

ผลกระทบของการตัดสินใจเข้าลงทุนในตลาดต่างประเทศ ต่อผลประกอบการของบริษัทค้าปลีกข้ามชาติ: การศึกษา เปรียบเทียบประเทศในอาเซียน

THE IMPACT OF FOREIGN MARKET ENTRY DECISIONS ON THE PERFORMANCE OF MULTINATIONAL RETAILERS: A COMPARATIVE STUDY OF ASEAN COUNTRIES

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บทคัดย่อ

แม้ว่ารูปแบบการตัดสินใจเข้าสู่ตลาดระหว่างประเทศได้รับการกล่าวถึงกันอย่างกว้างขวางในวรรณคดีธุรกิจระหว่างประเทศหลายทศวรรษ แต่การศึกษาเกี่ยวกับความสัมพันธ์ระหว่างการตัดสินใจเข้าลงทุนในตลาดต่างประเทศและผลการดำเนินงานของบริษัทข้ามชาติโดยเฉพาะในอุตสาหกรรมค้าปลีกยังคงมีอยู่อย่างจำกัด ไม่เป็นอันหนึ่งอันเดียวกันและไม่สอดคล้องกัน งานวิจัยนี้ทำการศึกษากลุ่มตัวอย่างระยะยาว 172 บริษัทค้าปลีกข้ามชาติที่ดำเนินกิจการใน 6 ตลาดอาเซียน อันได้แก่ อินโดนีเซีย มาเลเซีย ฟิลิปปินส์ สิงคโปร์ ไทยและเวียดนาม และใช้การวิเคราะห์ความแปรปรวนทางเดียวของ Kruskal-Wallis และการทดสอบความแตกต่างของค่าเฉลี่ยของตัวแปรที่ละคู่ด้วยสถิติ Bonferroni Correction เพื่อศึกษาผลกระทบของการตัดสินใจเข้าสู่ตลาดต่างประเทศ (ที่ตั้งของตลาด ช่วงเวลาที่เข้าสู่ตลาด วิธีการลงทุน) ของบริษัทค้าปลีกข้ามชาติในช่วงเวลา 9 ปี ระหว่าง พ.ศ. 2550 - 2558 ผลการศึกษาพบว่า การตัดสินใจเข้าสู่ตลาดทั้งด้านที่ตั้งของตลาด ช่วงเวลาที่เข้าสู่ตลาดและวิธีการลงทุนในตลาดมีผลกระทบต่อผลประกอบการของบริษัทค้าปลีกข้ามชาติ ผลประกอบการของบริษัทค้าปลีกข้ามชาติในด้านยอดขายและส่วนแบ่งการตลาดมีความแตกต่างกันในแต่ละตลาดอาเซียน บริษัทที่เข้าสู่ตลาดอาเซียนเร็วกว่าจะมีผลประกอบการที่ดีกว่าบริษัทที่เข้าสู่ตลาดในภายหลัง และรูปแบบการดำเนินการแบบกิจการร่วมค้าเป็นรูปแบบการดำเนินงานที่มีประสิทธิภาพมากที่สุดสำหรับผู้ค้าปลีกในบริบทของประเทศในอาเซียน

คำสำคัญ: การตัดสินใจเข้าสู่ตลาดต่างประเทศ การตัดสินใจเลือกที่ตั้งของตลาด การตัดสินใจเลือกช่วงเวลาที่เข้าสู่ตลาดการตัดสินใจเลือกวิธีการลงทุน บริษัทค้าปลีกข้ามชาติ ผลประกอบการตลาดอาเซียน

Abstract

Although the foreign market entry decision model has been broadly discussed in international business literature for several decades, there have been limited, isolated, and contradictory findings on the relationship between foreign market entry decisions and multinational performance, especially in the retail industry. Longitudinal samples of 172 multinational retailers operating in 6 ASEAN markets were selected from Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, and the Kruskal-Wallis one way analysis of variance, and the Bonferroni Correction post-hoc test were adopted to test the effect of three fundamental foreign market entry decisions (entry location, entry timing, entry mode) on the subsequent performance (sales volume and market share) of multinational retailers in a nine-year period (2007-2015). The results indicated that entry location, entry timing, and entry mode had statistically significant impacts on multinational retailers' performance. Multinational retailers' performance in terms of sales volume and markets share varied across ASEAN markets. Multinational retailers entering ASEAN markets earlier have performed better than later entrants, and the shared-control mode was found to be the most efficient operational form for multinational retailers in the ASEAN countries context.

