

INTERNATIONALIZATION OF ACCOR HOTELS IN BRAZIL, CHILE AND ARGENTINA¹

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ABSTRACT

South American countries have been prey to a gloomy economic situation and political turmoil. In spite of these negative aspects, the French multinational hotel chain AccorHotels has always focused significantly on the region and the crisis did not affect its investments. The present research aims at identifying the reasons for AccorHotels' internationalization in South America in three main markets: Brazil, Chile and Argentina. Also, analyze the internationalization process, understanding how it happened in the selected countries. The results showed that the main drivers for the internationalization in South America were the economic potential of the countries and the various business opportunities available, coupled with the numerous business-related competences of the group.

KEYWORDS: Internationalization; Hospitality; Brazil; Chile; Argentina

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RESUMO

Os países da América do Sul têm sido vítimas de uma situação econômica sombria e de políticas turbulentas. Apesar desses aspectos negativos, a rede de hotéis multinacional francesa AccorHotels sempre se concentrou na região e a crise não afetou seus investimentos. A presente pesquisa visa identificar as razões para a internacionalização da AccorHotels na América do Sul em três mercados principais: Brasil, Chile e Argentina. Ainda, analisar o processo de internacionalização, compreendendo como aconteceu nos países selecionados. Os resultados mostraram que os principais impulsionadores da internacionalização na América do Sul foram o potencial econômico dos países e as diversas oportunidades de negócios disponíveis, aliados às inúmeras competências empresariais do grupo.

PALAVRAS-CHAVE: Internacionalização; Hotéis; Brasil; Chile; Argentina

1. INTRODUCTION

Over more than sixty years, tourism has been characterized with continued expansion and became one of the largest and fastest-growing economic sectors in the world. The number of international tourist almost doubled between 2000 and 2016, while international tourism receipts earned by destinations worldwide has been multiplied by 2.5 (UNWTO, 2017).

While this broad sector includes a series of sub-areas, it has been showed that the hospitality industry, relating to hotel services, makes up a large part of tourism (GO; PINE, 1995; WHITLA; WALTERS; DAVIES, 2000; WILLIAM; SHAW, 2011). A certain number of business elements may distinguish hospitality from other sectors. First of all, unlike traditional, product manufacturing, this specific service industry stands out with the simultaneity between the production of the service and its consumption (ERRAMILI; RAO, 1993; WILLIAMS; SHAW, 2011). Another relevant characteristic may be the fact that hotels offer both contact-based and asset-based services, insofar as producers or consumers cross borders to engage in transactions; and commercial services are tied to foreign investment to establish operations (LITTELJOHN; ROPER; ALTINAY, 2007). Last but not least, Contractor & Kundu (2000) mention some other distinctive components such as global expansion and coverage, along with a higher degree of standardization.

Needless to say that the aforementioned, general growth movements also apply to specific regions, like South America. According to UNWTO's Tourism Highlights (2017), South America has been leading growth in terms of international arrivals. If tourism growth reached a good +7% in 2016, there are significant rate discrepancies between the countries, with Chile displaying a huge +26% (Chile's dynamism was also highlighted by Major, 2016) and Brazil a mere +4%, showing that the post-World-Cup and post-Olympics euphoria may have come to an end.

This paper aims to understand the internationalization process of hotel groups, especially the reasons that push them to invest despite the rather risky context of a region like South America and the way such process is performed. This central interrogation will be illustrated and tackled through the specific case of AccorHotels. The French multinational hotel group has a long tradition on the continent and still believes in the South American market, as the acquisition of Brazilian Hotel Group can testify. The understanding of such unintuitive phenomenon may complete the general elements identified beforehand and bring a deeper comprehension of the internationalization issue.

In particular, this study is intended to focus not only on the ways and patterns of internationalization, but also on the reasons that pushed the hotel company into internationalizing its operations in a specific location. All these elements can be summarized in the following question: *what determines the internationalization process of a hotel group to a region like South America?*

In order to answer this question, this paper will investigate and provide a better understanding of the elements driving and characterizing the internationalization of enterprises belonging to the hospitality sector on the South American continent.

2. THEORETICAL BACKGROUND

Two different types of factors will incentivize companies to – or deter them from – establishing their presence in foreign countries. These elements are integrated in the so-called CSA-FSA matrix developed by Rugman (1981), explaining that such factors are interrelated and linked to the characteristics of the country where the firm will expand and/or are inherent to the attributes of the company.

2.1 Country-specific factors

According to Rugman (1981), country-specific factors refer to the economic, political, cultural and financial features of a country that may affect international business and, thus the expansion of a company. On a global scale and independently from the industry in which a firm operates, high market potential implies the possibility of “absorbing additional productive capacity”, which, in turn, will enable the creation economies of scale and operational efficiency. On the contrary, a static market is quite unattractive for these firms since the potential sales may not compensate the high amount of resources that have been invested (León-Darder, Villar-García, & Pla-Barber, 2011). In the case of the hotel industry, building new properties does require significant financial investments, along with all the costs related to the activity of the hotel: human resources, purchases, administration costs, and so forth.

Focusing on the region of this research, South America has been marked with such positive trends in the tourism area. The sector’s growth rate in the continent is between 4% and 26% depending on the country, leading the way for all the Americas (UNWTO, 2017). When talking about the success of South America in this area, the case of Chile is particularly salient. First of all, the increase of international arrivals was of 26% for the 2016-2017 period and has been the highest of the whole continent (UNWTO, 2017).

The opening and localization of hotels in the country are mainly determined by their proximity to innovation centers, business parks, main roadways and transportation hubs like airports (HIDALGO; AZAR; BORSODORF; PAULSEN, 2016), all of these elements being carefully considered by business travelers. This importance of corporate tourism in the success of Chile is completed by leisure, religious and cultural tourism, due to the landscapes and rich historical past of the country (HIDALGO et al., 2016).

Unlike the aforementioned characteristics, the South American continent is affected by a series of risks and negative points. These aspects, however, may be compensated by a lower requirements and restrictions for investors. As for Brazil, the country has been hit with an economic crisis that started in 2013 and marked with one of the deepest recession periods in its history. Over the last four years, Brazil’s GDP has decreased about 10% (de CASTRO NEVES; REIS, 2016). Along with this economic aspect, Brazil was also the scene of political scandals with serious consequences. Such issues have been brought to light through the *Lava Jato* (Car Wash in English), an operation which started in 2014 at the initiative of Curitiba’s police workforce and unveiled corruption mechanisms involving both well-known figures of the business arena and government officials. This, among others, led to the impeachment of former President Dilma Rousseff, who stepped down at the end of August 2016

Other countries of Latin America also display some uncertainties. We can cite the example of Argentina as an example. Even though the Argentinian economy recovered after the 2015 elections and growth is coming back through economic reforms and dynamic agricultural, manufacturing and services sectors, the investments in the country have been extremely varying over the last years (ARGENTINA, 2017). Furthermore, the country’s corruption rate is high, and Argentina’s ranking in the Corruption Perceptions Index by

Transparency International (2018) is 85 (out of 180 countries). More generally, the recent, post-Kirchner economic transformation of the country still needs to prove its worth.

