of service firms to foreign markets is based on property in assets – that is, an understanding similar to that proposed by Dunning and Lundam (2008), among others. According to the authors, it is essential for such multinationals (hospitality and hotel industry, in particular) the creation of ownership assets (brands, reservation systems, network management, etc.) that can be exploited in association with others existing in the place of consumption (economic, cultural activities, developed gastronomic, natural beauties, etc.).

Assuming the condition that the production and consumption of hotel services are mandatorily simultaneous – which means that the presence of the service provider is required – it is possible to seek common elements in available internationalization theories. In general, these theories were structured to explain the dynamics in the industrial sector, but some of their foundations can be modified to build a reference more accurate to the reality of the hotel industry.

The Eclectic Paradigm proposed by Dunning (1973, 1980, 1988, 2006) – a vast work compiled and updated in Dunning and Lundam (2008) – was designed to explain the process of internationalization of companies through Foreign Direct Investment (FDI). The first effort of the conceptual framework was to decant the reasons that lead firms to productive internationalization, since this type of investment represents, in general, a commitment of resources for a longer term than, for example, investments in financial assets. According to the author, the company makes this decision due to its advantages of ownership. These advantages in relation to local competitors embraces tangible assets, such as products, equipment, etc. and intangibles assets, as ability to innovate and differentiate products, marketing, brands, technologies, differentiated forms of management and organization, etc. In summary, if the firm has such differentiated assets, the necessary condition for international expansion is achieved.

However, the organization can expand its operations to other countries in different ways, such as trade in goods and services and/or technology rental. In the latter cases, as there is no direct presence of the company in the foreign market, it is considered that the sufficient condition has not been met. Thus, the two conditions necessary and sufficient, are specific characteristics to the IDE, such as the possession of differentiated assets and direct presence at the market.

According to Dunning (2008), the FDI represents the arrangement of three sets of advantages. The first, as already mentioned, ownership advantages correspond to technical and economic asymmetries in relation to local producers that are revealed in the form of tangible and intangible assets. These advantages also incorporate the governance advantages, such as economy of scale and scope, access to the labor market, natural resources and it's linked to "multinationalization", coming from the best knowledge of international markets (information, financing, labor, etc.).

The second type of advantages, denominated by the author as localization advantages, stem from the attributes or conditions of the region or country receiving the FDI that can create positive synergies with the assets owned by the company in order to benefit it in competitive terms. These advantages, which make the country attractive to foreign investors, stem from the quality and costs of communications and transportation, commercial infrastructure, government policies, low transport and labor costs, proximity to the consumer market, regulatory frameworks, local image, etc. Yet, if the first advantages can be associated with the second in promoting positive synergies, the company has incentives to the FDI.

In this context, the advantages emerge to internalize production, that is, to perform the FDI (greenfield or brownfield) that integrates the new subsidiary in the corporate network or expands a previous investment. For Dunning (2008), this decision is primarily motivated by transaction costs, that is, by overcoming market imperfections that would affect performance if the company did not operate directly in the foreign market. Thus, there is a tendency to internalization, that is, vertical or horizontal integration and increase in the size of the firm.

Part of the literature criticizes this latter understanding, because it does not considers both the strategies of the multinational company, especially with regard to competition between firms operating in oligopolistic markets. It also neglects and the new standards of organization and internationalization of multinational companies, sometimes based on strategic alliances and service contracts, as has been common in recent decades (WERNERFELT, 1984; MAGNI et al, 2022). Moreover, the main censorship of the eclectic paradigm is that it cannot be considered a theory due to the absence of predictive elements. However, there are virtues in this proposal, as it illustrates well how the specific issues firms should be seen in conjunction with local, market and industrial organization conditions (IETTO-GILLES, 2012)

To some extent, the proposal based on transaction costs can be interpreted as antagonistic (deverticalization) or complementary (internal assets complemented by external assets) to Network Theory (JOHANSON; MATTSSON, 1988). In this view, the international expansion of the firm does not depend exclusively on the specific advantages of the firm, but is also subject to strategic alliances and "relationships" (networking). In this case, there is a certain preference for the outsourcing of certain activities or productive steps to the detriment

of internalization. To this end, the company lacks the direct and indirect relationships to exploit the skills of the partners involved in its network.

According to Johanson and Mattsson (1988), relationship networks make it possible to achieve mutual benefits without those involved having common goals. Thus, the company is, at least partially, dependent on the resources controlled by other firms, so that its position within the network must ensure access to resources complementary to those of its property. However, in order for the international expansion of the company to be made possible through networks of relationships, it is necessary that the firm gradually develop knowledge about the market, with special attention to between firms learning (FORSGREN; JOHANSON, 2014).

Alliances or relationships with local market firms, established in cooperation networks, enable foreign firms to overcome barriers to entry, for example, due to government support for the promotion of local companies. This modality of internationalization is more common in small and medium-sized companies, considering that access to inputs and services does not depend on the ability of firms to make large financial contributions, but on the ability to develop relationships and new knowledge bases (MAGNI et al, 2022).

Knowledge is an asset that is also directly associated with network structures: the more complex the network, the greater the number of actors and knowledge that can be accessed. The more complex the knowledge, the more difficult its transmission, which leads to increased difficulty of replication and use of this knowledge by other firms. This difficulty can be a barrier to new entrants, ensuring the maintenance of the firm's position within the network itself and the market.

The previous discussion points to different forms of entry into the foreign market: trade in goods and services, technology rental and FDI (direct presence) – the latter can be effected through investment in new facilities or through merger and acquisition. In the case of the hospitality industry, it is not possible to talk about international trade in goods, but there is reference in the literature for all other alternatives. In particular, in recent years there has been a strong trend towards rental management technologies.

If the eclectic paradigm can be considered an important analytical framework, but not a model, Johanson and Vahlne (1977, 2009) proposed a dynamic model that seeks to explain international expansion in two perspectives: for a given locality as a process of different stages, and, as a sequence of entries in different countries. In this proposal, the commitment of funds of firms in another country follows a linear pattern: greater knowledge of the market, reinforcement of investments or commitment of resources.

In the case of expansion towards a specific country, the process is a sequence initiated with the export via local representatives, evolving to its own sales office and, finally, to the installation of a local subsidiary. The authors consider that variables related to the state of internationalization – current condition, amount or degree of commitment of resources and specific knowledge – establish the state variables that determine the degree of changes: results over time (performance of previous investments) define new investment decisions. This relationship explains how and why the sequential model evolves.

On the other hand, the expansion of firms to different countries is also conducted sequentially, based on "psychic distance". This distance is illustrated by the set of factors that limit or prevent the acquisition of information about the market, such as language, business

practices, industrial development, cultural differences and education, politics, legal, social norms, etc.

