Journal of Innovation and Development
ISSN: 2958-4752 | Vol. 15, No. 1, 2026

Localization Strategies in Post-Acquisition Brand Integration: Evidence from Chinese Hotel Companies

Fan Zhang [1, 2, *]

[1] School of Management, Shenzhen Polytechnic University, Shenzhen, Guangdong, China
[2] Guangdong-Hong Kong-Macao Greater Bay Area Cultural and Tourism Integration Innovation Development Research Center, Shenzhen, Guangdong, China

[*] **Corresponding author Email**: lorrainezhang@szpu.edu.cn

Abstract: This paper examines how Chinese hotel companies integrated foreign brands following a wave of cross-border acquisitions over the past decade. Drawing on detailed case analysis of Jin Jiang International, China Lodging Group, and several other major players, we trace the evolution of their integration approaches and assess the extent of localization across strategic, operational, and cultural dimensions. The results point to a clear developmental trajectory: "Light Asset Operation-Strategic Synergy-Cultural Adaptation" and a clear differentiation at the brand level: luxury brands focus on "isolation and protection", while mid-to-high-end brands actively explore "integration of Chinese and Western" innovations. This research offers theoretical implications and practical insights for the globalization strategy of China's hotel industry.

Keywords: Hotel Mergers and Acquisitions; Brand Integration; Localization; Emerging-market Multinationals.

1. Introduction

1.1. Background

China's hotel sector has undergone a remarkable shift since the mid-2010s. It underwent a strategic transformation from "bring back" to "going out". With the explosive growth of outbound tourists from China (the number of outbound tourists reached 155 million in 2019) [1] and the continuous advancement of domestic consumption upgrading, Chinese hotel companies began to acquire international brand resources, management technologies and global networks through cross-border mergers and acquisitions (hereafter CMAs). This trend began around 2014 and reached its peak between 2015 and 2018, forming an important characteristic of the globalization development of the Chinese hotel industry [2].

According to the research data from STR Global and Deloitte, during the period from 2014 to 2024, there were over 30 CMA transactions in the hotel industry involving Chinese capital, with the total amount exceeding 30 billion US dollars. Among these, cases such as Jinjiang International's acquisition of Louvre Hotel Group (in 2015, approximately 1.3 billion euros), China Lodging Group's acquisition of Deutsche Hotel Group (in 2019, approximately 700 million euros) and Fosun International's acquisition of Club Med (in 2015) were significant [3]. These CMAs not only changed the competitive landscape of the Chinese hotel industry but also had a profound impact on the power structure of the global hotel industry.

The success of a CMA transaction ultimately depends on the integration effect. A study by McKinsey shows that approximately 70% of CMA transactions worldwide fail to achieve the expected value, with integration failure being the main reason [4]. Brand integration, as the core aspect of post-merger management, directly relates to the realization of synergy effects and the creation of shareholder value. Especially in the service industry such as hotels, which highly rely on brand assets, how to achieve effective local operation while maintaining the core value of the international brand has become a focus of both theory and practice.

1.2. Research Questions

This study aims to address the following key questions:

First, what integration strategies have Chinese hotel groups employed after acquiring foreign brands, and how have these approaches evolved over time?

Second, what specific measures do the acquired overseas hotel brands take in terms of local integration? How deep and extensive is the process of local integration?

1.3. Research Significance

This study enriches the theory of brand integration after CMAs of companies in emerging markets. Traditional literature mostly focuses on the overseas expansion of companies from developed countries, and there is relatively insufficient research on the integration mechanism of Chinese companies' "reverse mergers" of mature market brands. Based on the contextual characteristics of the hotel industry, this study constructs a three-dimensional integration analysis framework of "strategy - operation – culture", identifies the new model of "stratified integration", and provides a theoretical basis for subsequent research.

Practically, this study systematically summarizes the integration experiences and lessons from CMAs in the Chinese hotel industry, providing decision-making references for companies to formulate global strategies, optimize brand portfolio management, and enhance cross-cultural integration capabilities.

2. Literature and Framework

2.1. Brand Integration After CMAs

Four models for brand integration have been proposed: brand retention, brand combination, brand substitution, and brand elimination [5]. This framework provides a basic classification, but its assumptions are based on high market overlap between the two merging parties and strong

substitutability of brand assets. Its explanatory power is limited for cross-border scenarios in the service industry.

