

## EXTENDED ABSTRACT

# CLIMATE RISK AND INTERNATIONALIZATION STRATEGIES: AN ANALYSIS OF SPANISH HOTEL CHAINS

*Laura Rienda*

Universidad de Alicante. Spain

[laura.rienda@ua.es](mailto:laura.rienda@ua.es)

<https://orcid.org/0000-0002-1940-4035>

*Lorena Ruiz Fernández*

Universidad de Alicante. Spain

[lorena.fernandez@ua.es](mailto:lorena.fernandez@ua.es)

<https://orcid.org/0000-0001-8894-9701>

*Rosario Andreu*

Universidad de Alicante. Spain

[rosario.andreu@ua.es](mailto:rosario.andreu@ua.es)

<https://orcid.org/0000-0003-1912-9181>

## 1. INTRODUCTION

Climate change has become one of the most pressing challenges for the global tourism industry, influencing the stability, attractiveness, and economic viability of destinations. Hotel chains, as key actors in international tourism, are particularly exposed to the increasing frequency of extreme weather events and the growing regulatory pressure for sustainability. For firms pursuing international expansion, climate-related risks represent not only an environmental concern but also a strategic determinant of long-term competitiveness and investment security (Scott, Gössling & Hall, 2012; Dogru *et al.*, 2019).

Spain is one of the leading countries in the global hotel industry, with over 70 Spanish hotel chains operating abroad, mainly in Latin America and the Caribbean—regions that are highly vulnerable to hurricanes, floods, and other climate-induced disruptions. This geographical orientation raises an important question: to what extent do Spanish hotel chains consider the climate vulnerability of their target countries when making international investment decisions?

The academic literature has increasingly emphasized the need to integrate environmental and climate risk assessments into corporate strategies (Franzoni & Pelizzari, 2016; Peeters, Çakmak & Guiver, 2024). However, most studies have focused on either sustainability practices or internationalization processes, without linking both perspectives. Moreover, limited attention has been paid to family-owned hotel chains, which represent over 60% of the Spanish industry (Andreu *et al.*, 2020). Family involvement may affect

the level of risk aversion, strategic flexibility, and commitment to sustainability goals (Berrone *et al.*, 2012; Rienda & Andreu, 2021).

This study bridges these gaps by analyzing the intersection between climate risk, internationalization strategies, and family business characteristics. Understanding this relationship provides valuable insights into how the hospitality sector can enhance resilience and align international growth with sustainability imperatives.

The general aim of this research is to analyze how the climate risk of destination countries influences the internationalization strategies of Spanish hotel chains and how family business characteristics shape this relationship.

More specifically, the study seeks to:

1. Examine the relationship between destination climate risk and key firm-level variables, such as international experience, category, size, performance, and mode of entry.
2. Compare the international investment patterns of family versus non-family hotel chains under different levels of climate vulnerability.
3. Identify strategic patterns of global expansion associated with varying degrees of climate exposure and resilience.

By achieving these objectives, the study contributes to both theoretical and managerial debates on sustainable internationalization in the hospitality industry.

## 2. METHODOLOGY

The empirical analysis is based on a dataset of 1,097 foreign investments made by 75 Spanish hotel chains operating in 71 countries as of 2022. These chains were identified through the Alimarket database, which records Spanish firms with international operations.

The study adopts a quantitative and exploratory approach, using descriptive statistics, mean comparison tests, and Pearson correlation analyses to examine the relationships between climate risk and firm-level variables. Robustness was assessed through Levene's test for equality of variances.

- Dependent variable: Climate risk, measured using the Notre Dame Global Adaptation Index (ND-GAIN) for 2022, which captures both a country's vulnerability to climate change and its readiness to adapt.
- Independent variables: International experience, degree of internationalization, hotel category, firm size, business performance, and entry mode (*asset-light* vs. *asset-heavy*).
- Family business variables: family ownership, family management, and family CEO presence.

Over 65% of the analyzed investments were made in countries classified as medium or high climate risk according to ND-GAIN scores, underlining the exposure of Spanish hotel chains to environmental vulnerabilities.

## 3. RESULTS

The results reveal several notable findings. First, while the degree of internationalization (measured by the proportion of rooms abroad) does not correlate significantly with the

ND-GAIN index, international experience shows a negative and significant relationship: more experienced chains tend to invest in more climate-vulnerable countries. This suggests that experienced firms, driven by market opportunities, may be willing to assume greater environmental risk in exchange for higher returns.

Second, hotel category and firm size are both negatively correlated with climate preparedness, indicating that larger and higher-end chains often operate in destinations with greater exposure to climate hazards. These results align with previous findings that luxury tourism tends to concentrate in attractive but environmentally fragile areas such as coastal or tropical regions (Iloranta, 2019).

Third, the mode of entry plays an adaptive role. The analysis shows that *asset-light* strategies (franchising and management contracts) are predominantly used in high-risk destinations, allowing firms to minimize capital commitment and transfer part of the risk to local partners. Conversely, *asset-heavy* strategies (ownership or leasing) are preferred in more stable and resilient countries.

Finally, the family dimension reveals important nuances. Family-owned chains with a high percentage of family ownership tend to invest in more vulnerable countries, whereas those with stronger family management involvement and a family CEO prioritize more resilient destinations. This duality highlights the heterogeneous nature of family firms and supports the socioemotional wealth theory, according to which governance structures influence the balance between economic goals and non-financial values such as legacy preservation or reputation (Gomez-Mejía *et al.*, 2011).

#### 4. CONCLUSIONS

This study demonstrates that climate risk is a relevant but unevenly integrated factor in the internationalization strategies of Spanish hotel chains. Firms with greater experience and scale are more likely to operate in vulnerable destinations, whereas those with stronger family management adopt more cautious and sustainable approaches.

The main theoretical contribution lies in the integration of three perspectives — internationalization, climate risk management, and family business governance— into a single analytical framework. The results expand the understanding of how strategic behavior in the hospitality sector is conditioned by environmental vulnerability and organizational characteristics.

From a managerial standpoint, the study underscores the importance of incorporating climate risk assessments into global expansion decisions, promoting flexible business models and investment diversification to reduce exposure. Policymakers and tourism institutions should encourage sustainable investment through fiscal incentives, access to climate adaptation funds, and cooperation with local communities.

While the study provides valuable empirical evidence, it is not without limitations. The use of aggregated ND-GAIN data at the country level may overlook regional disparities, and the cross-sectional design restricts causal inference. Future research should apply longitudinal and comparative approaches to other regions and tourism subsectors, incorporating variables related to resilience, innovation, and environmental governance.

Ultimately, this research contributes to the ongoing dialogue on sustainable internationalization by showing that addressing climate risk is not only an environmental necessity but also a strategic imperative for the global competitiveness and longevity of hotel firms.