

*Investigate ideas for a viable research proposal:
the competitive power of coffee in the Chinese beverage industry*

Part 1. where did the idea come from

Plato's allegory of the cave tells us that experiences of an individual limit the way that the person comprehending the world. As a DBA student, the experience I had in my life, especially the education and training experiences have a huge impact on my research interests.

My father has been a businessman for half of his life, and my mother was an accountant before she decided to be a full-time housewife. Both of them had higher education experience back then, and they value both the influences of good education and off-campus experiences have on an individual. So I was sent to another country to get my bachelor and master degree. Because they believe that I would benefit from a more complex educational and life experience.

I had my bachelor of accounting and master of international business degree at the University of South Australia. The academic requirements including academic writing and research integrity are extremely strict. The research training I had and years of practice on how to being academic and objective help me understand the seriousness and difficulties of doing business research.

When I was in my international business study, I was curious about the how is a foreign product being accepted by the market. Coffee and tea are two of my favorite everyday drinks. Since tea is the national drink in China, therefore, as a foreign drink, the competitive power of coffee in China intrigues me.

However, the title of '*the competitive power of coffee in the Chinese beverage industry*' is very wide. To be more specific, this research is aim to answer the question: if a supplier or a brand shall sell coffee in China, would it be profitable? And will there be investors willing to risk their money in it?

Therefore, to answer these questions, the beverage industry of mainland China needs to be investigated. Also, there are few questions need to be answered: 1. what is the competition degree of Chinese beverage industry, is it a fully competitive or over competitive market?

Part 2. list of sources consulted to define areas of interest.

According to Saunders (2016), there are two types of literature sources that might be most useful in business researches: secondary literature sources and grey (or primary) literature resources. As for my research, it requires a wide investigate on the beverage market in mainland China, therefore research by only reading journals and books that are issued by authorized publishers (secondary literature resources) would be insufficient. The most recent macroeconomic data and relevant beverage industry report is also required to reflect propensity to consume in casual drink area. Thus, I listed different kind of sources I use and evaluate their reliability and validity.

2.1 Textbooks.

As one of the most important sources that constitutes the foundation of my international business knowledge background, textbooks is a serious type of academic resource that contains a systematic and well-developed information about one typical subject. Normally, only classic and knowledge that has been generally accepted would be published as textbooks. The study that are too much cutting-edge would not normally appear in a textbook. Therefore, textbook is a reliable resource when I intend to get a thorough overview of a subject. But to be cautious that the theories or experiments that it introduces might be outdated.

2.1.1 Research Methods for Business Students

To ensure the validity and reliability of my work, I use this book as a handbook to guide every step of my research. It is the seventh edition and published in 2016. the theories and methods it introduced can be can be reliable and relevant from time aspect.

2.1.2 Marketing strategy and competitive positioning

This is also a textbook that is published by Pearson Education in 2020. Even though the competition theory I referenced is from 1998, it is still be used in the recent years to analyse various industries in different countries (Aydin, 2017; Chen and Cheng, 2019; Olga and Jana, 2019 etc.).

Considering the professionalism of the author and the authority of the publisher, also the relevance in time, these textbooks meet the requirement of the validity and reliability for sources.

2.2 Journal articles

Although the information from well published textbooks can ensure the authority of the knowledge, the recent development and application of a theory normally would not published in textbooks but in journals. However, the quality of journals are various, therefore besides the research methods and data collecting approach of the article, the ranks of the journals and issue time are vital criterion of this type of sources.

2.2.1 *The Competition of Beverage Products in Current Market: A Composite Demand Analysis*

The title of the article indicates that the research subject is relevant to mine. It was published by *Agricultural and resource economics review* in 2018. The article information shows that it is peer reviewed, however, the journal was only ranked 1 in both 2015 and 2018 by Academic Journal Guide (AJG). Considering the relevance in research subject, and it can provide some valuable information on the world beverage market development, the article is quotable.

2.2.2 *Dynamic Capabilities: A Review of Past Research and an Agenda for the Future*

This article is focusing on the development of one stream of competitive advantage theory. The context is rich and explained in systematic logic. And it was published by journal of management, ranked 4 by both AJG and ABS. As an academic source, it is not only reliable but also enlightening. But it was published in 2010, not so current, and this might also compromise its validity of theory development observation.

2.2.3 *Towards a Dynamic Theory of Strategy*

This article is written by Michael Porter in 1991, and published in *Strategic Management Journal*, a 4 rank journal. Although the article is not recent enough, to study Porter's five forces in competition, it is also important to study how he understands other stream of competition theory.

Industry research report

Because understanding the competitive power of coffee needs to comprehending the industry which it is in. Therefore, the latest annual industry research report is a crucial source that should not be neglected. The validity and reliability of the report, to a large extent, are depending on the expertise and authoritativeness of the research organization.

News (Authoritative Media)

Business world is changing too fast. News in authoritative media is a convenient and comparatively reliable source that one can receive signals like the change of consumer preference, industry development and new business model appearing.