As for the prices of assets, another element plays in favor of foreign investors: the depreciation of currency in Latin America. While this element is negative for customers willing to travel abroad (MAJOR, 2016), this is a bargain for investors coming from strong currency regions like Europe. As an example, we can mention the case of Brazil, whose currency volatility is particularly striking. This plummeting is partially due to the aforementioned risks of the country. More generally speaking, the currencies of other Latin American are weak compared to the euro, which makes assets cheap for European investors. Carrasqueira (2015) gives us the example of the hotel group Pestana, which managed to enter the Argentinian market by making the most of the default situation in 2001 and the depreciation of the *peso* to make acquisitions at a cheap price.

Overall, Brazil is characterized with intricate bureaucracy. With 11 procedures and an average of 101 days to open a business, Brazil is one of the most complicated country to start a business (*Doing Business 2018: Brazil*, 2018). This number of procedures and time frame widens with the next steps, such as construction permit, access to electricity, property registration and so forth. This is part of the aforementioned *Custo Brasil*, a risk that need to be taken into consideration by companies when expanding to Brazil. Nevertheless, when considering the tourism industry, these negative points are mitigated. Indeed, the Ministry of Tourism still plays an active role in the development of the sector. Such institution sets the general strategy of the sector through the regularly updated National Tourism Plan. Furthermore, the ministry gives responsibility and autonomy to the regions to better implement and adapt the general strategy, and tries to publicize destinations domestically and internationally through strong marketing (*BRAZIL TOURISM REPORT*, 2018).

Other South American countries may be described with the same stimulating environment in the tourism industry. One good example in this regard is Chile. In this country, public administration constructed specific infrastructures in partnership with private actors, in order to develop tourism activities (HIDALGO et al., 2016). Just like the Brazilian case, this may be related to the awareness that tourism is a motor for economic development (Arespachoga, 1968), along with a growing demand from business tourists, both domestically and internationally. In terms of easiness and efficiency to open a business, the country's ranking is 55 out of 190 countries, the best performance in the South American continent. Brazil and Argentina, in comparison, are ranked 125 and 117 respectively (*DOING BUSINESS 2018: CHILE*, 2018).

Thus, South American countries, despite an often complex administration system, present some good incentives in the tourism sector that should attract hotel companies. While all the aforementioned elements focus on the characteristics of a specific country or region in relation to the internationalization process, Ivanov & Ivanova (2017) come up with a rather original, unintuitive argument: hotel companies rather look for a global presence of their brand and do not pay full attention to the countries' features.

2.2 Firm-specific factors

Beyond the aforementioned characteristics, which depend on the qualities of the location, the assets that a firm possesses can also determine its internationalization. More specifically, Collinson & Rugman (2011) have outlined firm-specific advantages which push

companies to expand abroad, insofar as they allow it “to overcome the liability of foreignness in doing business abroad”.

As a matter of fact, one critical factor that will guide the success of international expansion is a competitive advantage (CARRASQUEIRA, 2015; DICKEN, 2003; LITTELJOHN et al., 2007). Such competitive advantage can be made of different aspects and can imply a certain knowledge, skill and/or attitude. These specific competencies are created through the articulation and coordination of the company’s resources (Bourne & Neely, 2003). This statement confirms the concept evoked by Penrose (1959) and later on Aung (2000), according to whom the value creation in a firm is not related to the possession of resources, but to its relevant use.

According to Barney (1991), resources can be organized into physical, human, and organizational. Grant (2010) also distinguishes three different types of resources, but in a different way compared to Barney, separating them as: tangible, intangible and human. Although they include very interesting elements in the analysis of the firm-specific factors, they need to be complemented to a specific service sector like the hospitality industry. One of the most relevant work about it has been written by Aung (2000). The Thai scholar studied the case of a specific hotel group (Accor) in her own country. She identified four core competences related to three different functions inherent to a service firm:

- Human Resources should provide nurturing and empowerment that enables its personnel to adapt to changes in the marketplace more effectively.
- Operations should excel at data;
- Marketing should enable the development of new service, in order to “create strong images in the mind of the customers”.

This analysis is interesting as the competences identified are relevant before, during and after the internationalization process. Upstream from the expansion abroad, managers should evaluate if they have such competences that may guarantee the survival and success of their company once implanted on the destination. Downstream, once the company settles down and in the following years, it is crucial to apply and develop these core competences on a regular basis in order for the business to be viable and successful. This last element is closely related to the search for a positive ROI by hotel investors.

Therefore, we can say that the combination of available resources and their use, along with the capacities and general strategy of the company are meant to influence the internationalization process just as the aforementioned country-specific factors. This general information can be transposed to the services industries, *a fortiori* the hospitality activity.

2.3 Patterns of internationalization

Different models and frameworks have been theorized to describe the expansion of companies abroad (CARRASQUEIRA, 2015). Historically, the internationalization process of firms can be seen as a three-step procedure, with a first focus on the flow of foreign direct investment (1950-1970), then on the strategy and organization of multinationals (1970-1990), and finally on the drivers related to globalization (1990-present) (BUCKLEY, 2002). As for the “international experience” itself (BRIDA; DRIHA; RAMÓN-RODRÍGUEZ; SCUDERI, 2015), it has been studied from two perspectives: the firm’s entry age in international markets

(JONES; COVIELLO, 2005) and the rhythm of internationalization overt time (ZUCHELLA; PALAMARA; DENICOLAI, 2007).

In order to enter a specific foreign market, a company has a wide range of legal options to establish its presence abroad. Some possibilities can be classified according to the degree of control they provide and the amount of resources they require.

A franchising agreement is particularly popular and relevant within the hospitality industry, with very positive trends (ALTINAY, 2007; MELLO; SETTON, 1999). In 1998, 28.4% of the hotel properties were managed through this type of contract. A management service contract presents more or less the same characteristics as a franchising agreement. In both cases, the parent company earns fees for selling the aforementioned intangibles. However, the management company is also paid for its managerial skills, and the contract can involve a wide range of functions, such as technical operation of a production facility, management of personnel, accounting, marketing services and training its operational investments. Thus, management do not only involve selling a method of doing things (as with franchising), but involves actually doing them. On the contrary, while the franchisee gets influences from affiliating with a big company, but it also keeps the rights of an independent businessperson (ZHOU, 2014). Overall, in 1998, franchising agreements and management contracts were applied in almost two thirds (65.4%) of the hotel properties.

A joint-venture is a form of equity-based collaboration between two or more firms to create a jointly-owned enterprise (CAVUSGIL et al., 2014). One recent example of joint-venture in the hospitality industry may be the creation of a joint venture between Starwood Capital – integrated in the hotel group Marriott – and Shimao Property Holdings in China (FOX; MEST, 2017). Last but not least, hotel firms can enter a specific market through foreign direct investment (FDI), an equity-based internationalization strategy in which the firm establishes a physical presence abroad (CAVUSGIL et al., 2014). As for the advantages of such modal choice, one can see that it can enable a major or full control of the subsidiary, which, again, is particularly convenient when investing in a new, unfamiliar country. As a counterpart, however, this type of investment is also the “heaviest” in terms of required resources. In other terms, it is mainly the biggest and well-established hotel chains that are able to resort to such option.

