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Location of **hotel** groups' **headquarters**

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Abstract | The paper assesses the factors that influence the location of hotel groups' headquarters. The concentration of headquarters in a particular country is modelled by three different variables: share of Hotels 325 ranked hotel groups headquartered in the country, share of hotels in Hotels 325 ranked groups headquartered in the country and share of rooms in Hotels 325 ranked hotel groups headquartered in the country. Three groups of factors are assessed: hotel industry-specific factors (size of the hotel industry, average capacity and share of affiliated hotels in the local hotel industry), tourism-specific factors (size and importance of tourism industry, destination's competitiveness) and the general business environment (GDP, GDP per capita, population size, levels of globalisation, human development, and corruption). The sample includes 116 countries. Findings reveal that highest concentration of hotel groups' headquarters is in countries with large hotel industries, high share of affiliated properties, high tourism competitiveness index and in the USA. Tourism policy implication, limitations and future research directions are also discussed.

Keywords | Hotel groups, hotel chains, location of headquarters, Hotels 325

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1. Introduction

1.1. Rationale

Why do some countries have numerous local hotel groups, some of which have grown into global market leaders, while other countries do not? Which factors influence the concentration of hotel groups' headquarters in a few countries?

Research in the field of hotel groups/chains is extensive (Ivanova, Ivanov, & Magnini, 2016). It has focused so far on a wide range of topics such as the process of internationalisation (Niñerola, Campa-Planas, Hernández-Lara, & Sánchez-Rebull, 2016; Rodtook & Altinay, 2013), the choice of entry mode (García de Soto-Camacho and Vargas-Sánchez, 2015), choice of a destination to enter (Ivanov & Ivanova, 2017), partner selection (Brookes and Altinay, 2011), impact of hotel chains on destination's competitiveness (Ivanov & Ivanova, 2016a) and level of globalisation (Ivanov & Ivanova, 2016b), but it has completely ignored the location of hotel groups' headquarters. The location of hotel groups' headquarters is important for at least a couple of reasons. First, it determines the applicable country law that governs the relationships between the hotel group and the affiliated hotel. The affiliation contracts are prepared by the hotel group according to the legislation of its home country. In its domestic expansion, the hotel group affiliates properties from its home country, hence both the hotel group and the property work in the same legal environment, but this is not the case in the international expansion – conflicts in the legal and/or tax treatment of the affiliation contract between the hotel group's home country and the affiliated hotel's home country are possible. Second, every company operates in a specific cultural environment, which determines the acceptable business practices. In their international expansion, hotel groups transfer tacit and codified knowledge (in the form of service operations manuals, staff mobility) and business practices from their home countries to the host countries, hence influencing the business practices in the host country. Therefore, not surprisingly, the cultural differences between the home and the host country are widely considered as one of the factors in the choice of entry modes by hotel groups (e.g. Contractor & Kundu, 1998).

The geographic distribution of hotel groups' member hotels is not equal throughout the world, and so is the geographic distribution of their headquarters. Table 1 presents the distribution of hotel groups' headquarters by country and the number of hotels and rooms that these hotel groups affiliate globally as listed in Hotels 325 ranking for 2015. Data reveal that 129 (or 39.69%) of the hotel groups listed in Hotels 325 for that year are headquartered in the USA and they control 47.37% of the properties and 48.93% of the rooms in the ranked hotel groups. China and Spain hold second and third place. The hotel groups from the top 3 countries control 70.06% of the hotels and 70.84 of the rooms of all 325 hotel groups in the ranking. The concentration of hotel groups in a few countries (as evident from Table 1) means that their contract law and business practices guide the operations of the majority of the chain affiliated hotels in the world, thus leading to unification and globalisation of the hotel business practices. In the light of the above discussion, this paper aims to empirically investigate the factors that influence the geographic location of hotel groups' headquarters.