Keywords: Foreign Market Entry Decisions, Entry Location Decision, Entry Timing Decision, Entry Mode Decision, Multinational Retailer (MNR), Performance, ASEAN Countries

Introduction

The Association of Southeast Asian Nations (ASEAN) is one of the world's fastest growing consumer markets (Hodgson, 2015). As of 2015, the ASEAN was the 3rd largest consumer market in the world with 632 million and represented 9% of the world's total population (World Bank, 2017). The ASEAN region is a highly competitive economic region with a combined GDP of US\$2.53 trillion, and is the 7th largest in the world and the 3rd largest in Asia. As a result of the expansion of the middle class and urbanization across the region, ASEAN consumer markets were worth over US\$1.5 trillion (Hodgson, 2015; Kawazu, 2013; Organisation for Economic Cooperation and Development, 2014). Although ASEAN is an attractive region with great potential, it is a group of ten countries in geographical proximity that cannot be treated as a single united region (Kotler, Kartajaya & Huan, 2015). When deciding to enter ASEAN markets, multinational enterprises must carefully consider the strategic decisions for market entry in a challenging business environment and consumer landscape due to its uniqueness in terms of the economic, socio-cultural, and political environments in this region (Hodgson, 2015; Kotler, Kartajaya & Huan, 2015).

Despite the fact that international market expansion has been broadly discussed in international business literature for several decades, there are several gaps regarding research related to the approaches to international market entry. First, previous studies have dealt with the three foreign market entry decisions: entry location, entry timing, and entry mode separately (Preece, Mat Isa, Saman, & Che Ibrahim, 2016). Second, many studies have failed to acknowledge the optimal strategies for multinational enterprises to deal with different foreign markets (Reinartz, Dellaert, Krafft, Kumar, & Varadarajan, 2011). Third, the empirical findings on the relationship between market entry decisions and the multinational performance have been mixed and inconsistent. Many interesting questions have remained unanswered (Dikova & Brouthers, 2016; Shaver, 2013). Fourth, there are limited studies regarding international market entry decisions and multinational performance in the retailing sector (Evans, Bridson, Byrom & Medway, 2008). Fifth, there has been no study on the relationship between the combination of the three foreign market strategic decisions (entry location, entry timing, and entry mode) and the multinational performance in the retailing sector in the ASEAN countries context.

Objectives and Scope of the Study

The purpose of this study is to examine the effect of three foreign market entry decisions, entry location decision, entry timing decision, and entry mode decision, on multinational retailers' performance in terms of sales volume and market share operating in six ASEAN countries, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam during 2007-2015. The study addresses the following research questions: 'How do the foreign market entry decisions of multinational retailers affect their performance in the ASEAN countries?', and 'What are the differences in the relationships between foreign market entry decisions and multinational retailers' performance across ASEAN countries?'. The scope of the study is described in four key points: First, the three foreign market entry decisions (entry location, entry timing, and entry mode) are integrated in a single framework, and conceptualized and operationalized simultaneously. Second, the study focuses on the multinational enterprises operating in six ASEAN countries (Indonesia, Malaysia, the Philippine, Singapore, Thailand, and Vietnam) where the level of economic development and the foreign investment policies are unequal. Third, despite, the foreign investment climate in

ASEAN region is significantly positive, the study of the ASEAN retail context is still insufficient. Hence, this study attempts to assess the multinational retailer's performance in ASEAN countries. Fourth, a longitudinal research approach was adopted to enhance the understanding of the impact of foreign market entry decisions and multinational retailers' performance in a nine years period (2007-2015).

Literature Review and Conceptualization of the Research Model

This section reviews the theoretical and empirical results of prior literature on foreign market entry decisions and multinational performance, proposes a conceptual framework for these decisions, and posits the effect of each decision on the multinational retailers' performance in ASEAN countries as illustrated in Figure 1.

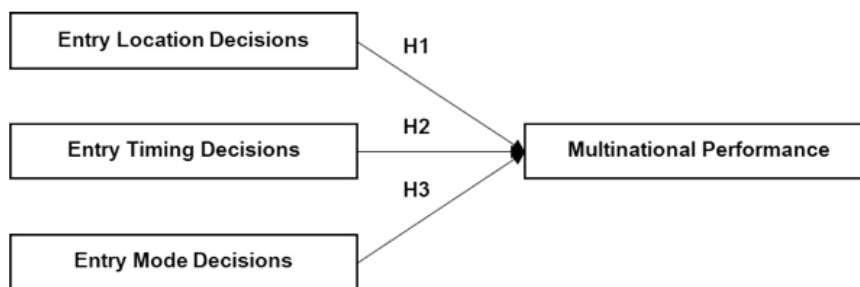


Figure 1: The conceptual framework of the relationship between ASEAN market entry decisions and multinational retailers' performance.

