AN ANALYSIS OF STRATEGIC INFORMATION PUBLISHED BY LARGE SPANISH HOTEL CHAINS

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I. INTRODUCTION

At present when the market is increasingly demanding free-flowing information concerning corporate expectations, we often encounter criticism as to the absence of this type of information in annual reports. The relevance of this lack of information is based, among other reasons, on the fact that it is the only information that businesses make public. With this hypothesis as a point of departure, we have asked ourselves if this same situation is also produced in the Spanish hotel sector. Our interest in this business is due to the importance of the tourism sector in the Spanish economy. To contrast this hypothesis, we have carried out field work consisting of, firstly, a review of annual reports for the fiscal years 2000, 2001 and 2002 published by hotel chains representative of the sector and, secondly, an analysis of the information concerning the strategies published in these reports.

This paper is part of a research stream that remains open and whose objective is the elaboration of a Balanced Scorecard prototype for the Spanish Hotel Sector.

II. THEORETICAL FOUNDATIONS

Traditionally, Spanish businesses are reluctant to publish strategic information, thus seriously limiting the utility function originally assigned to financial statements, although this is not the only limitation that has been detected [AICPA (1994), Cañibano (1999), López Combarros (1998), ICAC (2002)]. There are increasingly more opinions favouring their elimination [Calzada (2002), Mallo (1999), Marqués (1999), Millan and Muñoz (2003)].

If the overriding objective of Accounting is to meet the need for relevant information, the content of past and present data should be increased, as well as the availability of such data for carrying out estimations and forecasts. Although the potential of historical information as a basis for forecasts has been recognized, we can still appreciate certain deficiencies in the information provided concerning future prospects. For example, the Jenkins Report recommends that corporate reports should provide more data as to projects, opportunities, risks and uncertainties; it highlights the importance of focusing on those factors that create value in the long term and on including non-financial measures of results and successes. In short, external information should be improved, publishing documentation that up to now has been catalogued as available only for corporate management.

Aspects such as the annual budget, medium-term performance programs or long-term investment projects are included in strategic plans drawn up around complex and competitive environments. In this context and taking into account the existence of different approaches as to the concept of strategies, [Ansoff (1965); Porter (1980); Peters and Waterman (1984); Martínez (1994); Mintzberg (1987); AECA (1999)], we shall refer to the combination of environmental opportunities and risks, along with the capacity of businesses to exploit them. (Porter, 1980).

In the case of Spain and at the present moment, the large majority of small and medium-sized businesses, and even larger ones, which are not quoted on the Stock Exchange, only publish information required by law. Therefore, they do not transmit data concerning their projects and future plans, information that investors wish to know before making a decision. For this reason, and more and more frequently, those who make use of accounting information are demanding data concerning strategic plans of action and expect the confidence generated as to viability to be endorsed by auditors.

Our opinion coincides with Muñoz and Millán (2003) in reference to the fact that information concerning strategies should circulate in the framework of financial information, although three issues should be resolved: the degree of dissemination, the most adequate method for dissemination and the content.

As to the degree of dissemination, this paper highlights the fact that two contrasting viewpoints can be found in Spanish businesses. The open point of view grounded in the philosophy considering that the dissemination of strategic plans is a factor that allows economic agents to adequately assess the business, thus improving its image. The closed point of view is based on the idea that strategic plans and objectives are internal information with limited use and which should not reach competition. This viewpoint ignores the fact that in the present-day context, with the current possibilities of information dissemination and the need to operate in the market, it becomes more and more complicated to protect these strategies.

As far as the method employed to disseminate information is concerned, an analysis of the state of the question reveals that, in practice and regardless of the motive, businesses issue forth more or less precise messages in relation to their basic strategic plans of action in annual reports. This document, which is not legally obligatory, has become an instrument for communicating aspects of business management and, in this sense, we consider that it may still be useful.

Regarding the content, businesses currently include increasingly more extensive information in relation to their activities, tending to increase the amount of information and issues to be dealt with.

This paper will attempt to demonstrate the behaviour of a group of businesses representative of the Spanish hotel sector. As we shall highlight in the results of this study, it cannot be confirmed that currently a culture of strategy dissemination is being introduced. However, this conclusion will be later contrasted by means of interviews with persons in charge of the businesses analyzed.

