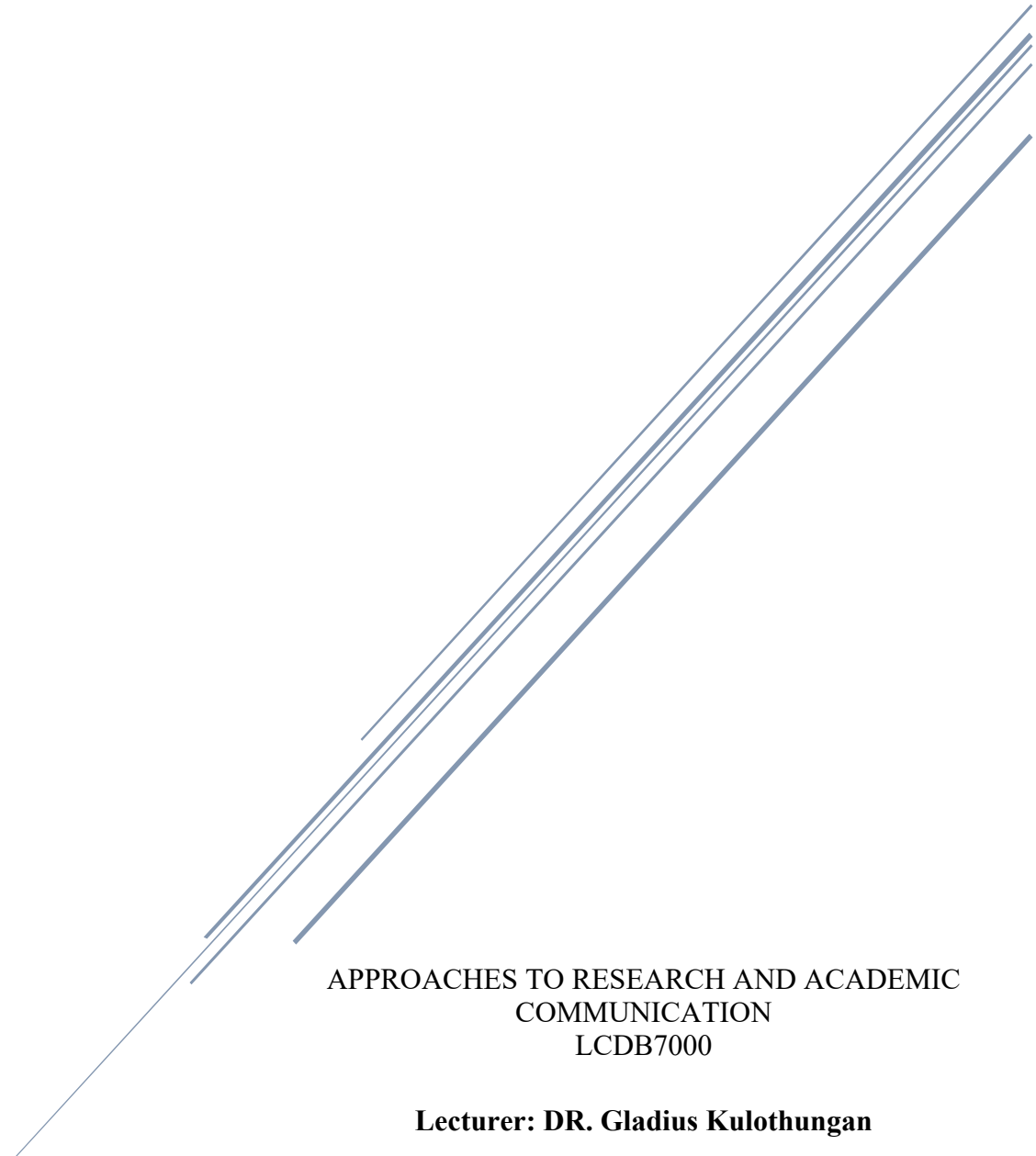


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Lecturer: DR. Gladius Kulothungan