Entry Location Entry location decision refers to the decision of the foreign country that can balance the benefits, costs, and risks associated with doing business, and can eventually provide long-run profit (Hill, Wee, & Udayasankar, 2012). According to the Dunning's OLI framework, the location advantage is one of a key determinant of foreign operation of multinational enterprises (Dunning, 1998). The OLI triad of components (ownership, location, and internalization) explains the multinational enterprise's foreign investment activities. While the ownership advantage (O) involves the competitive advantage of the multinational enterprises, and the internalization advantage (I) involves the advantage of the multinational enterprises to organize their core competencies to derive benefit from the foreign location, the location advantage (L) involves the alternative countries undertaking the value adding activities of multinational enterprise such as market size, labor force, culture, government behavior and policies (Rugman, 2010). Consistent with Yang, Martin, and Driffield (2013), the decision on appropriate entry locations allows multinational firms to increase the advantages derived from the economies of scale and scope and decrease the cost by internalizing their asset specificity and relocating activities in foreign country. In contrary view of Rugman and Oh (2013), the firm-level relationships and network characteristics become more important in international business than the country characteristics. Hansen and Gwozdz (2015) agreed that having strong capabilities can lead multinational firms to succeed in developing countries, regardless of location and industry factors. However, the empirical results of entry location decision-performance relationship from prior studies has been inconsistent, due to the variety of variables and the lack of a solid theoretical foundation on entry location (Nielsen, Asmussen, & Weatherall, 2017).

The ASEAN region offers a great opportunity for retail expansion, due to the growth of population and GDP, rising middle-class, urbanization expansion, and increasing inbound tourists (Hodgson, 2015). Although the ASEAN region offers further growth in the future expansion, the socio-cultural diversity, the inequality of economic development level and the differences of political and legal policy in the ASEAN region are the challenges for multinational enterprises. As of 2015, the characteristics of major ASEAN countries are described as the following (Hodgson, 2015; Kawasu, 2013; Worldbank, 2017). **Indonesia** is the largest ASEAN country with population over 250 million and GDP per capita of 10,368 US dollars. It is recognized as the world largest Muslim country and an island nation made up of 18,000 islands with the racial, dialect, and cultural disparity. **Malaysia** has 30 million population and GDP per capita of 24,989 US dollars. More than half of the population in Malaysia is Muslims, while other religious groups include Buddhists and various Chinese religions. **The Philippines** is the 2nd largest ASEAN market with population of 100 million and GDP per capita is 6,875 US dollar. Similar to Indonesia, the Philippines is made up of thousands of islands. The majority of Filipinos are Christian and English is formal language. Singapore has 5.6 million population and GDP per capita of 80,892 US dollars. The majority of Singaporean is Chinese. The population in Indonesia, Malaysia, the Philippines, and Singapore consists of mixed ethnicities (i.e. Buddhist, Javanese, Malay, Chinese, and others), unlike Thailand and Vietnam where the population is dominated by national ethnicity. Thailand is a Buddhist country with population of 68 million and GDP per capita of 15,237 US dollars. The growth of the middle class and urbanization expansion are key indicators for future retail expansion in Thailand. The large number of Chinese tourists in Thailand leads to huge opportunity in retailing sector, especially luxury retail fashion. Vietnam is the 3rd largest ASEAN country with population of 93 million and GDP per capita of 5,667 US dollars. Vietnam has become the 2nd most popular destination for FDI inflow in ASEAN regions (ASEAN Statistic Division, 2018). The diversity and difference in terms of socio-cultural, economic, political environments in each country might have the impact on multinational retailers' performance. According to the foreign investment policies in the ASEAN countries, the fully foreign ownership are allowed in according to the types and size of retail business and investment capitals in Indonesia, the Philippines, Malaysia, and Thailand, but the fully foreign ownership in retailing sectors are allowed with no restriction on the foreign ownership ratio in Singapore and Vietnam (Thanadsillapakul, 2004; Ministry of Economy, Trade and Industry, 2015). Therefore, the researchers hypothesize the following:

H1: There is a relationship between entry location decision and multinational retailers' performance in terms of (a) sales volume and (b) market share.