Controlling aspects in the entry mode selection has been adapted and applied to the hotel industry as well. In this regard, Contractor & Kundu (1998) established a classification of the aforementioned four entry modes according to the control they enable for the parent company. In the case of daily management and quality, the best control is ensured when the company owns its property, while franchising does not allow the company to monitor well its operations. As for joint-venture and management controls, these options offer reasonable control over daily management and quality. Indeed, the hotel industry necessitates a physical presence of the firm on the spot. If no partner has been found in order to establish a property in the destination, the company will be forced to enter through a greenfield, which is why this modal choice is still significant in the industry (CONTRACTOR; KUNDU, 1998).

3. METHODOLOGY

The qualitative method has been chosen here insofar as it focuses on the essence, the understanding and the description of a specific phenomenon (BOGDAN; BIKLEN, 1994; PATTON, 2001; TAYLOR; BOGDAN, 1984). Case study is a design of inquiry in which “the researcher develops an in-depth analysis of a case, often a program, event, activity, process, or

one or more individuals” (CRESWELL, 2014; YIN, 2001). This paper is organized around a single-case study, for it will take into account only one hotel group, namely the French multinational AccorHotels, which expanded globally since its creation more than fifty years ago. The case selection was not random, since this French company is the hospitality leader in South America and in Europe, and among the leading hotel chains in the world (FAIBIS, 2017).

Since thirteen countries make up Latin America and AccorHotels operates in 10 of them, it was decided to restrain the study to the three nations where the number of properties is the highest, namely Brazil, Argentina and Chile (ACCORHOTELS, 2018a). Concerning the company itself, both the South American headquarters (HQ) in São Paulo, Brazil, and the single properties in Brazil, Argentina and Chile will be the stage of the analysis. Finally, as AccorHotels integrates 28 brands divided in 3 segments of consumers (ACCORHOTELS, 2018b), it would be more sensible to focus on one brand, in order to be able to make comparisons between the different units and countries studied. The brand chosen here is Ibis, which is related to the economic segment and whose growth and revenue creation are the highest for the group AccorHotels in the world. Last but not least, the institutional information was completed with opinions from experts in a hotel consulting firm in São Paulo which has worked and had projects with AccorHotels in Brazil.

As for primary data (interviews), five AccorHotels managers and two experts of the hotel industry were contacted as from April 2018, and the interviews happened in the next two months. Concerning the data *per se*, they will cover the whole history of the company, from 1967 to 2018. This choice is coherent with the retrospective aspect of the research and the comprehensive analysis of the internationalization process, seen as a continuous path.

Name	Title	Company/Unit	Location	Contacted through	Interview type	Duration	Language
Rapahél Pouget	Project Manager Direct collaborator of Patrick Mendès, CEO AccorHotels South America	AccorHotels South America HQ	São Paulo, Brazil	LinkedIn	Skype	55 min	French
Caroline Costa	Department Manager	Ibis universe (much experience in various Ibis properties in RJ)	Goiânia, Brazil (Rio de Janeiro, Brazil)	Phone Call	Phone	25 min	Portuguese
Caroline Oliveira	Department Manager	Grand Mercure Boa Viagem	Recife, Brazil	Phone Call	Phone	15 min	Portuguese
XXX	General Manager	Ibis property	Santiago, Chile	Email, Phone Call	Skype	25 min	French
Marcela Iturburu	Department Manager	Ibis Buenos Aires Obelisco	Buenos Aires, Argentina	Email, Phone Call	Skype	25 min	Spanish
Rafaello Enrico Costa	Department Manager	Mercure Belo Horizonte Lourdes	Belo Horizonte, Brazil	Phone Call	Phone	20 min	Portuguese
Thais Perfeito	Partner	Hotel Invest	São Paulo, Brazil	Email, Phone Call	Skype	25 min	Portuguese

Figure 1: Interviews
Source: Authors

Participants involved in the research were interviewed in order to get comprehensive perceptions about AccorHotels' internationalization on the South American continent. Such interviews were done mainly *via* Skype. The researcher used a case study protocol based on the literature that anchored this work. It was created an interview guide using semi structured questions in order to provide flexibility to the interviewer to conduct the data collection process, summarized in table 1.

Objectives	Relevant aspects	Topics to be analyzed	Application during the interview	Theoretical background
Overview of the company and its operations	The company Key business elements	General history Business model Market segments Competitors Key values HQ vs properties	Could you tell me about AccorHotels/your hotel? (refocus on the specific topics mentioned in column C if necessary) What is the relation between you and the properties/the HQ (depending on the interviewee)?	Aung (2000) Pereira (2008, 2009) Rivet (2011) Varlese (2017)
Understanding of the reasons why AccorHotels invested in this specific location (why?)	Macro-environment (country-specific incentives) Micro-environment (firm-specific incentives)	Economic and political situation of the countries Situation of tourism Role of specific events in Brazil (World Cup, Olympic Games) Culture Company's characteristics	First, general question: What are the elements that explain AccorHotels' internationalization in South America? Then more specific questions (if some topics have not been addressed by the interviewee spontaneously): On a macro-economic level (political, economic), what are the relevant key points in this	Reports about Brazil and Latin America (UNWTO, ...) Penrose (1959) Contractor & Kundu (1998) Aung (2000) Santana (2000) Litteljohn (2007) Fleury &

			<p>regard?</p> <p>Is there a positive trend in tourism?</p> <p>Did the World Cup and the Olympics play an important role?</p> <p>Role of corporate clients and events?</p> <p>Do you think that the cultural links and similarities between France and Brazil/Argentina/Chile can explain this phenomenon?</p> <p>As for the company, what internal element could have triggered this expansion in South America?</p>	<p>Fleury (2011)</p> <p>León-Darder et al (2011)</p> <p>Carrasqueira (2015)</p> <p>De Castro Neves & Reis (2016)</p> <p>Ivanov & Ivanovna (2017)</p>
<p>Assessing the way AccorHotels established its presence in the region (how?)</p>	<p>Internationalization process</p>	<p>Internationalization theories (OLI, Uppsala...) Entry modes</p>	<p>When did AccorHotels enter the Brazilian/Argentinian/Chilean market?</p> <p>Explain briefly the different entry modes.</p> <p>2 different series of questions according to the type of interviewee:</p> <p>- For HQ: What were the main entry modes chosen for the region/country and why? What are the advantages and disadvantages (control, risks, ...)? What about the strategy shift operated by AccorHotels a few years ago (franchising -> acquisition)?</p> <p>- For properties: What was the entry mode chosen for this property and why? As a professional working "on the field", what are the advantages and disadvantages (control, risks, ...)?</p>	<p>Johanson and Vahlne (1977)</p> <p>Dunning & McQueen (1981)</p> <p>Williamson (1985)</p> <p>Contractor & Kundu (1998, 2000)</p> <p>Jones & Coviello (2005)</p> <p>Altinay (2007)</p> <p>Litteljohn (2007)</p> <p>Zucchella et al (2007)</p> <p>Fleury & Fleury (2011)</p> <p>León-Darder et al (2011)</p> <p>Williams & Shaw (2011)</p> <p>Vilasboas Calixto (2013)</p> <p>Carrasqueira (2015)</p> <p>Brida et al (2015)</p> <p>Ivanov & Ivanovna (2017)</p>
Objectives	Relevant aspects	Topics to be analyzed	Application during the interview	Theoretical background