UNIVERSITY OF WALES TRINITY SAINT DAVID

The logic of Market Entry Modes

Introduction

The success of local businesses becoming international relies not only on the quality of the products, services or the brand image they have created. It depends on the selection of the right market entry method, seamlessly fits the choice of the environment and the business and is critical for any organisation to succeed in that market. According to Forsuland (2015), market entry methods are perceived as an essential topic for researchers due to the choice of those methods; businesses tend to influence by internationalisation strategies, external trading conditions, trading formats, retailers' expertise, market position, perceived risks and resource commitment in host marketplace. In recent years, because of the effect of globalisation and technological changes, robust competitions among businesses have emerged. As a result, firms are required to choose the best channels of distribution and mode of entries into markets. Therefore, by reviewing the existing literature, this paper will look into some of the market entry modes that are commonly used to penetrate foreign markets and underlying theories connecting with diverse entry modes of the past.

Literature Review

The study of 'Entry modes' has a long history which has been researched for decades; Evans, Mavondo and Bridson, (2008). The initial researches (Anderson & Coughlan, (1987) and Klein & Roth (1990)) has been carried out from the manufacturing perspective; however, this viewpoint on organisational entry modes continued to have a significant effect on the researches that followed. Nevertheless, from the 1990s, the researchers move their attention from manufacturing to the service industry. Erramilli & Rao, (1993) was one of the researchers who started researching the entry modes from the service perspective. Since then, researches have been carrying out rigorously both manufacturing and service industries perspectives.

Entry modes are referred to how the business operations of an organisation are carried out entering into a foreign market (Brouthers and Hennart 2007) and are perceived that it is one of the crucial strategic decisions that any multinational enterprises (MNEs) will make. However, the question is which mode of entry leads to higher performance? It has been more than 30 years since the landmark work of Anderson and Gatignon (1986) had classified the market entry modes; still, business scholars give high attention to address this question. This vital investigation rests as a mystery in business research (Martin 2013).

The initial strategies that used multinational enterprises (MNEs) to enter into the foreign markets have clearly disclosed mixed success (Peng, Wang, & Jiang, 2008, Contractor, Kumar, & Kundu, 2007). Thus, it is crucial to understand which internationalisation strategies are a good fit and which are not fit for MNEs in terms of their performance. According to Guillén & Garcia- Canal, (2009) and Ramamurti & Singh, (2009), MNE's cultural, historical, and institutional differences play a vital role on its internationalisation efforts and work best when distinctive management practices are followed.

Therefore, these unique characteristics create questions on the adaptability of current theories, both macro and micro level (Madhok & Keyhani, 2012, Cuervo- Cazorra & Ramamurti, 2014).

Market Entry Mode Selection

For the optimisation of organisational growth and success, different organisations have used different modes in the internationalisation process and entering into overseas markets of their interest. According to Meyer et al., (2011), Foreign market entry mode is a mean to improve the organisational knowledge base, using the available resources to compete in both local and overseas markets. This important task of internationalisation is establishing institutional arrangement which allows the entry of organisational resources and capabilities; technology, products, services, human skills, and other existing resources into an overseas country (Root, 1987). Organisations drive into new international markets, based on the long term objectives of taking economic or other tangible and intangible advantages. It is one of the critical strategic decisions that any organisation will take (Sanchez-Peinado, & Pla-Barber, 2006), and has a long term impact on its development and success globally (Hill et al. 1990).

Researchers have identified how the organisational choice of entry mode is best utilised for the benefit of the organisation. They have differentiated the modes by the level of control, organisational commitment, the involvement of resource and risk (Blomstermo et al., 2005). According to Blomstermo et al., (2005) control is believed as one of the most significant factors that describe the expected risks and associated returns, and it is the authority, and the influence that organisation have on its different management systems. According to Brookes & Roper (2010), the higher the control that a business has on their assets, the more considerable influence they will have in improving competitive organisational return on organisational assets. For example; the level of control on wholly-owned subsidiaries is the highest; in contrast, licensing holds the lowest level.