Table 1 | Distribution of hotel groups' headquarters by country

Country	Hotel groups headquartered in the country		Hotels, controlled by the hotel groups headquartered in the country		Rooms, controlled by the hotel groups headquartered in the country	
	Number	*Share*	*Number*	*Share*	*Number*	*Share*
USA	129	39.69%	44671	47.37%	5835998	48.93%
China	32	9.85%	15252	16.17%	1776271	14.89%
Spain	30	9.23%	6151	6.52%	837066	7.02%
UK	19	5.85%	9303	9.87%	1207607	10.12%
Germany	14	4.31%	1445	1.53%	231846	1.94%
France	12	3.69%	9148	9.70%	693444	5.81%
Japan	12	3.69%	828	0.88%	187857	1.57%
Canada	5	1.54%	433	0.46%	86681	0.73%
Singapore	5	1.54%	432	0.46%	58800	0.49%
Thailand	5	1.54%	296	0.31%	45375	0.38%
Australia	4	1.23%	390	0.41%	46103	0.39%
Brazil	4	1.23%	211	0.22%	36054	0.30%
India	4	1.23%	311	0.33%	36403	0.31%
Cuba	3	0.92%	192	0.20%	39460	0.33%
Mexico	3	0.92%	222	0.24%	34066	0.29%
Norway	3	0.92%	350	0.37%	51429	0.43%
South Africa	3	0.92%	169	0.18%	26682	0.22%
UAE	3	0.92%	651	0.69%	145822	1.22%
Austria	2	0.62%	61	0.06%	11275	0.09%
Finland	2	0.62%	93	0.10%	17465	0.15%
Greece	2	0.62%	45	0.05%	11863	0.10%
Indonesia	2	0.62%	202	0.21%	25109	0.21%
Ireland	2	0.62%	353	0.37%	15282	0.13%
Malaysia	2	0.62%	44	0.05%	16833	0.14%
Netherlands	2	0.62%	70	0.07%	13222	0.11%
Portugal	2	0.62%	115	0.12%	17090	0.14%
Russia	2	0.62%	1802	1.91%	199200	1.67%
South Korea	2	0.62%	72	0.08%	12439	0.10%
Sweden	2	0.62%	334	0.35%	65145	0.55%
Switzerland	2	0.62%	160	0.17%	40325	0.34%
Barbados	1	0.31%	26	0.03%	13339	0.11%
Croatia	1	0.31%	45	0.05%	7846	0.07%
Cyprus	1	0.31%	20	0.02%	4740	0.04%
Egypt	1	0.31%	61	0.06%	11922	0.10%
Hungary	1	0.31%	46	0.05%	8007	0.07%
Israel	1	0.31%	99	0.10%	19265	0.16%
Italy	1	0.31%	21	0.02%	5646	0.05%
New Zealand	1	0.31%	19	0.02%	4113	0.03%
Panama	1	0.31%	32	0.03%	7294	0.06%
Poland	1	0.31%	106	0.11%	19100	0.16%
Venezuela	1	0.31%	15	0.02%	4239	0.04%
Total	**325**	**100.00%**	**94296**	**100.00%**	**11927723**	**100.00%**

Source: Own construction based on Hotels 325 ranking (Hotels Magazine, 2016).

1.2. Research hypotheses

Prior literature on the location of corporate headquarters (Brauerhjelm, 2004; Egger, Radulescu, & Strecker, 2013; Klier & Testa, 2002) identifies various factors that influence the decision – geographic proximity to customers, suppliers, competitors, R&D centres, tax levels, favourable regulations, transportation accessibility of the site, etc. In this paper we adopt the hotel chain market presence framework developed by Ivanov and Ivanova (2017), and group the factors into hotel industry, tourism industry and general business environment factors. The *hotel industry-specific factors* include the size of the local hotel industry, the average capacity of the accommodation establishments and the share of properties that are affiliated to hotel chains/groups. We consider that larger hotel industries and higher share of affiliated properties provide better ground for development of hotel groups in the country, because there are physically more hotels to be affiliated and the local owners and managers have the experience of working with/for hotel groups. The high average capacity facilitates the market penetration of hotel chains, especially when they expand via management contract (Ivanov & Zhechev, 2011; Ivanova & Ivanov, 2014), hence when the hotels have higher average capacity they would be more attractive to be affiliated to hotel chains, thus stimulating the development of local hotel groups as well. In this regard the three hypotheses related to the hotel industry-specific factors are:

> H1.1: The size of the local hotel industry is positively related to the concentration of hotel groups' headquarters in the country.
>
> H1.2: The share of affiliated properties in the local hotel industry is positively related to the concentration of hotel groups' headquarters in the country.
>
> H1.3: The average size of hotel in the local hotel industry is positively related to the concentration of hotel groups' headquarters in the country.