Briefly, according to the model, the geographical distance, taken as a proxy for all these characteristics, explains why the internationalization of the firm is a process that begins by the nearest countries and advances to those further away from corporate headquarters (consistent with the process of expansion of European companies). Alternatively, the countries closest in "psychic" and geographical terms tend to receive the IDE earlier, while the more distant ones are left to later stages of international expansion.

In summary, investment decisions are incremental, considering the resources committed, the general and specific knowledge about the foreign market and the performance of the business. As the distance between countries is greater, the obstacles to the FDI are also greater.

Knickerbocker's theory (1973), of oligopolistic reactions and the geographic pattern of FDI, constitutes a model that associates the reasons that lead to the FDI with the behavior of certain companies and how such behavior is linked to the market structure of the company's country of origin. According to the author, the FDI can be defined as the capital flow resulting from investments made by a firm in assets outside its country of origin in order to control, in whole or in part, the operation of these assets. These capital contributions in international markets were subdivided into two types: aggressive investment and defensive investment. The first case is represented by the first subsidiary in a given market, while the second is characterized by subsequent investments by other competing companies.

Chart 1: Approaches to the Internationalization of Firms

Theoretical Approach	Internationalization of the Firm	Authors
Oligopolistic Reaction Theory	The IDE occurs in markets with oligopolistic structure to consider aggressive and defensive investment movements and how they influence each other.	Knickerbocker (1973)
Eclectic Paradigm (OLI)	The firm must own and incorporate specific property advantages (O) to expand its own assets. The combination of these assets with those present in the locality (L) of destination of the IDE lead to the process of internal expansion (I), which gives the investor advantages that offset the costs of implementation and operation of productive activities in foreign markets.	Dunning (1973; 1980; 1988; 2006)
Internationalization in stages	It is a gradual and linear process of cumulative decisions based on constant interactions between the acquisition of information and knowledge of foreign markets and the commitment of new resources in these markets.	Johanson and Vahlne (1977, 2009)
Network Theory	It is the result of a continuous process of interorganizational interactions with local firms, seeking to exploit advantages through strategic alliances to achieve mutual benefits without the need for common goals.	Johanson and Mattsson (1988)

Source: Knickerbocker (1973); Dunning (1973; 1980; 1988; 2006); Johanson and Vahlne (1977); Johanson and Mattsson (1988), author's elaboration.

The study sought to understand whether the forces that induced the two types of investment were the same or, alternatively, whether forces different from those that led to the initial movement influence defensive behavior. In addition, the author sought to evaluate whether defensive investment is induced by the reaction to aggressive FDI and why and if this pattern varies according to industries and countries.

The structure of the markets presupposes few companies, the products have close substitutes and there is considerable interdependence between the competitive strategies of the firms. This interdependence leads to patterns of action and reaction, in which firms combine investments aimed at improving their own position with those aimed at nullifying aggressive movements of their competitors.

In a market where business forces are similar, aggressive movements tend to encourage defensive movements and thus there is a risk of destructive competition (e.g. price war) for both firms. In the process of avoiding this situation, competition is carried out by other means, such as increased efforts in advertising. The balance of the oligopoly, therefore, tends to be maintained in markets little subject to change, while in industry with faster changes, the balance tends to be broken.

The author concluded that rivals who follow the aggressive movement of the first company act in such a way as to minimize or inhibit the risk of losing considerable advantages. These advantages are the result of your investment and can be used against rivals, changing the competitive balance and gradually leading to the elimination of them.

2.2 Characteristics of Hotel Services

According to Schlüter (2003, p. 158), hospitality is "generally defined as a commercial system composed of tangible and intangible goods, arranged to meet the basic rest needs of people outside their homes". Thus, to serve users with different purchasing powers and purposes (tourism, business, health, etc.), hospitality is characterized by differentiation in services (luxury, economic, etc.) and their complements offered (food, leisure, etc.).

As a privileged element of competition in the hotel industry, the differentiation of services is also related to the size of service providers. In the simplest segments, characterized by the low price of the service, the barriers to entry are reduced and, therefore, there is a large number of small enterprises. Even with higher prices, some multinational networks have entered this segment of the market focusing at customers that look only for a place to rest, that is, seeking to serve business tourism, especially in large cities (CLARKE; CHEN, 2008).

As complementary services and sophistication that characterize the upper strata of the market advance, there is a tendency to grow in the size of companies, some of them structured in the form of networks that serve different segments. Thus, hospitality is a very heterogeneous branch in terms of quality and prices of services, with different business models and insertion of multinational companies in market segments. In summary, the relative dispersion of size explains why, in the context of the hotel industry, in general, market concentration and the share of foreign capital tend to be small, compared to industrial sectors such as pharmaceutical or automotive.

Hotel activity is permeated by factors that elevate risk and may affect the return on investments. Following this perspective, Gorini and Mendes (2005) point to the high operational costs that result both from the high number of employees involved in the operation (labor intensive use), as well as from the high values of initial investment (capital intensive) and the expenses necessary for the maintenance and modernization of infrastructure. Moreover, Proserpio (2007) highlights the fact that the level of supply vacancies is fixed in the short and medium term, which makes it impossible to respond quickly to fluctuations in demand specific to seasonality of each segment.

On the other hand, Castelli (2003) points out that the hotel services are "immovable", because the client needs to move to the enterprise to consume the service. In this way, it should also be further the attractiveness of the place where the service is being offered as another of the specific elements of the activity. Overall, these peculiarities – capital and labor intensive, rigidity of supply (similar to most agricultural crops), "product to be consumed in the place where it is offered" and "dependence on origin" – attribute to the hotel industry a unique dimension that differs from most other services.

The hotel service involves the participation of several actors who contribute to the dynamism and complexity of the activity. According to Cypriano (2014), among the public and private institutions involved in the services are financial companies, hotel chains, construction companies, specialized consultancies, developers, sector entities, government, investors, means of transport, agencies and tour operators, restaurants, suppliers, etc.

The evolution of the media and information technologies have given new designs to the commercialization of hotel services. According to Clarke and Chen (2008), in the early 2000s, more than half of hotel reservations were made by direct contact of the guest, agencies and operators. However, as Boaria, Limberger and Anjos (2014) observe, this scenario has been transformed with the adoption of reservation centers and distribution channels of the hotel chains themselves directed to e-commerce. These changes contribute to increasing the profitability and competitiveness of companies in the hotel market, minimizing the role of intermediaries in the sales of their services.