Several researchers have explained the determinants of foreign entry mode choice by using well-established theories. Transaction costs theory, internalisation theory, eclectic framework, market imperfections theory, resource-based-view (RBV) theory, eclectic paradigm or, Uppsala theory of internationalisation, long-pulse (deep pockets) theory, resource dependence theory (RDT), bargaining power theory are few theories that have been applied as the foundations of market entry modes. Among these, the resource-based view (RBV), transaction costs theory (TCT) and the eclectic framework (OLI) is most commonly used theories and accounted for around 80 per cent of the foreign entry mode studies (Wulff, 2016). Hence, this paper will focus on these three frameworks.

According to Brouthers and Hennart, (2007) and Canabal & White, (2008), Transaction Costs Theory (TCT) of Williamson (1985) is believed to be the most frequently applied theory in studying market entry modes. The primary impression is that the organisations should establish a stable governance structure that helps to minimise the loss of inefficiencies associated with entering and functioning in an overseas market. In this theory, shareholder's choice on full and shared ownership differs on the accumulated costs and expected return of contribution, compared to businesses that hold complete ownership (Hennart, 1988; Williamson, 1985). According to Anderson & Gatignon, (1986), if contracts or market transactions increase the costs, it is presumed that the equity will increase and

shares the incentives equally among the partners reducing the associated risk. Following this opinion, researchers believe that all market entry modes are associated with resource pledges, risks, and a certain level of control (Anderson & Gatignon, 1986). According to Williamson, (1985), three contingency factors could be used in determining the most cost-effective mode of entry; asset specificity, transaction frequency and uncertainty.

The theory of Resource-Based View (RBV), including knowledge-based view and organisational capabilities (Brouthers and Hennart, 2007), assumes that it is one of the effective and efficient methods that is being used in the distribution of required resources to the new overseas market. By practising this, organisations must avoid the actions that may damage the organisational competitive advantage such as eroding the cost of the transmitted resources (Sharma and Erramilli, 2004). Besides, the literature on RBV emphasis on the resource transferred context which explains a failure situation if the management or the organisation never have adequate knowledge about the specific context. (Tan et al., 2001).

OLI, or eclectic paradigm, is constructed on the view that the choice of market entry mode involves three fundamental factors which are ownership, location, and internalisation (Dunning, 1993). According to Canabal, and White (2008), the advantages associated with the owners rely on the assets and skills belonging to the specific organisation, and returns of inter-organisational relationships; advantages of location dimension focus on costs of resources and resource commitment and its availability; and the advantages of internalisation refers to the issue of reducing the collective costs of coordination and transaction costs. This dimension determines the most cost-effective means to the organisation; is it internalise or to establish agreements with local businesses (Dunning, 1993).

Organisations in need of going to international markets have varieties of choices of entry modes. Root (1994) has divided all those modes into three categories. The first group of the companies enter the new markets through exporting which includes direct and indirect exporting, direct distribution through an agent, and direct distribution through a subsidiary branch subsidiary. The second group is classified as contractual entry modes; which involves management contracts, franchising, licensing, technical agreements, service contracts, co-production contracts and construction/turnkey contracts, flagship store, concessions, and licensing. The third category in the investment entry modes is the establishment of a sole venture (SV) or joint ventures (JV) (Root, 1994). Besides, today, the internet has become significantly crucial for many markets, especially using omnichannel because this is observed as one of the effective and efficient networks to update customers (Picot-Coupey et al., 2016). However, for the purpose of this review, the researcher will elaborate some of the modes listed above.

