The Relationship Between Entry Modes and Growth Strategies in Mainland China for Taiwanese Companies—The Case Study on 馬茂忠、封德台
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ABSTRACT

The focus of this research is on the entry strategies in firms' internationalized course by the method of case study. Is the theory proposed by scholars in advanced country suitable for the firms in Taiwan? By studying the case of Natural Beauty chain-store system, which belongs to high service invisibility and customer interaction under the classification of Vandermerew & Chadwick (1992), this research are trying to figure out the answer. The core competence and characteristics of Natural Beauty were first inspected, and then study the growth strategies and influence of entry mode. In addition, this research shows that entry mode, which is a kind of institutional arrangement, will differ in each growth-stage of firms. So, the entry modes discussion of Natural Beauty was divided into three stages, including the following: 1. Go to the mainland to make the investment at the beginning of 1992. 2. Established the joint-venture company in 2000. 3. Listed in Hong Kong in 2003. These modes will be discussed under the foundations of related theories to find a suitable way for firms in each kind of situation. According to the case study, this research concluded that core competence and characteristics of firms could make the influence to firms' growth strategies and entry modes by the following ways: 1. Branding by itself. 2. Expanding chain store fast. 3. Highly integration. 4. Internationalization experience. 5. Organizational memory and learning. Besides, four propositions can be made after the study mentioned above: Proposition one: As firms in home country's core competence can apply the national market environments entered to, the firms will take higher control on their entry mode. Proposition two: When internationalized and experienced, but is not familiar with the national market, tends to adopt external growth strategies. Proposition three: When adopting external growth strategies, the association of dealers will come to the possession of new core competency. Proposition four: When adopting strengthened external strategies of growing up in the manufacturer, the manufacturer will take and highly control access mode. Proposition four: When external growth strategies are adopted, the characteristic of alliance chain will change.

Keywords : entry mode ; resource-based theory ; internationalization ; growth strategy
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