Entry Timing The entry timing is defined as *"The order of entry into a new or existing market, industry, or geographic region, relative to competitors, technology development, product life cycle, or other contextual referents."* (Zachary, Gianiodis, Payne & Markman, 2014, p.2). According to the concept of the first mover advantage, entry timing decision involves the ability of firms to tradeoff the advantages and disadvantages in the foreign country (Murray, Ju, & Gao, 2012). The entry timing decision can be classified by the timing of entry into the foreign market in three groups; early entrants, early followers, and late entrants. First, an early entrant is defined as a firm entering a foreign market in the early stage of institutional development. Early entry into the

foreign market leads to various advantages such as larger market share, access to lower cost and better-quality resources, but early entrants will suffer from greater risk and uncertainties in foreign markets where the foreign investment laws and regulations have not been fully developed (Johnson & Tellis, 2008; Murray, Ju, & Gao, 2012). Second, an early follower is a firm entering a foreign market after the early entrants. Early entrants and early followers tend to perform better than late entrants, because they tend to gradually increase higher commitment when they have gain enough experience in the foreign country, while late entrants tend to refrain from further commitment (Ahlbrecht & Eckert, 2013). Li, Li, and Cai (2014) found that the followers that imitate successful early entrants that share similar culture are more likely to have good financial performance. Third, the late entrant refers to a firm which enters a fairly developing market. Late entrants can take advantage of the free-rider effects, imitation, and changes to innovations and technology thus avoiding the greater risks and uncertainties faced by early entrants (Lieberman & Montgomery, 1988). Late entrants may encounter less risk and uncertainty in foreign markets especially in developing countries where laws, rules and regulations related to the foreign business practice have not been fully developed (Johnson & Tellis, 2008; Murray, Ju, & Gao, 2012). In this study, the first-mover advantage concept is applied to explore the timing of entry, which makes a difference to multinational retailers' performance entering ASEAN countries. There are three significant stages of the ASEAN regional developments that influence the foreign investment and their performance. In 1997, the ASEAN Vision 2020 had been adopted with the objective of make the region to outward looking, stability, prosperity, high competitiveness with equitable economic development, and decrease of poverty and socio-economic differentiation. In 2003, the establishment of an ASEAN Community by 2020 had been affirmed by ten ASEAN member states (AMS). In 2007, the ASEAN leaders affirmed to accelerate the establishment of an ASEAN Community by 2015 (The ASEAN Secretariat, 2017). Therefore, the researchers hypothesize that:

H2: There is a relationship between entry timing decision and multinational retailers' performance in terms of (a) sales volume and (b) market share.

Entry Mode The entry mode decision refers to the decision of the form of operation which the multinational enterprise employ when entering foreign market (Brouthers & Hennart, 2007). It is a key strategic choice where a multinational enterprise balances the costs and potential benefits in the foreign country (Shaver, 2013). Although entry mode-performance relationship has been broadly discussed for a long time, the empirical results have been predicted differently by theories, firm-level, industry-level, country-level, and regional level. According to prior entry mode literature, entry mode decisions can be categorized from a low to a high degree of ownership and control in three levels: low-control, shared-control, and high-control entry modes (Blomstermo, Deo Sharma, & Sallis, 2006). First, low-control entry modes (Licensing/Franchising) are types of non-equity entry mode. The license or franchise is similar to the export in terms of the level of involvement which is more preferable for soft service firms (Ekelodo and Sivakumar, 1998). Emre Yildiz (2013) discovered that the multinational performance changed overtime, and the patterns of the license mode-performance relationship were in an inverted U-shape. Bordonaba Juste, Lucia-Palacios, and Polo-Redondo (2009) found that franchise entry mode offered a greater likelihood of survival, while Blesa and Ripolles (2008) argued that the low investment entry mode provided low market

capabilities. Second, the shared-control entry modes (Joint venture) is a type of equity entry mode that involve at least two companies that share the ownership, management, risks, and resources (Zekiri & Angelova, 2011). The resource-based view (RBV) and the institutional theory based studies found that a joint venture with a local partner helps them to understand the demands of the local environment (Magnusson, Westjohn, & Boggs, 2009), and to establish acceptability in the local environment quicker (Lu & Xu, 2006). However, Hansen and Gwozdz (2015) argued that multinational enterprises with strong organization and capabilities were free to choose any entry modes that suit their firm-specific factors. Third, the high-control entry mode (wholly-owned subsidiary) is a type of equity entry mode for a subsidiary that involves full ownership by the parent company. Although this entry mode form allows multinational enterprises to fully control its subsidiary in the foreign market, there is a trade-off with the higher degree of the foreign country's uncertainty risk (Blomstermo, Deo Sharma, & Sallis, 2006). Transactional Cost Economic (TCE) theory predicted that a higher control mode yielded better financial performance (Chang, Chung, & Moon, 2013), greater success in emerging markets, like China and India (Johnson & Tellis, 2008), and lower operational cost and higher managerial efficiency (Murray, Ju, & Gao, 2012). In a retail context, Evans, Mavondo, and Bridson (2008) found that entry modes involving high levels of control/resource commitment were more successful than low-cost/low-control strategies. In this study, entry mode theories were applied to explore the mode of entry that affects multinational retailers' performance in ASEAN markets. Therefore, the researchers hypothesize that...

