

Issues of Company Board: Case of Spanish Firm

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Abstract

Spanish firms are well reputed for high level of corporate governance practices. Earlier studies have examined Spanish firm performance based on the causal relationship of board characteristics. However, the number of studies which examines the tenure of independent board members and number of board meetings are scarce. This study examines Spanish firm performances examining the board characteristics. A balanced panel data of a total of 805 listed companies are examined, which includes all economic sectors. Random effect model is applied to examine the causal relationship. The study suggests, board size has a favorable correlation with accounting-based performance (ROA, ROE), but it doesn't go hand in hand with market-based performance (TQ). Tenure of independent directors have a positive relationship with both accounting and market-based performance. On the other hand, the number of board meetings has a negative acquaintance with both accounting and market-based performance of the firms. This research reveals a board's inefficiencies that lead to poor firm performance, as well as what significant changes could be made to improve it. This study is based on all economic sectors, which implies that the results are equally representative of all. Policymakers, managers, and investors should consider the following implications: a significant positive relationship between board size and board tenure on firm financial performance suggests that institutional investors in emerging markets, particularly Spain, are paying attention to board activities.

Keywords

Board size;
tenure of
independent
board member;
number of board
meetings; firm
performance.

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1. Introduction

The board of a firm is the foundation and crucial component in its performance. As the efficiency of the board can improve its performance, it can hinder the company's functional responsibilities as well. Strategic role of the board is to bestow the organization with certain vision, mission, and goals. Planning work approaches, strategies, schemes, and objectives; outlining tasks and potentials for each business department, as well as procedures for performance evaluation; and forming partnerships with stakeholders are all responsibilities of the board of directors. As a result, the effectiveness of the board is determined by a collection of factors that influence the company's performance (Kanakriyah, 2021) and the multiple linear regression method was used to achieve study objectives. Results showed a positive effect of the study variables on performance, while the corporate age and the education level (BOD members). This study looks into some selected Spanish companies in order to find out those qualities and aims to find ways of eliminating them.

The grounds of this study is to uncover the qualities that hinder the ways of achieving better firm performance in order to aid approaches for building company boards in a certain way that ensures the maximum performance level while eliminating any aspects that bring no significance to the board's activity. The globe has seen some of the worst corporate disasters and financial crises in recent decades. Poor corporate governance was the primary cause of failure in the most cases. The features of the board of directors are also significant aspects of corporate governance. Given the importance of strong corporate governance in preventing corporate failures, scholars and policymakers have recently focused their attention on the interconnection between board features and firm performance (Jensen & Fama, 1980; Lin and Fu, 2017).

For numerous reasons, not only the financials but also various other sectors have been included in this analysis. One of the most significant reasons is that, almost all the studies on board characteristics and firm performance were on either highly regulated industries like- financial or moderately regulated market like- leather industries. As a result, measures for progressive board characteristics were standardized only for highly-maintained industries. Another reason for including several industries in one study is to get diversified data and to know how they are affecting a firm's performance. Furthermore, the majority of previous research has been on the banking and manufacturing industries.

A total of 805 publicly traded firms were used in this analysis. From 2013 through 2018, the study suggests a 6-year time range. Several industry sectors, such as finance, manufacturing, and automobiles, are chosen for data collecting. Panel Data Analysis in Stata-16 was used for our empirical analysis. A two-stage methodology was used to examine the influence of board elements on firm performance. To begin, panel data analysis was employed to reduce difficulties with heterogeneity. The random-effects and fixed-effects models were used to analyze the estimated model. The Hausman test was used to examine whether or not models were appropriate. Multicollinearity, autocorrelation, and heteroscedasticity tests were done individually. Panel data regression was used to examine the correlation between board characteristics and firm performance.