Export Entry Modes

One of the quickest and easiest practices of entering into a foreign market is exporting. Exporting could be either direct or indirect through different channels and means. According to Albaumb & Duerr (2008), direct exporting is selling directly to buyers situated in an overseas country. For a starter from a manufacturer's point of view, very little knowledge or no knowledge is needed about the hosting country or the new market is needed (Root 1994). Most organisations, soon after they establish a sales program, they determine agents and distributors on behalf of the organisation for the new market, and

they become the face of the organisation. Direct exporting has mainly three advantages. Firstly, the organisation gets a significant level of control above the market plan; secondly, the high level of attention on marketing effort on the manufacturer's production line and thirdly, businesses get feedbacks quickly from the market on the product, which helps faster adaptability of the product to the desired market. According to Root (1994), receiving quick feedback is a definite advantage for determining and strengthening brands, trademarks and other intangible possessions.

Albaum & Duerr (2008) describes indirect export as the attempt of exporting goods; manufacturers deploy an existing company from the new domestic market or country to carry out the exporting for them. This is an easy way of expansion and acquiring knowledge about the new foreign country and the potential market. The disadvantage perceived in this method is that the business has the least level of control on the overseas market entry strategy which never allows the company to choose their specific entry strategy.

Contractual Entry Modes

Licensing

According to Root (1994), licensing is the transfer of rights to use intangible resources which has no restrictions on importing. This mostly happens when a firm offers desired technology or technical assistance for a fee or royalty to another company in an overseas market, (Bradley 2005); as a result, the licensing company will have the advantage of accessing into foreign markets with minimal investment cost and acquires the market knowledge through the newly established local company. This approach is crucial in the environments where the anticipated market has restrictions on importing as well as foreign direct investments.

According to Maskus & Yang (2001), it is a choice that has the advantage of minimising investment risk, however, offers access to challenging markets and have a high return on investments despite low commitment on resources. However, it carries drawbacks which include minimal control on licensee operations, the emergence of new competitors due to low investment cost, and availability of experience and accumulated knowledge (Bradley (2005).

Franchising

Franchising is one of the entry modes which occupies low-cost and low- control over the business and is a form of organisation which is being established on contracts and agreements made amongst a franchisor (parent company) and a franchise (local partner) on trading using franchisor's business model and brand name (Nisar, 2011). It ensures the parent company about the consistency of brand and processes, rapid growth and expansion with cost-effectiveness and exchange of local knowledge (Lu, 2012). This method among the luxury market has rapidly decreased since the 90s due to the inbuilt risks of diluting brand image and eluding control over business operations (Kapferer, 2015). Despite the fact, franchising is still significant in geographically dispersed markets and small-scale luxury brands (Mintel, 2013).

There are two essential considerations in choosing this strategy; the business model must hold a strong brand recognition, or it must have a unique business model that can be applied globally. Franchising is distinguished as an intellectual property right (IPR), which has formal regulations in many countries,

assigning authority to the established properties as intellectual assets (Maskus (1998), and it is defined as an asset developed by innovative work that belongs exclusively to the owner, and the rights to reject its unlicensed using have been approved by law.

Concessions

Concessions are acknowledged as an entry mode of the low-cost and low-control miniature store located in a large store, which allows retailers to showcase their products similarly with their standalone stores, with fewer commitments and risks (Alexander and Doherty, 2009). Concession outlets could be owned by a local partner or run through a local agent and could be established within a department store in the host country for the ultimate purpose of limiting financial risk and maximising market exposure (Moore et al., 2010). Moore and Burt (2007) acknowledged the stepwise strategy that practice by retailers through which they test out foreign markets by export/wholesaling strategy for less financial risk, subsequently they employ other strategies and methods when they attain knowledge and experience in that specific market. However, this mode is mostly applicable in the countries, or places of department stores exist (Lu, 2012).