Regarding the CMAs in the service industry, it has been pointed out that the intangibility, heterogeneity, and synchronous production-consumption characteristics of service brands make brand integration more dependent on the synergy of personnel, processes, and systems [6]. It has been emphasized that the integration of service brands requires special attention to the continuity of service quality and the maintenance of customer relationships [7]. However, existing studies mostly focus on mergers between companies in developed countries and pay insufficient attention to the integration mechanism of reverse acquisition of mature market brands by emerging market companies.

The cross-border brand integration of companies in emerging markets is unique. The springboard perspective suggests that emerging market companies acquire strategic assets through mergers and acquisitions to compensate for their own weaknesses, but they face the challenges of legitimacy deficit and insufficient integration capabilities [8]. The "Linkage-Leverage-Learning" framework emphasizes that latecomer companies need to achieve the digestion and absorption of strategic assets through organizational learning [9]. These theories provide a macro perspective for understanding the overseas mergers and acquisitions of Chinese hotel companies, but they lack a micro mechanism analysis of the integration strategies at the brand level.

2.2. Hotel Brand Management and Localization

The research on brand management in the hotel industry mainly focuses on issues such as brand extension, multi-brand combination, and franchising. The international expansion of hotel brands requires a balance between standardization and adaptability [10]. Excessive standardization may lead to disconnection from the local market, while excessive adaptation may dilute the core value of the brand.

In the high-end hotel industry, the "Country of Origin Effect" is particularly prominent. Consumers tend to associate brands with specific cultural symbols of a particular country [11]. This effect poses greater risks for the localization integration of luxury brands, as any adjustments that might undermine the "authenticity" could damage the brand's assets. However, existing studies lack systematic guidance on how to achieve effective localization while maintaining the country of origin effect.

The brand research in the Chinese hotel industry started relatively late. The internationalization paths of Chinese hotel groups have been analyzed, with the mismatch between capital operation and operational capabilities identified as the main bottleneck [12]. The overseas expansion of the Chinese hotel industry has been examined from the perspective of industrial economy, with the importance of brand management capacity building emphasized [13]. Integration challenges following Jinjiang International's acquisition of Louvre have been examined through case studies, and the applicability of a light integration strategy has been proposed [14]. However, most of these studies were single-case analyses, lacking cross-case comparisons and theoretical refinement.

2.3. Research Gaps

This study identified three theoretical gaps. Firstly, the contextual gap, the existing theories are based on the mergers and acquisitions of companies in developed countries, and pay insufficient attention to the unique context of "reverse mergers" of mature brands by companies in emerging markets; Secondly, the model gap, the traditional integration model assumes a unified global decision-making process, lacking an explanation for "stratified integration" (differentiation of the same brand in different markets); Thirdly, the industry gap, the existing theories ignore the particularity of the hotel industry as a high-contact service industry, and there are essential differences in elements such as service processes and employee behaviors compared to the integration of manufacturing products.

2.4. Research Framework

We propose a three-dimensional analytical structure (Figure 1) capturing strategy, operations, and culture, supplemented by one original concept: stratified integration. The strategy dimension focuses on brand positioning, portfolio structure and governance model, addressing the question of "the goals and boundaries of integration". The operation dimension covers human resources, supply chain, IT systems and quality standards, addressing the "integrated content and means" question. The culture dimension involves the integration of corporate values, the adaptation of service culture, and the communication strategies for customers, addressing the "deep mechanism of integration" issue.