III. HOTEL CHAINS IN THE SPANISH HOTEL SECTOR

III.1 The Most Characteristic Features of the Spanish Hotel Sector

The tourism sector has become one of the strategic activities of the Spanish economy. The recent history of Spain and the economic development achieved cannot be understood without making reference to the importance of tourism, which has become the leading productive sector of the Spanish economy. The income from tourism during the year 2003 approached 37,000 million euros and the participation of the sector in GDP was 12%, employing 1,500,000 people. These figures demonstrate that the tourism sector remains strong as compared with previous years, despite the negative consequences of September 11 in New York, the Asian flu or, more recently, the SARS virus.

Currently Spain is becoming a preferred destination for tourists, particularly for European tourists, due to the quality of its modern installations and the price-quality relationship of its facilities and services, far superior to our competitors. Spain is the absolute leader in the sun and beach holiday sector; it holds an outstanding position in activities involving congresses and conferences, and an emerging potential in so-called alternative tourism (rural, sports and adventure and health and gastronomic tourism).

Accommodations is the most representative sector of the tourism offer and the core reference of businesses involved in accommodations are hotels, being the establishments that offer a greater number of services, the most utilized by tourists and, at the same time, the most regulated.

Among the characteristics that differentiate hotel business, we shall highlight the following, although it should be pointed out that some of these features may be more manifest in holiday hotels and less so in urban hotels.

- Difficult definition of the product offered.
- Complexity of the services offered.
- Seasonal nature due to the temporal distribution of demand.
- Rigidity of the offer, along with an important elasticity in the behaviour of consumers.
- Product-service offered is short-lived.
- High immobilizations.
- Important influence of the environment.

During the last few years, dependence on the seasonal nature of tourism is progressively declining, perhaps brought about by the specialization acquired by some segments, as is the case of senior citizens, cultural tourism, and, in urban hotels, business trips, fairs, congresses, etc. Along with this, a new concern for the environment and sustainable tourism has opened a new segment, rural tourism, and the Autonomous Communities, above all inland, have shown a special interest in this segment, granting financial aid and subsidies to improve the quality of rural accommodations.

Both hotel concentration and alliances in the sector have continued to grow, increasing not only the number of chains but also the number of hotels included in these chains, while generalizing management and rental contracts and, to a lesser extent, hotel franchises. Brand names are created within the same chain, with different standards of services, with the objective of competing in different sectors of the market. In November 1997, the first appearance on the Stock Exchange of a hotel group takes place[1]. From the year 2000 on, there have been continuous "movements" in the three main Spanish hotel groups.

If we analyze the statistical information available in reference to Spanish hotel establishments, we can conclude that the majority of those in lower categories are small and medium-sized family hotels, distributed in large numbers over the national territory. Hostels and guesthouses represent more than half the number of businesses, although, in the last few years, the number of this type of establishments has tended to drop, while the number of superior category hotels is on the rise.

We may also observe that room hotel capacity distribution is quite different from establishment distribution. The greater part of accommodation capacity is found in hotels, while less than 20% is located in somewhat more than seven thousand hostels and guesthouses.

The three-star hotel is the most representative segment of the Spanish hotel industry, with more than 30% of the establishments in this sector, followed closely by four-star hotels which surpass the former in the number of beds offered. The five-star segment represents 2.5% of the accommodation capacity of the Spanish hotel industry[2].

Chart 1. Statistics of Spanish hotel establishments, 2003

Category	Number of hotels	Number of beds	Hotel occupancy levels %	Number of travelers lodged [3]	Number of over-night stays	Number of employees
HOTELS						
Five *	115	40.575	36’77	183.347	464.480	12.706
Four *	954	289.155	45’04	1.340.810	4.065.900	51.612
Three *	1.478	241.552	44’85	1.010.989	3.377.119	33.324
Two *	1.340	79.283	33’78	357.346	839.859	9.427
One *	883	38.643	28’61	157.188	343.682	3.940
HOSTELS						
Three and Two *	2.301	71.132	27’08	282.121	598.900	6.327
One *	4.885	90.495	25’72	257.324	722.355	7.194
TOTAL	11.956	850.836	39’24	3.589.124	10.412.293	124.530

SOURCE: Instituto Nacional de Estadística

III.2 Hotel Concentration and Association: Hotel Chains

The forms of integration existing in the hotel industry are diverse, from simple business associations to hotel chains, existing in the latter, at the same time, different degrees of relationships.