Investment Entry Modes

Organic Growth

Organic growth is one of the high-cost and high-control market entry methods, which is distinct as "new store development within the existing or an integrated organisational framework" (Alexander and Doherty, 2009, p. 256). According to Mintel, (2013) organic growth method is the most universally used method by most fashion retailers in internationalising their brands. By purchasing companies that have significant establishments and proven processes, through the strategy of merger or acquisition, retailers will be facilitated a relatively easy entry into the required markets and assists to grow faster in the host markets (Siebers, 2011). This is regarded as one of the universal entry methods retained by all the natures of retailers, and luxury brands traders (Chevalier and Gutsatz, 2012), especially supermarkets (Chuang et al., 2011).

Sole Venture: Acquisition

Sole venture or acquisition is defined as the event of buying an existing business in another country, and it is an accessible mode of an entrance (Root 1994). Companies practice this method of entering into foreign markets hold different motives; geographical changes, product or service diversification, technological change, to acquire specific assets such as management processes, sourcing of raw materials and funds, or selling of other products (Root 1994).

This strategy has the advantage of getting into the market quickly due to the establishment, a short settlement period and new product line due to instant income for the investment. The potential shortcomings are related to the difficulties involved in transferring ownership and taking control of the business.

International Joint Venture

Joint ventures (JVs) are perceived as a medium-cost and medium-control entry method. In the process of applying this entry mode, businesses require to reflect on all the operational factors including decision-making processes, business policies, and knowledge sharing (Owens et al., 2012). According to Palmer et al. (2010), several factors in establishing a JV in foreign markets, which includes exposure to new geographical markets, attaining operational skills suitable for a different physical location, management recruitment, cultural and political constraints and establishing brand and business image in the new market.

The accumulated cost of this mode is less than acquisition, and associated risk is minimised when a local company as a partner involves harmonising the issues related to the local environment; as a result, the return and the profit is expected to be higher compared with most of the other modes (Albaum & Duerr 2008). JVs get in trouble from management complications, and weak performances (Nippa et al., 2007) and cultural differences are occasionally a challenge for at the initial stage (Ning 2008).

Acquiring Foreign Brand or a Technology

In some context, the brand name is essential for the customers, and it affects consumer behaviour. In that perspective, products of co-branding with an overseas company or acquiring an overseas business allows the company to place their own brand names that facilitate entering to a new market (Luo & Tung, 2007; Rui & Yip, 2008). For instance, Ingersoll of US was acquired by DMTG for the primary purpose of obtaining its technology and use of the brand name which allowed DMTG to uplift its entire image of products, both at home and overseas (Fey et al., (2016). Foreign businesses use to have had an opinion that Chinese companies that buy a U.S. company are serious about the quality and shall have a lot to offer.

Pop-up Store

This method is basically for luxury retail markets and high-end brands. The establishment of pop-up stores is to give the opportunity of testing the available items in luxury markets, and allowing a temporary presence in the new scenery for a less risk (Picot-Coupey, 2014; De Lassus and Freire, 2014). Moore et al., (2010), believes that the unique advantages that carries with the flagship stores include, it gives an excessive global exposure, helps to develop a plan of post- internationalisation growth, and offers greater control and profit. These outlets help the retailer in increasing brand awareness and indicate their most essential overseas markets (Mandara and Moore, 2013). Nevertheless, this strategy is not appropriate to all the environments due to the involvement of substantial investment cost and requisite of the high level of local expertise, and it is most suitable for the environments where superior retail infrastructures and consumers who look forward in sophisticated and trendy items exist (Lu, 2012).

Internet and E-Commerce

The internet has become one of the central element in any business especially for retailers of luxury fashions, where omnichannel communication and distribution strategies have been adopted as part of their business model through which customers are always updated on products and service, and its delivery (Picot-Coupey et al., 2016, Bai, McColl and Moore, 2017)

The availability of mobile apps and mobile technology undoubtedly extends the convenience of purchasing prospects to customers, beyond markets of direct presence (Parker and Wang, 2016).