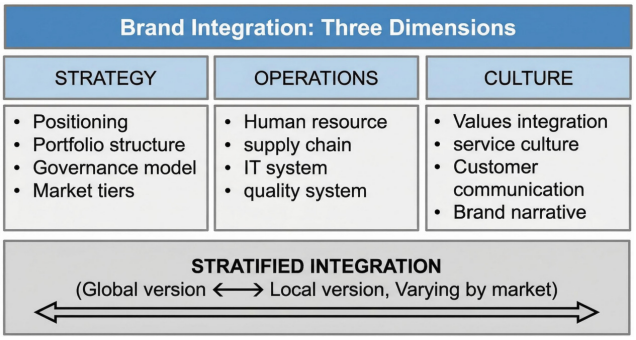


Figure 1. Research Framework

3. Research Method

3.1. Research Design

This study adopts a qualitative case study approach, combining secondary data analysis with semi-structured expert interviews, to comprehensively grasp the practical logic of brand integration. The choice of the case study method is based on the following considerations: First, this study focuses on the "how" and "why" questions, aiming to reveal the dynamic mechanisms of the brand integration process rather than testing preconceived hypotheses, which is in line with the applicable context of exploratory case studies; Second, brand integration is a highly contextualized management practice involving multiple factors such as strategic decisions, organizational behavior, and cultural interaction. Case studies can capture the complexity and dynamics of the process; Third, compared to large-sample quantitative research, in-depth case analysis is more suitable for extracting theoretical insights, especially in emerging phenomena fields where existing theoretical explanations are insufficient.

3.2. Case Selection

To ensure the representativeness and comparability of the

cases, we have set five screening criteria: (1) Time frame. Mergers and acquisitions completed between January 2014 and June 2024, covering the main waves of overseas mergers and acquisitions in the Chinese hotel industry; (2) Industry attributes: The acquired party is a company or brand mainly engaged in hotel business, excluding non-core hotel assets such as real estate with hotels; (3) Transaction size: The acquisition amount exceeds 100 million US dollars or involves more than 3 brands, ensuring that the transactions have strategic significance rather than being mere purchases of individual assets; (4) Availability of information: The disclosed information is fully public, and details of the integration can be obtained through multiple channels such as annual reports, press releases, and industry reports; (5) Integration period: The acquisition has been completed for at least 2 years, ensuring that the integration effect has initially manifested rather than remaining only at the stage of the transaction announcement.

This study first screened out 45 potential CMA transactions in the hotel industry involving Chinese capital from databases such as Wind and Dealogic, as well as authoritative reports from industry giants like STR Global and Deloitte. Then, based on five criteria including transaction completion time, target attributes, and transaction scale, through two rounds of data verification (to ensure the completeness of public information and the time span of post-merger integration) and one round of expert review (inviting senior consultants in the hotel industry to evaluate the representativeness of the cases), 10 typical CMA cases in the industry were finally determined (Table 1). Cases cover major acquirers such as Jinjiang International, China Lodging Group, Fosun International, Anbang Insurance, and HNA Group.

Table 1. Typical CMA Cases of Chinese Hotel Companies

No.	Acquirer	Acquired Party/Brand	Transaction Time	Transaction Value	Number of Involved Brands	Core Brands
1	Anbang Insurance	Waldorf Astoria New York	Oct 2014	1.95 billion USD	1	Waldorf Astoria
2	Jin Jiang International	Louvre Hotel Group	Mar 2015	1.3 billion EUR	4	Campanile, Kyriad, Golden Tulip, Première Classe
3	Fosun International	Club Med	Feb 2015	940 million EUR	1	Club Med
4	HNA Group	Hilton Worldwide (25% equity)	Oct 2016	6.5 billion USD	12	Hilton, Conrad, Waldorf Astoria, etc.
5	Jin Jiang International	Radisson Hotel Group	Nov 2018	3.5 billion USD	8	Radisson, Radisson Blu, Park Inn, etc.
6	China Lodging Group	Deutsche Hospitality	Nov 2019	720 million EUR	5	Steigenberger, IntercityHotel, Zleep, etc.
7	BTG Homeinns Hotel Group	Nanyuan Universal Hotel (European Assets)	Jun 2016	210 million USD	2	Nanyuan, Others
8	GreenTree Inn	Argyle Hotel Group (Partial Equity)	Sep 2016	150 million USD	3	Argyle, Related Brands
9	Wanda Group	Sunseeker International (Including Hotel Assets)	Jun 2013	520 million USD	1	Sunseeker
10	China Investment Corporation (CIC)	Blackstone Group's Hotel Asset Portfolio	Apr 2016	5.5 billion USD	10	Diversified Brand Portfolio

Source: organized by author based on public news.