H3: There is a relationship between entry mode decision and multinational retailers' performance in terms of (a) sales volume and (b) market share.

Research Methodology

Causal, longitudinal research was applied in this study as it significantly enhances the understanding of foreign market entry strategies and the performance of multinational retailers operating in ASEAN countries. The population of this study comprises 467 firms operating in Indonesia, Malaysia, the Philippine, Singapore, Thailand, and Vietnam. The multinational retailing population in Brunei Darussalam, Cambodia, Laos PDR, and Myanmar were excluded from this research due to the inequality comparability of the level of economic and institutional development, and the limitation of firm information accessibility. The researchers framed the sample group from the Euromonitor database by applying a nonrandom sampling technique with four criteria. First, the firms must be cross-border firms. Second, the firms must operate in the retail sector. Third, the firms must have entered Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam before 2013. Fourth, the firms must have been operating during 2007-2015. Multinational retailers' performance statistics, including sales volume and market share, were obtained from the Euromonitor electronic database from 2007-2015. Entry Locations were obtained from the Euromonitor electronic database according to firm performance. Entry Mode and Entry Timing were collected from five offline and online sources to ensure the validity of data: (1) corporate annual reports of parent and subsidiary companies, (2) corporate websites of parent and subsidiary companies, (3) the stock exchange of home and host countries, (4) international organizations and private companies such as Corpus, Bloomberg and Reuters, and (5) academic journals, and publications. Finally, the sample that have passed criterion include 172 multinational retailers from

27 countries, 75 firms from ASEAN+3 (China, Japan, and Korea), and the rest from inter-region i.e. the US, UK, Germany, France, and Sweden.

The dependent and independent variables are operationalized as follows: First, the multinational performance is measured by two indicators which are the most commonly used multinational performance measure, financial performance (sales volume) and operational performance (market share) (Lieberman & Montgomery, 2013; Ramsey & Bahia, 2013). Sales volume is reasonable to measure multinational performance in the retail sector and it reflects the acceptance of multinational retailing business from local consumers. In this study, sales volume is measured by the actual sales volume of multinational retailers in US dollars during 2007 – 2015. Market share is measured as the percentage of a multinational retailers' sales volume to total market retail sales volume, including all domestic and foreign firms in each ASEAN country during 2007 – 2015. Second, the entry location decisions are measured by six major countries in the ASEAN region, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, as they contributed 88% of total ASEAN population, and accounted for 94% of total ASEAN GDP in 2015 (World Bank, 2017). Third, the entry timing decisions are measured by three stages of the ASEAN regional integration, the early entrants (multinational retailers entered into ASEAN country before 2003), the early followers (multinational retailers entered into ASEAN country during 2003 – 2007) and the late entrants (multinational retailers entered into ASEAN country during 2008 – 2015). Fourth, followed Blomstermo, Deo Sharma & Sallis (2006), the entry mode decisions encompass three strategies governing the degree of control and ownership, the low-control entry mode (licensing & franchising), the shared-control entry mode (joint venture), and the high-control entry mode (wholly-owned subsidiary). The export mode is excluded from this study, because retail business (soft service) cannot choose export mode (Ekelodo & Sivakumar, 1998).

The descriptive and inferential statistics were employed to facilitate data analysis in four steps. First, descriptive statistical analysis was employed to describe the characteristics of the sample, and the variable of interest in the international operational circumstance. Second, the assumption of the statistical test was assessed to validate the appropriateness of data analytical tool. Third, the Kruskal-Wallis one-way analysis of variance (one-way ANOVA) was conducted using the Statistical Package for the Social Sciences (SPSS) software version 24 to evaluate the hypothesis (Kruskal & Wallis, 1952). Fourth, to control the pairwise error rate, the Bonferroni Correction post-hoc test was conducted to test the differences across the groups of entry decision categories on the multinational retailers' performance (Armstrong, 2014).