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Blog 2: Evaluate a Core Theory

As it is mentioned in the previous report, this research is mainly studying the competition of coffee in an emerging market. Thus, the competition forces theory that developed by Michael E. Porter in 1979, Porter's Diamond Model, is a huge milestone in competition theory which will be discussed in this report.

Concept mapping diagram

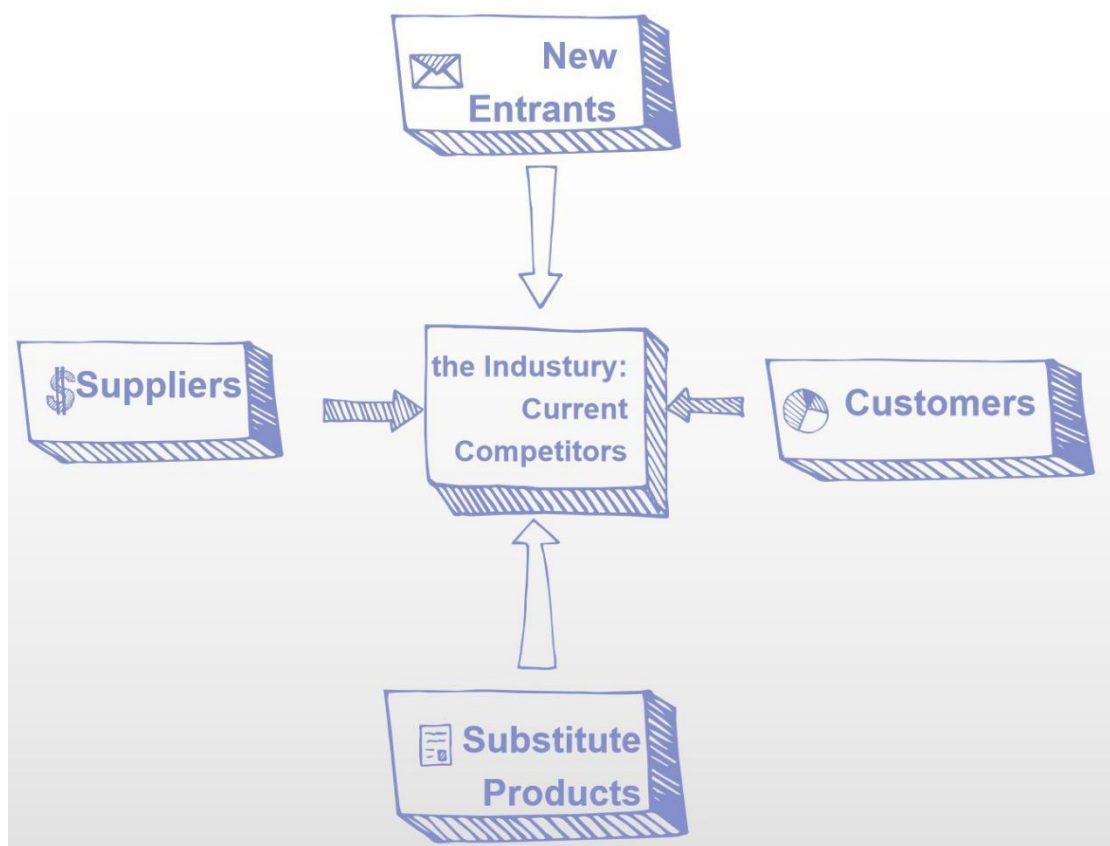


Figure 1: Porter's Diamond Model

As it is stated clearly in the very beginning of Porter's famous article, How Competitive Forces Shape Strategy, to study an industry's competition environment, one need to analyse the forces from five aspects in that industry: the competition degree of existing competitors, both of the bargaining power from suppliers and customers, and both of the threats from new entrants and substitute products.

The Competitive Theory System

While businesses are seeking ways to survive under complex competitive pressures, scholars are also curious about the answer to one question:

“To ensure the survival and development of an enterprise, is there a systematic way to analyse the competitive forces in an industry or the competitiveness of a business?”

However, this question is asking two entirely different things in reality. Because, it indicates the two angles of looking at competition: the industry angle and the organization’s angle. No matter which angle a theory is from, the solution keep circling back to form competitive advantages for organizations in their industries (Teece et al. 1997, Porter, 2008, Barreto, 2010).

As a crucial aspect of strategic management, the theories of competition analysis have developed into a complicated knowledge system in recent decades. These theories are divided into four branches by different strategic perspectives (Eloranta and Turunen, 2015): market forces, resource-based view (RBV), dynamic capability approach, and relational view.

The market forces perspective is mainly consist of Porter’s diamond theory, which is viewing competition by analyzing the challenges from the entire industry. There are five challenges in competition are identified in an industry that would affect either the long-term or short-term profitability of an enterprise (Porter, 2008). This theory is built up on the assumption of close interaction between firm and its industry.

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