Ice-breaking and introduction of the interviewee	Interviewee's background	Personal background (name, country of origin, ...) Professional history International experience Years spent in South America Years spent working for AccorHotels	Could you please introduce yourself? What is your personal and professional background? Any experience abroad? How long have you been living in South America? How long have you been working for AccorHotels?	X
Overview of the company and its operations	The company Key business elements	General history Business model Market segments Competitors Key values HQ vs properties	Could you tell me about AccorHotels/your hotel? (refocus on the specific topics mentioned in column C if necessary) What is the relation between you and the properties/the HQ (depending on the interviewee)?	Aung (2000) Pereira (2008, 2009) Rivet (2011) Varlese (2017)

Table 1: Interview guide
Source: Authors

The interviewees were chosen according to several “guiding rules” in order to avoid research bias. First of all, the managers were picked across different South American countries, namely Brazil, Chile and Argentina, which are also the main markets of the company (ACCORHOTELS, 2018a). The interviews were done in the native language of the interviewee, in order to make them feel more comfortable and at ease with expressing their ideas (CRESWELL, 2014). Besides, managers were contacted both within the HQ and the single properties. This would enable the researcher to have a corporate insight coupled with “on the field” opinions. As for their titles, general and department managers of the hotel units were considered, insofar as they both know very well the business context in which their property is integrated; concerning the HQ, a project manager in direct contact with AccorHotels South America’s CEO Patrick Mendès was selected, because he has a broad view on the strategy of the company and on its business environment. All of these actors have a several-year experience within the company, which suggests more pertinence for the collected information. Finally, the institutional observations were completed with hotel industry experts’ suggestions. These actors were chosen for their previous knowledge of the company and their “neutrality” in the perception of AccorHotels’ internationalization process, so their insights would complete and be compared with the institutional voice.

After collecting secondary and primary data, the main task of the researcher was to analyze the information that had been gathered. This analysis was facilitated, in a first time, by the transcription of all the data that has been provided. Following this, a core initiative resided in organizing and *coding* (CRESWELL, 2014) the data according to the key ideas and specific topics they were related to. In this regard, Bardin (2013) provides us with some specific criteria in order to elaborate these categories: homogeneous, comprehensive, relevant and exclusive.

4. DATA ANALYSIS

This section aims at presenting key business information about the company AccorHotels and the main points of its history and development.

4.1 Overview of AccorHotels' business

In 2017, AccorHotels was the European leader in the hospitality industry (in number of hotels and rooms) and the 6th biggest company worldwide in the sector (FAIBIS, 2017). Today, the group manages about 4,300 hotels corresponding to 620,000 rooms and suites spread in 100 countries all over the globe. Half of these properties are managed through franchising (ACCORHOTELS, 2018d). The revenue of the company in 2016 was €5.6 billion, a slight increase of 0.9% compared to the previous year (FAIBIS, 2017).

The group operates through a total of 28 brands (ACCORHOTELS, 2018b) answering to the various customer needs. These brands are classified according to four market segments: “Economic”, “Midscale”, “Upscale” and “Luxury”. AccorHotels also displays a series of values applied daily within its properties and at the HQ. Careful about the training of its employees, the group also created the Académie Accor in 1985, the first corporate university in the services sector in France (ACCORHOTELS, 2018c).

The last couple of years have been marked with a rapid development and expansion of the firm. Indeed, through acquisitions and organic growth, AccorHotels increased its number of rooms by 52,000 in 2017. This pace represents 1 hotel every 33 hours (ACCORHOTELS, 2018d). These two ways of development have been at the core of AccorHotels' strategy, who used to rely more on leasing until a few years ago (EISEN, 2014). The acquisition trend was particularly salient over the past few years, with the integration of the brands Raffles and Fairmont (from the Canadian group FRHI), Swissôtel, Banyan Tree, as luxury and lifestyle became the new focus of the company as well. More recently, the group acquired 100% of the Chilean management company Atton Hoteles, composed of 11 establishments, and 20% of the property company that owns the assets (REUTERS, 2018b).