3.3. Interviews

We followed three selection criteria for interviewees. First, senior managers who have directly participated in the decision-making or execution of overseas mergers and acquisitions. Second, senior scholars who have continuously conducted research on the internationalization of the Chinese hotel industry. Third, professional advisors who provide merger consulting services to multiple hotel groups. Finally, eight executives and scholars participated (Table 2), interviewed between August 2023 and March 2024 via face-to-face, video, or telephone, with durations from 60 to 90 minutes.

Table 2. Interview Informants

No.	Position	Interview length	Method
I1	Director of Strategic Development Department of Jinjiang International	90	Face-to-face
I2	Head of the International Business Department of China Lodging Group	75	Face-to-face
I3	Director International Business Department of China Lodging Group	60	Video
I4	A professor of hotel management in university	80	Face-to-face
I5	Operation President of Radisson	85	Telephone
I6	Operation Director of Campanile Hotels	70	Face-to-face
I7	Director of investment of hotel consulting	65	Video
I8	A professor of tourism management in university	90	Face-to-face

All interviews were recorded and transcribed. We coded using NVivo, generating 156 primary codes, 32 secondary categories, and 8 core themes. The key data were cross-verified with public information to ensure reliability.

3.4. Analysis

We followed a progressive logic of "within-case - across-case – theorization" to analyze the data. Within-case Analysis, we conduct a three-dimensional coding of each case in terms of strategy, operation and culture, write detailed case descriptions. From this, unique patterns can be identified. During this stage, cross-case comparisons are suspended to avoid bias caused by premature theorization. In cross-case comparison, we arranged 10 cases in chronological order and identify common patterns and differentiated paths through pattern matching. Special attention is paid to different outcomes in similar situations (such as Jinjiang and China Lodging both acquiring European hotel groups, but with different integration strategies), as well as similar outcomes in different situations (such as the localization boundaries of different brand levels). Finally, in an iterative and inductive manner, the empirical findings are dialogued with existing theories, gradually condensing core concepts such as "stratified integration".

We adopted three measures to control the research quality. First, data source triangulation was adopted, with the same facts confirmed by at least two sources; second, researcher triangulation was implemented, where differences were discussed after independent coding by two researchers; third, informant validation was conducted, with key findings summarized and fed back to some informants for confirmation

4. Findings

4.1. Three Phases of Integration Evolution

Based on case analysis, the overseas brand integration in China's hotel industry has shown a three-phases evolution process (Table 3). The first phase was from 2014 to 2016, with representative cases being Anbang's acquisition of Waldorf and Jinjiang's acquisition of Louvre. The second phase was from 2017 to 2019, with representative cases being Jinjiang's acquisition of Radisson and China Lodging's acquisition of Deutsche. The third phase was from 2020 to 2024; the representative case is Radisson Europe takeover accelerated China Lodging localization.

Table 3. Evolution of Integration Approaches

Dimension	Phase 1 (2014-2016)	Phase 2 (2017-2019)	Phase 3 (2020-2024)
Examples	Anbang/Waldorf Jin Jiang/Louvre	Jin Jiang/Radisson China Lodging/Deutsche	Radisson Europe takeover accelerated China Lodging localization
Primary goal	Financial returns	Operational synergy	Value preservation & resilience
Integration depth	Light (portfolio investment)	Moderate (strategic coordination)	Deep (cultural adaptation)
Governance	Complete separation: legacy teams retained	Dual headquarters gradual involvement	Full operational control; localized leadership
Localization	Minimal	Moderate (product level)	Extensive (strategy/ operations/ culture)
Key capability	Capital deployment	Technology export	Cross-cultural management

Combined with the evolutionary characteristics of integration approaches shown in Table 3, from the acquisition and integration practices of Jinjiang, China Lodging, Fosun and other leading companies in the industry, it can be seen that the integration and evolution in these three phases were not pre-designed strategic paths by the companies. Instead, they were exploratory outcomes gradually formed through the accumulation of capabilities, changes in the market environment, and trial-and-error in the integration practices. The companies in the first phase generally held the mindset of "buy it first and then deal with it later", underestimating the complexity of integration. After Anbang acquired Waldorf, apart from converting some floors into apartments for sale to recover funds, it hardly touched on the hotel operation management. HNA's holding of Hilton was purely a financial investment, and it did not actively seek board seats. This "light integration" was regarded as a safe strategy at that time because it avoided management conflicts and retained future options. However, the problem lies in the fact that the lack of operational involvement means that no real internationalization capabilities can be accumulated, and the asset value is entirely dependent on market fluctuations.