This research investigates the impact of several board features, such as board size, the number of board meetings held per year, and the tenure of independent directors (as a proxy for board tenure) in a sample of Spanish companies from 2013 to 2018. We make a number of contributions to the existing literature. First, we look into the link between board characteristics and firm performance, taking into account firm size, leverage, debt ratio, asset turnover, and economic sector. Second, this research will illuminate the impact of board features on firm performance, providing specific empirical evidence for existing theoretical arguments. Our findings on the alliance between board characteristics and firm success should aid boards of directors in developing strategies that are tailored to their investment horizons. Third, by employing dynamic regression, this work econometrically addresses the problem of endogeneity in the relationship between board characteristics and firms' financial performance. The GMM is beneficial because it allows for autocorrelation in residuals as well as the correlation between independent variables and error terms, heteroscedasticity, and contemporaneous correlation across residuals (Din et al., 2021) for 146 manufacturing firms listed at the Pakistan Stock Exchange (PSX (Lin & Fu, 2017) institutional investors have played an increasingly important role in China's stock markets, following a series of market-liberalizing reforms. This study uses a simultaneous equations model with a generalized method of moments estimator to investigate the effects of institutional ownership on firm performance in a new large sample of Chinese listed firms from 2004 to 2014. The results generally suggest that institutional ownership positively affects firm performance and are robust to accounting for deregulation, contemporaneous market conditions, and different stock market boards. However, not all institutional

investors are active monitors and improve firm performance. In particular, the results indicate that pressure-insensitive, foreign and large institutional shareholders have greater positive effects on firm performance than pressure-sensitive, domestic, and small institutional shareholders. The results further suggest that institutional investors enhance shareholder value by attracting more analysts and reducing insider ownership (among other reasons).

The remainder of the paper is laid out as follows: The background of the study and hypotheses are presented in Section 2. Section 3 discusses the methodology of the study. Data analysis and econometric methods are presented in Section 4. The empirical findings are illustrated in Section 5. and the conclusion and policy implications are discussed in Section 6.

2. Background and Hypotheses Development

Integrating decision management from decision control can result in more efficient monitoring (Jensen & Fama, 1980). The board of directors could have decision-controlling authority, whereas senior managers could have decision-making and managing authority. As a result, the board's role as a monitoring platform is critical in firm performance.

The board size of a firm is the number of all the directors on every individual board combined. The board members mostly range from 3 to 31. The board is accountable to the shareowners and has the right to regulate the company. According to research, the size of the board in any organization is a crucial factor in the standard of directors. To reduce any loss in the organization's shareholders and, as a result, to control the agency problem between shareholders and managers, better decision-making at all levels of the organization that separates management (implementation and initiation) from control (monitoring and ratification) is critical (Jensen & Fama, 1980). The company's shareholders provide the board of directors' jurisdiction over management internal control and other decision-making. Board size should be determined in such a way that large members are present to answer the board's tasks and complete the board's numerous operations. In large-scale size reduction, the board of directors oversees the functional activities of managers in various projects and choices (Lanis & Richardson, n.d., 2011). (Coles et al., (2008), claimed that larger boards with directors with having different backgrounds and skill sets help enterprises more than smaller

boards with members with having similar backgrounds and skill sets. As a result, an organization's specialized knowledge of directors can be utilized for successful decision-making and strategic planning. The high independence of the board and the low managerial entrenchment impact in boardrooms can explain the beneficial alliance firm performance and board size (Fauzi & Locke, 2012). Furthermore, a larger board benefits the company's ability to comprehend stakeholders (Pearce & Zahra, n.d.,1992), respond to rapid change in the business environment, and engage with business groups (Troise, 2020). According to Anderson et al. (2004) Investors prefer companies with larger boards because they can better manage the company's financial structure than smaller ones, according to (Anderson et al.,2004).

As a consequence, it is stated that a larger board size will improve board efficiency and firm performance by increasing monitoring functions and decreasing managerial delegating. The following hypotheses are made based on the foregoing discussion:

H_1 : Board size is positively acquainted with firm performance.

Researchers look at different hypotheses to find out how independent directors influence firm profitability and come up with mixed results. The empirical evidence on board tenure is mixed. A board that has been in a prolonged term is superior at performing its duty. Board members with a longer tenure are better supervising managerial duties as they seem to be less prone to societal pressure and less likely to be influenced by managers. Prolonged board tenure, for instance, improves independent directors' capacity to adequately oversee managers in order to avoid fraud or 10-K inquiries., according to Beasley (1996) and Schnake et al. (2005), whereas (Sharma, 2011) shows that a board with a longer term does a better job of regulating managerial discretion when it comes to the utilization of extra cash flow. Another piece of data proposes that board members with longer tenures do a better job at consulting as they have more opportunities to study the company's activities and, as a result, they possess a better grasp of the company's specific monetary policies and financial reporting. The number of board committees measure that exchange data happens more frequently in a prolonged tenured board, according to Rutherford and Buchholtz (2007). Directors who sustain long are better at assembling and classifying important data of the company, which they may later disclose to other external directors. According to Howton (2006), companies having a longer-serving boards of directors have a better chance of surviving an IPO than those that fail or are bought out.