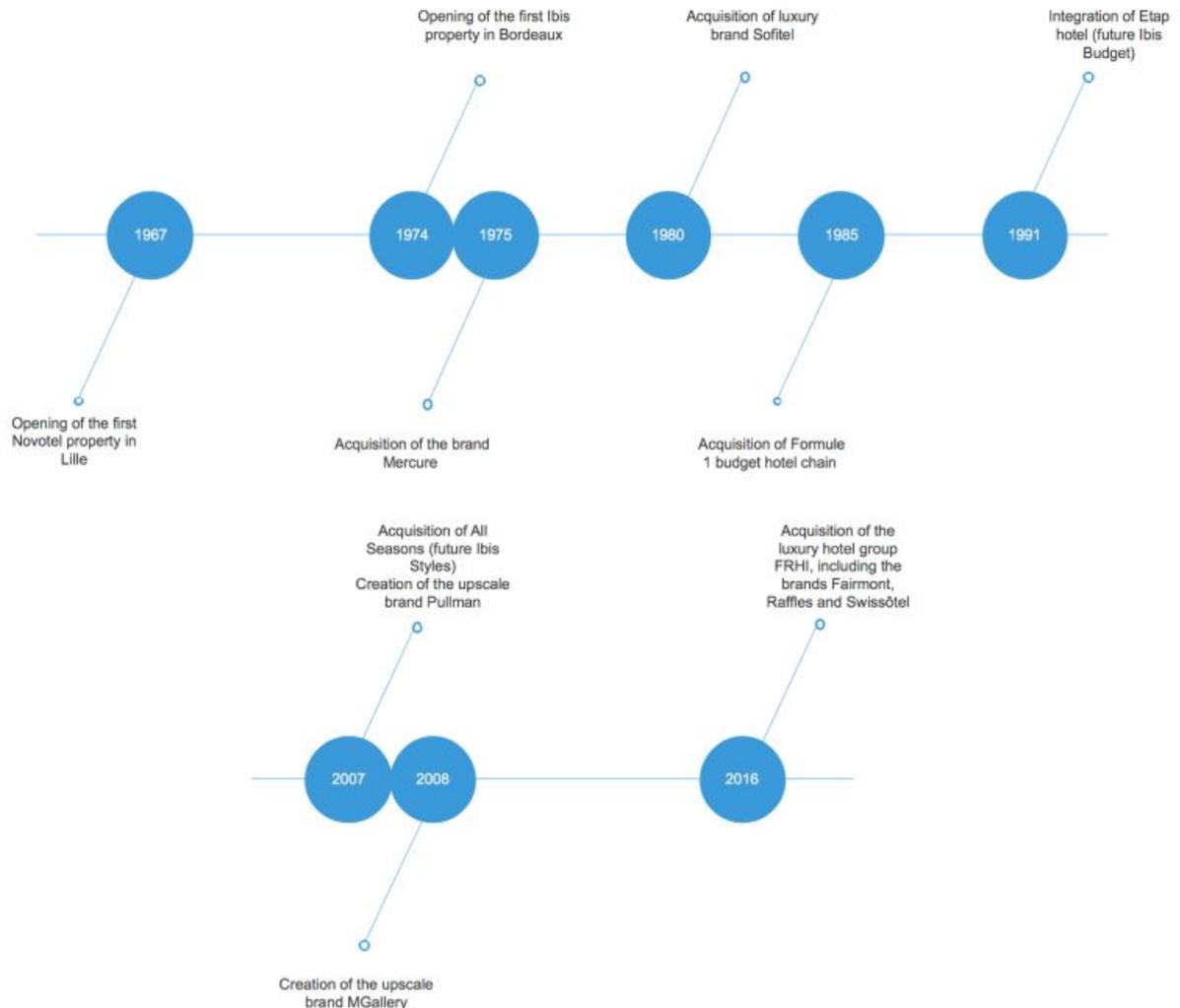


Figure 2: Accor's business development
Source: Authors

As for the target markets, the brand actually aims at reinforcing its position in the markets where it is leader, namely Asia, Latin America and especially Europe (ACCORHOTELS, 2018d), where almost three quarters of the revenue is concentrated (FAIBIS, 2017). Nevertheless, AccorHotels also puts some emphasis on emerging markets like the Middle East, South-East Asia and Sub-Saharan Africa (ACCORHOTELS, 2018d).

Thus, one can notice that AccorHotels has been particularly dynamic in its growth and expansion process. The next section will account for these two aspects, with a history of the company and an analysis of its internationalization path.

4.2 History and internationalization path

The venture of AccorHotels started in 1967 when Paul Dubrule and George Pélisson opened their first property in Lille, in the North of France. When building this property, Dubrule

and Pelisson followed the model applied by the brand Holiday Inn and opened an American-style hotel, following also an American-style management (MORSCHETT; SCHRAMM KLEIN; ZENTES, 2011). As for the localization of the firm, the French businessmen did not follow the traditional patterns of the industry at the time. While central localization and luxurious features were the main characteristics of the properties, the Novotel-branded hotel was located close to the main roadways and peripheral business centers, and it privileged practicality over opulence (VARLESE, 2017).

From its creation in 1967, AccorHotels has not followed a straightforward, step-by-step path concerning the internationalization of its activities. The group has been investing in many countries all over the world, at different periods of times, with different degrees of involvement according to the strategy of the group. The initial governing principle in terms of internationalization for the group was to reduce its dependence on the French market where it was well settled (in 2000, 60% of the properties were located in this country) and make the most of the growth happening in emerging markets, as Raphaël Pouget, Project Manager at AccorHotels South America mentioned. Nevertheless, this strategy has shifted and been adjusted over the years, setting all the markets which the firm needs to focus on, and thus embracing a lot of territories at the same time (ACCORHOTELS, 2018d). In most cases, the company would not let a market down after entering it but rather invest more and set other properties from different brands.

The first move abroad happened five years after the creation of the SIEH with the opening of a Novotel property in Neuchâtel, in the French-speaking part of border state Switzerland (ACCORHOTELS, 2018c). In the same year, the company also opened a hotel in the Belgian capital, Brussels (MORSCHETT et al., 2011). No more than one year later, the group pulls up the European frontiers and establishes a new Novotel-branded hotel in Sharjah, UAE, in 1973. This move to a completely different region is explained by the economic potential of the Middle East due to the booming of the petrol industry.

A couple of years later, the African continent is a new target for the group which built a new hotel in the French-speaking country Cameroon. The ambitions of Accor in Africa and its will to penetrate the continent were shown by the acquisition of the tour operator Africatours, in order to set a network there. This was also an opportunity for the group to look more towards the leisure tourism business (ACCORHOTELS, 2018c). In 1977, Accor makes its first investments in Latin America with the construction of a Novotel property in São Paulo, Brazil. The country will stay among the biggest areas of potential over the years, as shown later on in this study.

1984 signs the entry of Accor on the Asian continent. Attracted by the recent development of China and its opening to the rest of the world, the group opened a property in Beijing. The growth of the group on this continent was remarkable, as 100 hotels were settled in China after only 25 years.

Lastly, the group entered the American continent quite lately in 1990, through the acquisition of the chain Motel 6. Even though the country represents the biggest market worldwide in the hospitality industry, it is also highly competitive, which, according to Raphaël Pouget, would make it extremely hard for AccorHotels to be a leader in this country. This is the reason why the country, unlike more promising emerging countries, is not at the core of AccorHotels' strategy.

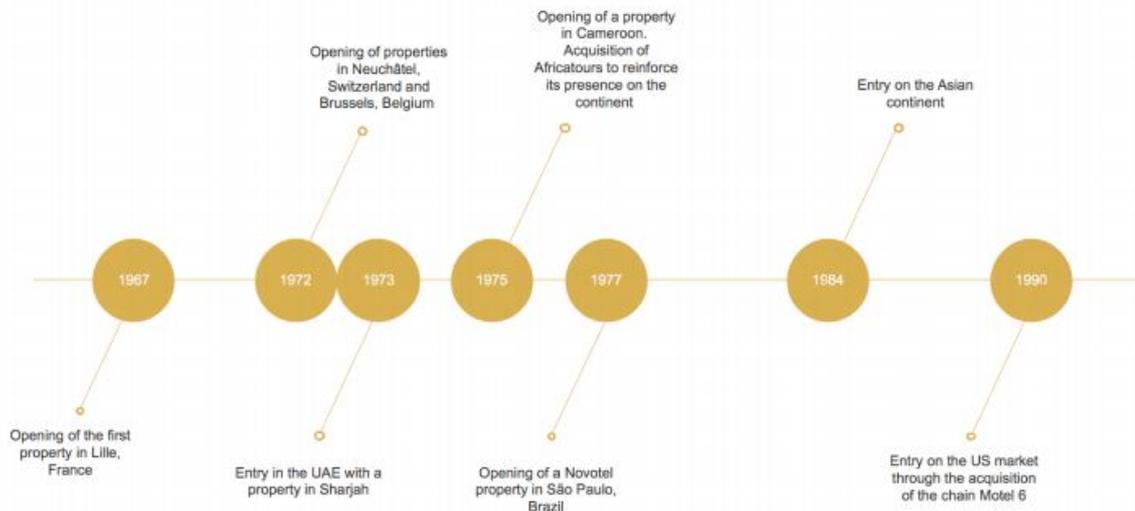


Figure 3: Accor's main expansion

Source: Authors

In terms of entry modes, the French hotel company implemented different strategies all over the years. At the outset, Accor used to be a builder, owner and operator at the same time, possessing full control over its properties in France (MORSCHETT et al., 2011). However, although it enables great control over the assets, this strategy would be very costly and resource-involving when settling abroad. Therefore, as soon as the 70's, the group decided to use management contracts or franchise agreements for their foreign properties. (MORSCHETT et al., 2011).

4.3 The South American case

According to Raphaël Pouget, AccorHotels' properties in South America represent about 10% of its worldwide network. As explained before, the expansion of AccorHotels in South America will be analyzed from the study of the three main countries for the group in the region (in terms of properties): Brazil, Chile and Argentina.