Results and Discussion

The demographic characteristics of 172 multinational retailers operating in ASEAN countries during 2007 – 2015 were obtained. In regard to entry location decision, the sample comprised 19 firms in Indonesia, 43 firms in Malaysia, 14 firms in the Philippines, 56 firms in Singapore, 30 firms in Thailand, and 10 firms in Vietnam. In regard to entry mode decision, the sample comprised 85 firms in high-control mode, 43 firms in shared-control mode, and 44 firms in low-control mode. The dominant entry mode of firms in the sample group was found to be the high-control mode (49.4%), followed by the shared-control mode (25%) and the low-control mode (25.6%). In regard to the entry timing decision, the sample comprised 122 firms that counted as early entrants (entry before 2003), 10 firms that counted as early followers (entry during 2003-2007), and 40

firms that counted as late entrants (entry from 2008-2015). The majority of firms in the sample group entered ASEAN before 2003 (70.9%) in order to gain first-mover advantage from being early entrants. There were only 10 firms (5.8%) that entered ASEAN during 2003-2007 and 40 firms entered ASEAN during 2008-2015. There were an increased number of multinational enterprises entering ASEAN during 2008-2015 as a result of the global financial crisis in 2008 that caused the economic recession in the U.S. and European countries. Hence, they moved to emerging markets in Asia such as China, India, and the ASEAN region. The researchers assessed 1,548 panel data points of the 172 multinational retailers. The descriptive statistics of the panel data samples of multinational retailers operating in ASEAN markets during 2007 – 2015 are presented in Table 1.

Table 1 Descriptive Statistics of Panel Data Sample

Entry Decision Variables	Number (firms)	Percentage (%)	Sales Volume (million in the US dollar)			Market Share (Percentage to total retail sales volume in a host market)		
			Mean	Median	SD	Mean	Median	SD
Entry Location								
Indonesia	171	11	165.78	49.10	302.16	0.13	0.04	0.23
Malaysia	387	25	170.24	61.40	268.57	0.36	0.12	0.55
Philippine	126	8	78.73	22.30	113.97	0.13	0.04	0.17
Singapore	504	33	73.60	29.20	98.10	0.36	0.14	0.47
Thailand	270	17	502.94	69.70	1249.62	0.63	0.09	1.51
Vietnam	90	6	64.46	6.65	167.03	0.10	0.01	0.22
Entry Timing								
Early entrant	1098	71	237.79	52.60	671.03	0.45	0.13	0.88
Early follower	90	6	41.47	25.15	43.46	0.10	0.08	0.09
Late entrant	360	23	50.03	11.90	94.32	0.09	0.02	0.17
Entry Mode								
Low-control	396	26	185.20	32.75	798.00	0.35	0.12	0.97
Shared-control	387	25	358.43	126.80	742.70	0.61	0.23	0.99
High-control	765	49	92.54	30.80	185.04	0.21	0.08	0.37

Remark: * Multinational retailer’s sales volume in million USD.

** Multinational retailer’s market share as a percentage of total sales in the retail sector including domestic and multinational retailers.

The researchers assessed the assumptions of the statistics test to validate the appropriateness of the analytical tool. As the dependent variables were continuous variables, and the independent variables were categorical data with three categories, a one-way analysis of variance (ANOVA) was proper to use in the study. However the normality and the homogeneity of variance between the groups were violated in the parametric statistic approach. Therefore, the non-parametric equivalent of an ANOVA was appropriate to test the hypotheses of this study (Kruskal & Wallis, 1952). Consequently the Kruskal-Wallis one-way ANOVA using the Statistical Package for the Social Sciences (SPSS) software version 24 was applied to test the hypotheses. The test results are presented in Table 2 and described as follows:

Table 2 The results of the Kruskal-Wallis one-way Analysis of Variance Analysis

Entry Decision	Performance	N	Chi-Square (χ^2)	Degree of Freedom	p-value
Entry Location	Sales Volume	1548	91.169***	5	0.000
	Market Share	1548	177.363***	5	0.000
Entry Timing	Sales Volume	1548	166.660***	2	0.000
	Market Share	1548	194.104***	2	0.000
Entry Mode	Sales Volume	1548	93.387***	2	0.000
	Market Share	1548	79.462***	2	0.000

Note: The test statistic is adjusted for ties. *p < 0.05, ** p < 0.01, *** p < 0.001

With reference to H1, the differences in the medians of sales volume and market share performance were statistically significant at the level of 0.001 across the six locations in the ASEAN region where the multinational retailers decided to enter. The results indicated that the differences in the medians of sales volume across the six entry locations were significant with $\chi^2 = 91.169$, p-value = 0.000, and the differences between the medians of the market share across six entry locations, were also significant with $\chi^2 = 177.363$, p-value = 0.000. Therefore, hypotheses H1(a) and H1(b) were supported.