Board tenure, in addition to other well-studied companies and their board characteristics, is important in terms of firm value and corporate policy. The findings suggest that a time-varying trade-off between information and entrenchment effects board performance, which should be considered when designing board structures (Huang & Hillary, 2018). The following hypothesis is made based on the foregoing discussion:

H_2 : Board tenure (of independent directors) is positively acquainted with firm performance.

The number of annual board meetings is inversely proportionate to the company's value. According to one point of view, shareowners find board meetings really favorable. According to Lipton and Lorsch (1992), the most prevalent issue that directors have to go through is a shortage of time to complete their tasks. The timing of a board meeting is a crucial asset for polishing up the productivity of the board. Recent concerns have been publicized in both the financial and traditional press about directors spending too much time on excessive external directorships, hindering their ability to attend meetings on a regular basis and so appropriately monitor management. These facts imply that boards of directors that meet more frequently have greater chances to fulfill their responsibilities in the best interests of shareholders. Corporate governance and ownership factors impact the frequency of board meetings. Significantly, on years that have high meeting frequency experiences improved operational performance too. Furthermore, organizations with a poor track record and those not participating in corporate control transactions benefit the most from improved performance. The following hypothesis is made based on the foregoing discussion:

H_3 : The number of board meetings is positively acquainted with firm performance.

3. Methodology

This study works on a sample of 805 listed companies. The study covered a time frame of 6 years, from 2013 to 2018. For data collection several industrial sectors like financial, manufacturing, automobile, etc. were selected. We haven't excluded any industrial firms from the data set as we wanted to focus not only on the highly regulated industries but also on moderately and less regulated markets. For our empirical analysis, we conducted Panel Data Analysis in Stata-16. All the necessary financial data were available for each firm over this period. Therefore, we didn't have to remove any firm with missing values. Our final sample includes 805 firms actively operating in various sectors of Spain.

Table 1: Data and variables

Variables	Acronym	Description
Return on Asset	ROA	An indicator of how efficient or profitable a company is relative to its resources or the assets it possesses or controls
Return on Equity	ROE	A degree of monetary execution calculated by dividing net income by shareholders' equity
Tobin's Q	TQ	The ratio between the inherent value of a physical asset and its market valuation
Board Size	B_SIZE	The number of directors on board
Tenure of independent directors	TEN	A measure of how long a certain mix of independent executive capital has gone unaltered
Number of board meetings	NUM_B_MEET	The number of meetings held in a year among the board of directors
Firm Size	SIZE	The natural logarithm of total asset, total sales and market value of equity
Debt Ratio	D_RATIO	A monetary proportion that shows the rate of a company's resources that are provided through debt
Asset Turnover	ASSET_T	The ratio between total revenue and the total asset
(Leverage (TD/TA	LEV1	The ratio between total debt to total asset, if total equity>0
(Leverage (TL/TA	LEV2	The ratio between total liabilities to total asset, if total equity>0
TRBC Economic Sector	gicsin	The Refinitiv Business Classifications (TRBC) Economic Sector, the foremost comprehensive, detailed, and up-to-date sector and industry classification available

Firm performance is a monetary metric that measures a company's ability to fulfill its objective by combining man and material resources. Firm effectiveness also denotes that while evaluating the performance of the firm, the manufacturing and consuming process will be taken into consideration. The link between acquired outcomes and input resources consumed in the process of executing commercial activities is portrayed by firm performance (Nguyen et al., 2021). The variables that are generally used for measuring firm performance are Return on Asset (ROA), Return on Equity (ROE), Return on Investment (ROI), Tobin's Q (TQ) and Market to Book Ratio (MBR). We have taken Return on Asset (ROA), Return on Equity (ROE) and Tobin's Q (TQ) as our dependent variable for this study. Accounting-based and market-based financial performance are the two categories of firm performance (FPit). Financial ratios derived

from balance sheets and income statements are used to calculate these accounting measures of firm performance (Cole et al., 2007) whereas market-based performance is the one that indicates market share, competitive advantage, sales revenue, customer satisfaction, profitability and loyalty. Return on Assets (ROA) and Return on Equity (ROE) are accounting-based financial performance measures, but Tobin's Q (TQ) is a market-based financial performance metric.