4.3.1 Brazil

Brazil was the first country in the Americas where Accor set its presence. In 1977, the group opened its first Novotel property in Morumbi, a traditional neighborhood of São Paulo. This venture was motivated by the fast development of the city during the decade, as the city and state of São Paulo started to become a major economic pole in Brazil (VARLESE, 2017).

In the following 40 years of operations in the country, AccorHotels has developed a large portfolio of properties covering all the territory and every marketing segment of the company (economic, midscale, upscale and luxury). In the 80's, in addition to its hotel activity, Accor also created a joint-venture with the company Parthenon which sold and managed *flats*. In 2006, this residence-focused activity through Parthenon was "absorbed" by Accor, and the *flats* got incorporated within the brand Mercure. More generally speaking, the years of AccorHotels' operations in Brazil were marked by various periods of growth, development,

refocusing and/or diversification in order to adapt to the Brazilian market and economic fluctuations (PEREIRA, 2009).

Among the growth strategies of the company, AccorHotels used acquisitions. This already happened in the 80's with the acquisition of Quatro Rodas, while the most recent initiative happened in 2017 with the Brazilian Hospitality Group (BHG). The diversification was driven through the implantation of different brands corresponding to different segments of customers that could be reached. These brands were those already present in other countries, like Ibis (economic), Mercure (midscale) and Sofitel (luxury). As evoked earlier, the refocusing trend was done through the separation from the real estate activity (by selling properties) to be more of a hotel operator.

Due to the importance of its operations in the country, AccorHotels' headquarters for South America are located in Brazil, more specifically in the economic capital São Paulo. As opposed to the properties who manage day-to-day operations and some local administrative tasks, the HQ concentrates the activities related to marketing, human resources, distribution, revenue management, legal issues, finance/accounting, IT and design.

Nowadays, AccorHotels is the clear number 1 on the Brazilian and South American market in the hospitality sector. The group has about 300 hotels in the country – which makes it the 3rd biggest country in number of properties – corresponding to about 45,000 rooms. These Brazilian properties actually represent 90% of AccorHotels' South American market, and are distributed among 14 brands, covering all the marketing segments. The country is one of the main growth areas for the group, as it is currently the second country in terms of property openings (it used to be the first one from 2014 to 2016).

A lot of reasons have been identified by the management to explain the expansion of AccorHotels in Brazil. First of all, the supply/demand was extremely favorable, meaning a lot of opportunities for hotel chains. On the demand side, the market was and is still huge. The country is inhabited by more than 200 million people, among whom about 50% are potential travelers, due to the rise of revenues and the development of the middle class in the 2000's. Domestic travelers actually represent the biggest part of hotel customers in Brazil, with only 15% of international tourists staying in the country – 6 millions of people, compared to 84 million in France. Concerning the type of hotel customers, the Brazilian market is mainly driven by a rather regular clientele of corporate clients. On a national level, corporate travelers represent about 60% of AccorHotels' customers, with big discrepancies according to the location of the properties.

One important aspect to be considered is the impact of events on the activity of the properties. Such events, both corporate and leisure, can generate a high demand and boost, at least temporarily, the activity of the hotel which can increase its occupation rate and prices. Two iconic examples for the Brazilian markets were the World Cup in 2014 and the Olympic Games in 2016. These two events generated excellent occupation rates and opportunities of building new hotels in order to meet and capture the demand of customers. The most impacted city was, of course, Rio de Janeiro, but also other places like Belo Horizonte, as Mercure Belo Horizonte Lourdes was one of the official hotels for the World Cup. While we mainly see the beneficial aspects of events, some managers also draw attention to their temporary character and their return on the long term.

In other terms, this kind of demand is punctual, while the supply is permanent. Indeed, after the euphoria of the World Cup and the Olympic Games, a lot of hotels were closed in Rio de Janeiro due to this post-event lack of demand – also coupled with other negative economic

and political factors. This discrepancy between the demand and the supply during calm periods represents an issues for property managers. In addition to all the aforementioned elements mostly related to the context of Brazil, the interviewed managers outlined the flexibility of the firm as a key element for its main successful expansion:

T.P.: The foreign companies coming to Brazil were not 100% in Brazil. They wanted to impose their way of doing business, for example by making the contract in their own language. On the contrary, AccorHotels was more flexible and adapted to the market's characteristics, which made the process easier.

Despite all the aforementioned positive elements, the Brazilian country went through a several crises that affected its business. The last one hit Brazil in 2014. In his interview, Raphaël Pouget mentioned the difficulties encountered by AccorHotels since then:

As the hospitality industry is highly correlated to the economic performance – namely the GDP growth of the country – the big recession in Brazil entailed a downfall of the occupation rate and the RevPar (revenue per available room). The RevPAR decreased by 30%, while the country's inflation reached up to 40%.

The biggest effects were felt in Rio de Janeiro, where a social crisis and later a wave of violence were coupled to the political and economic aspects post-Olympics. More generally, the fall in domestic travels impacted the tourism business of other cities.

Luckily for AccorHotels, Raphaël Pouget added that the group could always count on the support of the global headquarters in Paris and could be helped thanks to all the resources of the group, which was confronted to a better situation in other regions of the world (e.g. Asia). This structural strength of the company actually led smaller, weaker Brazilian hotel chains to look for AccorHotels in order to be acquired and managed by them.

As for the entry modes used by AccorHotels in Brazil, the most used tool was definitely the contract of management. These contracts are used in about 75% of the group's properties in the country. They are managed by the HQ in São Paulo and are mostly used in the biggest cities of the country. According to Raphael, this type of contract presents a series of advantages:

- It enables the company to have better control over the brand and over the quality of the hotel management;
- The management contract has a financial advantage insofar as the hotel company does not need to buy the real estate, which represents a much lower investment in terms of money while still enabling control over the business.
- Lastly, one other great advantage through management contract is the opportunities offered to managers and employees of the group. As they are incorporated within a higher, stronger entity which gives them full support, the collaborators can benefit from more professional opportunities within the group worldwide, along with better organization and tools (especially information technology) in order to improve the efficiency in daily operations and the well-being of employees.

However, one reservation has been emitted by Thais Perfeito about this entry mode:

Management contracts contain risks related to the more easiness for the owner to break the contract with the hotel administrator, namely AccorHotels. They also include rather high fees and taxes. These aspects should be taken into account by AccorHotels when making the deal.

Another entry mode used by AccorHotels in Brazil is franchising. These represent about 25% of the properties in Brazil. Unlike the management contracts, the headquarters do not have control over franchise contracts, and this tool is mainly used in the smaller cities of Brazil.

According to Raphaël Pouget, this option can be considered as AccorHotels' activity in Brazil is already very mature, and franchising acts as a way to reinforce its network and presence over the country without a high investment. Besides, franchising by AccorHotels enable the "professionalization" of small, remote properties which had lower standards. However, franchising does not come without risks. Indeed, a hotel operated does not follow strictly the rules imposed by AccorHotels, which may entail issues for the brand image and the organization of the business.