In addition to improvements in traditional e-commerce sales channels, there are innovations in this area. The French Accor network has expanded its online sales platforms to the electronic marketing of independent hotel services. This new "product" presupposes a process of evaluation and certification of the quality of services offered by the client, followed by negotiation of commission fees, for its inclusion in the sales channel. Thus, the network seeks to establish parameters for the quality of services provided by partners, avoiding damage to the reputation of its own brand and, at the same time, diversify its services and profitability and expand the differentiation of products for users of the platform.

In short, this strategy seeks to expand the offer of hotels connected to the network through independent enterprises, broadly exploit the reputation of a recognized and consolidated brand in the international market (ACCOR, 2016) and increase the product portfolio and revenue using existing sales channels, marketing and require investments of lower volume and risk than by expansion via physical infrastructure. In this sense, this strategy resembles some activities related to digital services, such as software production, of high added value.

3 METHODOLOGICAL ASPECTS

The primary objective is to propose an analytical reference for the internationalization of hotel chains. Specifically, the focus is on incorporating entry strategies of international hotel chains in the Brazilian market. Two key questions are posed: (i) what is the explanatory capacity of internationalization theories concerning the strategies of international hotel chains in Brazil? (ii) Is it possible to adapt these theories and develop a specific proposal based on the dynamics of the Brazilian hotel market?

The data for the research is obtained from Smith Travel Research (STR). The initial sample includes 1,894 hotels operating in Brazil until July 2018. Hotels not fitting the scope of the research are excluded:

- Independent hotel developments (807 hotels; 42.61%)
- Affiliates to national networks (582 hotels; 30.73%)
- The final sample comprises 505 (26.66%) foreign hotels affiliated with 17 networks

linked to six countries, with France and the United States being particularly prominent.

Descriptive statistics are employed for the analysis. The "Year of Affiliation" information from STR is used to determine the order of entry of foreign hotel chains into Brazil. Due to missing data, the sample is reduced to 397 hotels (21.4% of the initial sample). Information on Operation/City/State/Segment/Brand is utilized to evaluate investment strategies and the effects of the locality.

Regarding the details of the information related to Operation/City/State/Segment/Brand based on the Smith Travel Research (STR) data:

- Operation: refers to the specific operational status of each hotel within the dataset. It includes information about whether the hotel is currently active and operational in the Brazilian market;
- City: city information provides details about the location of each hotel. The dataset contains a list of cities in Brazil where the hotels are situated;
- State: corresponds to the geographic state in Brazil where each hotel is located. This data is essential for understanding the regional distribution of international hotel chains in the country;
- Segment: categorizes hotels into different segments or market segments based on specific criteria, such as luxury, upscale, mid-scale, and budget, among others. This information helps in classifying the type of services and amenities offered by each hotel, and it is directly aligned to the average income of a specific region;
- Brand: identifies the specific brand or hotel chain to which each property belongs. It allows for the categorization of hotels under their respective international networks or chains. Different hotel brands may have distinct strategies and characteristics, contributing to the overall analysis of internationalization.

By analyzing Operation/City/State/Segment/Brand data, the research leads to insights into the geographical distribution, operational status, market segment positioning, and brand affiliations of foreign hotels in Brazil. This detailed information is crucial for understanding the

dynamics of the Brazilian hotel market and formulating a comprehensive analytical reference for the internationalization of hotel chains.

In summary, the research aims to provide a comprehensive understanding of how international hotel chains enter and operate in the Brazilian market, using a data-driven approach and drawing conclusions from the analysis to propose a practical analytical reference for the internationalization of hotel chains in this specific context.

3.1 Foreign Companies in the Brazilian Hotel Market

Table 1 seeks to characterize the presence of foreign companies in the hotel market by presenting the number of hotels in the seventeen chains established in the country and four indices: (1) **degree of internationalization** – proportion between units in the country of origin of the capital and the total number of hotels in the chain. It seeks to distinguish the networks with the strongest domestic ties from the most internationalized; (2) **insertion in Brazil** – relationship between establishments in Brazil and the total. Seeks to relativize the Brazilian market in corporate strategy; (3) **participation of Brazilian units in total Latin America** – aims to counter the strategies of the networks for Brazil and the Latin American continent (assumed as an alternative to Brazil in the location of the FDI); (4) **the Brazilian participation in the internationalization of the network** – proportion of units in Brazil in relation to and the other units located outside the country of origin of the capital. Seeks to ascertain the Brazilian participation in the international expansion of the network, eliminating the effects "network size" resulting from a large number of units located in the country of origin.

In general, the seventeen hotel chains in the sample are highly internationalized, with an average of 41% (sample) of hotels outside the country of origin – see column G of Table 1. However, the Brazilian participation in these investments is relatively low (1%) and is not lower due to some exceptions that increase this percentage (mainly concentrated in small networks – Pestana, Club Med, Vila Galé and Meliá – and a single large one – Accor, which seems to differ from the group's own internationalization strategy – see columns E and F).

Two aspects can be highlighted from Table 1 on foreign networks established in Brazil: (1) the eight largest groups (above 3,900 units in the world), control 90% of the total hotels in the sample (column D) and 88% of the Brazilian units (column E); (2) of the 17 groups, eight have capital in the USA, five of which are among the eight largest. The comparison between concentration in the world and Brazilian markets can be better explored to differentiate the internationalization strategies of these networks.

Wyndham (USA), which has the largest number of units in the world (17% of the total sample), has a very important presence in the Brazilian market (0.41%) – a percentage higher than other networks in this country (Hilton, Marriott, Best Western and Hyatt). On the other hand, Accor, a corporation with half of the world units (8% of the total) of the first network, adopts the Brazilian market with a differentiated strategy: it controls 50% of all foreign units established in the country, representing 6.5% of the group's queues – three times the sample average.

Table 1: Number of Hotels and Degree of Internationalization of International Networks present in Brazil in 2018.