The phenomena of hotel association and integration are relatively recent, arising in the United States after the Second World War. In the Spanish hotel sector, traditionally made up of small and medium sized-establishments, business concentration has appeared at a later date, commencing in foreign hotel chains in the late fifties. But the development of new destinations for tourists and the introduction of new technologies, along with the costs that they entail, forced Spanish hotels to reconsider this situation and, in the late seventies and early eighties, the first Spanish hotel chains begin to emerge dynamically (*Husa, Sol Meliá, Paradores*…).

From 1990 on, a radical change begins to take place in the Spanish hotel business, and, in only a few years, the number of hotels that have merged, as well as the volume of activity of existing hotel groups, have shown an important increase. It should also be pointed out that large Spanish hotel groups have also begun to go international[4].

The importance of hotel concentrations is based on resulting consequences, such as:

- An improvement in the position of the hotel group in negotiations with important tour operators engaged in an authentic demand oligopoly situation.
- An identification with a solid image and a stable price policy as opposed to changing offers of individual hotels.
- A strong marketing policy due to the merging of available resources of each hotel.
- The availability of more technical and computer resources in order to streamline production and management processes.
- Greater possibilities for gaining access to new tourist destinations.

Chains are a specific form of hotel concentration, involving unified management of a certain number of establishments, according to diverse models, but having in common the same management, the same productive process and identical objectives. This type of concentration is characterized as follows:

- They consist of a group of hotel establishments, unconditioned as to number, category, nationality and explicit motivations.
- All the hotels in the chain participate in the same production project, although each element of the chain may have distinguishing features.
- There will be only one management team, specialized and well-informed, that will direct, coordinate and control the productive process as a whole.
- The objectives will include the achievement of greater profitability and stability for the firm and a situation of empowerment, control and prestige in both national and international markets.

Hotel chains have been accused of a certain depersonalization and uniformity in their service and an abuse of their dominating position in the market in contrast to small and medium-sized independent hotels. However, their multiple advantages far exceed these drawbacks. The following advantages offered by business associations should be highlighted:

- They usually have their own reservation centre or easy access to global computer systems for the sale of tourism services.
- They possess only one purchasing office, allowing them to obtain more competitive prices and greater security and efficiency for supplies.
- They have technical advantages as a consequence of common production, marketing and promotion processes.
- Scale production allows them to reduce exploitation costs.
- Their personnel show more mobility, thus improving productivity and partially mitigating the seasonal nature.
- Their greater size allows for long-term planning, practically unfeasible in individual hotels due to the uncertainty with which they operate.

Proof of these advantages rests on the fact that the turnover of hotel chains is almost half that of the production of Spanish hotels (1 to 5 stars), thus far surpassing the average productivity of the room in this sector. It has not only been demonstrated that turnover increases, but also the reduction of exploitation costs is evident and, on the other hand, the features and size of hotels belonging to chains gives rise to an inferior seasonal nature than in the rest of the sector. Only a very small number of holiday hotels occasionally close during the low season.

The accommodation capacity of Spanish hotel chains represents more than a third of the total existing offer. These hotels are of a superior category and size, and, in general, they are modern establishments located in important tourist zones and in large cities. More than 70% of the hotel chains operating in Spain have established their headquarters in the Balearic Islands, Catalonia and Madrid. On the contrary, small and medium-sized hotels continue to be individual and basically family businesses.

A characteristic phenomena of hotel chains is a tendency towards the internationalization of their activities. This is occurring in Spain at every level, whether by way of the inflow of foreign capital in national hotels, the introduction in Spain of hotels belonging to international chains, or the progressive exit of important national chains abroad.

Large international hotel groups, like *ITT Sheraton, Hyatt, Forte, Accor, Ritz; Hilton, Meridien, Club Mediterraneé*, etc., are represented in the Spanish hotel sector by generally high-quality hotels, located in the main Spanish cities, but it should be pointed out that their presence is quite limited (only 37 establishments) when compared to other countries. The motives can be found, on the one hand, in the limited investment capacity of these groups, which do not aspire to hotel ownership or rental. But rather, they prefer a franchise or management regime by another party in the Spanish hotel sector, where some financial, labour and even marketing systems are in contrast with those of other countries.