Concerning the possibility of acquiring the real estate of a property, this option is almost never chosen by AccorHotels, mainly because of the high investment it represents. For example, in the case of BHG in 2017, the company did not buy the real estate, but only took over the management contracts of some properties. This has created an interesting situation where BHG is still owner of the property, but the management and operations have been delegated to AccorHotels.

4.3.2 Chile

Accor entered the Chilean market in 2001 with the implantation of an Ibis-branded property in the capital Santiago. The brand opened its last property in the same city in December 2013, in the peripheral business neighborhood of Manquehue. Meanwhile, the group had established its midscale brands Mercure and Novotel in the capital and expanded to other cities in the country. Beyond these properties, the group also has an administrative unit that completes the other functions centralized at the HQ in São Paulo (mainly marketing, human resources and director of operations in the case of Chile).

In terms of competition, the group is ranked 2nd in number of properties within the country, but is about to become 1st after the recent acquisition of Atton Hoteles in May 2018 (REUTERS, 2018b). AccorHotels' main local competitor in the country is the chain Diego de Almagro composed of 17 hotels located in the major cities of Chile ("Diego de Almagro Hoteles," 2018). In addition, the biggest hospitality group worldwide Marriott represents the main international competitor in Chile and in the other Spanish-speaking countries of the continent.

Today, AccorHotels has 15 hotels in Chile corresponding to 2,223 rooms, split under 4 brands from the economy to the midscale segments. These numbers will be completed soon with the integration of Atton Hoteles' 11 properties. Through these acquisitions, AccorHotels aims at reinforcing its presence both in the Spanish-speaking area (the group has properties in Chile but also in Colombia and Peru) and in the upscale segment, as some of the hotels belong to this category.

AccorHotels' choice to go to Chile depended on a series of aspects, as the General Manager (GM) of an Ibis property in Santiago suggested. First of all, the situation of the country was actually favorable for AccorHotels to settle down there. The country has been one of the fastest-growing economies in Latin America ("The World Bank in Chile," 2018) and is characterized with economic stability, including a low, regular inflation. In addition, Chile is considered as a safe country, especially compared to other nations in the region, which creates an environment that is more suitable for tourism.

GM also identified a number of opportunities, both related to the location and to the industry, which could have triggered the opening of hotels in Chile, especially the property she is currently running in Santiago. First of all, the hospitality sector was and is still not very

competitive, with only few local and American chains being present in the city and the country. Besides, the area where the hotel is located did not have a significant economy-scale property (only midscale or luxury hotels), so there was no competition on this segment and a great possibility of market entry. Lastly, the opening of her property in a purely business area made it possible to attract local customers and focus on a profitable, regular corporate clientele.

Concerning particularly this type of customers, mentions the impact of events on the activity of Santiago's properties. The city is well furnished in terms of hotels and the offer is usually higher than the demand. However, different kinds of venues reverse this tendency and boost the occupation rates.

Regarding AccorHotels itself, GM also believes that the experience acquired by the company all over the years played a key role. This aspect certainly helped in the internationalization towards Chile and other South American countries. Two examples can illustrate this statement: first, the opening of the first Latin American property by AccorHotels clearly followed the characteristics of the French hotels in terms of location and services, which were proved to be efficient in order to capture customers; second, the distinctive, customer-adapted pattern of the economic brand Ibis demonstrated its success in a variety of countries before entering the South American market, and there was no reason not to follow this innovative format in this new region full of potential.

As for the way the French hotel chain entered the Chilean market, management contracts have exclusively been used, while the franchising option has been rejected by the company. According to Raphaël Pouget, this entry mode offers advantages like a better control over the brand and the quality of the hotel management, which are key elements when entering in a new, "unknown" foreign market. As an "on the field" professional, GM also appreciates the greater contact with the company and the possibility of benefiting from the numerous resources of the firm, especially in terms of training and know-how.

Nevertheless, one example stands out from this global rule. The recent acquisition of Atton Hoteles by AccorHotels is quite peculiar since the French firm did not only buy 100% of the management company, but also a part of the real estate through the purchase of 20% of the property company owning the assets. This, as a consequence, made the value of the investment much higher, amounting to \$105 million (REUTERS, 2018b).

4.3.3 Argentina

The French hotel chain arrived in Argentina in 1998 with the opening of an Ibis-branded hotel in the wine city of Mendoza. From the 2000's on, the group continued implanting properties in the country, starting with the opening of another Ibis property in the capital Buenos Aires. Other brands from different segments also appeared on the Argentinean market, namely Mercure, Novotel, Pullman, Sofitel, and lastly MGallery in 2018.

The "structure" of the competition on the Argentinean market is similar to Chile's, with both local and international hotel chains. The first hospitality group on the Argentinean market is the American Wyndham, which recently acquired the local company Fen Hoteles (FOX, 2016b). Besides, the leading hospitality group Marriott planned to open new properties in the country after the buyout of Starwood (REBON, 2016). These competitors are usually relevant for the midscale and upscale segments, with hotels between 3 and 5 stars. However, as for the economic brand Ibis, few or no competitors can be identified. Marcela Iturburu, General Manager at Ibis Obelisco Buenos Aires, identified the brand Holiday Inn Express from the

British group IHG among the possible competitors, but the presence of the brand is very limited in the city.

Nowadays, AccorHotels operates in Argentina through 11 properties, covering all the territory and all marketing segments (economic, midscale, upscale and luxury). Despite the positive elements identified above and the recent declaration of the group to open 19 more properties in the country (REBON, 2017), the complicated economic and political situation in Argentina act as a deterrent for AccorHotels which decided not to focus on this specific country.

The choice of a strategic localization for the Argentinean properties was key for its implantation in the country. The brand followed the same principles identified in the previous sections, namely the ones with a potential to attract leisure and/or corporate tourists, both in the capital Buenos Aires and in other cities in the country (Mendoza, Puerto and Iguazu). Ibis Buenos Aires Obelisco captures the two types of clientele. Indeed, the central location of the hotel in Buenos Aires, close to touristic places, but also to the main commercial and business areas, attract both leisure and corporate customers. This last category actually represents about half of the business of the hotel, and an exclusive sales team is dedicated to them.

Like in Brazil and Chile, events boost the activity of the hospitality and tourism industry. For the year 2018, Marcela mentioned the Summer Olympic Games as a big example. More generally, she mentioned the football games as a good support for the activity as well.

However, the most important element concerning the rather successful implantation of AccorHotels in Argentina appears in the qualities and characteristics of AccorHotels itself. Marcela mentioned the experience of the company and the capacity of the brand to create a service adapted to the customers who are the main focus and the heart of the company's vision. This adaptation is related to the general flexibility of AccorHotels, a characteristic already reported both by Raphaël Pouget and Thais Perfeito in Brazil. Finally, innovation in services and modernization of management tools have also been identified by Marcela as major features to please the customer and facilitate day-to-day operations within the properties.

As for the entry modes, the properties have been exclusively administrated by AccorHotels through management contracts. Such entry mode presents a great advantage for AccorHotels to better control the operations while enabling significant autonomy for the management team, as Marcela reported. Raphaël Pouget evoked the capacity of mitigating risks and ensure control over the brand and hotel management through this specific entry mode. Such risks include a cost inflation higher than the revenue inflation and, generally speaking, a rather complicated economic situation. Applied to the Argentinian case, the country's instable economy represents a significant threat for AccorHotels, which is why the firm decided to choose a specific entry mode – contract managements.