With reference to H2, the differences in the medians of sales volume and market share performance were statistically significant at the level of 0.05 across the three entry timing periods when multinational retailers decided to enter ASEAN countries. The results indicated that the differences in the medians of sales volume across the three entry timing periods were significant with $\chi^2 = 166.660$, p-value = 0.000, and the differences in the medians of market share performance across the three entry timing period were also significant with $\chi^2 = 194.104$, p-value = 0.000. Therefore, hypotheses H2(a) and H2(b) were supported.

With reference to H3, the differences in the medians of sales volume and market share performance were statistically significant at the level of 0.001 across the three entry modes that the multinational retailers decided to adopt in entering ASEAN countries. The tests indicated that the differences in the medians of sales volume across the three entry modes were significant with $\chi^2 = 93.387$, p-value = 0.000, and the differences in the medians of market share across the three entry mode choices were also significant with $\chi^2 = 79.462$, p-value = 0.000. Therefore, hypotheses H3(a) and H3(b) were supported.

Subsequently, a post-hoc comparison using the Bonferroni Correction approach, which controlled for Type I errors across tests, was conducted to evaluate pairwise differences between each of the foreign market entry decision groups (Armstrong, 2014). The results indicated the differences in the medians of multinational retailers' performance on each foreign market entry decision groups as follows:

Regarding entry location decisions, the results indicated the differences in the medians of sales volume performance on each entry location category as follow: first, there were statistically significant in the differences in the medians of sales volume performance of multinational retailers entering Thailand, Malaysia, Indonesia, and Singapore, and Vietnam (p-value < 0.001) and between those entering the Philippines and those entering Vietnam (p-value < 0.05). In this regard, Vietnam tended to have the lowest sales volume performance among six ASEAN countries. There were

statistically significant in the differences in the medians of sales volume performance between multinational retailers entering Thailand and Malaysia versus those entering the Philippines (p -value < 0.001) and multinational retailers entering Thailand and Malaysia versus those entering Singapore (p -value < 0.001). The results showed that Thailand and Malaysia tended to have higher sales volume performance for multinational retailers than the Philippine and Singapore. Third, there were statistically significant in the differences of the median of sales volume performance of multinational retailers entering Malaysia versus those entering Indonesia (p -value < 0.05). Malaysia tended to have higher sales volume performance than those entering Indonesia. Fourth, there was no significant difference in sales volume performance between multinational retailers entering Indonesia versus the Philippines, Indonesia versus Singapore, Indonesia versus Thailand, and Singapore versus the Philippines.

Additionally, the results indicated the differences in the medians of market share performance on each entry location category as follow: first, there were statistically significant in the differences in the medians of sales volume performance of multinational retailers entering Thailand, Malaysia, and Singapore versus those entering Vietnam and versus those entering Indonesia (p -value < 0.001). It revealed that Vietnam and Indonesia tended to have lower market share than Thailand, Malaysia, and Singapore. Second, there were statistically significant in the differences in the medians of sales volume performance of multinational retailers entering Malaysia and Singapore versus those entering the Philippines (p -value < 0.001), and the multinational retailers entering Singapore versus those entering Thailand (p -value < 0.001). Third, there was statistically significant of the differences in the medians of market share performance between the multinational retailers entering Malaysia versus those entering Thailand (p -value < 0.01). In this regard, Malaysia and Singapore tended to have higher market share than the Philippines and Thailand. Fourth, there was no significant difference in the medians of market share between multinational retailers entering Indonesia versus Vietnam, the Philippines versus Vietnam, Indonesia versus the Philippines, Thailand versus the Philippines, and Malaysia versus Singapore.

Regarding entry timing decisions, there were statistically significant of the differences in the medians of sales volume performance between early entrants versus early followers (p -value < 0.001), early entrants versus late entrances (p -value < 0.001), and early followers and late entrants (p -value < 0.05). Moreover, the results also revealed that there were statistically significant of the differences in the medians of market share performance across all three entry timing groups (p -value < 0.001). In summary, multinational retailer entering ASEAN country before 2003 tended to have the highest level of performance in terms of both sales volume and market share, followed by those entering ASEAN countries during 2003-2007, and those entering ASEAN countries during 2008-2015, respectively.