As far as large national chains are concerned, parallel to their growth in Spain, they are expanding with force abroad, especially in the holiday sector. They are pursuing their introduction in Latin America where they are partially resolving one of their most important problems: the seasonal nature[5]. Management methods and the business structure of chains are diverse. Some chains are owners or participate actively in the hotels belonging to the group. Others rent or sign management or franchise contracts with establishments owned by others. In fact, the same chain might carry out different methods at the same time, but in all cases they assume, to a greater or lesser extent, risks and are responsible for the control of management.

IV. ANALYSIS OF THE STRATEGIC INFORMATION IN THE ANNUAL REPORTS OF THE SECTOR.

IV.1. Selection of the sample

The purpose of this paper is to discover the strategies that hotel chains are developing due to their importance within the tourist sector and the information they provide to shareholders or other interested agents. Thus the sample chosen for our study is composed of some of the large Spanish hotel chains.

In order to achieve the objectives set, the present study gathers data from primary as well as secondary sources. One problem we have had to face when analysing the sources of information is the non-existence of updated data in relation to Spanish hotel chains. The latest studies date from 1999[6] and 2000[7].

In principle, the number of Spanish hotel chains is over 100. The information studied has been collected from secondary sources, such as journals and web pages specialized in this sector. However, a great number of these chains are small (only two or three hotels are included) and they operate in very specific areas (in some cases in only one province). For this reason, we have concentrated on the largest chains. Even so, the hotel chain ranking depends on the criterion employed: the number of hotels belonging to a specific chain, the number of rooms, etc.

We have contacted 13 of the most important hotel chains and we have received the annual reports from 4 of them (Sol Meliá, NH Hoteles, Paradores de España and Barceló Hoteles), two of which are quoted on the Stock Exchange[8].

These reports correspond to the years 2000, 2001 and 2002. Our intention is to monitor the strategies of the different hotel chains, to prove whether they are modified by means of the definition or the elimination of strategic lines of action or, on the contrary, the latter are consistent for the period analyzed.

The following chart reveals the data related to the number of hotels and hotel rooms of the analyzed chains. The first two columns show the entire number of hotels and hotel rooms, and the next two columns, the data related to the hotels in Spain (Chart 2).

Chart 2. Number of hotels and hotel rooms in the chains analyzed

	Total number		**Spain**	
	Number of Rooms	Number of Hotels	Number of Hotel Rooms	Number of Hotels
NH 2001	34.179	237	22.340	194
NH 2002	34.876	242	23.742	204
SOL MELIA 2000	81.942	335	36.054	203
SOL MELIA 2001	86.554	352	37.218	174
SOL MELIA 2002	87.717	350	37.718	177
PARADORES 2000	4.965	86	4.965	86
PARADORES 2001	4.669	86	4.669	86
PARADORES 2002	4.600	86	4.600	86
BARCELÓ 2000	20.822	86	7.723	27
BARCELÓ 2001	23.268	103	8.335	29
BARCELÓ 2002	31.481	141	8.379	34
Total of the sample (2002)	158.674	819	74.439	501

As to the relative importance of the four hotel chains analyzed, we must bear in mind the fact that the affiliation of two-star and one-star hotels is not especially frequent, being the most common the three-star, four-star and five-star hotels. What is more, approximately half of the four-star and five-star hotels are affiliated to a hotel chain.

For this reason, upon analyzing the volume represented by hotels belonging to the chains over the whole of Spanish three-star, four-star and five-star hotels, we would obtain the following results:

Chart 3. Number of hotels and hotel rooms in hotel chains analyzed

	No. of Rooms	No. of Hotels
FIVE Stars	15.573	89
FOUR Stars	151.387	907
THREE Stars	252.777	2.207
Total of hotels (2002)	419.737	3.203
Analyzed Hotels	74.439	501
% Over the Total	17’73 %	15’60 %

IV.2. Information gathering

Once the most important hotel chains have been chosen, the process of gathering information has followed two channels in order to locate the annual reports: 1) through the Web page and 2) personal contact with the chain.

IV.3. Information Analysis

The reading and analysis of the annual reports have allowed us to extract the strategies that these businesses are developing and/or are trying to develop for the future. The first approach attempted to group the strategies following the classical model of the balanced scorecard proposed by Norton and Kaplan, since it is a widely used representative instrument. After having observed the available information, the incorporation of a fifth point of view, grouping social and environmental strategies, was considered necessary[9]. For this reason the perspectives to classify the strategies were as follows:

- Financial/shareholder perspective.
- Customer perspective.
- Internal process perspective.
- Employee perspective.
- Social and environmental perspective.