5. DISCUSSION

The information collected indicate that the most salient elements that led AccorHotels to come to and stay in South America were the economic potential of the region and the related opportunities, independently from the brand in which they operate. As for Brazil, which is by far the main market for the company in the region, the great size of the population, which includes a lot of potential travelers, had a big, positive impact on the tourism industry (*BRAZIL TOURISM REPORT*, 2018; SANTANA, 2000; UNWTO, 2017).

The general, direct consequence of this situation was an increase in the demand that needed to be counterbalanced with an increase in the supply. This trend was accentuated by the hosting of global events like the World Cup and the Olympics, but is also driven by more common, frequent events like congresses, fairs and shows. Lastly, the differentiation of AccorHotels in terms of location and services offered, combined to an already weak supply, was one more opportunity for AccorHotels to enter the various Brazilian cities. As for Chile, the economic and political context – including low and regular inflation and security – also played a major role in the decision of AccorHotels to make it its new market focus.

Concerning the possibility of institutional incentives in the tourism industry, this happened mainly in Brazil, which was particularly concerned with the high demand incurred by events like the World Cup and the Olympics, as mentioned by Canteras et al (2014), Fox (2016a) and Caroline Costa during her interview. This led AccorHotels and other hotel chains to open new hotels in the city of Rio de Janeiro. However, the temporary aspect of these events coupled with the crisis that has later hit the city and the whole country led these companies to close some properties.

The Brazilian crisis had a negative impact on all the tourism actors in the country. Nevertheless, the global, solid structure of AccorHotels helped the company resist this situation, while smaller chains would look for the French firm in order to be acquired and supported by it. Even though acquisitions happened in Chile as well, these were not led by a general, negative economic situation. As for the other country-specific factors, the cultural proximity (CARRASQUEIRA, 2015; JOHANSON; VAHLNE, 1977) and the need to look for a global presence without any specific economic purpose (IVANOV; IVANOVA, 2017) was and is not relevant for the three South American countries studied here.

On the contrary, some firm-specific features played a major role in the internationalization of AccorHotels on the continent. The company managed to create a competitive advantage based on several resources. These include the greater financial resources due to the global scale of the company, but also other competences like a spirit of entrepreneurship, a strong business acumen, expert and “happy” staff, flexibility and easiness to adapt, operational excellence and innovation. All these elements can be contained in the three categories of resources mentioned by Grant (2010). AccorHotels’ strength in operations and human resources, mentioned by Aung (2001) in its study on the Thai market, are confirmed here on the South American market. The strong capacities in marketing, even though they exist, have not been mentioned as a key factor of success for the expansion and success on the continent. Finally, the success of AccorHotels has also been explained through the experience managers acquired all over the years, which helped enter the countries and keep an efficient activity on the territory.

An interesting example concerning AccorHotels core competences is Argentina. Unlike the two other countries studied, the economic situation and potential does not seem to have played an important role in the implantation of the hotel chain. The country’s current situation is not at its best (high inflation), and AccorHotels decided not to focus on Argentina. However, the capacity to propose an innovative product, adapted to the country and the needs of its population, represented the main decisive point and factor of success in the internationalization towards this country. As for Brazil and Chile, all the aforementioned competences and experience combined with the contextual, country-specific elements explain the expansion and success in these countries.

Again, franchising's drawback is a general lack of control over operations (CONTRACTOR; KUNDU, 1998), which is why this option is exclusively used in a mature market like Brazil as a “relay” to reinforce the network and professionalize the hospitality industry in smaller, remote cities. Eventually, the owning of a property through the purchase of the real estate is rarely to be seen in South America. Indeed, even though this entry mode enables an even stronger control from the hotel company over the operations (CONTRACTOR; KUNDU, 1998), it represents a huge cost of investment and does not display a lot more advantages compared to management contracts. Although various options have been used by the French hotel chains to enter the South American market, the management contracts are preferred due to the high control for a rather low investment – thus, it can be considered as the “best value for money” solution.

6. CONCLUSION

This paper aimed to identify the reasons for AccorHotels' internationalization in South America in three main markets: Brazil, Chile and Argentina. Also, analyze the internationalization process, understanding how it happened in the selected countries. After analyzing data from different types of sources, the results showed that the French hotel group was mostly motivated by the economic potential of the countries and actually had, internally, a lot of resources and competences that have also facilitated and incentivized the process. As for the country-specific aspects, the greater economic potential came from the size of the country and the growth of its tourism activity (Brazil) and/or from the prosperity and the peaceful character of the country (Chile). As for the features of the firm, the capacity to innovate and create a service adapted to the local needs was decisive in the entry on the Argentinean market. Finally, the experience of the firm and the great use of all its types of resources were relevant for all the three countries at the heart of the study, namely Brazil, Chile and Argentina.

Concerning the process in itself, more homogeneity has been observed. Indeed, the firm mostly followed the concepts of the eclectic paradigm, with location and ownership advantages particularly salient in the decision processes related to the internationalization of the firm. As for entering the market, AccorHotels mostly went through management contracts as they represent the best balance between control, risk reduction and amount of investment. Franchising and real estate ownership have been used only in more specific, occasional situations.

While the research examined a series of criteria to explain and analyze the internationalization process of a hotel chain like AccorHotels, the outputs actually showed that the main motivation of the company to enter some South American markets were almost purely economic and very rational, business-related. This comes tightly with the business-oriented staff, business acumen and entrepreneurial spirit that animate AccorHotels. On the contrary, cultural aspects or personal interests of managers did not emerge as relevant points here. The research provides a deep and insightful eye over a specific case of internationalization within the hospitality industry. As mentioned earlier, the services industry has been less studied compared to other manufacturing industries, and the case of a hotel group like may provide some new material about this field of study. Furthermore, the company studied here can be considered as a remarkable case – due to its size, resources and global presence – and may serve as a good reference.

One limitation comes from the nature of the case study itself. Within the hospitality sector itself, the case of the hotel chain Pestana actually showed some opposite results, since the Portuguese firm, for example, rather followed the Uppsala model in its expansion process (CARRASQUEIRA, 2015).

It can be a root for other researchers who may wish to explore more the hospitality or services industry, and may be compared with the findings obtained in other industries. As for managers, the results of this study may help have a comprehensive overview of the internationalization process of AccorHotels and help them see what worked or could have been improved in these ventures. More generally, it can also be inspiring and helpful for other hotel chains – or entrepreneurs in other sectors – which would like to enter this market and do not have a lot of knowledge about it or about the way to approach the expansion process on the continent. Some concepts are actually transdisciplinary and can be applied to different situations and contexts.

Although this study gives rich data about internationalization, hospitality and AccorHotels in the context of South America, some limitations appear for the research. For time and resource constraints, only three countries have been studied. Even though the three territories present different characteristics and are major players on the continent, they may not represent the reality of the whole continent. Cases like Venezuela, Colombia or smaller countries like Ecuador should also be taken into account and examined to see if the results collected here are coherent with the findings obtained there.

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