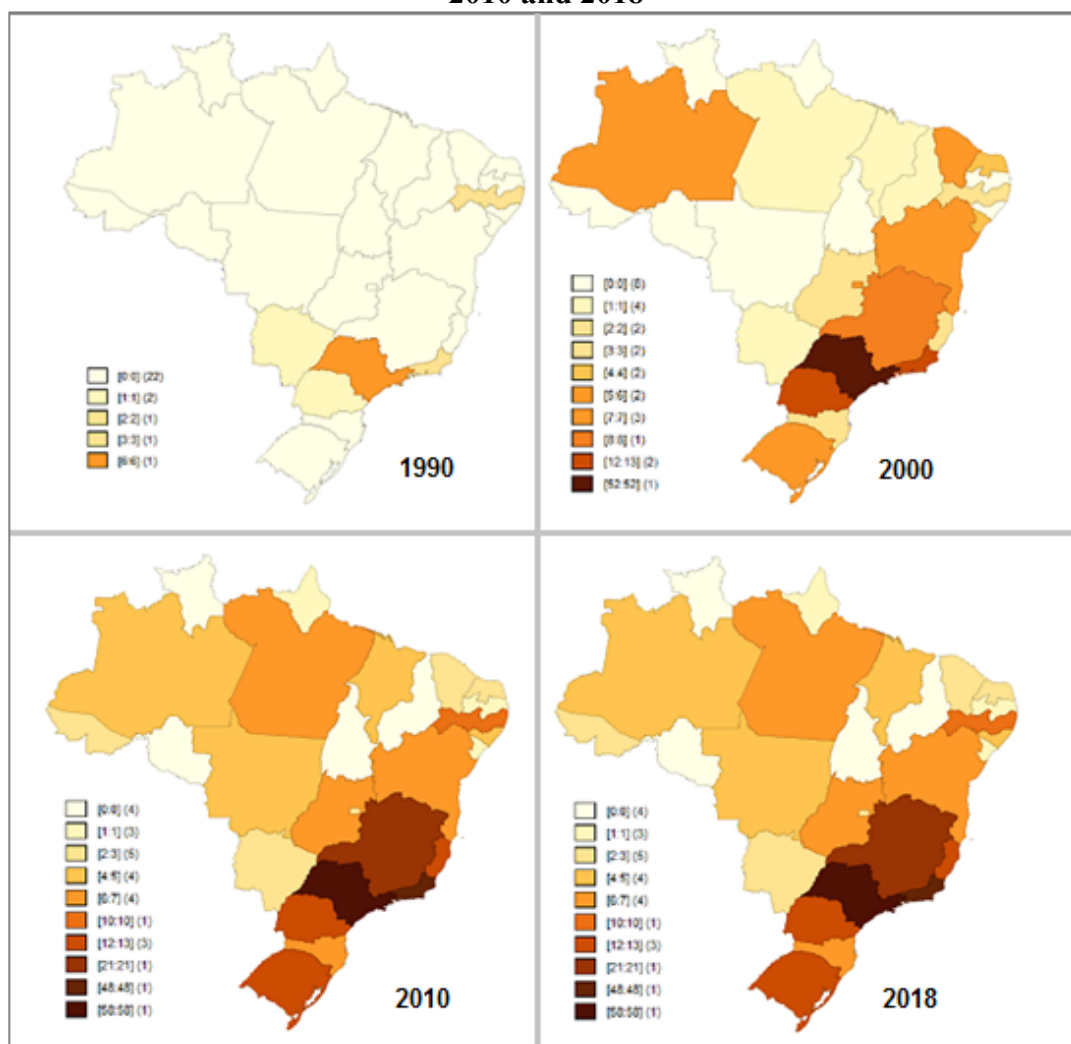
	Hotel Chain (country of origin)	Number of hotels (total)				Degree of Internationalization (%)			
		Brazil (A)	Latin America (B)	Country of Origin (C)	Total (D)	Brazil / Total E=A/D	Brazil / Latin America F=A/B	Branches / Total G=(D-C)/D	Brazilian Branches / Branches H=A/(D-C)
1	Wyndham (USA)	33	189	5.525	8.035	0,41	17,46	31,24	1,31
2	Choice (USA)	68	122	5.362	6.514	1,04	55,74	17,68	5,90
3	Jin Jiang (China)	39	42	4.751	5.977	0,65	92,86	20,51	3,18
4	IHG (UK)	13	221	77	5.032	0,26	5,88	98,47	0,26
5	Hilton (USA)	4	100	3.791	4.610	0,09	4,00	17,77	0,49
6	Marriott (USA)	19	220	3.511	4.424	0,43	8,64	20,64	2,08
7	Best Western (USA)	14	31	959	4.100	0,34	45,16	76,61	0,45
8	Accor (France)	253	303	1.598	3.900	6,49	83,50	59,03	10,99
9	Carlson (USA)	11	60	644	1.446	0,76	18,33	55,46	1,37
10	Starwood (USA)	9	9	783	1.200	0,75	100,00	34,75	2,16
11	Hyatt (USA)	3	32	353	698	0,43	9,38	49,43	0,87
12	Westmont (Canada)	3	3	110	500	0,60	100,00	78,00	0,77
13	Meliá (Spain)	17	70	142	375	4,53	24,29	62,13	7,30
14	Iberostar (Spain)	2	34	33	100	2,00	5,88	67,00	2,99
15	Pestana (Portugal)	6	8	68	91	6,59	75,00	25,27	26,09
16	Club Med (France)	4	4	30	70	5,71	100,00	57,14	10,00
17	Vila Galé (Portugal)	7	7	23	30	23,33	100,00	23,33	100,00
	TOTAL	505	1.455	27.760	47.102	1,07	34,71	41,06	2,61

Source: STR (2018). Author's elaboration.

In summary, Table 1 allows to establish some preliminary characteristics about foreign hotel chains in Brazil: (1) smaller networks have a differentiated internationalization strategy for Brazil (more related to leisure tourism) – especially Meliá (Spain), Pestana (Portugal), Club Med (France) and Vila Galé (Portugal); (2) European networks have stronger links with the national market – Accor adds to the previous list; (3) the large groups do not seem to adopt a similar (differentiated) strategy for the domestic market – except for Accor (France) and Choice (USA), with 10% and 6% of foreign subsidiaries established in Brazil, respectively (column H); (4) even though they are in greater numbers and, in general, the largest networks in the sample, the U.S. networks are not the most internationalized (column G), nor do they seem to have Brazil as a relevant market for international expansion; (5) the Latin American strategy of the majority (10) of the groups is linked primarily to the Brazilian market.

Figure 1 shows the hotel units (STR, 2018) established in Brazil (resulting from greenfield or brownfield direct investments) owned by foreign networks according to the states of the federation in the years 1990, 2000, 2010 and 2018. Although the start of operations of some of these networks occurred before 1970, the information is limited to the period that began in the 1980s due to the low number of existing units and the proportion of foreign investments in hotel chains in the country in the last three decades. In this context, in terms of density, The IDE can be characterized as a relatively recent phenomenon.