The favourable *tourism industry-specific factors* (large size of the tourism industry, high importance of tourism for the local economy and high destination competitiveness) stimulate the expansion of the hotel industry and the formation of local hotel groups. Therefore, countries with larger and more competitive tourism industries could boast more local hotel groups. The formulated hypotheses are:

> H2.1: The size of tourism industry is positively related to the concentration of hotel groups' headquarters in the country.
>
> H2.2: The importance of tourism for the economy is positively related to the concentration of hotel groups' headquarters in the country.
>
> H2.3: Destination's competitiveness is positively related to the concentration of hotel groups' headquarters in the country.

In a similar vein, the favourable *general business environmental factors* (large economy size, large population size, high economic wealth of local population, high levels of globalisation and of human development of the country and low levels of corruption) decrease country's riskiness and improve its market potential and attractiveness for business (Cosset & Roy, 1991; Cuervo-Cazurra, 2016). This leads to a positive impact upon all sectors of the economy, including tourism and hospitality as a whole, and the hotel groups, in particular. Hence, the following research hypotheses are formulated:

> H3.1: Population size is positively related to the concentration of hotel groups' headquarters in the country.
>
> H3.2: Economy size is positively related to the concentration of hotel groups' headquarters in the country.

H3.3: Economic wealth of local population is positively related to the concentration of hotel groups' headquarters in the country.

H3.4: Level of globalisation is positively related to the concentration of hotel groups' headquarters in the country.

H3.5: Level of human development is positively related to the concentration of hotel groups' headquarters in the country.

H3.6: Level of corruption is positively related to the concentration of hotel groups' headquarters in the country.

Finally, the data in Table 1 show that about 40% of the headquarters of hotel groups are located in the USA. Hence, we hypothesise that geography might play a role in the concentration of hotel groups' headquarters in a country:

H3.7: The concentration of hotel groups' headquarters in the USA is much higher than in the rest of the world.

2. Methodology

2.1. Data and sample

In this paper we use the term 'hotel groups' to denote all hotel companies that affiliate hotels in their networks and exercise some form of control over them (in terms of ownership, management, marketing or else), although this is not necessarily under the same or the corporate brand. Hence, the hotel groups include the hotel chains (who flag the properties under their brand) and the management companies (who do not do it).

The concentration of hotel groups' headquarters in a particular country is measured by three variables: share of Hotels 325 ranked hotel groups headquartered in the country, share of hotels in Hotels 325 ranked groups headquartered in the country and share of rooms in Hotels 325 ranked hotel groups headquartered in the country (Table 1). The last two variables reflect the differences in the hotel groups' size in terms of number of affiliated hotels and rooms within their networks. We have selected Hotels 325 as data source for the hotel groups, because it is a publicly available and a widely used ranking of hotel groups. It should be noted that there is some overlapping between the hotel groups in terms of the data on hotels/rooms. It is possible that one hotel is affiliated through a franchise agreement to a hotel group headquartered in one country and to a marketing consortium headquartered in another country, hence it will be counted twice – for both hotel groups in both countries. However, this does not violate the validity of the results, because in any case the hotel needs to comply with the rules and regulations of both hotel groups and to follow their business practices.

Table 2 shows how the factors influencing the concentration of hotel groups' headquarters are translated into regression model variables and the respective data sources. The absolute values of the number of hotels and hotel rooms, average capacity, GDP, GDP per capita, tourism GDP, and population size are transformed into natural logarithmic form in order to avoid skewness of results in favour of countries with large tourism industries/economies/populations or with high GDP per capita. The final dataset includes 116 countries with available data for all variables (Table 3). The descriptive statistics of the variables are reported in Table 4.