Regarding entry mode decisions, there were statistically significant of the differences in the medians of sales volume performance between the high-control entry mode versus the low-control entry mode (p -value < 0.05), the high-control entry mode versus the shared-control entry mode (p -value < 0.001), and the low-control entry mode versus the shared-control entry mode (p -value < 0.001). Moreover, the results also revealed that there were statistically significant of the differences in the medians of market share performance across all three entry mode groups (p -value < 0.001). In summary, multinational retailers operating in ASEAN countries with joint venture tended to have the highest performance in terms of both sales volume and market share, followed by license or franchise and wholly-owned subsidiary, respectively.

Conclusion, Discussion, and Implications

According to the results of this study, the relationship between the foreign market entry decisions and the performance of multinational retailers in terms of sales volume and market share are concluded as follow: first, the multinational retailers' performance varies across ASEAN countries. The study found that during 2007-2015, Thailand was the most productive retail market for multinational retailers in term of sales volume, followed by Malaysia, Indonesia, Singapore, the Philippine, and Vietnam, while Singapore was the most effective retail market in term of market share, followed by Malaysia, Thailand, Indonesia, and Vietnam. Despite, Indonesia is recognized as the largest retail market in the ASEAN region, the multinational retail population in Indonesia has still been limited due to the restriction of foreign investment policy in the retail sector in order to protect and support local retailers in the country (Frost & Sullivan, 2016; Ministry of Economy, Trade, and Industry, 2015). Second, the longer the multinational retailers have been operated in the ASEAN countries, the superior the sales volume and market share performances. The finding is consistent with the first-mover advantage literature. Early entrance offers multinational retailers faster access to the local suppliers, locations, and consumer markets, as well as allowing more time to gain knowledge and experience about the real market situation (Murray, et al., 2012). Third, the joint venture tends to be the most effective operation form in the retail sector in all six major ASEAN countries, followed by license or franchise, and wholly owned subsidiary, respectively. The findings are aligned with the resource-based view and the institution based studies that recommended the partnership entry mode since it creates advantages for multinational retailers in the developing countries (Magnusson, Westjohn, & Boggs, 2009). In contrast, the results are inconsistent with prior studies based on transactional cost theory which suggested that a greater degree of control results in superior performance (Chang, Chung & Moon, 2013).

The study extends the multinational enterprise and the foreign market expansion literature in five distinct ways as follows: first, the study combined the three fundamental strategic decisions (entry location, entry timing, and entry mode) for the international expansion of multinational enterprises in an extensive model. Second, the study covered the entry mode research gaps by categorizing and examining the entry mode decisions in regard to the degree of control and ownership of a multinational enterprise in controlling their foreign operations at three levels, the low-control mode (license and franchise), the shared-control mode (joint venture) and the high-control mode (wholly-owned subsidiary) rather than focusing on binary entry mode choices (non-equity vs equity or Joint venture vs wholly-owned subsidiary) (Martin, 2013). Third, the study focused on examining the foreign market expansion of multinational enterprises in the retail sector as empirical study of this area is still limited and inconsistent (Evans, Bridson, Byrom, & Medway, 2008). Fourth, the study extent the entry location literature by focusing on the ASEAN countries, as the consumer markets in this region are projected to grow rapidly between 2015 and 2030 (Hodgson, 2015). Fifth, the study employs a longitudinal research method which has not often been used in this domain to examine the real decision-consequence implications of the multinational - performance relationship.

In addition, this research has managerial implications as follow. First, in regard to the entry location decision, the investment climate and the consumer market characteristic in this region differ from country to country. The multinational retailers contemplating ASEAN market expansion should not consider only the population size, macroeconomic indicators and country index (i.e. country risk index, market potential index, ease of doing business index), but the socio-cultural environment (i.e. cultures, religions, historical ties, colonial history) should be included into the entry location decisions model. Second, with regards to entry timing decisions, the faster the entry, the better the performance. Recently, the proportion of multinational retailers' market share in all ASEAN markets is still low due to the constraint foreign investment policy to protect traditional retail. However, according to the ASEAN Economic Community 2015, all ASEAN countries must eliminate the restriction of foreign investment in retailing sector. By 2030, the ASEAN region is forecasted to become the third largest economy in the world, behind the United States of America and China (Hogdson, 2015), so there are great opportunities for multinational retailers to enter ASEAN markets, which provide less investment risk and low institutional uncertainty, good infrastructure development, and high growth in terms of consumer purchasing power from middle income people and urbanization in order to gain the early-mover advantage. Third, with reference to the entry mode decision, partnership with a local company seems to be the best way for multinational retailers to achieve the greatest benefits and superior performance in terms of sales volume and market share in ASEAN markets, followed by license or franchise, and wholly owned subsidiary, respectively.

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