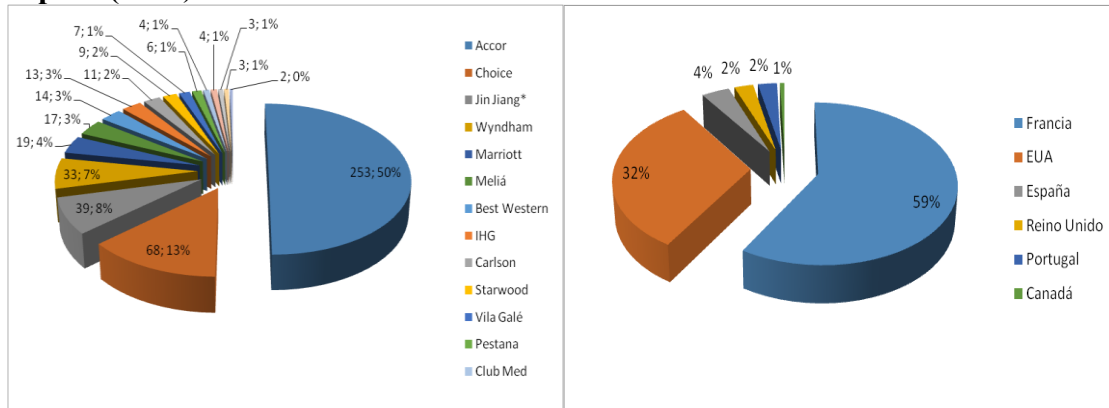
Figure 1 - Entry of hotels of foreign capital networks in Brazil (by states):1990, 2000 and 2010 and 2018



Source: STR (2018). Author's elaboration.

Figure 1 illustrates the location movement of the FDI over time. Until the 1990s, investments were directed to the State of São Paulo (looking for the market), the country's main economic center (mainly business tourism), and more weakly to Rio de Janeiro and the Northeast coast (leisure) – looking for natural resources for greater network efficiency (product portfolio). Since the 2000s, in addition to strengthening previous positions, the FDI extends throughout the eastern region of the country (higher population density), reaching states with relevant economies (Paraná, Rio Grande do Sul and Minas Gerais) and other regions conducive to the exploration of leisure-oriented tourism (Bahia and Espírito Santo). The establishment of units in the northern region (Amazon region) also begins. Subsequent investments, in general, reinforce the previous ones and enter the Midwest.

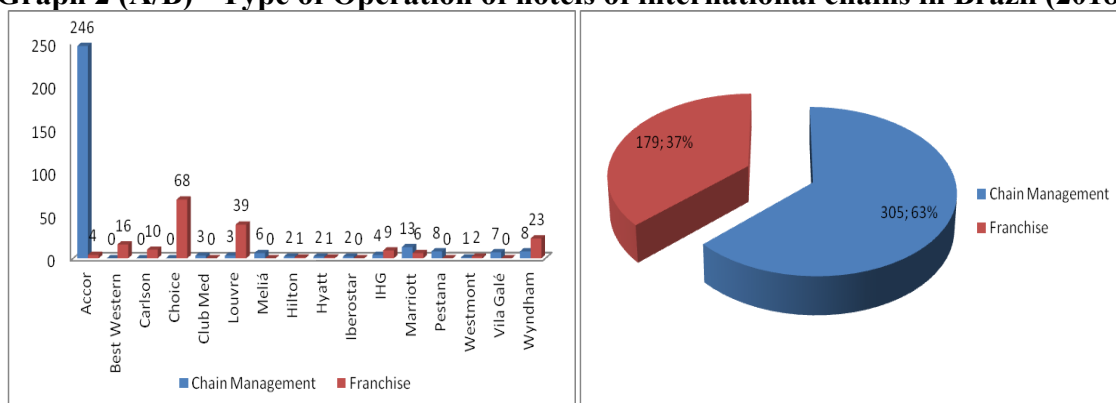
Graph 1 (A/B) - Hotels of International Chains in Brazil, by companies and by origin of capital (2018).



Source: STR (2018). Author's elaboration.

Graph 1 shows the presence of international networks in the Brazilian market in terms of hotel units. If eight different companies own U.S. networks (32% of foreign units), the French – which own the majority of foreign properties in Brazil (50.8% of hotels) – depend essentially on Accor's participation (50%). In short, considering the size of the U.S. market, the number, size and (low) internationalization of large U.S. companies (except Best Western), it is possible to assume that defending the home market, due to the fiercest competition, is a priority for these networks. In this sense, the internationalization of these hotel companies is more restricted when it is compared to European rivals.

Graph 2 (A/B) - Type of Operation of hotels of international chains in Brazil (2018).



Note: The incompatibility between the two graphs stems from the limitations in the information (type of operation) of the sample.

Source: STR (2018). Author's elaboration.

On the other hand, Graph 2 shows the types of operations of hotel chains in Brazil in 2018. If European networks, in general, are up to the model of direct administration, most other

foreign networks prioritize franchising. Disregarding the Accor group (only one franchise) from the sample, this type of investment, which does not require direct involvement in the end activity, is predominant. In particular, the operations of the estadounidense companies are anchored in this asset management model – Choice (100%; 68 units), Wyndham (74%; 23) this Western (100%; 16). In addition to U.S. networks differing from other in the domestic market entry mode, Accor's strategy as an online sales service provider for independent hotels (see previous item) may mean the development of a new asset that will enable it to compete with U.S. rivals in the hospitality services market.

4 DATA ANALYSIS

The history of investments of foreign hotel chains in the country can be initially described from the theory of "internationalization in stages". The expansion of some multinationals in the Brazilian market, as seems to be the case of Accor, Choice, Jin Jiang (Louvre) and Wyndham, can be interpreted as a gradual process of compromises/investments based on the acquisition of new experiences and knowledge – see Figure 1. This process can be characterized as progressive, because initial investments were limited to a restricted number of enterprises and regions that were gradually expanded throughout the 1990s, 2000s and 2010s. The initial movements of entry occurred in the southeast region of the country, noted by the higher income and main economic pole, that is, place of real demand and potential for hotel services.

The expansion to regions geographically more distant from the economic and population "center" occurs in the late 1990s and early 2000s, particularly in the direction of the capitals and main touristic cities of the northeast region – such as Recife, Fortaleza, Salvador, Aracaju and Trancoso. The process of consolidation of international hotel chains in this region, which coincides with the growth of operations in the northern and central-western states of Brazil, occurs with characteristics similar to the previous ones: initial investments are made in more attractive locations (markets) and with a larger structure of complementary services to tourism. In this way, in addition to the knowledge accumulated as a precondition, attractiveness (business or leisure), the infrastructure seems to have a strong influence over the choice of the locality (greater commitment). Thus, conditions and potential of the locality are able to create synergies with the assets owned by the networks that foster investment (Dunning & Lundam, 2008).