Table 2 | Factors, variables, and primary data sources

Factors	Variable	Abbreviation	Primary data source
Dependent variables			
Country's share of hotel groups in Hotels 325 ranking	Share of Hotels 325 ranked hotel groups headquartered in the country	*HotelGroupsShare*	Authors' calculations based on Hotels 325 report for 2015 on the number of affiliated hotels and hotel rooms in 325 hotel groups
	Share of hotels in Hotels 325 ranked groups headquartered in the country	*HotelsShare*	
	Share of rooms in Hotels 325 ranked hotel groups headquartered in the country	*RoomsShare*	
Independent variables			
Hotel industry-specific factors:			
Size of the hotel industry	*Ln* Total number of hotels and similar establishments in 2013	ln*Hotels*	World Tourism Organisation's Compendium of Tourism Statistics (2015), National Statistical Offices and/or Tourism Authorities
	Ln Total number of rooms in hotels and similar establishments in 2013	ln*Rooms*	
Characteristics of the hotel industry	*Ln* Average capacity of hotels and similar accommodation establishments	ln*Average*	Authors' calculations
	Share of affiliated hotels in the total number of hotels in the country	MS_{hotels}	Authors' calculations based on STR reports on the number of affiliated hotels and hotel rooms, and the total number of hotels and hotel rooms
	Share of rooms in affiliated hotels in the total number of hotel rooms in the country	MS_{rooms}	
Tourism-specific factors:			
Size of tourism sector	*Ln* Tourism GDP in US$ in 2013	ln*TourGDP*	World Travel and Tourism Council
Importance of tourism for the economy	Share of tourism in country's GDP in 2013	*TourGDP%*	Authors' calculations
Destination competitiveness	Travel and Tourism Competitiveness Index 2013	*TTCI*	World Economic Forum
General business environment:			
Economy size	*Ln* GDP in US$ in 2013	ln*GDP*	United Nations
Population size	*Ln* Midyear population size in 2013	ln*PPL*	United Nations
Economic wealth of local population	*Ln* GDP per capita in US$ in 2013	ln*GDPcapita*	Authors' calculations
Level of globalisation of the country	Composite globalisation index	*KOF*	2012 KOF Index of Globalisation
Human Development	Human Development Index (2013)	*HDI*	United Nations
Corruption	Corruption Perception Index for 2013	*CPI*	Transparency International
Geographic region	Dummy variable for USA	*USA*	

Source: own construction

Table 3 | List of countries included in the analysis

Argentina, Armenia, Australia, Austria, Azerbaijan, Bahrain, Barbados, Belgium, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Cambodia, Cameroon, Canada, Cape Verde, Chad, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Gambia, Georgia, Germany, Greece, Guatemala, Guinea, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lesotho, Lithuania, Luxembourg, Macedonia, Madagascar, Malaysia, Mali, Malta, Mauritius, Mexico, Moldova, Montenegro, Morocco, Mozambique, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Oman, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russian Federation, Rwanda, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sri Lanka, Suriname, Swaziland, Sweden, Switzerland, Trinidad and Tobago, Turkey, Ukraine, United Kingdom, United States of America, Uruguay, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe

Source: own construction

Table 4 | Descriptive statistics

	Minimum	**Maximum**	**Mean**	**Std. Deviation**
Dependent variables:				
HotelGroupsShare	0	0.3969	0.0083	0.0391
HotelsShare	0	0.4737	0.0085	0.0479
RoomsShare	0	0.4893	0.0085	0.0485
Independent variables:				
ln*Hotels*	2.48	10.88	7.10	1.71
ln*Rooms*	7.11	15.41	10.66	1.68
ln*Average*	2.27	5.15	3.56	0.71
MS_{hotels}	0.0008	0.5755	0.0722	0.1016
MS_{rooms}	0.0074	0.7491	0.1994	0.1725
ln*TourGDP*	17.73	26.81	21.79	1.97
TourGDP%	0.0088	0.1951	0.0410	0.0320
ln*GDP*	20.62	30.45	25.19	2.05
ln*PPL*	11.46	21.03	16.17	1.72
ln*GDPcapita*	6.14	11.64	9.03	1.44
TTCI	2.61	5.66	4.19	0.69
HDI	0.37	0.94	0.73	0.15
CPI	18.00	91.00	48.09	19.37
KOF	37.43	91.30	64.70	14.18
USA	0	1		

Note: Numbers are rounded. In the dataset used in the analyses numbers were not rounded Source: own construction

2.2. Regression models

The impact of the factors influencing the share of hotel groups, hotels and rooms of hotel groups headquartered in a particular country, is investigated through cross-section regression analysis. In order to guarantee the methodological consistency between the measurement of share of hotels/rooms of hotel groups and the size of a country's hotel industry, the models that use hotel-based dependent variables (*HotelGroupsShare* and ıtHotelsShare) have as independent variables the total number of hotels (ln*Hotels*) and share of affiliated hotels in the local hotel industry (MShotels), while the models with a room-based dependent variable (*RoomsShare*) have as independent variables the total number of rooms (lnRooms) and the share of rooms in affiliated hotels (*MSrooms*). Furthermore, due to the high concentration of hotel groups in the USA, we develop models with (models 1, 3 and 5) and without USA dummy variable (models 2, 4 and 6). The six specific regression models are:

Share of hotel groups headquartered in the country:

(1÷2)

$$HotelGroupsShare=b_0+b_1.\ln Hotels+b_2.\ln Average+b_3.MS_{hotels}+b_4.\ln TourGDP+ +b_5.TourGDP\%+b_6.TTCI+b_7.\ln GDP+b_8.\ln PPL+b_9.\ln GDPcapita+b_{10}.KOF+b_{11}.HDI+b_{12}.CPI\ [+b_{13}.USA]$$

Share of hotels in hotel groups headquartered in the country:

(3÷4)

$$HotelsShare=b_0+b_1.\ln Hotels+b_2.\ln Average+b_3.MS_{hotels}+b_4.\ln TourGDP+ +b_5.TourGDP\%+b_6.TTCI+b_7.\ln GDP+b_8.\ln PPL+b_9.\ln GDPcapita+b_{10}.KOF+b_{11}.HDI+b_{12}.CPI\ [+b_{13}.USA]$$

Share of rooms in hotel groups headquartered in the country:

(5÷6)

$$RoomsShare=b_0+b_1.\ln Rooms+b_2.\ln Average+b_3.MS_{rooms}+b_4.\ln TourGDP+ +b_5.TourGDP\%+b_6.TTCI+b_7.\ln GDP+b_8.\ln PPL+b_9.\ln GDPcapita+b_{10}.KOF+b_{11}.HDI+b_{12}.CPI\ [+b_{13}.USA]$$

3. Results

Table 5 shows the bivariate correlations between the dependent and the continuous independent variables. The results reveal that the dependent variables (*HotelGroupsShare*, *HotelsShare* and *RoomsShare*) are positively correlated will all continuous independent variables excluding tourism's share in a country's GDP, and the respective coefficients are statistically significant. Tables 6, 7 and 8 show the regression models results with and without taking into account the USA dummy variable. All models have high explanatory power and explain between 24.1% (Model 6) and 91.3% (Model 1) of the variation of the respective dependant variable. In general, the models that include the USA dummy variable (Models 1, 3 and 5) have significantly higher explanatory power than the models without it (Models 2, 4 and 6). While the correlation analysis revealed that nearly all independent variables are positively and significantly correlated with the dependent variables, the multiple regression models draw a

different picture. The t-values of the regression coefficients indicate that the concentration of hotel groups' headquarters in a country is positively associated to the size of the hotel industry (the respective regression coefficient is statistically significant in 5 of the 6 regression models), the share of affiliated hotels/rooms in the local hotel industry (the regression coefficient is significant in all 6 models), the USA dummy variable (the regression coefficient is significant in all 3 models with it) and partially dependent on destinations' competitiveness (the regression coefficient is significant in 3 of the 6 models). None of the other hotel industry-specific, tourism industry-specific or general business environmental factors seems to have any impact upon the concentration of hotel groups' headquarters. Unsurprisingly, the findings indicate that *the characteristics of the domestic hotel market are important determinants of the development of local hotel groups* – large hotel industries and high share of affiliated properties make the hotel market attractive for the establishment and growth of local (domestic) hotel groups, which can then later expand internationally.

Table 5 | Bivariate correlation results

	Pearson correlation		
	HotelGroupsShare	*HotelsShare*	*RoomsShare*
ln*Hotels*	0.354***	0.327***	-
ln*Rooms*	-	-	0.398***
ln*Average*	0.175**	0.163**	0.161**
MS_{hotels}	0.558***	0.572***	-
MS_{rooms}	-	-	0.362***
ln*TourGDP*	0.419***	0.387***	0.376***
TourGDP%	-0.058	-0.061	-0.059
TTCI	0.289***	0.245***	0.243***
ln*GDP*	0.419***	0.384***	0.376***
ln*PPL*	0.321***	0.313***	0.305***
ln*GDPcapita*	0.201**	0.168**	0.167**
HDI	0.199**	0.166**	0.165**
CPI	0.200**	0.162**	0.163**
KOF	0.154**	0.123*	0.120*