At present we are carrying out the comparison of the results presented in this study, making use of two different methods. On the one hand, we are interviewing the managers of the hotel chains, as well as other agents related with the sector. These results have not been included since the process is not yet finished. On the other hand, the lines of strategic action deduced from the annual reports of the hotel chains analyzed are contrasted with the tendencies shown in the data collected in the specialised publications of the sector [10].

V. RESULTS

Next we shall present the information related to the strategies and strategic lines of action that have been extracted from the analysis and the data analysis, which are grouped according to the above-mentioned perspectives.

V.1. Financial/shareholder perspective

One of the most outstanding characteristics and common to all the chains analyzed is the fact that in the annual reports, clearly quantified economic-financial objectives are not explicitly set, except on very rare occasions.

The most common strategies linked to this perspective are (See Chart 4):

<u>Expansion</u>: It is a strategy which not only coincides in different hotel chains, but, moreover, it is usually present in the revised fiscal year. In this way, the businesses set objectives in terms of world leadership (those with an international perspective), at a local level or in a specific context (urban, holidays…).

The most characteristic line of action linked to this strategy consists in the opening of new hotels combined with the purchase of the smallest hotel chains in order to include them in the group, whether Spanish or foreign.

This expansion often has a selective character and it is developed together with other financial strategies which will be mentioned later. Moreover, in some cases, the expansion is carried out combined with disinvestment in non-strategic assets in order to later invest where the chain has not yet been implanted or where it desires to reinforce its presence.

<u>Geographical diversification</u>: Expansion is a strategy which is combined with the search for markets which offer important possibilities, such as the East, the MERCOSUR area and Eastern Europe. But, in addition, some of the hotel chains show how these markets contribute to a reduction of the seasonal natures of income, mainly the investments in the Caribbean.

Another strategy pursued is cost reduction, obtained, basically, through the standardisation of the processes and the introduction of new technologies. In addition, the businesses have the intention of achieving objectives, such as the creation of shareholder value, the increase of asset turnover or others, such as an increase in profitability and maintaining a specific level of income.

In several cases the chains are also concerned with maintaining a solid financial structure and they choose specific lines of action in terms of diversification of financial sources, re-investment of profits and an increase in solid financial resources. It can be deduced that the businesses are concerned about making their expansion compatible with an adequate financial balance. This is demonstrated by the fact that some businesses combine their expansion strategy with the re-organisation of their hotel-portfolio. To do so, transactions are carried out, consisting in the selling of hotels owned by the chain in order to later incorporate them to that chain by means of management and rental contracts…

Chart 4. Evolution of strategies. Financial/Shareholder Perspective

	Sol Meliá			*NH*		*Paradores*			*Barceló*		
STRATEGIES	2000	2001	2002	2001	2002	2000	2001	2002	2000	2001	2002
Cost saving	X		X	X						X	
Geographical diversification	X	X								X	X
(Selective) Expansion	X	X		X	X	X	X	X	X	X	X
Diversification of sources of finance	X	X									
Creation of shareholder value			X								
Search for profitability			X						X	X	
Increase of asset turnover			X					X			
Increase of financial resources				X	X						
Maintaining the level of income								X			
Profit re-investment									X		

V.2. Customer Perspective

The objectives pursued from the customer's perspective are quite similar in the different chains analyzed. Their concern mainly focuses on the following aspects (Chart 5):

- Creation of customer loyalty: The use of programs which allow customers to accumulate points in order to later have free services in the different hotels is something common among hotel chains. In some cases the businesses develop their own loyalty programs and in others they join the programs of other businesses such as American Express, Iberia…
- What all chains pursue is quality in their services and facilities. Businesses are concerned about being up-to-date, becoming aware of and satisfying their customers' needs. In fact, one of the expressions commonly used is that the customer should make himself at home. The quality of facilities is usually linked to their renovation and the quality of the service is usually linked to personalized customer service every time the real or potential guest contacts the hotel; that is to say, to give information in real time, speed up the booking systems, satisfying the customer's needs during his stay, etc.
- Another important concern involves offering computer services that customers might demand during their stay. In this way, the chains in which the urban segment is the basis of the business pursue that the meeting rooms as well as the bedrooms have the most modern computer connections, thereby facilitating a quick access to the Internet.
- Search for an image of modernity and avant-gardism, associated to those hotels with businesspeople as their main customers.