However, due to the complete accessibility via the internet have the chance of getting diluted the brand image and its exclusivity of luxury fashion retailers' "dream value" (Liu, 2014). Moreover, the difficulties involved in maintaining consumer loyalty through the internet is perceived to be difficult because, these brands desire to touch and give the feeling of the sophisticated products through the excellent personalised services offered from the nuanced atmosphere of physical stores (Li, 2013).

Conclusion and Recommendation

Companies in the process of internationalisation, use different modes to enter and capitalise foreign markets; however, they never believe the chosen entry mode as an isolated element. Instead, organisations have been employed higher involvement strategies early if the investment proposal considered attractive. Today, the tradition of using a single method and taking decisions of the face value is being changed. Most of the organisations adopt mixed methods using omnichannel distributions and implement a systemic approach in selecting entry methods and the best-fit approach to individual businesses. Though academia has gained considerable achievement on entry modes and international expansion, some significant gaps have been identified in the current literature. First, most of the research have concentrated on developed markets, not the developing markets (Lu, 2012) and though researchers concentrate on foreign entry modes, they have neglected the methods and strategies adopted in the post-entry expansion (Frasquet et al., 2013, Bai, McColl, and Moore (2017). Therefore, further research on this topic is required.

Context Review

Since 2005, Luxury brands have exposed into Chinese markets significantly because the Chinese administration has removed the trade barriers on foreign investments complying with the guidelines has made by the World Trading Organisation (Peng 2010). As a result, the Chinese luxury market expanded from \$14.3 to \$ 25.3 billion between 2008 to 2014 while many traditional luxury markets were experiencing a downturn. China has overtaken Japan and expects to become number one in the global luxury market at the end of 2016 (McKinsey & Co., 2012). The demand for luxury fashion brands in most western countries has declined; however, retailers in mainland China have strengthened its operations aggressively and to more extensive areas beyond Beijing and Shanghai (KPMG, 2013).

Most researches in China focus on established supermarket chains (Siebers, 2011) so that researchers are unable to explain luxury fashion retailers' undertakings. This could be due to the significant differences found in the retail arrangement, product or management approach (Kapferer, 2015). According to Swoboda et al. (2009), most of the studies have neglected the importance of post-entry activities in international retailing, but their attention maintained on foreign market entry modes. According to the researcher, market entry modes that are suitable for luxury brands retailers in internationalisation must be studied with activities of post-entry expansion. Acknowledging the importance of post-entry-methods, Frassetto et al. (2013) emphasised the impact of examining retailers' expansion modes and tactics in the places where substantial inherent distinctions in cultural developmental expect, such as China. Therefore, this study is aimed to study the market entry modes and strategies used by luxury fashion brand retailers as well as further expansion strategies related to post-entry in China.

Literature Review

Since the shift in power from manufactures to retailers and increasing of internationalisation activities of retailers, research interests have developed on foreign market entry modes of retailers (Fernie and Alexander, 2010). The topic of organisations internationalisations and entry modes have been identified as a central research topic due to the significant influence of the chosen mode of entrance to the overall business orientation (Forslund, 2015). Recently, most of the businesses especially luxury brands internationalisation processes has been stimulated by the evolution of internet; e-marketing and omnichannel distribution as a seamless opening to complement the existing market entry processes (Picot-Coupey et al., 2016), primarily luxury fashion brands developing their presence in different areas and increasing sales by using user-friendly mobile apps and e-commerce (Park and Wang, 2016). Moreover, luxury fashion brands started moving away from adopting traditional modes to enter new markets like pop-up stores, through which consumers are privileged to test the sophisticated items and expand brand exposure (De Lassus and Freire, 2014; Picot-Coupey, 2014).

Luxury Fashion Brand's Market Entry Modes

In order to attain the retailer's control on investment and increase maximum profit, Alexander and Doherty (2009) suggested useful nine market entry modes including organic growth, flagship stores, franchising, mergers and acquisitions, joint ventures (JVs), concessions, export/wholesale, licensing, and e-commerce, acknowledging that the retailers have the choice of adopting multiple methods in entering into the market.