Notes: 1. N=116; 2. *** Significant at 1%-level; ** Significant at 5% level; *Significant at 10% level
Source: Own construction

Table 6 | Regression model results: Share of Hotels 325 ranked hotel groups headquartered in the country

Model variables	**Model 1**			**Model 2 (without USA dummy variable)**		
Dependent variable:	*HotelGroupsShare*			*HotelGroupsShare*		
	Unstandardised coefficient	Standardised coefficient	t-value	Unstandardised coefficient	Standardised coefficient	t-value
(Constant)	-0.034		-0.947	0.167		1.939*
Hotel industry-specific factors:						
ln*Hotels*	0.004	0.178	1.697*	0.022	0.947	3.890***
ln*Average*	-0.001	-0.012	-0.191	0.004	0.068	0.439
MS_{hotels}	0.077	0.119	3.749***	0.325	0.841	7.637***
Tourism-specific factors:						
ln*TourGDP*	-0.001	-0.062	-0.255	-0.004	-0.213	-0.356
TourGDP%	-0.023	-0.019	-0.237	-0.192	-0.156	-0.806
TTCI	0.017	0.300	2.971***	0.020	0.352	1.421
General business environment:						
ln*GDP*	-0.010	-0.521	-0.380	-0.055	-2.888	-0.860
ln*PPL*	0.011	0.464	0.412	0.044	1.931	0.700
ln*GDPcapita*	0.010	0.361	0.386	0.045	1.640	0.717
KOF	0.000	-0.086	-1.305	-0.001	-0.235	-1.420
HDI	-0.031	-0.116	-1.085	0.003	0.010	0.037
CPI	0.000	-0.057	-0.948	0.000	-0.132	-0.905
USA	0.334	0.790	22.741***			
Model summary						
R	0.961			0.730		
R Square	0.923			0.533		
Adjusted R Square	0.913			0.478		
Standard Error of the Estimate	0.01157			0.02837		
ANOVA F (N=116, df=102)	94.068***			9.783***		

Notes: N=116; *Significant at 10%-level; ** Significant at 5%-level; *** Significant at 1%-level
Source: Own construction

Table 7 | Regression model results: Share of hotels in Hotels 325 ranked groups headquartered in the country

Model variables	**Model 3**			**Model 4 (without USA dummy variable)**		
Dependent variable:	*HotelsShare*			*HotelsShare*		
	Unstandardised coefficient	Standardised coefficient	t-value	Unstandardised coefficient	Standardised coefficient	t-value
(Constant)	0.012		0.232	0.242		2.338**
Hotel industry-specific factors:						
Ln*Hotels*	0.006	0.213	1.692*	0.026	0.930	3.891***
ln*Average*	-0.004	-0.061	-0.796	0.001	0.014	0.092
MS_{hotels}	0.155	0.326	5.115***	0.437	0.924	8.555***
Tourism-specific factors:						
ln*TourGDP*	-0.001	-0.031	-0.106	-0.004	-0.172	-0.292
TourGDP%	-0.045	-0.030	-0.312	-0.237	-0.158	-0.829
TTCI	0.017	0.242	1.988**	0.020	0.290	1.193
General business environment:						
ln*GDP*	-0.012	-0.497	-0.301	-0.063	-2.700	-0.820
ln*PPL*	0.010	0.354	0.261	0.048	1.720	0.635
ln*GDPcapita*	0.008	0.244	0.217	0.048	1.434	0.639
KOF	0.000	-0.043	-0.532	-0.001	-0.180	-1.107
HDI	-0.021	-0.064	-0.499	0.017	0.053	0.206
CPI	0.000	-0.108	-1.502	0.000	-0.178	-1.243
USA	0.381	0.735	17.603***			
Model summary						
R	0.943			0.742		
R Square	0.889			0.551		
Adjusted R Square	0.875			0.498		
Standard Error of the Estimate	0.01705			0.03409		
ANOVA F (N=116, df=102)	62.642***			10.514***		

Notes: N=116; *Significant at 10%-level; ** Significant at 5%-level; *** Significant at 1%-level
Source: Own construction

Table 8 | Regression model results: Share of rooms in Hotels 325 ranked hotel groups headquartered in the country