Chart 5. Evolution of Strategies. Customer's Perspective

	Sol Meliá			NH		Paradores			Barceló		
STRATEGIES	2000	2001	2002	2001	2002	2000	2001	2002	2000	2001	2002
Customer royalty	X	X	X	X	X	X	X	X			
Quality	X	X	X	X		X	X	X	X	X	X

Access to new technologies	X	X	
Modernity		X	X

V.3. Internal Process Perspective

The most common lines of action pursued in relation to internal processes are the following (Chart 6):

- Reinforcement of the brand name image: Most hotel chains make an effort in this sense, carrying out market research, leading to advertising campaigns, renewal of the graphic image, etc.
- Adequate offer segmentation is another objective pursued by those businesses that have or desire to have different sectors of activity (urban, holidays) or distinct specialized segments, such as sports, health or eco-tourism… In some cases the search for offer segmentation is developed together with the efforts to reinforce the brand name image, mainly in those large chains that have a different brand name for every niche in the market.
- Internal technological transformation is something common to all the hotel chains analyzed. This technological innovation is carried out in several actions that are more or less ambitious depending on the chain, but they can be grouped in three different areas: customer attraction, the improvement of internal information systems and the improvement or centralization of purchase processes. More specifically, what they pursue is the creation or modernization of the firm Web page; launching of portals that facilitate on-line bookings and that allow customers to be informed as to hotel-occupancy level in real time; improvement of the Intranet, information gathering concerning customers and their preferences; improving the relations with their suppliers, etc.
- Renowned gastronomy as a distinguishing element of the service offered by the chain.

Chart 6. Evolution of strategies. Internal Process Perspective

	Sol Meliá			NH		Paradores			Barceló		
STRATEGIES	2000	2001	2002	2001	2002	2000	2001	2002	2000	2001	2002
Reinforce brand name image	X	X	X	X	X	X	X	X			X
Offer segmentation	X	X				X	X	X	X		X
E-transformation	X	X		X	X	X	X	X			X
Standardization of processes			X								
Restructure purchasing network			X								
Renowned gastronomy				X	X	X	X	X			

V.4. Employee Perspective

Regarding this perspective there is little, or practically inexistent information offered by some hotel chains concerning their lines of action. Some hotel chains only mention in their reports the fact that they pursue the motivation of their staff without mentioning any types of details. This fact reveals the importance given to this kind of information, since through other contacts within the sector (different from the annual reports) we have become aware of the existence of important training policies, for example. Nevertheless, on other occasions we can find detailed information with objectives set in terms of resources for training and different levels of internal promotion. In the following chart we can observe the strategies defined by the hotel chains analyzed (chart 7).

Chart 7. Evolution of strategies. Employees' Perspective

	Sol Meliá			NH		Paradores			Barceló		
STRATEGIES	2000	2001	2002	2001	2002	2000	2001	2002	2000	2001	2002
Employee training	X	X	X		X	X	X	X	X	X	X
Internal promotion	X	X	X			X	X	X	X	X	X
Descentralization		X									

(new organization chart)					
Selection and training of top restaurateurs	X	X			
Reduction of labor accidents			X	X	X

Summing up, the interests on the part of the hotel chains focus on:

- Development of training programs for their employees and internal promotion. In some cases there are training models which cover all the cycles and which are linked to internal promotion mechanisms, agreements with universities, etc.
- Adaptation of the organization chart to the rest of strategies developed by the firm, mainly to the strategy of expansion, through decentralization.
- Selection of prestigious professionals for gastronomy.

V.5. Social and Environmental Perspective

In the hotel chains whose reports have been analyzed, two broad lines of action within this perspective[11] (see chart 8) may be observed:

- More or less ambitious initiatives, depending on the chain, for the protection of the environment and the development of sustainable tourism, such as the implementation of different measures in order to avoid and/or correct impacts, the implementation of environmental management systems in their hotels, etc.
- Initiatives within the framework of social lines of action, such as measures that favour the integration of handicapped people or other underprivileged social groups, lines of action that tend to disseminate education, culture and sports, programs devoted to helping the Third World, preservation and maintaining the historic patrimony, etc.