The segment of operation of the networks is another important characteristic in the determination of the FDI in hotels in Brazil. By the end of the 1980s, most hotels were in the upscale segment within the southeast region. During the 1990s, the growth of investments was directed to the midscale segment, mainly concentrated in the states of São Paulo and Rio de Janeiro. Since the 2000s, with the entry of new competitors and the consolidation of Accor as a Brazilian market leader, there has been the expansion of this segment and also the economy class in the main cities of the states of Ceará, Bahia, São Paulo, Rio de Janeiro, Rio Grande do Norte. Investments in this last segment seem to represent a turn in tourism investments in the northeast region of Brazil: if in the 1970s, investments were focused on high-income demand,

especially foreign, in the first decade of this century they seek to reach customers of lower purchasing conditions, largely, domestic.

Finally, from 2010, the budget segment, ventures led by Accor, and the expansion of economic and midscale hotels, encompassing almost all Brazilian regions and states (Rio Grande do Sul, Paraná, Espírito Santo, Minas Gerais, Maranhão, Alagoas, Mato Grosso, Goiás, among others) have gained dimension. Overall, this FDI strategy (historically, a top-down movement in terms of quality and prices) seems to be an adaptation to the country's income level and the expansion of business and leisure tourism.

The growth of the offer of hotels with leaner and, consequently, cheaper services was made possible by the popularization of tourism activity in Brazil, growth in the offer of complementary services, the country's income level and the main source of financing for hotel developments in the country: individual investors. For Cypriano (2014), the financing of projects of this nature differs from other international experiences due to the limitations of sources in the country for this purpose.

Individual investors, or, in some cases, investment funds for the establishment of condo-hotels, are very common in the country due to the limited contribution of financial institutions to projects in the area of hospitality. In general, financing is subject to high interest rates, with short term for debt payment and restrictive guarantees, unlike Europe and the United States. Thus, in general, the financial viability for projects in the national market is associated with investment funds, developers and individual investors. This framework may explain the predominance of franchising among foreign brands: multinationals participate in infrastructure projects and management-focused solutions, while national groups form consortia focused on raising financial resources and managing businesses. In this perspective, this process is similar to the servitization present today in some manufacturing activities; here, however, within the service sector itself.

The set of actors involved, from the design of the project, implementation to operationalization, shows another characteristic of the internationalization of hotel networks and services: the interdependence between investment in infrastructure, the main and complementary service establishes processes of continuous and interorganizational interactions between hotel units and other firms to achieve mutual benefits through strategic alliances, even if the objectives are not aligned. In addition to partnerships for physical investments, the operation of the hotel market requires the realization of commercial relations between international networks and complementary service companies, such as car rental, travel agencies, airlines, transportation services, restaurants, among others. Thus, due to these requirements, the entry of a hotel network in a given market is preceded by the evaluation of factors such as access to inputs, quality of suppliers and service providers, quality of transportation and food services in its surroundings. In summary, there are a number of factors that raise the risks and transaction costs inherent to the FDI. In this sense, franchising is an alternative for companies that have technologies that reduces the complexity of managing this relationship web.

In addition to the advantages of raising financial resources in better conditions (lower costs and higher volume) in the international market, which provide advantages to multinational groups compared to local groups, these networks can also opt for strategies of lower risk and

investments associated with the FDI. The ownership of intangible assets – management services and processes, brands, etc. – generally represent advantages over local firms, as they allow less costly forms of expansion of the firm, because, on the one hand, they eliminate investments in physical infrastructure with long-term financial return to, and, on the other hand, speed up the exploitation of these assets globally. In a sense, it is a less risky option and therefore with the possibility of obtaining faster return on capital and being more geographically comprehensive. This seems to be the predominant strategy of the FDI (most recent) for Brazil of the North American hotel chains, opposed to European rivals (older investors).

The Accor network introduced an innovation in the Brazilian market by acquiring the French company Fastbooking from digital solutions for hospitality. From the end of 2016, the French network began to market accommodation in independent hotels on its digital booking and sales platform. In addition to this service provision to allow the network to receive a percentage of the mediated sales for independent hotels, the French firm reinforces its brand with users of the platform (consumers) while using it as a guarantee of quality in the accommodation offered. Such a service, which resembles search engines for accommodations (or air tickets), expands the boundaries of commercial exploitation of property assets beyond the network itself, that is, allows increasing profit without new investments in hotel infrastructure. This "new product", a non-excluding alternative to the franchising of the brand used by U.S. firms, seems to be more connected with current internet sales trends of the type, for example, Takeoff, Trivago, Booking or Airbnb. This provision of "new" services by the hotel chain reinforces the servitude of the services mentioned above.

From this perspective, internationalization should not only be thought of through own assets, but also based on the potential that the firm's resources (tangible and intangible) can provide in terms of competitive advantages and profit when associated with third-party assets. In addition to the advantages of multinationalism resulting from the internationalization process, other forms of exploitation of the brand are used for the expansion of commercial relationship networks, strengthening the brand and reputation at the international level, ultimately, increasing and renewing property assets.

On the other hand, independent hotels use the brand and reputation of solution providers (as seems to be the case for example, the French Accor) to expand their range of services offered (domestic and foreign customers), reducing the costs to consolidate in the market of a brand of these hotels. Due to the plurality of classifications within the hotel market and the large number of independent hotels, this strategy promotes mutual benefits, in which the hotel chain obtains economic advantages from the exploitation of its image (intangible asset) and autonomous enterprises enjoy access to potential customers and the indirect link of its image to an internationally recognized network.

Finally, as mentioned, one should also consider the advantages of locality to evaluate the entry of international networks in Brazil. They can be presented as country-specific advantages that make it more attractive for receiving investments. In relation to tourism activity and hotel services, we can summarize the benefits related to the locality in three categories: infrastructure to support tourism; services and tourist equipment; and local-specific tourist attractions. Added to these items are other elements such as access to financing by financial

institutions, availability of skilled labor, political and legal stability, land supply and the existence of business partners (suppliers of inputs, service providers, etc.).

Considering the literature review, some key elements can be illustrated when a comparison between data and theories is conducted. Initially, Knickerbocker's Oligopolistic Reaction Theory focuses on the interdependence of firms within an oligopolistic market structure, where the actions of one firm influence and provoke reactions from others. In the context of foreign hotel chains in Brazil, elements of this theory can be identified, such as (i) gradual market expansion: the described expansion of international hotel chains in Brazil aligns with Knickerbocker's theory. The gradual process of compromises and investments represents a cautious and strategic approach, typical of firms in oligopolistic markets. The initial concentration in the southeast region, known for higher income and economic prominence, can be seen as a calculated response to the existing market dynamics.