In 2015, when Jinjiang acquired Louvre, there was a fierce debate within the company about whether to appoint a management team. An executive who participated in the decision-making at that time later reflected:

> *"We were too convinced that 'internationalization means having international people do it', without realizing that we ourselves had to go through the learning curve firsthand. When we acquired Louvre in 2015, our primary goal was to enter the European market and learn from the management experience of international brands. At that time, Jiangjiang's own international operation capabilities were still under development, so we adopted the strategy of letting professionals handle professional matters. However, looking back, this 'light integration' also led to a slow manifestation of synergy, especially in the brand implementation in the Chinese market. The Louvre team's understanding of the Chinese market was limited, and the decision-making process was overly lengthy."*
>
> ---informant1

After 2017, the situation began to change. When Jinjiang acquired Radisson and China Lodging acquired Deutsche Hotels, both companies had already undergone multiple rounds of integration in the domestic market - Jinjiang successively merged Platinum Touch and Vienna, while China Lodging completed the absorption of brands such as Huajiangtang. These domestic integrations accumulated valuable experience but also exposed problems. For instance, Jinjiang discovered that simply retaining the original teams often led to integration without consolidation, with the membership system, procurement platform, and IT system operating independently, and the synergy effect remaining on paper. China Lodging realized that the output of digital capabilities requires corresponding organizational changes; otherwise, it is difficult to implement the technology. Cultural conflict is becoming one big problem. One participant pointed out that:

> *"After the acquisition, the biggest challenge was cultural differences. The German team was not receptive to the concept of 'prioritizing efficiency'. In our pilot project in Berlin, we spent six months conducting two-way training, German managers came to China to learn about China Lodging operation system, while our technical team went to Germany to understand their service standards. The final consensus reached was that the check-in process at the front desk could adopt China Lodging's '30-second check-in' technology, but the cleaning standards for the rooms must retain the 'white-gloved inspection' system of Germany."*

---Informant 2

4.2. Differentiation in Localization Practice

Through a cross-dimensional comparison of 10 typical merger and acquisition cases, this study has discovered significant brand-level differences in the practice of localized integration - different positioned hotel brands exhibit highly related characteristics in terms of their localized boundaries, paths and flexibility, which are closely related to the brand asset structure: The localized space of high-end luxury brands is limited by the brand origin effect and relatively narrow, while mid-to-high-end brands can achieve greater localized innovation by relying on functional brand assets (Table 4).

As shown in the comparative analysis of localization strategies in Table 4, the underlying cause of this hierarchical differentiation lies in the different brand asset structures. The value of luxury hotels is highly dependent on the origin effect. The New York landmark status of Waldorf Astoria, and the Scandinavian heritage of Radisson. These symbolic elements constitute the core barriers of the brand. After Anbang acquired Waldorf Astoria, although it was still managed by Hilton, there were still numerous questions on social media such as "Is it still the same Waldorf Astoria?"

How to achieve the goal of respecting the brand's history while also adapting to the local market demands is a challenge for hotel groups. For example, the Radisson Blu Edwardian is positioned as "British Classic" in Europe. Its historical foundation, customer base, and pricing logic are all based on the British local context. If forcibly transplanted to China, it would not only be difficult to find a corresponding customer group but also may damage the global image. Like informant 5 mentioned:

> *"The luxurious brand Radisson Blu Edwardian has a rich historical background in the UK. If we were to blindly replicate this brand in the Chinese market, it would not only be difficult to gain acceptance but also could damage its global image. Therefore, we chose the 'brand stratification' strategy, keeping the original Edwardian style in Europe and launching 'Radisson Collection' in China, which is designed by local designers and incorporates Chinese aesthetic elements while maintaining the core 'Scandinavian design genes' of Radisson."*