Chart 8. Evolution of strategies. Social and Environmental Perspective

	Sol Meliá			NH			Paradores			Barceló	
STRATEGIES	2000	2001	2002	2001	2002	2000	2001	2002	2000	2001	2002
Integration of handicapped and other under-privileged social groups	X	X			X						
Dissemination of education and culture	X	X		X	X			X		X	X
Sports promotion	X	X						X			
Sustainable Tourism	X	X		X	X	X	X	X	X	X	X
Preservation and maintaining the historic patrimony						X	X	X			
Programs to help the Third World										X	X

VI. CONCLUSIONS

After having analyzed the strategic information included in the annual reports of four major Spanish hotel chains, we may conclude that:

- The reports of the businesses studied publish information concerning the lines of action that they intend to develop in the future. However, quite often this is information related to the plan of action with which the hotel chains have already operated during the period that the annual report refers to and which they intend to expand in the future.
- Through the comparison process of the results being carried out, and in spite of the fact that it is not concluded, we have become aware of lines of action which are not included in their reports. Therefore, we can maintain that there is no strong culture of dissemination of strategies and lines of action, since, according to the available information, we are not dealing with strategies or lines of action whose disclosure could be risky for the firm.

- Although there are specific questions mentioned by most of the reports analyzed, it is important to highlight the fact that two different tendencies in their presentation of information and details offered may be observed:

a. Businesses which offer clear and precise information and which can be compared in time by means of consecutive annual reports, although, as we have pointed out, this is not very common; in some cases the lines of action include a schedule in which specific objectives are set for different periods of time.

b. Businesses whose information seems to be well-intentioned but cannot be put into practice.

- If we only take into account the information published, the grouping of strategies is not an easy matter according to the balanced scorecard put forward by Kaplan and Norton.
- In this sector, we have considered relevant the introduction of a fifth perspective where we have grouped those strategies or lines of action that we have labelled as of a social-environmental character.

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[1] At this time Sol Meliá became the first hotel management company to be quoted on the Stock Market and, a few months later, the NH Group followed suit.

[2] This situation is now more or less stable since the increase in VAT in 1993 and consequently, some five-star hotels fell to four-stars. Although in 1995 the VAT rate was reduced, the opposite situation did not take place.

[3] Traveller: Any person who carries out one or more consecutive overnight stays in collective or private lodgings.

[4] In August, 2000, Sol Meliá incorporated its hotel chain in the Tryp group, becoming the number one Spanish chain and the tenth in the world,with 410 hotels with 100,000 rooms in 32 countries. NH Hotels acquired the Dutch hotel group Kranapolski, becoming the number one Spanish chain of urban hotels, with 154 establishments, more than 20,000 rooms and and a stock market value of 1.502.530.261€. Occidental Hoteles that had previosly signed a contract with La Caixa to invest 288.485.810€ in the Flamenco Project in the Canary Islands, Mexico and the Dominican Republic formalizad in September 2000 the purchase of the North American chain Allegro, becoming a group with 85 hotels and more than 20,000 rooms in 54 countries.

[5] The most outstanding Spanish hotel groups with foreign investments include Sol Meliá, Occidental Hoteles, Barceló Hoteles, Husa, Riu, Confortel, etc.

[6] BUJ & GUERRERO. Hotel Chains in Spain.

[7] The last report by the Association of Hotel Chains in Spain is from 2000.

[8] In spite of this, the strategy of sample taking is clearly probabilistic; that is to say, it is a selective sample or a directed sample, which is characterized because this choice has been made based on accessibility, opportunity, cost, efficiency or other reasons. This choice has been made not only due to the

problems described in the data search, but also due to the fact that the most important hotel chains are those which elaborate annual reports.

[9] The purpose of this study is not to analyze the structure that a balanced scorecard should adopt in order to adequately deal with social and/or environmental issues; that is, whether to include them in a new perspective, whether to integrate them in the existing ones or whether to adopt any other option put forward by some authors.

[10] Among the different publications, we can find those prepared by Exceltur, Frontur, and INE or, at an international level, consulting businesses such as Panell Kerr Foster and Delloitte & Touche.

[11] It is also interesting to highlight the fact that one of the hotel chains which offer more information in relation to this perspective in their annual reports corresponding to 2000 and 2001 completely eliminates the information corresponding to 2002. Through the comparison process we have been carrying out and also by contacting the firm in question we have been able to confirm the reason justifying this line of action, which also coincides with our hypothesis. This chain informed us that the elimination of this type of information was due to the fact that there was a document which was devoted specifically to social and environmental information.