Some of the most commonly stated features of board characteristics include board size (B_SIZE_{it}), number of board meetings (NUM_B_MEET_{it}) and tenure of independent directors (TEN_{it}). Board size represents the sum of the whole director board of each individual company, taking in account the CEO and the Chairman. Independent directors, dependent as in executive directors, and non-executive directors will all be included (Shakir, 2007). A board meeting is a symposium of a firm's board of directors that takes place at regular intervals throughout the year to address corporate policies and concerns. The company's overarching business plan is determined by the board of directors, who are either chosen by shareholders or by organizational members. These meetings are significant because they allow the company's leaders to determine and analyze the company's future direction. Board meetings are held on a regular basis, usually quarterly or semiannually. Based on how a business operates and how frequently its directors possibly meet to examine processes and growth of the firm, they may occur more regularly. The issues or challenges that the firm is going through that moment are to be discussed at the board meeting, to review the firm's productivity, and to consider specific legislation that will be implemented. Board tenure is an indicator of the time period during which a specific group of directors has remained consistent, and it indicates that the company is not experiencing strategic or operational issues that would necessitate major board changes. At least three years is a decent tenure. A member can advance to the position of vice chair by this time, and then to the position of chair one year later. In the term of a public business, directors appointed after a certain age, say 70, should be subject to a special resolution by the shareholders, which might also specify his term. A director's prolongation beyond his or her term of office shall be subject to a different resolution if he or she is over the age of 70 (Livnat et al., 2021). We have used independent director tenure as a proxy for board tenure in this study. The total tenure of both dependent and independent directors is used to determine

board tenure. The tenure of independent directors for the sample companies will provide us with information on the entire board's tenure.

Several firm-specific variables may have a favorable or negative influence on the financial performance of the company. This study uses firm size (SIZE_{it}), which is often recognized as a basic and significant firm characteristic in empirical corporate finance (Dang et al., 2018), and the debt ratio (D_RATIO_{it}), which is a monetary ratio that denotes the amount of leverage a company owns. The debt ratio is computed as the percentage or the decimal ratio of total debt to total assets. It indicates the amount (in percentage) of a firm's resources that are subsidized through debt (Hayes, 2021c); asset turnover (ASSET_T_{it}), the value of a firm's revenues or sales is compared to the value of its assets here. It is a measurement that depicts if a corporation is utilizing its resources properly to make money (Hayes, 2021); borrowed capital is used as a source of funds when a firm invests to build its asset base and generate returns on risk capital. Leverage, an economic strategy that includes borrowing the money, variety of financial assets or debenture increase the possible return on an investment. Leverage is the term used to describe the level of debt a corporation uses to finance assets (Hayes, 2021b). Here, leverage1 (LEV1_{it}) is calculated as total debt divided by total asset, leverage2 (LEV2_{it}) is calculated as total liabilities divided by total asset, and the economic sector as control variables to account for those factors and follow their relationship with board characteristics. The debt ratio is computed by dividing total debt by total assets. Total revenue divided by total asset yields the asset turnover ratio.

The impact of board features on firm performance was examined using a two-stage methodology. For starters, panel data analysis was used to reduce heterogeneity problems (Tran et al., 2021). The estimated model was analyzed using the random-effects and fixed-effects models, respectively. The Hausman test was used to determine whether the models were appropriate or not. The tests for multicollinearity, autocorrelation, and heteroscedasticity were performed separately.

The relationship between board characteristics and firm performance was analyzed using panel data regression. The following equations are estimated:

$$FP_{it} = \alpha + \beta_1 B_SIZE_{it} + \beta_2 NUM_B_MEET_{it} + \beta_3 TEN_{it} + \beta_4 SIZE_{it} + \beta_5 D_RATIO_{it} + \beta_6 ASSET_T_{it} + \beta_7 LEV1_{it} + \beta_8 LEV2_{it} + \varepsilon_{it}$$

4. Analysis

Descriptive Data:

Table 2: Descriptive statistics

	Mean	Median	Std. Dev.	min	max
ROA	0.026	0.023	0.056	-0.192	0.212
ROE	0.049	0.081	0.312	-2.627	1.200
Tobin Q	0.949	0.829	0.641	0.033	3.622
Board Size	13.275	13.000	3.349	5.000	26.000
Tenure of independent directors	0.064	0.000	0.245	0.000	1.000
No of board meetings	10.443	11.000	4.654	0.000	45.000
Firm Size	20.752	20.708	2.575	13.851	28.009
Debt Ratio	0.348	0.285	0.760	0.000	18.253
Asset Turnover	0.599	0.485	0.685	0.000	11.180
Total Debt / TA	0.273	0.273	0.193	0.000	0.896
Total Liabilities / TA	0.613	0.646	0.252	0.012	1.000
Group (TRBCEconomicSector)	4.738	5.000	2.474	1.000	10.000

Table2 represents a summary statistic of all the variables. The table shows that the mean value of ROA in Spanish financial firms was 0.026 with a median value of 0.023. The ROA of the sample firms varied between -0.192 to 0.212, which indicates the firms struggled to use their assets effectively to generate their revenue from time to time. Similarly, the average ROE was 0.049 varying between -2.627 to 1.200. Likewise, the mean value of TQ was 0.949 with a standard deviation of 0.641. The average percentage of board size was 13.275 that of tenure of outside directors (Tenure IND) was 0.064 percent. In like manner, the average of the number of board meetings held in one year was 10.443.

With respect to the control variables, Table2 comprehends that the average values of leverage were 0.273 and 0.613 respectively, which indicates the sample firms used 27.3% and 61.3% of the debt as sources of financing. The mean value of debt ratio was comparatively small, showing a low percentage of firm's asset that were provided via debt, while some firms had a high ratio between their total liabilities and total assets and which reached up to 18.253%. The mean value of asset turnover ratio was 0.599, which states that the efficiency of a firm's assets in revenue was 59.9%. Firm size is another control variable that had a severe effect on all the other variables.

Correlation Analysis:

Table3: Correlation Analysis

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
ROA (1)	1.000											
ROE (2)	0.670	1.000										
Tobin Q (3)	0.335	0.092	1.000									
Board Size (4)	-0.263	-0.035	-0.295	1.000								
Tenure of inde~t (5)	0.009	-0.012	0.065	-0.054	1.000							
No_of_boardmee~s (6)	-0.172	-0.119	-0.192	0.010	0.016	1.000						
Firm Size (7)	0.032	0.163	-0.230	0.446	-0.072	0.283	1.000					
Debt_Ratio (8)	-0.260	-0.172	0.123	0.083	0.123	0.082	-0.083	1.000				
Asset_Turnover (9)	0.192	0.172	0.162	-0.176	0.050	-0.160	-0.195	0.118	1.000			
Total Debt / TA (10)	-0.260	-0.172	0.123	0.108	0.052	0.147	0.097	1.000	-0.154	1.000		
Total Liabili~A (11)	-0.329	-0.108	-0.211	0.273	-0.011	0.346	0.509	0.488	0.125	0.488	1.000	
(~group (TRBCEco (12)	-0.043	0.059	-0.022	0.021	-0.021	0.095	0.242	0.064	-0.067	0.208	0.248	1.000

The results of our correlation analysis between board characteristics, firm performance and control variables are shown in Table 3. This analysis observes a positive correlation between ROA, ROE and TQ. Board size is negatively correlated with ROA, ROE and TQ with correlation coefficients of -0.263, -0.035 and -0.295, respectively. This implies a proportional relationship between firm performance and board size. Similarly, the tenure of independent directors (used as a proxy for Board Tenure here) is positively correlated with ROA and TQ, but has a negative correlation with ROE and Board size. However, we observed a negative correlation between firm performance and the number of board meetings held in a year. In a similar manner, there was a negative correlation between firm size and TQ. The debt ratio is negatively correlated with ROA and ROE but has a positive correlation with TQ. On a different note, asset turnover is positively correlated with firm performance with correlation coefficients of 0.192, 0.172 and 0.162 respectively. When the degree of correlation is high enough between variables, it will obstacle while fitting and interpreting the regression model. Here, the variance inflation factor (VIF) of the variables is 1.57, which indicates a moderate correlation between given explanatory variables in the model. In order to deal with the multicollinearity problem Leverage1 was omitted from the variables.