'Pop-up stores' for the comfort of testing the available items in luxury markets have been acknowledged, allowing a temporary presence in the renewed setting for the benefit of less financial obligation (Picot-Coupey, 2014; De Lassus and Freire, 2014). Flagship stores give a substantial international exposure, which helps to plan for post-internationalisation growth, and allows to take a high degree of control and limit risks over some other setups (Moore et al., 2010).

'Organic growth' is one of the high-cost and high-control foreign entry methods, which is described as the "new store development within the existing or an integrated organisational framework" (Alexander and Doherty, 2009, p. 256). According to Mintel, (2013) organic growth method is believed to be the most commonly accepted method institute by most luxury fashion retailers in entering new markets. Organisations especially high-end, luxury brands retailers who require maximising the profit and demand control over the operation and brands, Kapferer (2015) suggested adopting organic growth method across all the markets of their interest.

'JVs have been identified as a medium-cost and medium-control entry method. In applying this entry mode, businesses require to reflect on all the operational factors including decision-making processes, business policies, and knowledge sharing (Owens et al., 2012). This mode of the entrance is extensively used by manufacturing companies and general retailers like supermarkets (Siebers, 2011). Nevertheless, this strategy is not an appealing strategy among luxury fashion retailers due to the arrangement of share structure, involved risks with brand equity including loss of total control on the brand and the business (Lu, 2012).

'Franchising' has been acknowledged as one of the entry modes with low-cost and low- control over the business and is a form of an organisation which is built on agreements made in between the parent company (franchisor) and a local company (franchise) to use franchisor's business model and their brand name in selling the designated products and services (Nisar, 2011). This method among the luxury brand retailers has rapidly decreased since the 90s due to the inbuilt risks of diluting brand image and eluding control over business operations (Kapferer, 2015). However, franchising is still significant in geographically dispersed markets and small-scale luxury brands (Mintel, 2013).

'Concessions' are acknowledged as an entry mode of low-cost and low-control which signifies with a miniature store located in a large store, allowing retailers to showcase their products similarly with the brand's standalone stores, with fewer commitments and risks (Alexander and Doherty, 2009). Concessions could be run through a local partner, and create in an existing department store of a luxury brand in a host country in maximising market exposure and at a limited risk (Moore et al., 2010). However, the mode of concessions, are mostly applicable in environments where department stores are fully functioned (Lu, 2012).

The internet as a market entrance mode has become significantly crucial for retailers of luxury fashion, especially using communication and distribution strategies through omnichannel, because it is an effective and efficient network to update customers on products and service and its status on orders (Picot-Coupey et al., 2016). Mobile apps and mobile technology undoubtedly extend the convenience of purchasing prospects to customers, beyond physically located businesses (Parker and Wang, 2016).

Philosophy and the Ontology

According to Aliyu, et al. (2015,), Ontology is "one needs to know and is or what exists in order to research it." So, the researcher distinguishes that luxury fashion brands existence in Chinese mainland and desires to study the channels that have been used by those luxury brands to enter the market. It involves studying post-entry methods that they have been adopted, in expanding their market in China. Through the context and the literature review, the researcher has identified what information is available and what is required for the research. To attain the required knowledge, the researcher has used the inductive approach to build his theory.

Epistemology and Axiology

With regards to reality as an objective construct, the subjects of social science could barely be pure post-positivism or positivism (Creswell, 2008). This suggestion is convincing because, in social science, realism is different to different people. For instance, even if the researcher is using an objective quantitative approach involving observational surveys, the measurement scales, the construct even the outcomes, all these be contingent on individual's understanding and interpretation to form a logic from the research. Consequently, the objectivity of reality in social science subject is a relative, comparable and relative phrase to different authors. Therefore, the researcher has used interpretivism approach.