Regarding spatial expansion and oligopolistic competition (ii): the late 1990s and early 2000s witnessed a spatial expansion towards the northeast region, indicating a strategic move to capitalize on emerging opportunities. This expansion aligns with Knickerbocker's idea of firms seeking information and experiences within main markets before venturing into more distant regions. The process of consolidation in the northern and central-western states reflects an oligopolistic competition where the initial movers set the tone for others, creating an interdependent market structure. Another aspect considered is segmentation and differentiation (iii), in which the shift in the segment of operation of hotel networks, from upscale to midscale and economy classes, demonstrates a response to changing market demands. The differentiation of services and adaptation to different market segments align with oligopolistic competition, where firms aim to distinguish themselves to gain a competitive edge. This strategic move is also influenced by the entry of new competitors and the consolidation of market leaders like Accor.

In turn, the financial strategies and servitization (iv), the reliance on individual investors and investment funds for financing hotel developments resonates with Knickerbocker's theory. The limitations of financial institutions in the hospitality sector led to the formation of alliances and financial consortia. The prevalence of franchising among foreign brands can be viewed as a form of servitization, where multinationals participate in infrastructure projects and management-focused solutions while local groups focus on raising financial resources. Interorganizational interactions (v) are represented through the interdependence between investments in infrastructure and complementary services emphasizes the interorganizational interactions between hotel units and other firms. This aligns with Knickerbocker's idea of firms forming strategic alliances for mutual benefits, even if their objectives are not fully aligned. Partnerships for physical investments and commercial relations with complementary service companies reflect the complexity of the oligopolistic market structure.

Considering the innovation and exploitation of resources (vi), the innovative approach by Accor in acquiring Fastbooking and introducing digital solutions for hospitality illustrates a proactive response to industry trends. The exploitation of digital platforms to market accommodation in independent hotels reflects a forward-thinking strategy to expand commercial relationships and increase profits without significant new investments. This can be seen as a form of resource exploitation within an oligopolistic context.

In conclusion, the analysis through Knickerbocker's Oligopolistic Reaction Theory reveals how foreign hotel chains in Brazil navigate a dynamic and interdependent market environment. The strategic decisions, spatial expansion, segmentation strategies, financial approaches, and innovative initiatives align with the characteristics of oligopolistic competition, where firms react to each other's actions in a complex and interrelated fashion.

Considering Dunning OLI paradigm, the data analysis promotes some insights considering the main aspects of the theory. Ownership advantages: the ownership advantages in the context of the internationalization of hotel chains in Brazil are multifaceted. The identified foreign hotel chains such as Accor, Choice, Jin Jiang (Louvre), and Wyndham exhibit ownership advantages rooted in their brand recognition, managerial expertise, and global distribution networks. This ownership advantage is further highlighted by the progressive and strategic nature of their investments, emphasizing a gradual expansion approach over the decades. The ownership of intangible assets, such as management services, brands, and digital solutions, has become a key driver for entry and success in the Brazilian market.

Location advantages: the location aspect of the OLI paradigm is evident in the geographical progression of entry strategies. The initial investments were concentrated in the economically robust southeast region of Brazil, representing both real demand and potential for hotel services. Subsequently, there is a discernible shift towards more distant regions, particularly in the northeast, showcasing an understanding of diverse market dynamics. The choice of locations appears to be influenced not only by economic factors but also by the attractiveness of specific regions for both business and leisure tourism.

Internalization advantages: internalization factors are apparent in the evolution of the segment of operation for these hotel networks. The shift from upscale to midscale and economy segments reflects a strategic response to changing market dynamics and consumer preferences in Brazil. This internalization process aligns with the growth and diversification of tourism, catering to both high-income foreign visitors and, more recently, the domestic market. Additionally, the adoption of franchising as a prevalent strategy aligns with the internalization concept, allowing for flexibility, risk mitigation, and efficient use of intangible assets.

The exploitation of intangible assets, such as brands and management services, further exemplifies internalization, enabling these international hotel chains to expand their commercial relationships beyond physical infrastructure. The introduction of innovative services, like digital booking platforms, underscores a dynamic approach to internalization by leveraging advancements in technology to enhance market reach and profitability.

The interdependence between various actors, including infrastructure investment, complementary service providers, and commercial relations, highlights the complexity of internalization in the hotel industry. Partnerships and alliances play a crucial role in achieving mutual benefits, despite potentially misaligned objectives, reflecting the intricate web of relationships in the service sector.

In summary, the internationalization of hotel chains in Brazil, as analyzed through Dunning's OLI paradigm, showcases a strategic and adaptive approach. The ownership advantages, location-specific considerations, and internalization strategies are intertwined, contributing to the success and evolution of these international networks in the dynamic Brazilian market. The utilization of intangible assets, innovative services, and strategic

partnerships exemplifies a nuanced application of the OLI framework within the context of the hotel industry's internationalization.

Analyzing the data through Johanson and Vahlne's Internationalization Process Model (Uppsala), several key elements align with the stages and principles outlined by the model: (i) incremental internationalization, in which emphasizes a gradual and incremental internationalization process, where foreign hotel chains expanded their presence in Brazil over the 1990s, 2000s, and 2010s. Initial investments were concentrated in the economically significant southeast region before expanding to more distant regions, demonstrating a step-by-step approach.

Considering the learning and knowledge accumulation (ii), the expansion is portrayed as a learning process, where foreign chains acquire experiences and knowledge about the Brazilian market. The southeast region served as the initial learning ground due to its higher income and economic significance. As a third aspect (iii), market commitment and synergies outline the importance of infrastructure and local conditions in the choice of locations reflects the commitment and establishment of relationships in line with Johanson and Vahlne's model. Synergies with local assets and conditions are highlighted as factors influencing investment decisions.

Regarding segmentation and adaptation (iv), the evolution of hotel operations from upscale to midscale and economy segments reflects a commitment to adapting to the changing market conditions and demands over time. Another relevant aspect identified is the entry mode transition, which suggests a transition in entry modes, moving from the traditional Foreign Direct Investment (FDI) model to an emphasis on the exploitation of intangible assets and technologies. This aligns with Johanson and Vahlne's idea that firms may shift entry modes as they gain experience and confidence in a foreign market.

Another aspect considered is the role of networks and relationships (v), considering that the interdependence between hotel networks, infrastructure investment, and complementary services highlights the significance of continuous interorganizational interactions and partnerships, consistent with Johanson and Vahlne's emphasis on relationships in internationalization. Furthermore, ownership of intangible assets (vi), as forementioned, such as management services, brands, and processes, is highlighted as a strategy for a less risky and more geographically comprehensive internationalization.

Regarding innovation and exploitation of resources (vii), the example of Accor's acquisition of Fastbooking and the introduction of digital solutions for hospitality demonstrates the innovation and exploitation of resources to expand commercial relationships and strengthen the brand. Finally, local specific advantages (viii) are considered in terms of infrastructure, services, tourist attractions, and business partners aligns with Johanson and Vahlne's recognition of country-specific advantages. In summary, many aspects align with Johanson and Vahlne's Internationalization Process Model, emphasizing learning, commitment, adaptation, and the exploitation of both tangible and intangible assets.