Model variables	Model 5			Model 6 (without USA dummy variable)		
Dependent variable:	*RoomsShare*			*RoomsShare*		
	Unstandardised coefficient	Standardised coefficient	t-value	Unstandardised coefficient	Standardised coefficient	t-value
(Constant)	-0.040		-0.727	0.132		0.949
Hotel industry-specific factors:						
ln*Rooms*	0.006	0.195	1.480	0.034	1.162	3.641***
ln*Average*	-0.001	-0.007	-0.185	0.003	0.051	0.503
MS_{rooms}	0.036	0.125	2.419**	0.134	0.476	3.728***
Tourism-specific factors:						
ln*TourGDP*	-0.004	-0.165	-0.582	-0.018	-0.721	-1.005
TourGDP%	-0.018	-0.012	-0.123	-0.219	-0.143	-0.602
TTCI	0.014	0.201	1.693*	0.014	0.191	0.635
General business environment:						
ln*GDP*	0.003	0.108	0.068	-0.014	-0.607	-0.151
ln*PPL*	-3.440E-5	-0.001	-0.001	0.010	0.342	0.103
ln*GDPcapita*	-0.001	-0.032	-0.030	0.013	0.378	0.137
KOF	0.000	-0.094	-1.193	-0.001	-0.417	-2.117**
HDI	-0.028	-0.086	-0.687	-0.004	-0.012	-0.039
CPI	-7.787E-5	-0.031	-0.456	0.000	0.054	0.314
USA	0.444	0.846	23.719***			
Model summary						
R	0.946			0.566		
R Square	0.896			0.320		
Adjusted R Square	0.882			0.241		
Standard Error of the Estimate	0.01671			0.04245		
ANOVA F (N=116, df=102)	67.325***			4.038***		

Notes: N=116; *Significant at 10%-level; ** Significant at 5%-level; *** Significant at 1%-level
Source: Own construction

4. Discussion and Conclusion

This paper contributes to the advancement of knowledge by identifying the factors that influence the concentration of hotel groups' headquarters in particular countries. The answers to the research hypotheses are summarised in Table 9. From managerial and tourism policy perspective results show that while the internationalisation of hotel groups (Niñerola et al., 2016; Rodtook & Altinay, 2013) definitely leads to their growth and could transform them into global players, it is the characteristics of the domestic hotel market that ultimately facilitate the establishment of hotel groups in a country and the concentration of hotel groups' headquarters in it. Still, the average hotel size does not have any impact on the hotel groups' concentration in a country, which is surprising, provided that by default hotel chains prefer bigger hotels for their portfolio, especially if they use management contract for their expansion (Ivanov & Zhechev, 2011). A possible explanation for this might be that 25 of the 300 hotel groups are actually marketing consortia, which are in general more flexible towards and preferred by smaller properties because of the lower costs compared to other types of affiliation (e.g. franchise or management contract) (Ayazlar, 2016).

The main limitation of the research is that the list of hotel groups is constrained to those ranked in Hotels 325. This ranking is not comprehensive and includes only a limited number of hotel groups with at least 4000 rooms in their network. Hence, the smaller hotel groups with a few hotels only are disregarded. Future research may try to overcome this disadvantage, provided a more comprehensive ranking of hotel groups is available on a global scale.

Table 9 | Answers to research hypotheses

	Outcome
Hotel industry-specific factors:	
H1.1: The size of the local hotel industry is positively related to the concentration of hotel groups' headquarters in the country.	Supported
H1.2: The share of affiliated properties in the local hotel industry is positively related to the concentration of hotel groups' headquarters in the country.	Supported
H1.3: The average size of hotel in the local hotel industry is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
Tourism-specific factors:	
H2.1: The size of tourism industry is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
H2.2: The importance of tourism for the economy is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
H2.3: Destination's competitiveness is positively related to the concentration of hotel groups' headquarters in the country.	Partially supported
General business environment:	
H3.1: Population size is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
H3.2: Economy size is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
H3.3: Economic wealth of local population is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
H3.4: Level of globalisation is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
H3.5: Level of human development is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
H3.6: Level of corruption is positively related to the concentration of hotel groups' headquarters in the country.	Not supported
H3.7: The concentration of hotel groups' headquarters in the USA is much higher than in the rest of the world.	Supported

Source: Own construction

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