--- Informant 5

F&B localization is another key factor. The Campanile operates under the "hotel plus restaurant" model in Europe, offering standard breakfast items such as French croissants and cheeses. After entering the Chinese market, the team strongly advocated for the localization of breakfast, but encountered fierce opposition from the French headquarters, who believed it would undermine the authenticity of French cuisine. The two-week test conducted in the pilot stores in Shanghai showed that after offering Chinese breakfast options, the overall satisfaction of customers increased from 4.1 to 4.6, and the breakfast revenue rose by 35%. This case demonstrates that localization decisions require evidence-based support rather than mere subjective assumptions. Like informant 6 mentioned:

> *"Initially, the French headquarters strongly opposed adding Chinese food to the breakfast menu, arguing that it would undermine the brand's "French purity". It took us a long time to convince them. Eventually, we demonstrated through data - we piloted a Chinese breakfast option at a store in Shanghai for two weeks, and the overall satisfaction rating of guests increased from 4.1 to 4.6, with breakfast revenue rising by 35%. Now, the breakfast standard of Campanile in China has become part of the brand's global standard, and it has even been exported to the Southeast Asian market in reverse."*

--- Informant 6

4.3. Key Success Factors and Major Challenges

From the 10 typical cases and in-depth interview content, this study summarizes five core enabling factors and four key barriers that affect the success of localized integration in Chinese hotel companies' CMA. The enabling factors include strategic clarity and capability matching, two-way cultural learning and phased integration, evidence-based localization decision-making, the balance of authorization and centralized control, and differentiated technical capability output. The barriers consist of cross-cultural conflicts and trust-building, the tension between global standardization and localization, coordination of the local and global career paths for talent localization, and consumer cognitive biases and brand identity maintenance. These specific factors have ample interview transcripts for references (Table 5).

Table 4. Comparison of Localization Integration Strategies by Hotel Scales

Integration dimensions	Luxury brand (Waldorf, Radisson Edwardian)	Upper-Mid/Mid (Golden Tulip, InterCity Hotel)
Positioning	Protect "country of origin" global consistency	"East-West fusion" local innovation
Visual identity	Preserve entirely	Redesign locally (e.g., tulip-peony hybrid for Golden Tulip
Service procedure	Western standards plus Chinese language	Deep adaptation (e.g., 24-hour front desk at InterCity Hotel)
F&B	Continental breakfast; limited Chinese options	Full localization
Design	Strict global standards	15% larger room size; smart devices added
Digital	Moderate (member linkage)	Comprehensive (full APP functionality)
Management team	Expatriate-led, Chinese support	Local-led, direct group reporting
Key logic	Isolation protects brand equity	Active innovation builds relevance

Table 5. Integration Enablers and Barriers

Category	Specific factors	References
Enablers	Strategic clarity capability matching	"Don't acquire for acquisition's sake" (I1)
	Bidirectional cultural learning and progressive integration	Six-month mutual training (I2)
	Evidence-based localization	Satisfaction data persuading headquarters (I6)
	The balance between authorization and control	Establish a "China Region Authorization List" and delegate 90% of the decision-making authority (I5)
	Differentiated output of technical capabilities	The gradual digitalization strategy avoids union conflicts (I3)
Barriers	Cross-cultural conflicts and the establishment of trust	German managers have a very low acceptance of the '996' working schedule (I4)
	The tension between global standardization and local adaptation	The headquarters of Radisson Europe was once concerned that the "China-exclusive version" would harm the brand (I5)
	Coordination of the local and global career paths for talent localization	Foreign employees are concerned about the ceiling of career advancement (I8)
	Consumer cognitive biases and brand identity maintenance	The initial negative reaction of the market to "Chinese acquisitions" (I3)

The primary condition for successful integration is the alignment of strategic intentions with one's own capabilities. The informant 1 repeatedly emphasized "Don't buy just for the sake of buying." Before acquiring, we must ask: besides the money, what else can the acquisition bring to the target? If the answers are vague, financial investment is preferable to operational involvement. This principle was disproved in the cases of Anbang and HNA: Pure capital allocation lacks operational leverage, and ultimately, they were forced to withdraw due to market fluctuations.

Two-way cultural learning is another key factor. The 6-month two-way training mechanism of China Lodging is quite representative. German managers come to China to learn the operation system, and the Chinese technical team goes to Germany to understand the service standards.