Table 4: Regression with Random Effects

	(1) ROA	(2) ROE	(3) TQ
CGBoardSize	0 (001.)	003. (004.)	*01. (006.)
Tenureofindepen~s	0 (004.)	003. (019.)	002. (036.)
Numberofboardme~s	***001.- (0)	*004.- (002.)	**008.- (003.)
Size	001.- (002.)	006.- (009.)	***236.- (026.)
debt_ratio	-2.285 (2.707)	-17.877 (17.709)	9.079 (29.09)
asset_turnover	***024. (005.)	***117. (027.)	***16. (05.)
leverage1	2.284 (2.707)	17.844 (17.709)	-7.943 (29.09)
leverage2	***104.- (012.)	*073. (041.)	***559.- (133.)
cons_	***124. (041.)	138. (185.)	***5.982 (57.)
Observations	204	209	199
Pseudo R ²	z.	z.	z.
<i>Standard errors are in parentheses</i>			
<i>p<.01, ** p<.05, * p<.1 ***</i>			

The result of regression analysis is shown in table 4. The dependent, independent, and control variables are all significantly different from the main findings. This finding indicates that board size and tenure of independent directors have a favorable association with firm performance. However, the number of board meetings has a complete negative association with firm performance.

The study suggests, board size has a favorable correlation with accounting based performance (ROA, ROE), but it doesn't go hand in hand with market based performance (TQ). The tenure of independent directors has a positive relationship with both accounting and market based performance. On the other hand, the number of board meetings has a negative acquaintance with both accounting and market based performance of the firms.

5. Conclusions and Implications

From 2013 to 2018, this study looked at the impact of many board elements, including board size, the number of board meetings held per year, and independent director tenure (as a proxy for board tenure) in a sample of Spanish enterprises. We add to the current literature in a number of ways. First, we examine the relationship between board features and business performance, considering firm size, leverage, debt ratio, asset turnover, and economic sector. Second, this study will shed light on the effect of board characteristics on business performance, giving concrete empirical evidence to back up current theoretical claims. Our results on the link between board features and firm success could help boards of directors design strategies that are specific to their investment horizons. (Din et al., 2021) (Lin & Fu, 2017).

The goal of this study is to investigate the relationship between board characteristics such as board size, tenure, and the number of board meetings. The company's shareholders provide the board of directors' jurisdiction over management, internal control and other decision-making. As a result, the size of the board of directors should be determined in such a way that large members are present to fulfill the board's multiple duties and tasks. Larger boards of directors are preferred by investors because they can better control the company's financial structure than smaller boards (Anderson et al., 2004). As a result, a larger board of directors is seen to improve board efficiency and company performance by enhancing monitoring functions and reducing management delegation. The study finds that, a board with a longer duration is better at executing its functions. Tenured board members are better at monitoring managerial decisions as they are less sensitive to societal pressure and less likely to be swayed by managers. According to (Beasley, (1996) and (Schnake et al., (2005), Independent directors' capacity to oversee management more closely to avoid fraud or 10-K investigations improves their service on the board for extended periods of time, while (Sharma, (2011) identifies that a board with a prolonged term better handles managerial discretion when it comes to the utilization of extra cash flow. The worth of a corporation is inversely proportional to the number of yearly board meetings held. Board meetings, according to one viewpoint, are helpful to shareholders. The most common issue that directors encounter is a lack of time to complete their job (Lipton & Lorsch, 1992). Share price decreases followed by increased meeting frequency which appear to drive the conclusion that boards that meet more frequently lose market value. We can conclude that size of the board and duration have a significant impact on the financial performance of a firm.

Future research, policymakers, managers, and investors should consider the following implications: a significant positive relationship between board size and board tenure on firm financial performance suggests that institutional investors in emerging markets, particularly Spain, are paying attention to board activities. As a result, in order to improve financial performance, board characteristics must be strengthened even further.

Despite its significance, our research contains some flaws that should be addressed in future research. For starters, investments in different Spanish companies will differ from those in the United States or Bangladesh. This will heavily influence the performance of businesses. Second, the variables in this study might be broken down further. We could have used more factors to assess the efficiency of board characteristics on a bigger scale, but we were unable to do so due to data limitations. Finally, because past research has primarily focused on highly controlled markets, it may be difficult to find adequate data and ideas to support our predictions in this study.

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