This research relies upon the assumption that less control over the brand and the business may dilute the brand image; therefore, the businesses rationalise the choice of the mode that is being selected for entering the market should give them more control and less risk to the brand. The marketplace or the context is not perceived as a stagnant construct; however, the researcher acknowledged the context as dynamic and changing environment which the individuals adjust their mindsets and attitudes towards luxury brands' marketing strategies and its businesses. The theoretical framework also indicates that the entrance modes, strategies and the context involves multiple realities. The researcher acknowledges the complexity of the business environment and the changing nature of the human mind, based on the philosophy of interpretive social science.

Methodology inquires how solid knowledge could be attained; thus it is the study of methods (Stenbacka, 2001), and it evaluates the unique methods that use in research. There are multiple methods in collecting and classifying research methods; however, the most common methods are qualitative and quantitative methods.

Qualitative methods are used when the question of the research is exploratory and if the researcher pursues to go deep into the choice of ideas or feelings related to the topic (Suri 2011). In contrast, Quantitative data is most suitable when the research question wants testing a hypothesis or establish

the factors that may describe a phenomenon (Muijs 2010). The mixed method applies when a researcher requires a deeper understanding of a phenomenon. Therefore, the researcher has adopted a reasonable two-stage mixed-methods in this research, believing that the expected result will not be realised using a single approach; a quantitative or a qualitative study alone. Therefore, this decision was taken following the recommended approach of Creswell (2014) by which he suggested four aspects concerning the elements the researchers attain to study.

At first, the researcher has used a mail survey questionnaire to gain a comprehensive understanding about the strategies that are being used by luxury fashion retailers at the initial entry into the Chinese market and how has developed from then at the post-entry expansions. The second part has used interviews with the key people in the industry to attain qualitative data because the researcher wants an in-depth study of the strategies adopted by the luxury fashion brands in their post-entry development phase. The third part was the mixing and integration of data derived from both two phases and connecting the research questions which leads to theorisation, using frameworks and the theories acknowledged in reviewing the literature to support the research.

The Result

The researcher has acknowledged the difference between most developed countries and China in terms of infrastructural differences in the Chinese retail sector, including premium shopping districts and the absence of high-end department stores. Therefore, fashion retailers have used single entry methods rather than using multiple methods entering into the Chinese market. Compared to other findings in different settings, this study recognises that high-cost and high-control methods are more prevalent in Chinese. However, after acquiring experience in a local environment, fashion brands have expanded further using varieties of methods. Over half of the retailers adopted different methods in post-entry development phase.

Validity and Reliability

The outcome of this study could be applied in other similar developing countries and broader markets, where they observe comparable differences in terms of language, culture, traditions, and infrastructure. In applying of a pragmatic mixed-methods approach amid a quite sizable number of luxury fashion retailers, the researcher developed a model that can be tested and developed in the academia, ultimately could be practical to practitioners in this sector. However, the researcher suggested testing the model first with a broader range of stakeholders with different types of companies incoming these markets. The research is strengthened by using triangulation of methodologies and data which confirms the reliability and validity of this study. However, some limitations have been identified. Designing of the questionnaires in a different language other than Chinese has made some misunderstandings among some of the respondents although, 48.5 per cent response rate indicated that language was not a significant obstacle. Apart from this, the study has been developed and focussed only on China; therefore, the findings could have limited value in describing and applying post-entry expansion elsewhere. While conducting the research, the researcher has put the effort to ensure the confidentiality and anonymity of the respondents, and it has been conducted respecting with the ethical considerations.

Conclusion

The research was carried out to identify the methods that have been used by the luxury fashion brands into the Chinese market and how they have been expanded afterwards. The researcher first required to establish a database of all the retailers in this sector and list out the critical information in this area. The findings confirm that most retailers in this sector benefit confidence and trust after they learn more about the culture and attain experience in the environment which resulted in expanding the business using different modes and strategies. This result could be applicable in similar settings elsewhere.

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