5. Discussion

5.1. Theoretical Contributions

Based on the three-dimensional analysis framework of strategy - operation - culture, combined with the practical exploration of Chinese hotel companies' cross-border mergers and acquisitions over the past ten years, this study has refined a stratified integration model that is different from the traditional brand integration model. The core feature of this model lies in breaking the unified integration logic worldwide, allowing the same brand to adjust its localization degree according to the characteristics of the target market and its own brand assets, ultimately achieving the coexistence of the global version and the local version.

The research partially validates the evolutionary path of the "springboard theory" but also reveals a more complex "reverse knowledge transfer" mechanism - Chinese companies not only learn the brand management capabilities of the acquired companies, but also export their local advantages (such as digitalization and efficiency) to the global network, forming a two-way capability construction. This research conclusion has expanded Mathews' "linkage-leverage-learning" framework. From the practices of China Lodging' acquisition of Deutsche Hotels and Jinjiang's acquisition of Radisson, it can be seen that Chinese hotel companies are not merely "learners", they will also export their domestic mature digital capabilities (such as China Lodging's 30-second check-in system) and local operation capabilities (such as the Chinese breakfast system of Campanile Hotels) to the global network, ultimately forming a "learn from overseas brand management - output local advantages - learn and optimize in the two-way integration" spiral ascending path.

The research also identified the "brand hierarchy effect", enriching the theory of brand asset structure. The value of luxury brands is highly dependent on the "origin myth" and "global consistency", and the core of their brand assets is symbolic value. Excessive localization can damage scarcity; the value of mid-to-high-end brands is more based on functional benefits, and the core of their brand assets is experiential value. Localized innovation can create differentiated competitive advantages. This effect provides a theoretical basis for understanding the localization boundaries of different positioning brands.

5.2. The Evolutionary Logic of the Integration Strategy

The ten-year evolution of overseas brand integration in China's hotel industry reflects the dynamic process of companies' capability building and interaction with the external environment. The early "light integration" strategy stemmed from the lack of operational capabilities. When Jinjiang acquired Louvre in 2015, its international operation team consisted of only 20 people, lacking experience in managing a global brand network, and financial investment was a rational choice. As companies such as China Lodging and Jinjiang have matured in their digitalization, supply chain, and membership operation capabilities in the domestic market, the conditions for deep integration have become more mature.

This evolution is also closely related to changes in the external environment. After 2018, the Sino-US trade friction prompted Chinese companies to re-evaluate the strategic value of their overseas assets; in 2020, the global hotel industry was severely hit by the pandemic, and the Chinese market was the first to recover. The Chinese localization of acquired brands, which was previously an "optional" choice, became a "must" choice. After 2022, geopolitical tensions further strengthened the strategic orientation of prioritizing "regional collaboration" over "global allocation". As industry consultant (I4) pointed out: "the pandemic was a watershed. Those companies that could quickly combine overseas brands with the recovery benefits of the Chinese market not only preserved the value of their assets but also achieved expansion against the trend.

5.3. The Challenges of Cross-Cultural Integration

The interview transcripts reveal the "hidden costs" that are often overlooked in cross-cultural integration. The first is the cost of building trust. German managers have a stereotypical view of the "efficiency-first" culture of Chinese companies and are worried about layoffs resulting from technological substitution. This distrust needs to be resolved through long-term "shadow plans" and other two-way experience mechanisms. The second is decision-making friction cost. There is a contradiction between the multi-level approval process of global company headquarters and the need for rapid response in local markets. One informant spent a year establishing an authorization mechanism where "90% of decisions are made locally". Finally, there is the cost of talent loss. Foreign employees' concerns about the "glass ceiling" may lead to the loss of key talents, and it is necessary to achieve the integration of global and local career paths.

These hidden costs indicate that cross-cultural integration is not merely a matter of strategic and procedural adjustments, but also a transformation of the organizational mindset. As the university scholar (I8) pointed out: "Chinese companies, when conducting overseas mergers and acquisitions, often underestimate the importance of 'soft power'. Being able to output technical standards is one thing, but being accepted and trusted by the local team is another. The latter requires a longer time investment and more delicate cultural communication."