Johanson and Mattsson's network theory focuses on the idea that internationalization is not solely a firm-level process but rather an outcome of networks and relationships between firms. Some key elements can be highlighted, such as (i) network formation and learning, considering the expansion of foreign hotel chains in Brazil as a process of acquiring new

experiences and knowledge. This aligns with the network theory's emphasis on learning through relationships. The gradual entry into new regions suggests a learning process facilitated by networks, where knowledge is accumulated through interactions with local partners and stakeholders.

Another key element is interdependence and relationships (ii), in which presents the interdependence between investments in infrastructure, hotel services, and complementary services. This emphasizes the importance of continuous interorganizational interactions and relationships. Partnerships for physical investments and commercial relations with various service providers, such as car rental, travel agencies, airlines, and restaurants, underscore the interconnectedness in the internationalization process.

Considering institutional relationships and advantages (iii), the mention of a network of institutional relationships providing advantages over other firms aligns with the network theory's perspective on the role of relationships in gaining competitive advantages. Over time, these advantages become property advantages, emphasizing the long-term nature of relationships in the internationalization process.

Similarly to the analysis with Johanson and Vahlne's approach, the network-based entry mode (iv) hints at a transition in entry modes, from the traditional Foreign Direct Investment (FDI) model to an emphasis on the exploitation of technologies and intangible assets. This transition can be seen as a shift towards a more network-based entry strategy. Also similarly, servitization and franchising (v) lead to the discussion on the predominance of franchising among foreign brands and the involvement of multinational groups in infrastructure projects while national groups focus on raising financial resources suggests a servitization process. This is in line with the network theory's perspective on firms working together to achieve mutual benefits.

In the similar way to intangible assets, exploitation of brand and reputation (vi) are identified as part of the internationalization process. This exploitation is not just for direct financial gain but also for the expansion of commercial relationship networks. But not only networks explore commercial advantages, which leads to the innovation through network (vii): the example of Accor's acquisition of Fastbooking and the introduction of digital solutions for hospitality highlights innovation within the network. This innovation expands the boundaries of commercial exploitation beyond the network itself, showcasing the dynamic nature of relationships.

Finally, very similarly as in Dunning's OLI paradigm, local specific advantages through networks takes in consideration country-specific advantages, such as infrastructure, services, and local attractions, emphasizes the role of networks in evaluating the entry of international networks in Brazil. This aligns with the network theory's view that the internationalization process is influenced by various actors in the network.

In summary, Johanson and Mattsson's network theory provides a lens through which to understand the internationalization of foreign hotel chains in Brazil. The emphasis on relationships, learning through networks, and the exploitation of intangible assets and technologies resonates with the key principles of network theory.

Thus, for the composition of an analytical reference of internationalization of hotel chains that contemplates the peculiarities of the Brazilian market, we can consider the following

aspects: **First:** *the entry mode into the country is transitioning from the "traditional" model, via FDI, with the firm's direct presence to exploit own assets, to another, the exploitation of technologies (intangible assets). As examples, management and franchise contracts and, more recently, the provision of services sustained in the internal resources associated with those of partners. This condition is determined by the possibility of faster gains through collection of royalties and fees without immobilization of large amounts of capital.*

Second: *the entry progressed gradually and relatively linearly in spatial terms, looking for information and experiences within the main markets to later include regions that are more distant. This aspect leads to the third point: this information allowed companies to structure a network of institutional relationships that provided advantages over other firms in various locations. These advantages, over the years, become property advantages through, for example, the consolidation of the brands of companies in the country.*

In Brazil, the transformation from the 2000s in the profile of tourists also required a readaptation in the hotel market segments. The networks expanded the offer of services to include new segments in the market, associating them with different brands (differentiation of services). Historically, this process can be characterized as a "top down" movement, from the most refined services in terms of quality and prices to the simplest.

Chart 2: Central elements of the analytical framework proposal

<i>Entry Characteristics</i>	<i>Central elements</i>
Targeted to the provision of services	Entry via management contracts, franchises and other end activity support solutions with restrictions on access to finance (in case of ADE). International hotel chains tend not to immobilize equity.
In time sequence (stages)	Increased capillarity of the network through accumulation of knowledge about the local market; expansion to geographically more distant regions due to their socioeconomic development or natural attractions. With the expansion of relationship networks and possible exploration of the economic potential of these partnerships, it is possible that the previous trend needs to be reviewed.
Supported by networks of relationships	Dependence of several players involved in the planning and operation of services - from financing to projects, inputs to the provision of associated services. First indications of possible change in the exploitation of networks by representing independent hotels in management and sales channels.
<i>Entry Determinants</i>	<i>Central elements</i>
Advantages of ownership of networks	Market knowledge is consolidated as an advantage of the company in the local market, as well as the identification and strengthening of its brand and its flags; increasingly supported by the relevance of intangible assets.
Characteristics of the locality	Dependence on infrastructure, complementary services and tourist attractions of the locality; dependence on political, economic and legal aspects, as well as the performance of the local hotel market.

Source: Author's elaboration.

5 FINAL CONSIDERATIONS

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This study addresses a notable gap in the existing literature pertaining to the internationalization of companies in the hotel industry. Acknowledging the limitations of prior research, which often confined its evaluation to insufficient elements, this investigation strives to contribute to a more robust theoretical framework concerning the international expansion of hotel chain firms.

The exploration of central elements from key theoretical approaches lays the foundation for an analysis that incorporates recent characteristics of the international expansion of these companies. This includes the entry modes of multinationals into the country, responses to initial movements based on capital origin, the level of commitment to the local market, networks of relationships, and the exploration of diverse assets within the market.

Nevertheless, the nuanced entry modes and subsequent strategies employed by foreign companies in the Brazilian context, characterized by gradual and diversified approaches leveraging local advantages, market knowledge, brand strength, and relationship networks, necessitate further scrutiny through additional case studies. This approach aims to foster a more comprehensive understanding of the competitive dynamics in the global hotel market, enabling the construction of an analytical framework that captures the intricacies of the world market's functioning.

A key insight derived from this study is the recognition that existing individual theories on internationalization, originally designed for the manufacturing industry, prove insufficient when applied directly to the unique dynamics of international hotel chains. Despite these challenges, the endeavor to adapt and contextualize these theories to the distinctive features of the hotel service industry has yielded a preliminary and regionally focused reference. Ongoing monitoring of market dynamics, considering factors such as mergers and acquisitions, new market entrants, and evolving international demand, remains crucial for a comprehensive understanding of this rapidly changing landscape.

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