5.4. Implications

This study provides three implications to companies' decision makers. First, adopt the "gradual integration" approach. Based on the companies' capability maturity level, determine the depth of integration, progressing from financial investment to strategic synergy and then to cultural adaptation, and advancing in stages. Avoid "great leaps" that exceed one's own capabilities and avoid remaining in a "light integration" state for a long time, which leads to the loss of synergy effects. Second, implement the "two-way learning mechanism". Not only should the brand management capabilities of the acquired company be learned, but also the local advantages (such as digitalization) should be exported in an "auxiliary rather than substitutive" manner. Cross-cultural understanding can be promoted through mechanisms such as "shadow programs".

Thirdly, actively manage the "cohesive narrative". Clearly communicate the logic and value of brand integration to the outside world, reducing market perception biases; internally, establish a shared vision and redefine local innovation as "brand evolution" rather than "brand betrayal".

5.5. Limitations and Future Research Directions

This study has the following limitations. Firstly, it mainly relies on public data and expert interviews and thus cannot obtain complete information on the internal decision-making of companies. Secondly, the integration cycles of some CMA cases are relatively short, and the long-term effects need to be observed. The cases are mainly concentrated on leading companies such as Jinjiang and China Lodging group, and there is a lack of samples from small and medium-sized companies. In the future, the following can be carried out: Firstly, quantitative research on consumer perception to verify the market response of the brand hierarchy effect; Secondly, long-term performance tracking to evaluate the sustainability of the hierarchical integration model; Thirdly, cross-national comparative research to analyze the differences in integration models among companies in countries such as China, India, and the Middle East.

Acknowledgments

This research was funded by Shenzhen Polytechnic University Research Initiation Program, grant number is "6023312003S".

References

[1] China Tourism Academy. (2020). *2019 China outbound tourism development report*. China Tourism Press.

[2] Zhang, F., Xiao, Q., Law, R., & Lee, S. (2020). Mergers and acquisitions in the hotel industry: A comprehensive review. I*nternational Journal of Hospitality Management, 91*, 102418.

[3] Zhang, F., Xiao, Q., & Lee, S. (2021). What drives cross-border acquisitions of hotel companies based in an emerging economy? A study on Chinese hotel corporations. *Journal of Hospitality and Tourism Management, 49*, 481-493.

[4] Christensen, C. M., Alton, R., Rising, C., & Waldeck, A. (2011). The new M&A playbook. *Harvard Business Review, 89* (3), 48–57.

[5] Homburg, C., & Bucerius, M. (2005). A marketing perspective on mergers and acquisitions: How marketing integration affects postmerger performance. Journal of Marketing, 69(1), 95-113.

[6] Voss, G. B., & Voss, Z. G. (2013). Strategic ambidexterity in small and medium-sized enterprises: Implementing exploration and exploitation in product and market domains. *Organization Science, 24*(5), 1459-1477.

[7] Kumar, V., & Shah, D. (2004). Building and sustaining profitable customer loyalty. *Journal of Retailing, 80*(4), 317–329.

[8] Luo, Y. D., & Tung, R. L. (2007). International expansion of emerging market companies. *Journal of International Business Studies, 38*(4), 481–498.

[9] Mathews, J. A. (2006). Dragon multinationals. *Asia Pacific Journal of Management, 23*(1), 5–27.

[10] O'neill, J. W., & Mattila, A. S. (2006). Strategic hotel development and positioning: The effects of revenue drivers on profitability. *Cornell Hotel and Restaurant Administration Quarterly, 47*(2), 146-154.

[11] Josiassen, A., Lukas, B. A., & Whitwell, G. J. (2008). Country-of-origin contingencies: competing perspectives on product familiarity and product involvement. *International Marketing Review, 25*(4), 423-440.

[12] Gu, H. (2013). *Research on internationalization process and strategy of hotel groups*. Tourism Education Press.

[13] Zhang, G. (2017). *China hotel industry development report 2017*. Social Sciences Academic Press.

[14] Liu, Y. (2018). After Jin Jiang's acquisition: How to deeply integrate more hotel brands? *Pinchain Tourism.* https:// baijiahao. baidu.com/s?id= 1609479475085429995 &wfr= spider &for=pc. Retrieved January 27, 2026.